

MINUTES OF BUDGET AND CONTROL BOARD MEETING

10:00 A. M., THURSDAY, OCTOBER 5, 1972

CONFERENCE ROOM, FINANCE DIVISION, WADE HAMPTON BUILDING

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The Board met at 10:00 A. M., Thursday, October 5, 1972, in the Conference Room of the Finance Division, in the Wade Hampton Building, to continue hearing budget presentations from agencies for 1973-74. All members of the Board were present except Senator Brown.

During the course of the day the following additional business was transacted.

1. INDUSTRIAL REVENUE BONDS

The Board approved petitions for the issuance of Industrial Revenue Bonds for the following two counties:

(a) Orangeburg County - \$4,600,000, for Roper Corporation, for the manufacture of power lawn mowers.

(b) Spartanburg County - \$1,300,000, for Raycord Realty Corporation, for the operation of warehouse facilities.

Copies of the transcripts of the Bonds have been retained in these files and are identified as Exhibits I and II, respectively.

2. BUDGET HEARINGS

The following Agencies appeared before the Board to present formal budget requests.

State Housing Authority  
School For The Deaf And Blind  
Commission For The Blind  
Commission On Alcoholism  
Department Of Mental Health  
Juvenile Placement And Aftercare

There being no further business, the meeting was adjourned at

5:00 P. M.

EXHIBIT I

OCT. 5, 1972

October 5, 1972

Honorable Theodore B. Guerard  
Sinkler, Gibbs, Simons & Guerard  
Post Office Box 340  
Charleston, South Carolina 29402

RE: Orangeburg County \$4,600,000 Industrial  
Revenue Bonds (Roper Corporation)

Dear Teddy:

At your request we are returning 10 copies of the Resolution adopted by the Budget and Control Board approving the petition of Orangeburg County to be authorized to issue the above bonds.

Each copy of the Resolution has attached a certificate of Board action.

Very truly yours,

P. C. Smith  
State Auditor

PCS:dr

Enclosure

1326A



**Memo**

**From**

**To**

P. C. SMITH

Crangonina

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RESOLUTION

STATE OF SOUTH CAROLINA BUDGET AND CONTROL BOARD

WHEREAS, heretofore the Orangeburg County Commission (the County Board) did, pursuant to Act No. 103 of the Acts of the General Assembly of the State of South Carolina for the year 1967 (the Act), petition the State Budget and Control Board of South Carolina (the State Board) seeking the approval of the State Board to an undertaking by the County Board pursuant to the Act, and

WHEREAS, the proposed undertaking consists of the acquisition by the County Board of a parcel of land containing approximately 84.75 acres of land located near the City of Orangeburg, in Orangeburg County, including the buildings located thereon, and the enlargement, improvement and expansion of the said buildings and the installation of equipment and machinery thereon; and the County Board proposes to finance the acquisition, construction, improvement, enlargement, expansion and equipping of the said facilities for the manufacture and distribution of self-propelled lawn mowers and rear engine riding lawn mowers (said 84.75 acre tract of land, and the buildings, machinery and equipment constituting the said facilities being hereinafter referred to as the Project) by the issuance of Bonds pursuant to the Act, and to lease the same to Roper Corporation, a Delaware corporation (Lessee); and

WHEREAS, the Project is to be leased to the Lessee at a rental sufficient to provide for the payment of the Bonds of Orangeburg County hereafter referred to, and costs and expenses resulting from the issuance thereof; and

WHEREAS, in order to finance the Project the County Board proposes to provide for an issue of \$4,600,000 Orangeburg County First Mortgage Industrial Revenue Bonds pursuant to the Act payable from the rentals derived from the Lessee and additionally secured by a Trust Indenture between Orangeburg County and Exchange Security Bank of Birmingham, Alabama, as Trustee; and

WHEREAS, the form of the Lease Agreement between Orangeburg County and the Lessee and the said Trust Indenture have been considered by this Board.

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD IN MEETING DULY ASSEMBLED:

1. It has been found and determined by the State Board

(a) That the statement of facts set forth in the recitals to this Resolution are in all respects true and correct.

(b) That the County Board has filed a proper petition to the State Board establishing a reasonable estimate of the cost of the Project, a general summary of the terms and conditions of the Lease and the Trust Indenture to be made by the County Board and has established that the Lessee will pay as additional rentals, in lieu of taxes, the sum prescribed by Section 6 of the Act.

(c) That the Project, when completed, will provide employment for approximately 170 persons and will be of benefit to Orangeburg County and adjoining areas.

(d) That the Project is intended to promote the purposes of the Act and is reasonably anticipated to effect such results.



2. On the basis of the foregoing findings the proposed undertaking of the County Board to acquire the land and existing buildings included in the Project, to finance the enlargement, improvement and expansion of the same and the acquisition and installation of new equipment and machinery, to lease the Project to the Lessee and to finance the cost of acquiring, constructing, enlarging, expanding, improving and equipping the Project through the issuance of \$4,600,000 Orangeburg County First Mortgage Industrial Revenue Bonds payable from the revenues to be derived from the leasing of the Project, and additionally secured by the said Trust Indenture, all pursuant to the Act (including changes in any details of the said financing as finally consummated, which do not materially affect the said undertaking), be and the same is hereby approved.

3. Notice of the action taken of the State Board in giving approval to the undertaking of Orangeburg County above described in paragraph 2, supra, shall be published in THE STATE and in THE TIMES AND DEMOCRAT, both of which are newspapers having general circulation in Orangeburg County.

4. That notice to be published shall be inform substantially as set forth as EXHIBIT "A" of this Resolution.



EXHIBIT "A"

NOTICE PURSUANT TO ACT NO. 103 OF  
THE ACTS OF THE GENERAL ASSEMBLY  
OF SOUTH CAROLINA FOR THE YEAR  
1967

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Notice is hereby given that following the filing of a Petition by the Orangeburg County Commission (the County Board) to the State Budget and Control Board of South Carolina (the State Board), approval has been given by the State Board to the following undertaking (including changes in any details of the said financing as finally consummated which do not materially affect the said undertaking), viz:

The acquisition by the County Board of a parcel of land containing approximately 84.75 acres near the City of Orangeburg, in Orangeburg County, together with the existing building now located thereon and the enlargement, expansion and improvement of the same and the acquisition and installation of machinery and equipment therein (the said 84.75 acre tract of land, and the building, machinery and equipment constituting the said facilities being hereinafter referred to as the Project), all of which when completed will constitute facilities for the manufacture and distribution of rear engine riding lawn mowers and self-propelled lawn mowers. To finance the acquisition, construction, enlargement, improvement, expansion and equipping of the Project, the County Board will issue \$4,600,000 of Orangeburg County First Mortgage Industrial Revenue Bonds (the Bonds) pursuant to Act No. 103 of the Acts of the South Carolina General Assembly for the year 1967. The County Board will lease the Project to Roper Corporation, a Delaware corporation (Lessee), under a Lease Agreement and the Bonds of Orangeburg County will be payable solely from the rentals to be paid to the County by

the Lessee, which has irrevocably covenanted and agreed to pay when due, all sums required for the principal and interest thereon, and the Bonds will be additionally secured by a Trust Indenture which will constitute a forecloseable lien upon the Project.

In addition the Lessee has agreed to pay as additional rentals to Orangeburg County, the School District, and all other political units wherein the Project is located, in lieu of taxes, such amounts as would result from taxes levied on the Project by Orangeburg County, the said School District, and the said other political units wherein the Project is situate, if the Project were owned by the Lessee, but with appropriate reductions similar to the tax exemptions, if any, which would be afforded to the Lessee if it were the owner of the Project.

The Lease by which Orangeburg County will lease the Project to the Lessee contains options for its renewal and provides that the Lessee may purchase the Project for One Dollar (\$1.00) upon the payment in full of the Bonds.

When completed, it is estimated that the Project will provide employment for approximately 170 persons.

Notice is further given that any interested party may at any time within twenty (20) days after the date of publication of this Notice, but not afterwards, challenge the validity of the action of the State Board in approving the undertaking of the County Board by action do novo instituted in the Court of Common Pleas for Orangeburg County.

THE STATE BUDGET AND CONTROL BOARD ,  
By: P. C. SMITH, Secretary

PUBLICATION DATE:

OCTOBER \_\_, 1972

[ 1331

STATE OF SOUTH CAROLINA,  
COUNTY OF RICHLAND.

I, P. C. SMITH, Auditor of the State of South Carolina, and Secretary of the State Budget and Control Board, DO HEREBY CERTIFY:

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

His Excellency, John C. West, Governor of South Carolina and Chairman of the Board;

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

The Honorable John Henry Mills, Comptroller General of South Carolina;

The Honorable Edgar A. Brown, Chairman of the Senate Finance Committee; and

The Honorable Robert James Aycock, Chairman of the House Ways and Means Committee.

That due notice of meeting of said Board, called to be held at the office of the State Auditor, in the Hampton Office Building, at Columbia, South Carolina, at \_\_\_\_\_ .M., \_\_\_\_\_, 1972, was given to all members in writing, and at least four (4) days prior to said meeting; and all members of said Board were present at said meeting, with the exception of:

That at said meeting, a Resolution, of which the attached is a true, correct and verbatim copy, was introduced by \_\_\_\_\_, who moved its adoption; said motion was seconded by \_\_\_\_\_, and upon vote being taken and recorded it appeared that the following votes were cast:

FOR MOTION

AGAINST MOTION



The Chairman thereupon declared the Resolution unanimously adopted, and the original thereof has been duly entered in the permanent records of minutes of said Board, in my custody as its Secretary.

\_\_\_\_\_  
Secretary

\_\_\_\_\_, 1972



STATE OF SOUTH CAROLINA,  
COUNTY OF ORANGEBURG.

TO THE STATE BUDGET AND CONTROL  
BOARD OF SOUTH CAROLINA

P E T I T I O N

The Petition of Orangeburg County Commission (the County Board), respectfully shows:

1. The County Board is the governing body of Orangeburg County as established by law, and as such is the County Board referred to in Act No. 103 of the South Carolina General Assembly enacted at its 1967 Session, as amended (the Act).

2. The Act authorizes and empowers the County Board, if it shall comply with the provisions set forth in the Act, to acquire land, buildings, equipment, machinery and other improvements deemed necessary, suitable and useful by any manufacturing or processing enterprise; to lease the same; and to finance the acquisition, improvement and equipping of the same through the issuance of bonds payable from and secured by a pledge of the revenues to be derived from the leasing of such land, buildings, equipment and machinery and other improvements.

3. The County Board agreed with Roper Corporation, a Delaware Corporation (the Lessee) that the County Board will undertake to finance the acquisition, improvement and equipping of industrial facilities located in Orangeburg County, near the City of Orangeburg, through the issuance of Industrial Revenue Bonds pursuant to the Act. In this connection, the County Board has agreed to accept a conveyance of the parcel or tract of land containing 84.75 acres, located near the City of Orangeburg,

in Orangeburg County, South Carolina, with the buildings located thereon, on which the new manufacturing facilities will be located, and the County Board has agreed to issue Four Million Six Hundred Thousand Dollars (\$4,600,000) Orangeburg County First Mortgage Industrial Revenue Bonds, Series 1972 (Roper Corporation - Lessee), pursuant to the Act in order to finance the acquisition, improvement and equipping of the facilities which, when completed, will constitute a plant for the manufacture and distribution of rear engine riding lawn mowers and self-propelled lawn mowers (said land and the buildings, improvements, machinery and equipment constituting the said facilities being hereinafter referred to as the Project).

4. The County Board is advised by the Lessee that the cost of acquiring the said land, including the existing building thereon, the cost of constructing improvements thereto and the cost of acquiring and installing the necessary machinery and equipment will amount to not less than \$4,600,000; and that, therefore, in order to finance the acquisition, improvement and equipping of the Project, including the costs and charges incident to the issuance and sale of the bonds hereinafter described, it will be necessary that the County Board issue Four Million Six Hundred Thousand Dollars (\$4,600,000) Orangeburg County First Mortgage Industrial Revenue Bonds, Series 1972 (Roper Corporation - Lessee) (the Bonds).

5. When complete the Project will employ approximately 170 persons.

6. For the reasons above set forth and hereafter disclosed, the County Board has found:

(a) The proposed Project will subserve the purposes of the Act.

(b) By reason of undertaking the Project no pecuniary liability will result to the County nor will there be a charge against its general credit or taxing power.

(c) The proposed Lease between the County Board and the Lessee will unconditionally obligate the Lessee to pay rent in an amount adequate to provide for the principal and interest payments on the Bonds which mature and bear interest as follows:

October 1 in the Year	Principal Amount Maturing	Interest Rate
1973	\$130,000	3.25%
1974	130,000	3.50%
1975	140,000	3.75%
1976	150,000	4.00%
1977	150,000	4.15%
1978	160,000	4.30%
1979	170,000	4.50%
1980	180,000	4.70%
1981	190,000	4.90%
1982	200,000	5.00%
1983	250,000	5.75%
1984	250,000	5.75%
1985	250,000	5.75%
1986	300,000	5.75%
1987	300,000	5.75%
1988	300,000	5.75%
1989	300,000	5.75%
1990	350,000	5.75%
1991	350,000	5.75%
1992	350,000	5.75%

(d) The Lessee is a corporation with a well established credit and, therefore, it is unnecessary to establish reserve funds for the payment of such principal and interest.

(e) The terms of the Lease will require the Lessee to carry proper insurance and to pay all costs of maintaining the Project in good repair.

7. Pursuant to Section 14 of the Act, the County Board sets forth the following information:



(a) The Project to be undertaken consists of the acquisition of a parcel or tract of land containing 84.75 acres, located near the City of Orangeburg, in Orangeburg County, South Carolina, including the buildings thereon, improvements to be constructed thereto, and the acquisition and installation of machinery and equipment which will be necessary for, and part of, facilities for the manufacture and distribution of rear engine riding lawn mowers and self-propelled lawn mowers.

(b) The Project will provide employment during the period of its improvement and when completed will provide permanent employment for approximately 170 persons. It is, therefore, believed that the Project will have an extremely beneficial effect upon the economy of the County and areas adjacent thereto.

(c) The cost of the entire Project will amount to not less than \$4,600,000, including the cost of acquiring the said land with the existing buildings and improvements located thereon, and all other expenses to be incurred in connection therewith.

8. The proposed Lease, a draft copy of which is presented herewith, will provide, among other things, the following:

(a) To finance the cost of the acquisition, improvement and equipping of the Project the County will issue \$4,600,000 Orangeburg County First Mortgage Industrial Revenue Bonds, Series 1972 (Roper Corporation - Lessee). All Bonds will be secured by a pledge of the rents to be paid by the Lessee and will be further secured by a Trust Indenture, as authorized by Section 5 of the Act, to Exchange Security Bank, Birmingham, Alabama, as Trustee.



(b) The proceeds derived from the sale of the Bonds will be deposited with the Trustee and will be withdrawn on requisition of the Lessee and the County and applied solely for the payment of costs incident to the acquisition, improvement and equipping of the Project, and the issuance of the Bonds.

(c) The Lease will contain a specific provision by which the Lessee will unconditionally agree to make payments to Orangeburg County, to any School District in Orangeburg County, and to all other political units in which the Project is situated, in lieu of taxes, in such amounts as would result from taxes levied on the Project by Orangeburg County, by any such School District, and by said political units if the Project were owned by the Lessee, but with appropriate reductions similar to the tax reductions, if any, which would be afforded the Lessee were it the owner of the Project.

(d) The Lease contains no provision imposing any pecuniary liability upon the County or which would create a charge upon its general credit or taxing power.

(e) The Lease contains provisions which would provide for its amendment in order to make provision for the issuance of additional bonds under the conditions therein set forth and more fully set forth in the Trust Indenture.

9. The proposed Trust Indenture, a draft copy of which is hereto attached, is in conventional form and constitutes a forecloseable mortgage upon the Project. Included in the granting clause of the mortgage will be:

(a) All real property, equipment and machinery and interests therein, acquired or to be acquired for the Project.

6.

(b) The right, title and interest of the County in the Lease.

(c) All rentals and revenues derived by the County under the Lease, except those payments to be made in lieu of taxes or by way of indemnification.

The Indenture makes provision for the initial issuance of Four Million Six Hundred Thousand Dollars (\$4,600,000) of Bonds to be secured thereunder. It makes provision for the issuance of additional bonds to the extent and in the manner set forth in the Indenture. It provides for the payment and redemption of the Bonds, the establishment of a Bond Fund into which the proceeds of the rents payable by the Lessee are placed, and the use of said fund for the payment of the Bonds. It imposes upon the Lessee the obligation to pay, in addition to the moneys required for the payment of the principal and interest of the Bonds, all other costs and expenses resulting from the execution and delivery of the Indenture and the issuance of the Bonds pursuant thereto.

10. The proposed Lease and the proposed Trust Indenture will be in substantially the form heretofore used in the issuance of Industrial Revenue Bonds pursuant to the Act. While changes may be made in the enclosed forms, no changes will be made therein which substantially affect the undertaking as now outlined therein.

Upon the basis of the foregoing, the County Board respectfully prays:

That the State Budget and Control Board accept the filing of the Petition presented herewith and that it do, thereafter, and as soon as practicable, make its independent

investigation of the Project and the terms and provisions of the Lease and the Trust Indenture, as it deems advisable, and that thereafter, the said State Board make a finding that the proposed Project will promote the purpose of the Act and that it is reasonably anticipated to effect such result, and on the basis of such finding, that it does approve the Project, including changes in any details of the said financing as finally consummated which do not materially affect the said undertaking, and give published notice of its approval in the manner set forth in Section 14 of the Act.

Respectfully submitted,

ORANGEBURG COUNTY COMMISSION

BY *J. W. Wamery*  
Chairman

BY *Eugene W. Lightfoot*  
Clerk

(SEAL)



SINKLER GIBBS SIMONS & GUÉRARD  
ATTORNEYS & COUNSELLORS AT LAW  
PROFESSIONAL ASSOCIATION

HUGER SINKLER  
CHARLES H. GIBBS  
ALBERT SIMONS, JR.  
THEODORE B. GUÉRARD  
G. DANA SINKLER  
THOMAS G. BUIST  
RUTH WILLIAMS

THOMAS A. HUTCHESON  
ROBERT H. HOOD  
CHARLES F. AILSTOCK

2 PRIOLEAU STREET

CHARLESTON, S. C. 29402

POST OFFICE BOX 340

September 29, 1972

The Honorable P. C. Smith  
State Auditor  
Post Office Box 11333  
Columbia, South Carolina

RE: Orangeburg County Industrial  
Revenue Bonds - Roper Corporation,  
Lessee

Dear Pat:

I am enclosing herein a copy of a letter which Teddy Guerard has written to Turner Klapman, County Attorney of Orangeburg County, in connection with the above matter.

Mr. Klapman will send you on Tuesday (for arrival Wednesday, hopefully) the original of the Petition of Orangeburg County to the State Budget and Control Board seeking the approval of that body to the above bonds.

We are very anxious to effect delivery of the bonds as soon as possible and for that reason hope that the State Budget and Control Board can take appropriate action at one of their meetings during next week. With that in mind, we are enclosing draft copies of the Lease Agreement and Indenture and a Resolution for the Budget and Control Board to adopt. Also enclosed are ten copies for certification and return to us.

I am sure that you and the other members of the Board are familiar with the situation. Roper is buying a part of the property formerly used (and now idle) of SCM Corporation and is undertaking a completely new activity. Roper is a publicly listed company on the New York Stock Exchange and in addition apparently has a close relationship with Sears, Roebuck. I believe that concern owns quite a substantial block of Roper stock and the Roper products invariably find themselves into the Sears retail



STINKLER GIBBS SIMONS & GUÉRARD

PROFESSIONAL ASSOCIATION

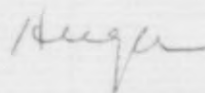
The Honorable P. C. Smith  
September 29, 1972  
Page Two

stores. It appears to me that this is really an excellent industry and one that the Development Board is to be congratulated for bringing to South Carolina.

Your cooperation in this respect will be very much appreciated.

With kind personal regards.

Sincerely yours,



HS/shk  
cc: William L. Gauntt, Esq.  
R. E. Cook, Esq.  
Enclosures

SINKLER GIBBS SIMONS & GUÉRARD  
ATTORNEYS & COUNSELLORS AT LAW  
PROFESSIONAL ASSOCIATION

TELEPHONE 722-3366  
AREA CODE 803

HUGER SINKLER  
CHARLES H. GIBBS  
ALBERT SIMONS, JR.  
THEODORE B. GUÉRARD  
G. DANA SINKLER  
THOMAS G. BUIST  
RUTH WILLIAMS

2 PRIOLEAU STREET

CHARLESTON, S. C. 29402

POST OFFICE BOX 340

THOMAS A. HUTCHESON  
ROBERT H. HOOD  
CHARLES F. AILSTOCK

September 27, 1972

W. Turner Klapman, Esq.  
County Attorney  
370 St. Paul Street, N. E.  
Orangeburg, South Carolina 29115

Dear Turner:

Re: \$4,600,000 Orangeburg County, South Carolina,  
First Mortgage Industrial Revenue Bonds,  
Series 1972 (Roper Corporation - Lessee)

Enclosed you will find the original and 12 copies of a Resolution to be adopted by the County Commission of Orangeburg County making certain findings required by Act No. 103 of 1967 authorizing a Petition to the State Budget and Control Board for its approval of the project to be financed out of the bond proceeds. When the Resolution has been adopted, please place the original in the County's records and return 12 certified copies to us.

We also enclose (in a blue back) the original Petition to be executed by the Chairman and Clerk as indicated on page 7. When this Petition has been authorized and executed, will you please forward it directly to the State Auditor at the address shown below for action by the State Budget and Control Board. The Petition refers to a draft copy of the Lease Agreement and Trust Indenture to be included therewith, and will we undertake to provide drafts of these documents to the Budget and Control Board directly.

Thanking you for your assistance, we remain,

Very truly yours,

TBG:mbd  
Enclosures

cc: ✓ Honorable P. C. Smith  
State Auditor  
Post Office Box 11333  
Columbia, South Carolina 29211

1343

P. S. For your convenience we have enclosed a stamped envelope addressed to Pat Smith for use in forwarding the Petition.  
T. B. G.

A RESOLUTION  
APPROVING THE FINANCING OF THE ACQUISITION, CONSTRUCTION AND  
EQUIPPING OF CERTAIN INDUSTRIAL MANUFACTURING FACILITIES IN  
ORANGEBURG COUNTY (TO BE LEASED TO ROPER CORPORATION) THROUGH  
THE ISSUANCE OF FOUR MILLION SIX HUNDRED THOUSAND DOLLARS  
(\$4,600,000) OF ORANGEBURG COUNTY, SOUTH CAROLINA, FIRST  
MORTGAGE INDUSTRIAL REVENUE BONDS, SERIES 1972 (ROPER  
CORPORATION - LESSEE); AND AUTHORIZING THE PETITION TO THE  
STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA FOR ITS  
APPROVAL OF SUCH UNDERTAKING PURSUANT TO ACT NO. 103 OF  
THE 1967 ACTS OF THE SOUTH CAROLINA GENERAL ASSEMBLY.

As an incident to the adoption of this Resolution, the  
Orangeburg County Commission (which is the governing body of  
the County) (the County Board), has made the following findings:

1. Roper Corporation, a Delaware corporation (the Lessee)  
has proposed that the County Board undertake to finance the  
acquisition, improvement and equipping of certain industrial  
facilities (to be leased to the Lessee and used for the  
manufacture and distribution of rear engine riding lawn mowers  
and self-propelled lawn mowers, at an estimated cost of  
\$4,600,000, including the acquisition of a parcel or tract  
of land, containing 84.75 acres, located near the City of  
Orangeburg, in Orangeburg County, through the issuance of  
Industrial Revenue Bonds pursuant to the authorization of  
Act No. 103 of the 1967 Acts of the South Carolina General  
Assembly, as amended (the Act). The Lessee has advised the  
County Board that its proposed industrial project is dependent  
upon the assistance which the County might render through the  
sale of \$4,600,000 Industrial Revenue Bonds pursuant to the  
Act. The County Board has agreed so to finance the acquisition,  
improvement and equipping of the said facilities (the said  
84.75 acre tract of land and the buildings, the improvements  
to be constructed thereto, machinery and equipment consti-  
tuting the said facilities being hereinafter referred to as  
the Project), and adopts this Resolution to evidence its



approval of the issuance of the bonds as aforesaid and to authorize a petition to the State Budget and Control Board (the State Board) setting forth the facts required by Section 14 of the Act.

2. The County Board has determined that the Project will subserve the purposes of the Act and neither the Project nor the bonds will give rise to any pecuniary liability of Orangeburg County or a charge against its general credit or taxing power.

3. The amount necessary to finance the Project is Four Million Six Hundred Thousand Dollars (\$4,600,000).

4. The Lessee has submitted to the County Board a draft of the proposed Lease, under which the Lessee will agree to pay as rent the amount necessary to provide the annual payments of principal and interest on the bonds, which will be dated October 1, 1972, and will mature on October 1 in the years 1973 through 1992.

5. The proposed Lease obligates the Lessee unconditionally to pay the amount necessary to provide the annual payments of principal and interest, and premium, if any, to become due on the bonds and to pay other costs in connection therewith and contains an appropriate provision requiring the Lessee to pay in lieu of taxes, such amounts as would otherwise be paid if the Lessee owned the Project.

6. In view of the well established credit of the Lessee and its successful arrangements to effect a sale of the bonds, without the establishment of reserve funds for the payment of the principal and interest, no such reserve funds will be established.

7. The Lessee has advised the County Board that it has arranged for the sale of the bonds which will bear interest in accordance with the schedule set forth in Section 202 of the Trust Indenture, a draft of which has been submitted to this Board.

8. The bonds will be issued as tax exempt bonds by virtue of an election to be made pursuant to the provisions of Section 103(c)(6)(A) and (D) of the Internal Revenue Code of 1954.

NOW, THEREFORE, BE IT RESOLVED BY THE ORANGEBURG COUNTY COMMISSION, IN MEETING DULY ASSEMBLED:

That the County Board finds that the facts set forth above are in all respects true and correct, and on such basis determines to finance the Project above described, and to authorize the sale of the bonds by Orangeburg County as aforesaid.

BE IT FURTHER RESOLVED:

That the Petition in form substantially as attached hereto be presented to the State Board to seek the approval required by Section 14 of the Act; and that said Petition shall be duly executed by the Chairman and Clerk of this Board.

\_\_\_\_\_  
Chairman,

(SEAL)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Constituting the Orangeburg County  
Commission

Attest:

\_\_\_\_\_  
Clerk of the Orangeburg  
County Commission

STATE OF SOUTH CAROLINA,  
COUNTY OF ORANGEBURG.

\_\_\_\_\_  
TO THE STATE BUDGET AND CONTROL

BOARD OF SOUTH CAROLINA

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P E T I T I O N

The Petition of Orangeburg County Commission (the County Board), respectfully shows:

1. The County Board is the governing body of Orangeburg County as established by law, and as such is the County Board referred to in Act No. 103 of the South Carolina General Assembly enacted at its 1967 Session, as amended (the Act).

2. The Act authorizes and empowers the County Board, if it shall comply with the provisions set forth in the Act, to acquire land, buildings, equipment, machinery and other improvements deemed necessary, suitable and useful by any manufacturing or processing enterprise; to lease the same; and to finance the acquisition, improvement and equipping of the same through the issuance of bonds payable from and secured by a pledge of the revenues to be derived from the leasing of such land, buildings, equipment and machinery and other improvements.

3. The County Board agreed with Roper Corporation, a Delaware Corporation (the Lessee) that the County Board will undertake to finance the acquisition, improvement and equipping of industrial facilities located in Orangeburg County, near the City of Orangeburg, through the issuance of Industrial Revenue Bonds pursuant to the Act. In this connection, the County Board has agreed to accept a conveyance of the parcel or tract of land containing 84.75 acres, located near the City of Orangeburg,



in Orangeburg County, South Carolina, with the buildings located thereon, on which the new manufacturing facilities will be located, and the County Board has agreed to issue Four Million Six Hundred Thousand Dollars (\$4,600,000) Orangeburg County First Mortgage Industrial Revenue Bonds, Series 1972 (Roper Corporation - Lessee), pursuant to the Act in order to finance the acquisition, improvement and equipping of the facilities which, when completed, will constitute a plant for the manufacture and distribution of rear engine riding lawn mowers and self-propelled lawn mowers (said land and the buildings, improvements, machinery and equipment constituting the said facilities being hereinafter referred to as the Project).

4. The County Board is advised by the Lessee that the cost of acquiring the said land, including the existing building thereon, the cost of constructing improvements thereto and the cost of acquiring and installing the necessary machinery and equipment will amount to not less than \$4,600,000; and that, therefore, in order to finance the acquisition, improvement and equipping of the Project, including the costs and charges incident to the issuance and sale of the bonds hereinafter described, it will be necessary that the County Board issue Four Million Six Hundred Thousand Dollars (\$4,600,000) Orangeburg County First Mortgage Industrial Revenue Bonds, Series 1972 (Roper Corporation - Lessee) (the Bonds).

5. When complete the Project will employ approximately 170 persons.

6. For the reasons above set forth and hereafter disclosed, the County Board has found:

(a) The proposed Project will subserve the purposes of the Act.

(b) By reason of undertaking the Project no pecuniary liability will result to the County nor will there be a charge against its general credit or taxing power.

(c) The proposed Lease between the County Board and the Lessee will unconditionally obligate the Lessee to pay rent in an amount adequate to provide for the principal and interest payments on the Bonds which mature and bear interest as follows:

October 1 in the Year	Principal Amount Maturing	Interest Rate
1973	\$130,000	3.25%
1974	130,000	3.50%
1975	140,000	3.75%
1976	150,000	4.00%
1977	150,000	4.15%
1978	160,000	4.30%
1979	170,000	4.50%
1980	180,000	4.70%
1981	190,000	4.90%
1982	200,000	5.00%
1983	250,000	5.75%
1984	250,000	5.75%
1985	250,000	5.75%
1986	300,000	5.75%
1987	300,000	5.75%
1988	300,000	5.75%
1989	300,000	5.75%
1990	350,000	5.75%
1991	350,000	5.75%
1992	350,000	5.75%

(d) The Lessee is a corporation with a well established credit and, therefore, it is unnecessary to establish reserve funds for the payment of such principal and interest.

(e) The terms of the Lease will require the Lessee to carry proper insurance and to pay all costs of maintaining the Project in good repair.

7. Pursuant to Section 14 of the Act, the County Board sets forth the following information:

(a) The Project to be undertaken consists of the acquisition of a parcel or tract of land containing 84.75 acres, located near the City of Orangeburg, in Orangeburg County, South Carolina, including the buildings thereon, improvements to be constructed thereto, and the acquisition and installation of machinery and equipment which will be necessary for, and part of, facilities for the manufacture and distribution of rear engine riding lawn mowers and self-propelled lawn mowers.

(b) The Project will provide employment during the period of its improvement and when completed will provide permanent employment for approximately 170 persons. It is, therefore, believed that the Project will have an extremely beneficial effect upon the economy of the County and areas adjacent thereto.

(c) The cost of the entire Project will amount to not less than \$4,600,000, including the cost of acquiring the said land with the existing buildings and improvements located thereon, and all other expenses to be incurred in connection therewith.

8. The proposed Lease, a draft copy of which is presented herewith, will provide, among other things, the following:

(a) To finance the cost of the acquisition, improvement and equipping of the Project the County will issue \$4,600,000 Orangeburg County First Mortgage Industrial Revenue Bonds, Series 1972 (Roper Corporation - Lessee). All Bonds will be secured by a pledge of the rents to be paid by the Lessee and will be further secured by a Trust Indenture, as authorized by Section 5 of the Act, to Exchange Security Bank, Birmingham, Alabama, as Trustee.



(b) The proceeds derived from the sale of the Bonds will be deposited with the Trustee and will be withdrawn on requisition of the Lessee and the County and applied solely for the payment of costs incident to the acquisition, improvement and equipping of the Project, and the issuance of the Bonds.

(c) The Lease will contain a specific provision by which the Lessee will unconditionally agree to make payments to Orangeburg County, to any School District in Orangeburg County, and to all other political units in which the Project is situated, in lieu of taxes, in such amounts as would result from taxes levied on the Project by Orangeburg County, by any such School District, and by said political units if the Project were owned by the Lessee, but with appropriate reductions similar to the tax reductions, if any, which would be afforded the Lessee were it the owner of the Project.

(d) The Lease contains no provision imposing any pecuniary liability upon the County or which would create a charge upon its general credit or taxing power.

(e) The Lease contains provisions which would provide for its amendment in order to make provision for the issuance of additional bonds under the conditions therein set forth and more fully set forth in the Trust Indenture.

9. The proposed Trust Indenture, a draft copy of which is hereto attached, is in conventional form and constitutes a forecloseable mortgage upon the Project. Included in the granting clause of the mortgage will be:

(a) All real property, equipment and machinery and interests therein, acquired or to be acquired for the Project.

(b) The right, title and interest of the County in the Lease.

(c) All rentals and revenues derived by the County under the Lease, except those payments to be made in lieu of taxes or by way of indemnification.

The Indenture makes provision for the initial issuance of Four Million Six Hundred Thousand Dollars (\$4,600,000) of Bonds to be secured thereunder. It makes provision for the issuance of additional bonds to the extent and in the manner set forth in the Indenture. It provides for the payment and redemption of the Bonds, the establishment of a Bond Fund into which the proceeds of the rents payable by the Lessee are placed, and the use of said fund for the payment of the Bonds. It imposes upon the Lessee the obligation to pay, in addition to the moneys required for the payment of the principal and interest of the Bonds, all other costs and expenses resulting from the execution and delivery of the Indenture and the issuance of the Bonds pursuant thereto.

10. The proposed Lease and the proposed Trust Indenture will be in substantially the form heretofore used in the issuance of Industrial Revenue Bonds pursuant to the Act. While changes may be made in the enclosed forms, no changes will be made therein which substantially affect the undertaking as now outlined therein.

Upon the basis of the foregoing, the County Board respectfully prays:

That the State Budget and Control Board accept the filing of the Petition presented herewith and that it do, thereafter, and as soon as practicable, make its independent

investigation of the Project and the terms and provisions of the Lease and the Trust Indenture, as it deems advisable, and that thereafter, the said State Board make a finding that the proposed Project will promote the purpose of the Act and that it is reasonably anticipated to effect such result, and on the basis of such finding, that it does approve the Project, including changes in any details of the said financing as finally consummated which do not materially affect the said undertaking, and give published notice of its approval in the manner set forth in Section 14 of the Act.

Respectfully submitted,

ORANGEBURG COUNTY COMMISSION

BY \_\_\_\_\_

Chairman

BY \_\_\_\_\_

Clerk

(SEAL)



ORANGEBURG COUNTY, SOUTH CAROLINA

and

EXCHANGE SECURITY BANK

AS TRUSTEE

TRUST INDENTURE

Dated as of October 1, 1972

## TRUST INDENTURE

THIS TRUST INDENTURE, comprised of two parts, herein designated as Part I and Part II, made and entered into as of the first day of October, 1972, by and between ORANGEBURG COUNTY, a body politic and corporate and a political subdivision of the State of South Carolina (hereinafter sometimes referred to as the "County"), as party of the first part, and EXCHANGE SECURITY BANK, a national banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out, under and by virtue of the laws of the United States, as Trustee, party of the second part;

WITNESSETH:

### PART I

WHEREAS, the County is authorized and empowered by the provisions of Act No. 103 of the Acts of the General Assembly of the State of South Carolina, for the year 1967, as amended, (the "Act") to acquire, own, improve, equip, lease, dispose of and mortgage the properties hereinafter described in order that the industrial development of South Carolina will be promoted and trade developed by inducing manufacturing enterprises to locate in South Carolina and thus utilize and employ manpower and other resources of South Carolina; and

WHEREAS, the County is further authorized by the Act to issue revenue bonds payable solely from the lease rentals, revenues and receipts from any such project and secured by a pledge of said lease rentals, revenues and receipts and by a mortgage on the land, buildings, improvements, machinery and equipment so acquired; and

WHEREAS, the County has made the necessary arrangements with Roper Corporation, a corporation organized and existing under the laws of the State of Delaware, and duly authorized to conduct business in the State of South Carolina (hereinafter

sometimes referred to as the "Lessee"), for the acquisition, constructing, improving and equipping of facilities for the manufacture and distribution of rear engine riding lawn mowers and self-propelled lawn mowers, and the necessary land, building, machinery and equipment in connection therewith (hereinafter sometimes referred to as the "Project") which will be of the character and accomplish the purpose provided by the Act, and the County has further entered into a Lease Agreement with the Lessee specifying the terms and conditions of the acquisition, construction, improvement and equipping of the Project and the leasing of the same to the Lessee; and

WHEREAS, the parties hereto desire that provision be made, not only for the issuance of bonds necessary to finance the cost of the Project, but for the issuance of additional bonds under the conditions herein set forth to finance improvements to the Project; and

WHEREAS, the execution and delivery of this Trust Indenture (hereinafter sometimes referred to as the "Indenture") have been authorized by Resolutions duly adopted by the Orangeburg County Commission (hereinafter sometimes referred to as the "County Board") and the County Board in accordance with the requirements of Section 14 of the Act has submitted its Petition to the State Budget and Control Board of South Carolina, including a general summary of the terms and conditions of the Indenture, and the State Budget and Control Board of South Carolina has duly approved the Project in accordance with the provisions of the Act and thereby authorized the County Board to proceed with the acquisition, construction, improvement and equipping of the Project. Notice of the approval was duly published in a newspaper having general circulation in Orangeburg County and notwithstanding more than twenty days have elapsed from the date of the publication of such notice, no challenge was made to the validity of such approval as provided in the Act; and



WHEREAS, it has been determined that the estimated amount necessary to finance the cost of the Project, including necessary expenditures incidental thereto, will require the issuance, sale and delivery of Bonds designated as ORANGEBURG COUNTY FIRST MORTGAGE INDUSTRIAL REVENUE BONDS, SERIES 1972 (ROPER CORPORATION - LESSEE) in the aggregate principal amount of \$4,600,000 as hereinafter provided; and

WHEREAS, the issuance of such Series 1972 Bonds under the Act has been in all respects duly and validly authorized by resolutions duly passed and approved by the County Board; and

WHEREAS, the \$4,600,000 aggregate principal amount of Series 1972 Bonds to be issued, the interest coupons to be attached thereto, and the Trustee's Certificate of Authentication to be endorsed on such Bonds, are all to be in substantially the form set forth as Exhibit C hereto, with necessary and appropriate variations, omissions and insertions as permitted or required by this Indenture; and

WHEREAS, all things necessary to make the Series 1972 Bonds, when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal obligations of the County according to the import thereof, and to constitute this Indenture a valid lien on the properties mortgaged and a valid pledge of the lease rentals, revenues and receipts herein made to the payment of the principal of, premium, if any, and interest on the Series 1972 Bonds, have been done and performed, and the creation, execution and delivery of this Indenture and the creation, execution and issuance of the Series 1972 Bonds, subject to the terms hereof, have in all respects been duly authorized;

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

That the County, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the holders and

owners thereof, and of the sum of one dollar, lawful money of the United States of America, to it duly paid by the Trustee at or before the execution and delivery of these presents, and for other good and valuable considerations, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on the Bonds according to their tenor and effect and the performance and observance by the County of all the covenants expressed or implied herein and in the Bonds, does hereby, subject to the terms and provisions of the Lease Agreement, grant, bargain, sell, convey, mortgage, pledge and assign unto Exchange Security Bank, as Trustee, and unto its successors in trust, and to its assigns forever, for the securing of the performance of the obligations of the County hereinafter set forth, the following:

I

The real property situated in Orangeburg County, State of South Carolina, described in Exhibit A attached hereto, with all buildings, additions, improvements and fixtures now or hereafter located thereon and with the tenements, hereditaments, servitudes, appurtenances, rights, privileges and immunities thereunto belonging or appertaining which may from time to time be owned by the County.

II

The machinery, equipment or other property described in Exhibit B attached hereto, and substitutions or replacements therefor; all machinery, equipment or other property acquired by the County with the proceeds from the Bonds issued and secured by this Indenture, and substitutions or replacements therefor; all machinery, equipment or other property which under the terms of the Lease Agreement is to become the property of the County or subjected to the lien of this Indenture; and, without limiting the foregoing, all of the property of the

County at any time installed or located on the land described in Exhibit A attached hereto.

III

All right, title and interest of the County in and to the Lease Agreement, dated as of October 1, 1972, between the County and Roper Corporation.

IV

All lease rentals, revenues and receipts arising out of or in connection with the ownership of the Project, except amounts paid under Section 5.5 or Section 8.7 of the aforementioned Lease Agreement.

V

Any and all other property from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred as and for additional security hereunder by the County or by anyone on its behalf or with its written consent to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended so to be, to the Trustee and its successors in said trust and to them and their assigns forever.

IN TRUST NEVERTHELESS, Upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all holders and owners of the Bonds and interest coupons thereto appertaining issued under and secured by this Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Bonds or interest coupons thereto appertaining over any of the others of the Bonds or interest coupons;

PROVIDED, HOWEVER, that if the County shall pay or cause to be paid to the holders and owners of the Bonds and bearers of



interest coupons the principal, interest and premium, if any, to become due thereon at the times and in the manner stipulated therein and herein and if the County shall keep, perform and observe all and singular the covenants and promises in the Bonds and in this Indenture expressed as to be kept, performed and observed by it or on its part, or if the issuance of the Series 1972 Bonds is not made within the time provided in Section 4.2 of the Lease Agreement, then these presents and the estate and rights hereby granted shall, at the option of the County, cease, determine and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture and execute and deliver to the County such instruments in writing as shall be requisite to satisfy the lien hereof, and deliver to the County any property at the time subject to the lien of this Indenture which may then be in its possession, except amounts in the Bond Fund required to be paid to the Lessee under Section 510 hereof and except cash held by the Trustee for the payment of interest on and retirement of the Bonds; otherwise this Indenture to be and remain in full force and effect.

THIS TRUST INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all said lease rentals, revenues and receipts hereby pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the County has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective holders and owners, from time to time, of the said Bonds and the bearers of the interest coupons thereto appertaining, or any part thereof, as follows, that is to say:

ARTICLE I  
DEFINITIONS

SECTION 101. The terms defined in Section 101 (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Indenture and of any indenture supplemental hereto, shall have the respective meanings specified in this Section 101. Other definitions appear in Section 101 A of Part II.

"ADDITIONAL BONDS" means the Bonds of the County issued under Section 209 of this Indenture.

"BOND" or "BONDS" mean the Orangeburg County First Mortgage Industrial Revenue Bonds of all series, from time to time authenticated and delivered under this Indenture.

"CONSTRUCTION FUND" or "ORANGEBURG COUNTY INDUSTRIAL CONSTRUCTION FUND - ROPER CORPORATION PROJECT" means the fund created by Section 602 hereof.

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

"COUNTY BOARD" means the County Commission of Orangeburg County, and any successor body.

"LESSEE" means Roper Corporation, a Delaware corporation, and its successors and assigns and any surviving, resulting or transferee corporation as provided in Section 8.3 of the Lease Agreement.

"SERIES 1972 BONDS" means the \$4,600,000 Orangeburg County First Mortgage Industrial Revenue Bonds, Series 1972 (Roper Corporation - Lessee) of the County to be issued initially pursuant to the Indenture.

SECTION 102. References to Sections of this Indenture.  
Whenever reference is made in this Indenture to any Section in

Part I by relating such reference to a section number, such reference shall be deemed to include a reference to the section correspondingly numbered, with the suffix "A", in Part II hereof. To illustrate the intent and meaning of this provision, let it be assumed that reference is made to Section 510 hereof. Such reference shall be deemed to include reference to Section 510 A of Part II of this Indenture, and Section 510 A of Part II shall be embraced by the reference to Section 510. If a reference is made to a section in Part I and there is no correspondingly numbered section in Part II, then the reference shall relate only to that numbered section in Part I. Whenever there are no correspondingly numbered sections in Part II of this Indenture, that fact is so stated. References to Articles shall include a reference to the Article correspondingly numbered, with the suffix "A", in Part II, e.g. a reference to Article III in Part I will include a reference to Article III A in Part II.



ARTICLE II

THE BONDS

SECTION 201. Restrictions on Issuance of Bonds. No Bonds may be issued under provisions of this Indenture except in accordance with this Article.

The total principal amount of Bonds that may be outstanding pursuant to the provisions of this Indenture is hereby expressly limited to \$7,500,000 at any one time.

SECTION 202. Issuance of Series 1972 Bonds. The Series 1972 Bonds in the aggregate principal amount of \$4,600,000, dated as of October 1, 1972, shall be in coupon bond form and shall be designated "First Mortgage Industrial Revenue Bonds, Series 1972 (Roper Corporation - Lessee)." They shall bear interest from October 1, 1972, at the respective rates per annum as set forth in the following schedule, payable April 1, 1973, and semi-annually thereafter on October 1 and April 1 of each year. They shall be in the denomination of \$5,000 each and shall be numbered consecutively from 1 upwards, and shall mature in numerical order on October 1 in each of the years set forth in, and in the principal amount set opposite each year in, the following schedule:

<u>October 1 in the Year</u>	<u>Principal Amount Maturing</u>	<u>Interest Rate</u>
1973	\$130,000	3.25%
1974	130,000	3.50%
1975	140,000	3.75%
1976	150,000	4.00%
1977	150,000	4.15%
1978	160,000	4.30%
1979	170,000	4.50%
1980	180,000	4.70%
1981	190,000	4.90%
1982	200,000	5.00%
1983	250,000	5.75%
1984	250,000	5.75%
1985	250,000	5.75%
1986	300,000	5.75%
1987	300,000	5.75%
1988	300,000	5.75%
1989	300,000	5.75%
1990	350,000	5.75%
1991	350,000	5.75%
1992	350,000	5.75%

The interest on the Series 1972 Bonds shall be evidenced by coupons. The principal of, premium, if any, and interest on the Series 1972 Bonds, except as otherwise provided in the case of registration of Series 1972 Bonds as provided in Section 208 hereof, 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, to bearer upon presentation and surrender of the Series 1972 Bonds or coupons as they respectively become due, at the principal office of the Trustee.

SECTION 203. Execution; Limited Obligation. The provisions of Section 203 are set forth and appear in this Indenture in Section 203 A of Part II.

SECTION 204. Authentication. The provisions of Section 204 are set forth and appear in this Indenture in Section 204 A of Part II.

SECTION 205. Form of Series 1972 Bonds. The Series 1972 Bonds issued under this Indenture and the coupons attached thereto shall be substantially in the form set forth as Exhibit "C" hereto, with such appropriate variations, omissions and insertions as are permitted or required by this Indenture.

The form of the Bonds of any other series shall be as prescribed by the Supplemental Indenture providing for the issuance thereof.

SECTION 206. Delivery of Series 1972 Bonds. Upon the execution and delivery of this Indenture, the County shall execute and deliver to the Trustee, and the Trustee shall authenticate the Series 1972 Bonds in the aggregate principal amount of \$4,600,000 and deliver them to the purchaser as may be directed

by the County as hereinafter in this Section 206 provided.

Prior to the authentication by the Trustee of any such Bonds, there shall be filed with the Trustee:

1. A copy, duly certified by the Secretary, of the Resolution of the County Board, authorizing the execution and delivery of the Lease Agreement.

2. An original executed counterpart of the Lease Agreement.

3. A copy, duly certified by the Secretary, of the Resolution of the County Board, authorizing the execution and delivery of this Indenture and the issuance of the \$4,600,000 aggregate principal amount of the Series 1972 Bonds.

4. The written opinion of counsel for the County, or other counsel satisfactory to the Trustee, expressing the conclusion that upon payment of the purchase price of the land described in Exhibit A attached hereto and acceptance of the instruments of conveyance, all as theretofore agreed upon, the County will have title free and clear of liens and encumbrances upon said land (except for Permitted Encumbrances as defined in the Lease Agreement).

5. A title insurance policy (or an appropriate binder) meeting the requirements of Section 3.3 of the Lease Agreement.

6. A request and authorization to the Trustee on behalf of the County Board and signed by the Chairman and Secretary to authenticate and deliver the Series 1972 Bonds in the aggregate principal amount of \$4,600,000 to the purchasers therein identified, upon payment to the Trustee, but for the account of the County, of the sum specified in such request and authorization, plus accrued interest thereon to the date of delivery. Such proceeds shall be paid over to the Trustee and deposited



to the credit of the Bond Fund and Construction Fund as hereinafter provided under Article VI hereof.

SECTION 207. Mutilated, Lost, Stolen or Destroyed Bonds or Coupons. The provisions of Section 207 are set forth and appear in this Indenture in Section 207 A of Part II.

SECTION 208. Registration of Bonds; Persons Treated as Owners. The provisions of Section 208 are set forth and appear in this Indenture in Section 208 A of Part II.

SECTION 209. Issuance of Additional Bonds. The County, at the request of the Lessee and to the extent permitted by law in effect at the time thereof, shall use its best efforts to issue Additional Bonds from time to time for the purpose of providing additional moneys, to be used for the purpose of providing for the acquisition of additional land or interest therein within the County which shall become part of the Leased Land (as defined in the Lease Agreement), or for the acquisition, construction or improvement of buildings, structures, facilities, machinery or equipment, all to become part of the Project and to be located on the Leased Land (as defined in the Lease Agreement) on a parity with the Series 1972 Bonds and any Additional Bonds theretofore or thereafter issued and payable from the Bond Fund; provided, that no Additional Bonds shall be issued either prior to the expiration of three years from the date of delivery of the Series 1972 Bonds or thereafter, if by reason of such issuance any covenant made by the Lessee in Section 8.9 of the Lease Agreement is violated. The proceeds of any Additional Bonds shall be used solely to pay the costs of improvement to the Project and to pay the costs incident to the issuance of the Additional Bonds, in accordance with Section 8.10 of the Lease Agreement. The aggregate principal

amount of all Bonds issued (including Series 1972 Bonds and Additional Bonds to be issued) to be outstanding at any one time pursuant to this Indenture shall not exceed \$7,500,000.

Such Additional Bonds shall be issued in such series and principal amounts, within the limitations herein provided, shall be dated, shall bear interest at such rate or rates, shall be subject to redemption at such times and prices, and, shall mature in such years as the indenture supplemental hereto authorizing the issuance thereof shall fix and determine and, when so issued, shall be deposited with the Trustee for authentication and delivery.

SECTION 210. Delivery of Additional Bonds. Upon the execution and delivery in each instance of an appropriate indenture supplemental hereto, the County shall execute and deliver to the Trustee, and the Trustee shall authenticate such Additional Bonds and deliver them to the purchaser or purchasers as may be directed by the County, as hereinafter in this Section 210 provided. Prior to the delivery by the Trustee of any such Bonds there shall be filed with the Trustee:

1. A valid and effective amendment to the Lease Agreement, pursuant to Section 8.10 thereof, extending the Lease Term where required, to the extent permitted by said Section 8.10, providing for the inclusion within the Project (as defined in the Lease Agreement) of any real estate and interest therein and any buildings, structures, facilities, machinery, equipment and related property to be acquired by purchase or construction from the proceeds of the Additional Bonds, and providing for an increase in the obligations of the County and the Lessee in accordance with Section 5.3 of the Lease Agreement.

2. A valid and effective supplemental indenture providing for the issuance of such new series of Additional Bonds and sub-



jecting to the lien of this Indenture any and all real estate and interest therein, and any building, structures, facilities, machinery, equipment and related property acquired by purchase or construction from the proceeds of such Additional Bonds, and pledging and assigning the additional rentals to the payment of the Bonds, subject to the rights of the Lessee under the Lease Agreement.

3. A copy, duly certified by the Secretary, of the Resolutions theretofore adopted and approved, authorizing the execution and delivery of such supplemental indenture and such amendments to the Lease Agreement and the issuance of such Bonds.

4. A request and authorization to the Trustee on behalf of the County and signed by the Chairman and the Secretary to deliver such Bonds to the purchaser or purchasers therein identified upon payment to the Trustee, for the account of the County, of a specified sum, plus any accrued interest. The proceeds of such Bonds shall be paid over to the Trustee and deposited to the credit of the Bond Fund and Construction Fund as herein provided under Article VI hereof.

5. A certificate of independent certified public accountants stating that by the issuance of such Additional Bonds there will be no violation of any covenant of the Lessee made pursuant to Section 8.9 of the Lease Agreement.

6. A written opinion by an attorney or firm of attorneys of recognized national standing on the subject of municipal bonds, to the effect that the issuance of such Bonds and the execution thereof have been duly authorized, the conditions precedent to the delivery thereof have been fulfilled, and that the tax exempt status of the interest on the Bonds is not affected by the issuance of such Additional Bonds.



### ARTICLE III

#### REDEMPTION OF SERIES 1972 BONDS BEFORE MATURITY

SECTION 301. Redemption Dates and Prices. The Series 1972 Bonds are noncallable for redemption prior to October 1, 1982, except in the event of (1) exercise by the Lessee of its options to purchase the Project as provided in Section 11.2 of the Lease Agreement, or (2) mandatory purchase of the Project by the Lessee pursuant to Section 12.2 of the Lease Agreement. If called for redemption in either of such events, the Series 1972 Bonds shall be subject to redemption by the County at the earliest possible date after notice as provided in Section 302 of this Indenture, whether or not such date is an interest payment date, in whole and not in part, at the principal amount thereof, plus accrued interest to the redemption date and, but only in the event of redemption as a result of the mandatory purchase of the Project pursuant to Section 12.2 of the Lease Agreement, a redemption premium determined by multiplying the annual interest on each Series 1972 Bond outstanding on the date as of which interest on the Series 1972 Bonds becomes (or is determined to become as provided in Section 12.2 of the Lease Agreement) taxable by the number of 360-day periods, or fractions thereof, between the date as of which interest on the Series 1972 Bonds is (or is determined to be as provided in Section 12.2 of the Lease Agreement) taxable and the date so fixed for redemption or the earlier payment date of any Series 1972 Bond which shall have been paid (whether at maturity or by redemption) subsequent to the date as of which interest on the Series 1972 Bonds is (or is so determined to be) taxable and prior to the date fixed for redemption (less any option redemption premium previously paid on any such Series 1972 Bond.)

If it shall occur that any Series 1972 Bond is paid or retired subsequent to the date as of which interest on the Series 1972 Bonds is (or is determined to be as provided in Section 12.2 of the Lease Agreement) taxable as a result of the violation of any covenant set forth in Section 8.9 (2) or Section 8.9 (4) of the Lease Agreement and prior to the redemption of the Series 1972 Bonds by use of the purchase price derived from the mandatory purchase of the Project by the Lessee pursuant to Section 12.2 of the Lease Agreement, then in such event the person who shall have been the holder of any such Series 1972 Bond on the occasion of its payment (whether at maturity or by redemption) shall receive a premium computed in accordance with the provisions of Section 12.4 of the Lease Agreement to be paid from the purchase price paid by the Lessee under Section 12.2 of the Lease Agreement.

The Series 1972 Bonds maturing on and after October 1, 1983, are also subject to redemption by the County prior to maturity on any interest payment date on or after October 1, 1982, in whole or in part, in inverse order of their maturity (less than all of such Series 1972 Bonds of a single maturity to be selected by lot by the Trustee) at the redemption prices (expressed as percentages of principal amount) set forth in the table below, plus accrued interest to the redemption date:

<u>Redemption Date</u> <u>(dates inclusive)</u>	<u>Redemption Price</u>
October 1, 1982 to April 1, 1984	104%
October 1, 1984 to April 1, 1986	102%
October 1, 1986 to April 1, 1988	101%
October 1, 1988 and thereafter	100%

SECTION 302. Notice of Redemption. The provisions of Section 302 are set forth and appear in this Indenture in Section 302 A of Part II.

SECTION 303. Cancellation. The provisions of Section 303 are set forth and appear in this Indenture in Section 303 A of Part II.

SECTION 304. Unpaid Coupons. The provisions of Section 304 are set forth and appear in Section 304 A of Part II.

SECTION 305. Purchase of Bonds. The provisions of Section 305 are set forth and appear in Section 305 A of Part II.



ARTICLE IV

GENERAL COVENANTS

The provisions of Article IV are set forth and appear in this Indenture in Article IV A of Part II.

ARTICLE V  
REVENUES AND FUNDS

SECTION 501. Source of Payment of Bonds. The provisions of Section 501 are set forth and appear in this Indenture in Section 501 A of Part II.

SECTION 502. Creation of the Bond Fund. The provisions of Section 502 are set forth and appear in this Indenture in Section 502 A of Part II, except that the fund therein referred to shall be designated as "Orangeburg County Industrial Revenue Bond Fund - Roper Corporation Project."

SECTION 503. Payments into the Bond Fund. The provisions of Section 503 are set forth and appear in this Indenture in Section 503 A of Part II.

SECTION 504. Use of Moneys in the Bond Fund. The provisions of Section 504 are set forth and appear in this Indenture in Section 504 A of Part II.

SECTION 505. Custody of the Bond Fund. The provisions of Section 505 are set forth and appear in this Indenture in Section 505 A of Part II.

SECTION 506. Non-presentment of Bonds or Coupons. The provisions of Section 506 are set forth and appear in this Indenture in Section 506 A of Part II.

SECTION 507. Trustee's and Paying Agents' Fees, Charges and Expenses. The provisions of Section 507 are set forth and appear in this Indenture in Section 507 A of Part II.

SECTION 508. Moneys to be Held in Trust. The provisions of Section 508 are set forth and appear in this Indenture in Section 508 A of Part II.

SECTION 509. Insurance and Condemnation Proceeds. The provisions of Section 509 are set forth and appear in this Indenture in Section 509 A of Part II.

SECTION 510. Repayment to the Lessee from the Bond Fund. The provisions of Section 510 are set forth and appear in this Indenture in Section 510 A of Part II.

ARTICLE VI

CUSTODY AND APPLICATION OF PROCEEDS OF BONDS

SECTION 601. Deposits in the Bond Fund. The provisions of Section 601 are set forth and appear in this Indenture in Section 601 A of Part II.

SECTION 602. Construction Fund; Disbursements. The provisions of Section 602 are set forth and appear in this Indenture in Section 602 A of Part II, except that the fund therein referred to shall be designated as "Orangeburg County Industrial Construction Fund - Roper Corporation Project."

SECTION 603. Completion of the Project. The provisions of Section 603 are set forth and appear in this Indenture in Section 603 A of Part II.



ARTICLE VII

INVESTMENTS

The provisions of Article VII are set forth and appear in this Indenture in Article VII A of Part II.

ARTICLE VIII

POSSESSION, USE AND PARTIAL RELEASE OF LEASED PROPERTY

The provisions of Article VIII are set forth and appear in this Indenture in Article VIII A of Part II.

ARTICLE IX

DISCHARGE OF LIEN

The provisions of Article IX are set forth and appear in this Indenture in Article IX A of Part II.



ARTICLE X

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERS

SECTION 1001. Defaults; Events of Default. The provisions of Section 1001 are set forth and appear in this Indenture in Section 1001 A of Part II.

SECTION 1002. Acceleration. The provisions of Section 1002 are set forth and appear in this Indenture in Section 1002 A of Part II.

SECTION 1003. Surrender of Possession of Mortgaged Property; Rights and Duties of Trustee in Possession; Other Remedies. The provisions of Section 1003 are set forth and appear in this Indenture in Section 1003 A of Part II.

SECTION 1004. Rights of Bondholders. The provisions of Section 1004 are set forth and appear in this Indenture in Section 1004 A of Part II.

SECTION 1005. Rights of Bondholders to Direct Proceedings. The provisions of Section 1005 are set forth and appear in this Indenture in Section 1005 A of Part II.

SECTION 1006. Appointment of Receiver. The provisions of Section 1006 are set forth and appear in this Indenture in Section 1006 A of Part II.

SECTION 1007. Foreclosure of Indenture. The provisions of Section 1007 are set forth and appear in this Indenture in Section 1007 A of Part II.

SECTION 1008. Application of Moneys. The provisions of Section 1008 are set forth and appear in this Indenture in Section 1008 A of Part II.

SECTION 1009. Remedies Vested in Trustee. The provisions of Section 1009 are set forth and appear in this Indenture in Section 1009 A of Part II.

SECTION 1010. Rights and Remedies of Bondholders. The provisions of Section 1010 are set forth and appear in this Indenture in Section 1010 A of Part II.

SECTION 1011. Termination of Proceedings. The provisions of Section 1011 are set forth and appear in this Indenture in Section 1011 A of Part II.

SECTION 1012. Waivers of Events of Default. The provisions of Section 1012 are set forth and appear in this Indenture in Section 1012 A of Part II.

SECTION 1013. Notice of Defaults; Opportunity of the County and Lessee to Cure Defaults. The provisions of Section 1013 are set forth and appear in this Indenture in Section 1013 A of Part II, except that in lieu of 30 days after receipt of notice to correct a default, the County shall have 60 days for such purpose, so that the first paragraph of this Section 1013 shall read:

"Anything herein to the contrary notwithstanding, no default (other than a default under Section 1001(a), Section 1001(b) or Section 1001(c) hereof, to which this Section 1013 shall not be applicable) shall constitute an event of default until actual notice of such default by registered or certified mail shall be given by the Trustee or by the holders of not less than twenty-five per cent of the aggregate principal amount of Bonds then outstanding to the Lessee and the County, and the County shall have had sixty days after receipt of such notice to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected within the applicable period; provided, however, if said default be such

that it cannot be corrected within the applicable period, it shall not constitute an event of default if corrective action is instituted by the Lessee or the County, as the case may be, within the applicable period and diligently pursued until the default is corrected."

The remaining portions of Section 1013 are set forth and appear in the second and third paragraphs of Section 1013 A of Part II.

SECTION 1014. Powers of Trustee Upon Event of Default

Under Lease Agreement or in Payment of Bonds. The provisions of Section 1014 are set forth and appear in this Indenture in Section 1014 A of Part II.



ARTICLE XI

THE TRUSTEE

SECTION 1101. Acceptance of the Trusts. The provisions of Section 1101 are set forth and appear in this Indenture in Section 1101 A of Part II.

SECTION 1102. Fees, Charges and Expenses of Trustee. The provisions of Section 1102 are set forth and appear in this Indenture in Section 1102 A of Part II.

SECTION 1103. Notice to Bondholders if Default Occurs. The provisions of Section 1103 are set forth and appear in this Indenture in Section 1103 A of Part II.

SECTION 1104. Intervention by Trustee. The provisions of Section 1104 are set forth and appear in this Indenture in Section 1104 A of Part II.

SECTION 1105. Successor Trustee. The provisions of Section 1105 are set forth and appear in this Indenture in Section 1105 A of Part II.

SECTION 1106. Resignation by the Trustee. The provisions of Section 1106 are set forth and appear in this Indenture in Section 1106 A of Part II.

SECTION 1107. Removal of the Trustee. The provisions of Section 1107 are set forth and appear in this Indenture in Section 1107 A of Part II.

SECTION 1108. Appointment of Successor Trustee by the Bondholders; Temporary Trustee. The provisions of Section 1108 are set forth and appear in this Indenture in Section 1108 A of Part II, except that the reported capital and surplus of such institution shall be not less than \$10,000,000.

SECTION 1109. Concerning any Successor Trustee. The provisions of Section 1109 are set forth and appear in this Indenture in Section 1109 A of Part II.

SECTION 1110. Right of Trustee to Pay Taxes and Other Charges. The provisions of Section 1110 are set forth and appear in this Indenture in Section 1110 A of Part II.

SECTION 1111. Trustee Protected in Relying Upon Resolutions etc. The provisions of Section 1111 are set forth and appear in this Indenture in Section 1111 A of Part II.

SECTION 1112. Successor Trustee as Trustee of Bond Fund and Construction Fund, Paying Agent and Bond Registrar. The provisions of Section 1112 are set forth and appear in this Indenture in Section 1112 A of Part II.

SECTION 1113. Trust Estate May be Vested in Separate or Co-Trustee. The provisions of Section 1113 are set forth and appear in this Indenture in Section 1113 A of Part II.

ARTICLE XII

SUPPLEMENTAL INDENTURES

SECTION 1201. Supplemental Indentures Not Requiring Consent of Bondholders. The provisions of Section 1201 are set forth and appear in this Indenture as Section 1201 A of Part II, except that, in addition to the instances therein set forth, in which the County and the Trustee may enter an indenture or indentures supplemental to this Indenture, without the consent of, or notice to, any of the Bondholders, the County and the Trustee may enter into an indenture or indentures supplemental to this Indenture for the purpose of making provision for the issuance of Additional Bonds to the extent permitted by Section 209 hereof.

SECTION 1202. Supplemental Indentures Requiring Consent of Bondholders. The provisions of Section 1202 are set forth and appear in this Indenture in Section 1202 A of Part II.



ARTICLE XIII

AMENDMENT TO LEASE AGREEMENT

SECTION 1301. Amendments, etc. to Lease Agreement Not Re-  
quiring Consent of Bondholders. The provisions of Section 1301  
are set forth and appear in this Indenture as Section 1301 A of  
Part II, except that, in addition to the instances therein set  
forth, in which the County and the Trustee may consent to any  
amendment, change or modification of the Lease Agreement, without  
the consent of, or notice to, any of the Bondholders, the County  
and the Trustee may consent to any amendment, change or modifi-  
cation of the Lease Agreement as may be required to effect the  
issuance of Additional Bonds which are authorized by Section 209  
hereof, but within the limitations prescribed by Section 8.10 of  
the Lease Agreement.

SECTION 1302. Amendments, etc. to Lease Agreement Re-  
quiring Consent of Bondholders. The provisions of Section 1302  
are set forth and appear in this Indenture in Section 1302 A  
of Part II.

ARTICLE XIV

MISCELLANEOUS

SECTION 1401. Consents, etc., of Bondholders. The provisions of Section 1401 are set forth and appear in this Indenture in Section 1401 A of Part II.

SECTION 1402. Limitation of Rights. The provisions of Section 1402 are set forth and appear in this Indenture in Section 1402 A of Part II.

SECTION 1403. Severability. The provisions of Section 1403 are set forth and appear in this Indenture in Section 1403 A of Part II.

SECTION 1404. Trustee as Paying Agent and Registrar. The provisions of Section 1404 are set forth and appear in this Indenture in Section 1404 A of Part II.

SECTION 1405. Payments Due on Sundays and Holidays. The provisions of Section 1405 are set forth and appear in this Indenture in Section 1405 A of Part II.

SECTION 1406. Counterparts. The provisions of Section 1406 are set forth and appear in this Indenture in Section 1406 A of Part II.

SECTION 1407. Laws Governing Indenture and Situs and Administration of Trust. The provisions of Section 1407 are set forth and appear in this Indenture in Section 1407 A of Part II.

SECTION 1408. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered mail, postage prepaid, or given when dispatched by telegram when telegraphic notice is permitted by express provisions of this Indenture, addressed as follows: If to the County, to the County Commission of Orangeburg County, Orangeburg County Courthouse, Orangeburg,

South Carolina; if to the Lessee, at 1905 West Court Street, Kankakee, Illinois 60901, Attention: R. E. Cook, Assistant Secretary; if to the Trustee, at Exchange Security Bank, P. O. Box 2634, Birmingham, Alabama 35202, Attention: Corporate Trust Department. The County, the Lessee, and the Trustee may, by notice given to all parties to this Indenture, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.



P A R T I I

ARTICLE I A

ADDITIONAL DEFINITIONS

SECTION 101 A. The terms defined in this Section 101 A (except as herein otherwise expressly provided, or unless the context otherwise requires) for all purposes of this Indenture and of any indenture supplemental hereto shall have the respective meanings herein specified in this Section 101 A.

"ACT" means Act No. 103 of the Acts of the General Assembly of the State of South Carolina for the year 1967, as amended.

"BONDHOLDER" or "HOLDER" or "OWNER OF THE BONDS" means the bearer of any coupon Bond which is not registered or is registered to bearer, and the registered owner of any Bond registered otherwise than to bearer.

"BOND REGISTRAR" means the Trustee acting in the capacity of keeper of the books upon which is noted the registration of any Bond.

"CHAIRMAN" means the chief executive officer of the County Board. The term shall also include the Vice Chairman of the County Board whenever, by reason of absence, illness, or other reason, the person who is the Chairman is unable to act.

"DEFAULT" means any of those defaults specified in and defined by Section 1001 hereof.

"EXTRAORDINARY SERVICES" and "EXTRAORDINARY EXPENSES" means all services rendered and all expenses incurred under the Indenture other than Ordinary Services and Ordinary Expenses.

"INDENTURE" means these presents and other indentures supplemental hereto with the Trustee in pursuance hereof.

"LEASE AGREEMENT" means the Lease Agreement executed by and between the County and the Lessee, dated as of the date hereof.

"MORTGAGED PROPERTY" means the properties conveyed as security hereunder and described in the numbered paragraphs following the granting clause of this Indenture.

"ORDINARY SERVICES" and "ORDINARY EXPENSES" mean those services normally rendered and those expenses normally incurred by a trustee under instruments similar to this Indenture.

The term "OUTSTANDING" or "BONDS OUTSTANDING" means all Bonds which have been duly authenticated and delivered by the Trustee under this Indenture, except

(a) Bonds theretofore cancelled by the Trustee or theretofore delivered to the Trustee for cancellation;

(b) Bonds for the payment or redemption of which cash funds shall have been theretofore deposited with the Trustee (whether upon or prior to the maturity or redemption date of any such Bonds); provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Trustee shall have been filed with the Trustee; and

(c) Bonds in lieu of which others have been authenticated under Section 207 hereof, unless proof satisfactory to the Trustee is presented to the Trustee that any such Bonds are held by bona fide purchasers

as that term is defined in Article 8 of the South Carolina Uniform Commercial Code, as amended, in which case the Bond or Bonds so replaced and the Bond or Bonds authenticated and delivered therefor shall be deemed outstanding.

"PERSON" means natural persons, firms, associations, corporations and public bodies.

"PROJECT" means the land, buildings, machinery, equipment and other facilities leased under the Lease Agreement.

"SECRETARY" means the Secretary of the County Board. The term shall also include a person whose title is Clerk, and the Assistant or Acting Secretary or Clerk of the County Board whenever, by reason of absence, illness or other reason, the person who is the Secretary or Clerk is unable to act.

"TRUST ESTATE" means the Mortgaged Property.

"TRUSTEE" means the party of the second part hereto, and any successor trustee pursuant to Sections 1105 and 1108 hereof at the time serving as successor trustee hereunder,

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THERE ARE NO ADDITIONAL SECTIONS TO THIS ARTICLE I A.

## ARTICLE II A

### THE BONDS

SECTION 201 A. There is no Section 201 A.

SECTION 202 A. There is no Section 202 A.

SECTION 203 A. Execution; Limited Obligation. The Bonds shall be executed on behalf of the County by the Chairman of the County Board and the corporate seal of the County or a facsimile thereof shall be impressed or reproduced thereon



and attested by the Secretary of the County Board, provided that at least one of said signatures shall be a manual signature. The coupons attached to the Bonds shall be executed by the facsimiles of the official signatures of said Chairman and Secretary and such facsimiles shall have the same force and effect as if said Chairman and Secretary had manually signed each of the coupons. The Bonds, together with interest thereon, shall be limited obligations of the County, payable from the Bond Fund, and shall be a valid claim of the respective holders thereof only against such fund and the lease rentals, revenues and receipts from the leasing or sale of the Project pledged to such fund (but in addition shall be secured by the lien of the Indenture on the Project), which lease rentals, revenues and receipts (except amounts paid by the Lessee to local taxing authorities in lieu of taxes pursuant to Section 5.5 and amounts paid pursuant to Section 8.7 of the Lease Agreement) are hereby pledged and assigned for the equal and ratable payment of the Bonds and the coupons and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Bonds, except as may be otherwise expressly authorized in this Indenture. The Bonds and coupons do not now and shall never constitute an indebtedness of the County within the meaning of any state constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers.

In case any officer whose signature or facsimile of whose signature shall appear on the Bonds or coupons shall cease to be such officer before the delivery of such Bonds,

such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery.

SECTION 204 A. Authentication. Only such Bonds as shall have endorsed thereon a certificate of authentication substantially in the form set forth in Exhibit C hereto, duly executed by the Trustee, shall be entitled to any right or benefit under this Indenture. No Bond or coupon appertaining to any Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized signature of the Trustee, but it shall not be necessary that the same person sign the certificate of authentication on all of the Bonds issued hereunder. Before authenticating or delivering any Bonds, the Trustee shall detach and cancel all matured coupons, if any, appertaining thereto, and such cancelled coupons shall be cremated by the Trustee.

SECTION 205 A. There is no Section 205 A.

SECTION 206 A. There is no Section 206 A.

SECTION 207 A. Mutilated, Lost, Stolen or Destroyed Bonds or Coupons. In the event any Bond is mutilated, lost, stolen or destroyed, the County may execute and the Trustee may authenticate a new Bond of like date, maturity and denomination as that mutilated, lost, stolen or destroyed, which new Bond shall have attached thereto coupons corresponding

in all respects to those (if any) on the Bond mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond, together with all coupons (if any) appertaining thereto shall first be surrendered to the County, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the County and the Trustee evidence of such loss, theft or destruction satisfactory to the County and the Trustee, together with indemnity satisfactory to them. In the event any such Bond or coupon shall have matured, instead of issuing a duplicate Bond or coupon, the County may pay the same without surrender thereof. The County and the Trustee may charge the holder or owner of such Bond with their reasonable fees and expenses in this connection.

SECTION 208 A. Registration of Bonds; Persons Treated as Owners. Each of the Bonds issued hereunder in coupon form shall be fully negotiable and pass by delivery but shall be subject to registration (as hereinafter provided) as to principal or as to both principal and interest in the name of the owner on the registration books to be provided for that purpose by the County at the principal office of the Trustee, as Bond Registrar. Upon presentation at said office, any of such Bonds may be registered as to principal only and such registration shall be evidenced by notation to that effect by the Bond Registrar in the registration blank on the reverse side thereof, after which no transfer thereof shall be valid unless made, at the written request of the registered owner or his duly authorized attorney, on said registration books and similarly endorsed thereon. Such registered Bonds may be thus transferred to bearer, whereupon transferability by delivery shall be restored, but such Bonds may again, from time to time, be registered or transferred to bearer as be-



fore. Such registration of any of such Bonds shall not affect the transferability by delivery only of the coupons thereunto appertaining, provided that if upon registration of any such Bond, or at any time thereafter while registered in the name of the owner, the unmatured coupons attached evidencing interest to be thereafter paid thereon shall be surrendered to said Bond Registrar a statement to that effect will be endorsed thereon and thereafter interest evidenced by such surrendered coupons will be paid by check or draft at the times provided therein, to the registered owner by mail to the address shown on the registration books. Each of such Bonds when converted as aforesaid into a Bond registered as to both principal and interest may be reconverted into a coupon Bond at the written request of the registered owner or his duly authorized attorney and upon presentation at the office of said Bond Registrar. Upon such reconversion the coupons representing the interest to become due thereafter to the date of maturity will be attached to such Bond and a statement will be endorsed thereon by said Bond Registrar in the registration blank on the back of such Bond as to whether it is then registered as to principal alone or payable to bearer. No charge shall be made to any Bondholder for the privilege of registration and transfer hereinabove granted, but any bondholder requesting any such registration or transfer shall pay any tax or other governmental charge required to be paid with respect thereto. As to any such Bond registered as to principal, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of or on account of the principal of any such Bond shall be made only to or upon the order of the registered owner thereof, or his duly authorized

attorney, and neither the County, the Trustee, any paying agent nor the Bond Registrar shall be affected by any notice to the contrary, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid. The County, the Trustee, the Bond Registrar and any paying agent may deem and treat the bearer of any such Bond which shall not at the time be registered as to principal (except to bearer) and the bearer of any coupon appertaining to any such Bond, whether such Bond be registered as to principal or not, as the absolute owner of such Bond or coupon, as the case may be, whether such Bond or coupon shall be overdue or not, for the purpose of receiving payment thereof and for all other purposes whatsoever, and neither the County, the Bond Registrar, any paying agent nor the Trustee shall be affected by any notice to the contrary.

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THERE ARE NO ADDITIONAL SECTIONS TO THIS ARTICLE II A.

#### ARTICLE III A

##### REDEMPTION OF BONDS BEFORE MATURITY

SECTION 301 A. There is no Section 301 A.

SECTION 302 A. Notice of Redemption. In the event any of the Bonds are called for redemption, the Trustee shall give notice, in the name of the County, of the redemption of such Bonds, which notice shall specify the maturities of the Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption shall be payable and, if less than all of the Bonds of any maturity are to be



redeemed, the numbers of such Bonds so to be redeemed. Such notice shall be given by publication at least once not less than 30 days nor more than 60 days prior to the redemption date in a newspaper or financial journal of general circulation published in the City of New York, New York, and in the case of the redemption of fully registered Bonds upon mailing a copy of the redemption notice by first class mail at least 30 days prior to the date fixed for redemption to the holder of each registered Bond to be redeemed at the address shown on the registration books; provided, however, that failure to give such notice by mailing or any defect therein, shall not affect the validity of any proceedings for the redemption of Bonds. If all of the Bonds to be redeemed are registered Bonds, notice by mailing given by first class mail to the holder or holders thereof, at the addresses shown on the registration books, not less than 30 days prior to the date fixed for redemption as aforesaid shall be sufficient and published notice of the call for redemption need not be given and failure duly to give such notice by mailing, or any defect in the notice, to the holder of any registered Bond designated for redemption shall not affect the validity of the proceedings for the redemption of any other Bond. All Bonds so called for redemption will cease to bear interest on the specified redemption date, provided funds for their redemption are on deposit with the Trustee and shall no longer be protected by the Indenture and shall not be deemed to be outstanding under the provisions of the Indenture. If, because of the temporary or permanent suspension of the publication or general circulation of any newspaper or financial journal or for any other reason, it is impossible or impracticable to publish such notice of call for redemption in the manner herein



provided, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient publication of notice.

SECTION 303 A. Cancellation. All Bonds which have been redeemed shall be cancelled and cremated by the Trustee together with the unmatured coupons appertaining thereto and shall not be reissued and a counterpart of the certificate of cremation evidencing such cremation shall be furnished by the Trustee to the County and the Lessee.

SECTION 304 A. Unpaid Coupons. All unpaid coupons which appertain to Bonds which have been called for redemption and which shall have become payable on or prior to the date fixed for redemption shall continue to be payable to the bearers thereof severally and respectively upon the presentation and surrender of such coupons.

SECTION 305 A. Purchase of Bonds. The Trustee shall, if and to the extent practicable, purchase Bonds at the written direction of the County upon request of the Lessee, at such time, in such manner and at such price as may be specified by the Lessee. The Trustee may so purchase Bonds with any moneys then held by the Trustee and available for the redemption or purchase of Bonds in excess of any amount set aside for payment of Bonds called for redemption; provided, that any limitations or restrictions on such redemption or purchase contained in the Lease Agreement or this Indenture shall be complied with. The expenses of such purchase shall be deemed an expense of the Trustee under Section 1102.

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THERE ARE NO ADDITIONAL SECTIONS TO THIS ARTICLE III A.

ARTICLE IV A

GENERAL COVENANTS

SECTION 401 A. Condition of County's Obligation; Payment of Principal and Interest. Each and every covenant herein made, including all covenants made by the various sections of this Article, is predicated upon the condition that any obligation for the payment of money incurred by the County shall not create a pecuniary liability of the County or a charge upon its general credit or against its taxing powers, but shall be payable solely from the lease rentals, revenues and receipts derived from or in connection with the Project, including all moneys received under the Lease Agreement (except amounts paid pursuant to Section 5.5 or 8.7 of the Lease Agreement) which are required to be set apart and transferred to the Bond Fund, which lease rentals, revenues and receipts are hereby specifically pledged to the payment thereof in the manner and to the extent in this Indenture specified and nothing in the Bonds or coupons or in this Indenture shall be considered as pledging any other funds or assets of the County.

The County covenants that it will promptly pay the principal of, including any applicable redemption premiums, and interest on every Bond issued under this Indenture at the place, on the dates and in the manner provided herein and in said Bonds, and in the coupons appertaining thereto according to the true intent and meaning thereof.

SECTION 402 A. Performance of Covenants; Authority of County. The County covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all



proceedings pertaining thereto. The County covenants that it is duly authorized under the Constitution and Laws of the State of South Carolina, to issue the Bonds authorized hereby and to execute this Indenture, to convey the property described in and conveyed hereby and to pledge the lease rentals, revenues and receipts hereby pledged in the manner and to the extent herein set forth; that all action on its part for the issuance of the Bonds and the execution and delivery of this Indenture has been duly and effectively taken, and that the Bonds in the hands of the holders and owners thereof and the coupons appertaining thereto in the hands of the bearers thereof are and will be valid and enforceable obligations of the County according to the import thereof.

SECTION 403 A. Ownership; Instruments of Further Assurance

The County covenants that it lawfully owns and is lawfully possessed of the land described in Exhibit A attached hereto and that it has good and indefeasible title and estate therein (except for Permitted Encumbrances as defined in the Lease Agreement), and that it lawfully owns and is lawfully possessed of the equipment and machinery described in Exhibit B attached hereto (or, in the case of any such equipment and machinery not yet acquired, that the same will be acquired by the County from the moneys in the Construction Fund or furnished by the Lessee pursuant to Section 4.6 of the Lease Agreement), and that it will defend the title to the Project and every part thereof to the Trustee, for the benefit of the holders and owners of the Bonds and the bearers of the coupons appertaining thereto against the claims and demands of all persons whomsoever. The County covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and de-



livered, such indentures supplemental hereto and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Trustee all and singular the property herein described and the lease rentals, revenues and receipts pledged hereby to the payment of the principal of and interest and premium, if any, on the Bonds. Any and all property hereafter acquired which is of the kind or nature herein provided to be and become subject to the lien hereof shall ipso facto, and without any further conveyance, assignment or act on the part of the County or the Trustee, become and be subject to the lien of this Indenture as fully and completely as though specifically described herein, but nothing in this sentence contained shall be deemed to modify or change the obligations of the County under this Section. The County covenants and agrees that, except as herein and in the Lease Agreement provided, it will not sell, convey, mortgage, encumber or otherwise dispose of any part of the Project or the lease rentals, revenues and receipts therefrom or of its rights under the Lease Agreement.

SECTION 404 A. Payment of Taxes, Charges, etc. Pursuant to the provisions of Section 6.3 of the Lease Agreement the Lessee has agreed to pay all lawful taxes, assessments and charges at any time levied or assessed upon or against the Project, or any part thereof, failure to pay which might impair or prejudice the lien and priority of this Indenture; provided, however, that nothing contained in this Section shall require the payment of any such taxes, assessments or charges if the same are not required to be paid under the provisions of Section 6.3 of the Lease Agreement.

SECTION 405 A. Maintenance and Repair. Pursuant to the provisions of Section 6.1 of the Lease Agreement the Lessee has agreed at its own expense to cause the Project to be kept in as reasonably safe condition as its operations shall permit, and that it will from time to time cause to be made all needed repairs so that the Project shall at all times be kept in good repair and in good operating condition, and that the Lessee may, at its own expense, make from time to time additions, modifications and improvements to the Project under the terms and conditions set forth in Section 6.1 of the Lease Agreement.

SECTION 406 A. Inspection of the Project Books. The County covenants and agrees that all books and documents in its possession relating to the Project and the lease rentals, revenues and receipts derived from the Project shall at all times be open to inspection by such accountants or other agencies as the Trustee may from time to time designate.

SECTION 407 A. Rights under Lease Agreement. The Lease Agreement, duly executed counterpart of which has been filed with the Trustee, sets forth the covenants and obligations of the County and the Lessee, including a provision that subsequent to the initial issuance of the Bonds and prior to their payment in full, or provision for payment thereof in accordance with the provisions hereof, the Lease Agreement may not be effectively amended, changed, modified, altered or terminated (other than as provided therein) without the written consent of the Trustee, and reference is hereby made to the Lease Agreement for a detailed statement of said covenants and obligations of the Lessee under the Lease Agreement, and the County agrees that the Trustee in its name or in the name of the County may enforce all rights of the County and all obligations of the Lessee under



and pursuant to the Lease Agreement for and on behalf of the Bondholders, whether or not the County is in default hereunder.

SECTION 408 A. List of Bondholders. To the extent that such information shall be made known to the County under the terms of this Section, it will keep on file at the corporate trust office of the Trustee a list of names and addresses of the last known holders of all Bonds payable to bearer and believed to be held by each of such last known holders. Any Bondholder may request that his name and address be placed on said list by filing a written request with the County or with the Trustee, which request shall include a statement of the principal amount of Bonds held by such holder and the numbers of such Bonds. The Trustee shall be under no responsibility with regard to the accuracy of said list. At reasonable times and under reasonable regulations established by the Trustee, said list may be inspected and copied by the Lessee or by holders and/or owners (or a designated representative thereof) of twenty-five per cent or more in principal amount of Bonds then outstanding, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

SECTION 409 A. Recording and Filing. This Indenture shall be recorded and indexed as mortgage of real estate in the office in the County wherein are recorded mortgages of real estate, or in such other office as may be at the time provided by law as the proper place for the recordation thereof. The security interest of the Trustee created by this Indenture in any personal property and fixtures which are to be part of the Project, shall be perfected by the filing in the office in the County wherein are recorded mortgages of personal property, and



in the office of the Secretary of State of South Carolina, in the City of Columbia, South Carolina, of financing statements which fully comply with the South Carolina Uniform Commercial Code--Secured Transactions. Such financing or continuation statements shall be filed from time to time by the Trustee in said offices of the County and of the Secretary of State of South Carolina as in the opinion of counsel, as provided in Section 13.5(a)(4) of the Lease Agreement or otherwise, are necessary to preserve the lien of this Indenture.

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THERE ARE NO ADDITIONAL SECTIONS TO THIS ARTICLE IV A.

ARTICLE V A

REVENUES AND FUNDS

SECTION 501 A. Source of Payment of Bonds. The Bonds herein authorized and all payments by the County hereunder are not general obligations of the County but are limited obligations payable solely from the lease rentals, revenues and receipts derived from the Project and as authorized and provided in this Indenture.

The Project has been leased under the Lease Agreement and the rental payments provided for in Section 5.3 of the Lease Agreement are to be remitted directly to the Trustee for the account of the County and deposited in the Bond Fund. Said rental payments are sufficient in amount to pay the principal of, premium, if any, and interest on the Bonds, and the entire amount of lease rentals, revenues and receipts from said Lease Agreement (except amounts paid by the Lessee to local taxing authorities in lieu of taxes pursuant to Section 5.5 and

amounts paid pursuant to Section 8.7 of the Lease Agreement) are pledged to the payment of the principal of, premium, if any, and interest on the Bonds. The County hereby covenants and agrees that it will not create any lien upon said lease rentals, revenues and receipts or the Project other than the lien hereby created.

SECTION 502 A. Creation of the Bond Fund. There is hereby created by the County and ordered established with the Trustee a trust fund to bear the designation set forth in Section 502.

SECTION 503 A. Payments into the Bond Fund. There shall be deposited into the Bond Fund all accrued interest derived from the sale of the Bonds. In addition, there shall be deposited into the Bond Fund, as and when received (a) any amount remaining in the Construction Fund to the extent provided in Section 4.3 of the Lease Agreement, except as otherwise directed pursuant to said Section 4.3; (b) all rental payments specified in Section 5.3 of the Lease Agreement; and (c) all other moneys received by the Trustee under and pursuant to any of the provisions of the Lease Agreement when accompanied by directions by Lessee that such moneys are to be paid into the Bond Fund. The County hereby covenants and agrees that so long as any of the Bonds issued hereunder are outstanding it will deposit, or cause to be deposited, in the Bond Fund for its account sufficient sums from lease rentals, revenues and receipts derived from the Project promptly to meet and pay the principal of, interest and premium, if any, on the Bonds as the same become due and payable and to this end the County covenants and agrees that, so long as any Bonds issued hereunder are outstanding,



it will cause the Project to be continuously and efficiently leased as a revenue and income producing undertaking, and that, should there be a default under the Lease Agreement with the result that the right of possession of the Project under the Lease Agreement is returned to the County, the County shall fully cooperate with the Trustee and with the Bondholders to the end of fully protecting the rights and security of the Bondholders and the bearers of coupons appertaining to the Bonds and shall diligently proceed in good faith and use its best efforts to secure another tenant for the premises to the end that at all times sufficient lease rentals, revenues and receipts will be derived from the Project promptly to meet and pay the principal of, interest and premium, if any, on the Bonds as the same become due and payable, as well as covering the cost of maintaining and insuring the Project. Nothing herein shall be construed as requiring the County to operate the Project or to use any funds or revenues from any source other than lease rentals, revenues and receipts derived from the Project.

SECTION 504 A. Use of Moneys in the Bond Fund. Except as provided in Section 510 hereof, moneys in the Bond Fund shall be used solely for the payment of the principal of, interest on, and premium, if any, on the Bonds and for the redemption of the Bonds at or prior to maturity. Unless otherwise provided in Section 504, and only to the extent otherwise provided in Section 504, no part of said rental payments in the Bond Fund shall be used to redeem, prior to maturity, a part of the Bonds outstanding; provided that whenever the amount in the Bond Fund from any source whatsoever is sufficient to redeem all of the Bonds outstanding hereunder and to



pay interest to accrue thereon prior to such redemption, the County covenants and agrees to take and cause to be taken the necessary steps to redeem all of said Bonds on the next succeeding redemption date for which the required redemption notice may be given; and provided further that any moneys in the Bond Fund, other than rental payments, may be used at the request of the County to redeem a part of the Bonds outstanding on the next succeeding redemption date for which the required notice of redemption may be given so long as the Lessee is not in default with respect to any rental payments under the Lease Agreement and to the extent said moneys are in excess of the amount required for payment of Bonds theretofore matured or called for redemption and past due interest in all cases where such Bonds or coupons have not been presented for payment.

SECTION 505 A. Custody of the Bond Fund. The Bond Fund shall be in the custody of the Trustee but in the name of the County and the County hereby authorizes and directs the Trustee to withdraw sufficient funds from the Bond Fund to pay principal of and interest and premium, if any, on the Bonds as the same become due and payable and to make said funds so withdrawn available to the Trustee and to the paying agent or agents for the purpose of paying said principal and interest, and premium, if any, which authorization and direction the Trustee hereby accepts.

SECTION 506 A. Non-Presentation of Bonds or Coupons. In the event any Bonds shall not be presented for payment when the principal thereof becomes due, either at maturity or at the date fixed for redemption thereof or otherwise, or in the event any coupon shall not be presented for payment at the due date thereof, if funds sufficient to pay such

Bonds or coupons shall have been made available to the Trustee for the benefit of the holder or holders thereof, all liability of the County to the holder thereof for the payment of such Bond or coupon, as the case may be, shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds, without liability for interest thereon, for the benefit of the holder of such Bond, or the bearer of such coupon, as the case may be, who shall thereafter be restricted exclusively to such fund or funds, for any claim of whatever nature on his part under this Indenture or on, or with respect to, said Bond or coupon.

SECTION 507 A. Trustee's and Paying Agent's Fees, Charges and Expenses. Pursuant to the provisions of the Lease Agreement, the Lessee has agreed to pay the Trustee, until the principal of, interest and premium, if any, on the Bonds shall have been fully paid: (i) an amount equal to the annual fee of the Trustee for the Ordinary Services of the Trustee rendered, as trustee, and its Ordinary Expenses incurred, as trustee, under this Indenture, as and when the same becomes due; (ii) the reasonable fees and charges of the Trustee, as Bond Registrar and paying agent, and any other paying agents who may hereafter act in such capacity, as and when the same become due; and (iii) the reasonable fees and charges for the necessary Extraordinary Services and Extraordinary Expenses of the Trustee under this Indenture, as and when the same become due. It is further understood and agreed that the initial or acceptance fees of the Trustee and the fees, charges and expenses of the Trustee and paying agent referred to in the preceding sentence which become due prior to the Completion Date (as defined in the Lease Agreement) will be paid to the Trustee from the Construction



Fund as and when the same shall become due. The Lessee may, without creating a default hereunder, contest in good faith the necessity for any such Extraordinary Services and Extraordinary Expenses and the reasonableness of any of the fees, charges or expenses referred to herein.

SECTION 508 A. Moneys to be Held in Trust. All moneys required to be deposited with or paid to the Trustee for account of the Bond Fund or the Construction Fund under any provision of this Indenture shall be held by the Trustee in trust, and except for moneys deposited with or paid to the Trustee for the redemption of Bonds, notice of redemption of which has been duly given, shall, while held by the Trustee, constitute a part of the Trust Estate and be subject to the lien hereof.

SECTION 509 A. Insurance and condemnation Proceeds. Reference is hereby made to Article VII of the Lease Agreement whereunder it is provided that under certain circumstances the net proceeds of insurance and condemnation awards are to be paid to the Trustee and deposited in separate trust accounts and to be disbursed and paid out as therein provided. The Trustee hereby accepts and agrees to perform the duties and obligations as therein specified. Any moneys held by the Trustee pursuant to the provisions of this Section may be invested and reinvested, with the approval of the Lessee, in investments authorized by Section 702 hereof for the investment of moneys held as a part of the Bond Fund.

SECTION 510 A. Repayment to the Lessee from the Bond Fund. Any amounts remaining in the Bond Fund after payment in full of the principal of, interest and premium, if any, on Bonds (or provision for payment thereof as provided in



this Indenture), the fees, charges and expenses of the Trustee and any paying agents and all other amounts required to be paid hereunder shall be paid to the Lessee upon the expiration or sooner termination of the term of the Lease Agreement as provided in Section 13.8 of the Lease Agreement.

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THERE ARE NO ADDITIONAL SECTIONS TO THIS ARTICLE V A.

#### ARTICLE VI A

##### CUSTODY AND APPLICATION OF PROCEEDS OF BONDS

SECTION 601 A. Deposits in the Bond Fund. From the proceeds of the issuance and delivery of Bonds there shall be deposited in the Bond Fund all accrued interest received upon the sale of the Bonds.

SECTION 602 A. Construction Fund; Disbursement. There is hereby created and established with the Trustee a trust in the name of the County to bear the designation set forth in Section 602. The balance of the proceeds of the issuance and delivery of Bonds remaining after the deduction provided by Section 601 hereof shall have been made shall be deposited in the Construction Fund. Moneys in the Construction Fund shall be expended in accordance with the provisions of the Lease Agreement and particularly Section 4.3 thereof.

The Trustee is hereby authorized and directed to issue its check for each disbursement required by the aforesaid provisions of the Lease Agreement.

The Trustee shall keep and maintain adequate records pertaining to the Construction Fund and all disbursements therefrom, and after the Project shall have been completed

and a certificate of payment of all costs filed as provided in Section 603 hereof, the Trustee shall, if requested by the Lessee, file an accounting thereof with the County and with the Lessee.

SECTION 603 A. Completion of the Project. The completion of the Project and the payment of all costs and expenses incident thereto shall be evidenced by the filing with the Trustee of (i) the certificate of the Authorized Lessee Representative (as defined in the Lease Agreement) required by the provisions of Section 4.5 of the Lease Agreement and (ii) a certificate signed by the Chairman of the County Board and by the Lessee (by one of the authorized officers of the Lessee) which certificate shall state that all obligations and costs in connection with the Project and payable out of the Construction Fund have been paid and discharged except for amounts retained by the Trustee with the approval of the said Authorized Lessee Representative for the payment of costs of the Project not then due and payable as provided in the Lease Agreement. As soon as practicable and in any event after sixty days from the date of the certificate referred to in clause (ii) of the preceding sentence any balance remaining in the Construction Fund (other than the amounts retained by the Trustee referred to in the preceding sentence) shall without further authorization be deposited in the Bond Fund by the Trustee with advice to the County and to the Lessee of such action unless the Lessee shall have directed the Trustee to purchase Bonds in the open market for the purpose of cancellation in accordance with Section 4.3 of the Lease Agreement.

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THERE ARE NO ADDITIONAL SECTIONS TO THIS ARTICLE VI A.

ARTICLE VII A

INVESTMENTS

SECTION 701 A. Investment of Construction Fund Moneys.

Any moneys held as part of the Construction Fund shall, at the written request of and as specified by the Authorized Lessee Representative (as defined in the Lease Agreement), be invested and reinvested by the Trustee in accordance with the provisions of Section 4.9 of the Lease Agreement. Any such investments shall be held by or under the control of the Trustee and shall be deemed at all times a part of the Construction Fund and the interest accruing thereon and any profit realized from such investments shall be credited to such fund, and any loss resulting from such investments shall be charged to such fund. The Trustee is directed to sell and reduce to cash funds a sufficient amount of such investments whenever the cash balance in the Construction Fund is insufficient to pay a requisition when presented.

SECTION 702 A. Investment of Bond Fund Moneys. Any

moneys held as part of the Bond Fund shall be invested or reinvested by the Trustee in any bonds or other obligations which as to principal and interest constitute direct obligations of the United States of America having maturities consonant with the requirements for the payments to be made from the Bond Fund. Any such investment shall be held by or under control of the Trustee and shall be deemed at all times a part of the Bond Fund and the interest accruing thereon and any profit realized therefrom shall be credited to such fund. The Trustee shall sell and reduce to cash a sufficient portion of investments under the provisions of this Section 702 whenever the cash balance in the Bond Fund is insufficient to pay the current interest and principal requirements.



SECTION 703 A. Limitation on Investments. The Trustee shall not invest any of the moneys in the Construction Fund or the Bond Fund if to do so would be contrary to any policy or rules or regulations of the Internal Revenue Service with respect to arbitrage and the effect of which would be to cause the loss of the exemption of the interest on the Bonds from Federal income taxation.

SECTION 704 A. Trustee's Own Bond Department. The Trustee may make any and all investments permitted under Section 701 and Section 702 through its own Bond Department.

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THERE ARE NO ADDITIONAL SECTIONS TO THIS ARTICLE VII A.

ARTICLE VIII A

POSSESSION, USE AND PARTIAL RELEASE OF LEASED PROPERTY

SECTION 801 A. Subordination to Rights of the Lessee.

This Indenture and the rights and privileges hereunder of the Trustee and the holders of the Bonds and bearers of coupons appertaining thereto are specifically made subject and subordinate to the rights and privileges of the Lessee set forth in the Lease Agreement. So long as not otherwise provided in this Indenture, the County shall be suffered and permitted to possess, use and enjoy the Mortgaged Property and appurtenances so as to carry out its obligations under the Lease Agreement.

SECTION 802 A. Release of Leased Land. Reference is made to the provisions of the Lease Agreement, including without limitation Sections 8.5 and 11.3 thereof, whereby the County and the Lessee have reserved the right to withdraw certain portions of the Leased Land (as defined in the Lease Agreement) upon compliance with the terms and conditions of the Lease Agreement. The Trustee shall release from the lien of this Indenture any such land upon compliance with the provisions of the Lease Agreement.

SECTION 803 A. Release of Leased Equipment. Reference is made to the provisions of the Lease Agreement, including without limitation Section 6.2 thereof, whereby the Lessee may withdraw certain items of equipment constituting Leased Equipment (as defined in the Lease Agreement) upon compliance with the terms and conditions of the Lease Agreement. The Trustee shall release from the lien of this Indenture any such item of equipment upon compliance with the provisions of the Lease Agreement.

SECTION 804 A. Granting of Easements. Reference is made to the provisions of the Lease Agreement, including, without limitation Section 8.6 thereof, whereby the Lessee may grant easements and take other action upon compliance with the terms and conditions of the Lease Agreement. The Trustee shall execute or confirm the grants or releases of easements, licenses, rights of way and other rights and privileges permitted by Section 8.6 thereof upon compliance with the provisions of the Lease Agreement.

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THERE ARE NO ADDITIONAL SECTIONS TO THIS ARTICLE VIII A.

ARTICLE IX A

DISCHARGE OF LIEN

SECTION 901 A. Discharge of Lien of the Indenture.

If the County shall pay or cause to be paid to the holders and owners of the Bonds and bearers of coupons the principal, interest and premium, if any, to become due thereon at the times and in the manner stipulated therein and herein, and shall have paid all fees and expenses of the Trustee and each

paying agent, and if the County shall keep, perform and observe all and singular the covenants and promises in the Bonds and in this Indenture expressed as to be kept, performed and observed by it or on its part, or if the issuance of the Bonds is not made within the time provided in Section 4.2 of the Lease Agreement, then these presents and the estate and rights hereby granted shall, at the option of the County, cease, determine and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture and execute and deliver to the County such instruments in writing as shall be requisite to satisfy the lien hereof, and re-convey to the County the estate hereby conveyed, and assign and deliver to the County any property at the time subject to the lien of this Indenture which may then be in its possession, except amounts in the Bond Fund required to be paid to the Lessee under Section 510 hereof and except funds held by the Trustee for the payment of principal of, interest and premium, if any, on the Bonds.

Bonds and coupons for the payment or redemption of which moneys shall have been deposited with the Trustee (whether upon or prior to the maturity or the redemption date of such Bonds) shall be deemed to be paid within the meaning of this Article; provided, however, that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given or arrangements satisfactory to the Trustee shall have been made for the giving thereof.

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THERE ARE NO ADDITIONAL SECTIONS TO THIS ARTICLE IX A.



ARTICLE X A

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERS

SECTION 1001 A. Defaults; Events of Default. If any of the following events occurs, subject to the provisions of Sections 1012 and 1013 hereof, it is hereby defined as and declared to be and to constitute an "event of default," viz:

- (a) Default in the due and punctual payments of any interest on any Bond; or
- (b) Default in the due and punctual payment of the principal of any Bonds (or premium thereon, if any), whether at the stated maturity thereof, or upon proceedings for redemption thereof, or upon the maturity thereof by declaration or upon the mandatory purchase of the Project contemplated by Section 12.2 of the Lease Agreement; or
- (c) The occurrence of an "event of default" under Section 10.1(a) or (b) of the Lease Agreement; or
- (d) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the County in this Indenture or in the Bonds contained; or
- (e) The occurrence of an "event of default" under Section 10.1 of the Lease Agreement arising out of matters referred to in Sections 404, 405, and 507 hereof.

The term "default" shall mean default by the County in the performance or observance of any of the covenants, agreements or conditions on its part contained in this Indenture or in the Bonds, exclusive of any period of grace required

to constitute a default an "event of default" as in this Article provided and shall mean the occurrence of an "event of default" under Section 10.1 of the Lease Agreement arising out of matters referred to in Sections 404, 405, and 507 hereof.

SECTION 1002 A. Acceleration. Upon the occurrence of an event of default the Trustee may, and upon the written request of the holders of not less than twenty-five per cent in aggregate principal amount of Bonds then outstanding shall, by notice in writing delivered to the County, declare the principal of all Bonds then outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable.

SECTION 1003 A. Surrender of Possession of Mortgaged Property; Rights and Duties of Trustee in Possession; Other Remedies. Upon the occurrence of an event of default, it shall be lawful for the Trustee, by such officer or agent as it may appoint, to take possession of all or any part of the Mortgaged Property together with the books, papers and accounts of the County appertaining thereto, and including the rights and the position of the County under the Lease Agreement, and to hold, operate and manage the same, and from time to time make all needful repairs and improvements as by the Trustee shall be deemed wise; and the Trustee may lease the Project or any part thereof in the name and for account of the County and collect, receive and sequester the rents, revenues, issues, earnings, income, products and profits therefrom, and out of the same and any moneys received from any receiver of any part thereof pay, and/or set up proper reserves for the payment of all proper costs and expenses of so taking, holding and

managing the same, including reasonable compensation to the Trustee, its agents and counsel, and any charges of the Trustee hereunder, and any taxes and assessments and other charges prior to the lien of this Indenture which the Trustee 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 1008 hereof.

Whenever all that is due upon the Bonds shall have been paid and all defaults made good, the Trustee shall surrender possession to the County; the same right of entry, however, to exist upon any subsequent event of default.

While in possession of such property the Trustee shall render annually to the County and the Lessee and also to the Bondholders, at their addresses set forth in the list required by Section 408 hereof and to the holders of all Bonds then registered as to principal (except to bearer) at their addresses shown by the registration books, a summarized statement of income and expenditures in connection therewith.

Upon the occurrence of an event of default the lien on the Project created and vested by this Indenture may be foreclosed either by sale at public outcry or by proceedings in equity and the Trustee or the holder or holders of any of the Bonds then outstanding, whether or not then in default of payment of principal or interest, may become the purchaser at any foreclosure sale if the highest bidder.

Upon the occurrence of an event of default, the Trustee shall have the power to proceed with any right or remedy granted by the Constitution and Laws of the State of South Carolina, as it may deem best, including any suit, action or special proceeding in equity or at law for the special



performance of any covenant or agreement contained herein or for the enforcement of any proper legal or equitable remedy as the Trustee shall deem most effectual to protect the rights aforesaid, insofar as such may be authorized by law, and the right to appointment, as a matter of right and without regard to the sufficiency of the security afforded by the Mortgaged Property, of a receiver for all or any part of the Mortgaged Property and the earnings, rents and income thereof; the rights here specified are to be cumulative to all other available rights, remedies or powers and shall not exclude any such rights, remedies or powers.

SECTION 1004 A. Rights of Bondholders. If an event of default shall have occurred, and if requested so to do by the holders of not less than twenty-five per cent in the aggregate principal amount of Bonds then outstanding and if indemnified as provided in Section 1101(1) hereof, the Trustee shall be obliged to exercise such one or more of the rights and powers conferred by this Article, as the Trustee, being advised by counsel, shall deem most expedient in the interest of the Bondholders.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the Bondholders) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Bondholders hereunder 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 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 acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or event of default hereunder, whether by the Trustee or by the Bondholders shall extend to or shall affect any subsequent default or event of default or shall impair any rights or remedies consequent thereon.

SECTION 1005 A. Rights of Bondholders to Direct Proceedings. Anything in this Indenture to the contrary notwithstanding, the holders of a majority in aggregate principal amount of Bonds then outstanding (determined in accordance with the provisions of Section 1401 hereof) shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

SECTION 1006 A. Appointment of Receiver. Upon the occurrence of an event of default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bondholders or the bearers of the coupons under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Mortgaged Property and of the rents, revenues, issues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

SECTION 1007 A. Foreclosure of Indenture. Upon the occurrence of an event of default, to the extent that such right may then lawfully be waived, neither the County, nor anyone claiming through or under it, shall set up, claim, or seek to take advantage of any appraisement, valuation, stay, extension or redemption laws now or hereinafter in force, in order to prevent or hinder the enforcement of the Indenture or the foreclosure of the Indenture, and the County, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws and all right of appraisement and redemption to which it may be entitled under the laws of South Carolina.

SECTION 1008 A. Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee, be deposited in the Bond Fund and all moneys in the Bond Fund shall be applied as follows;

(a) Unless the principal of all Bonds 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 Bonds, 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, 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 of and premium, if any, on any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates, with interest on such Bonds from the respective dates upon which they become due and, if the amount available shall not be sufficient to pay in full principal of, premium, if any, and interest on the Bonds due on any particular date, then to the payment ratably, according to the amount of the principal, interest, and premium, if any, due on such date, to the persons entitled thereto without any discrimination or privilege.

(b) If the principal of all the Bonds shall have become due 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 Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, 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 Bonds shall have been declared due and payable, and if

such declaration shall thereafter have been rescinded and annulled under the provisions of this Article then, subject to the provisions of paragraph (b) of this Section in the event that the principal of all the Bonds 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.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time as the Trustee 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 Trustee 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 dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the bearer of any unpaid coupon or the holder of any Bond until such coupon or such Bond and all unmatured coupons, if any, appertaining to such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all principal of, premium, if any, and interest on all Bonds have been paid under the provisions of this Section and all expenses and charges of the Trustee shall have been paid, any balance remaining in the Bond Fund shall be paid to the Lessee as provided in Section 510 hereof.

SECTION 1009 A. Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) under this Indenture or under any of the Bonds or coupons may be enforced by the Trustee without the possession of any of the Bonds or coupons or the production thereof in any trial or other proceeding relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any holders of the Bonds or bearers of coupons, and any recovery of judgment shall be for the equal benefit of the holders of the outstanding Bonds and the bearers of the outstanding coupons.

SECTION 1010 A. Rights and Remedies of Bondholders. No holder or bearer of any Bond or coupon, as the case may be, shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust thereof or for the appointment of a receiver or any other remedy hereunder, unless also a default has occurred of which the Trustee has been notified as provided in subsection (g) of Section 1101, or of which by said subsection it is deemed to have notice, nor unless also such default shall have become an event of default and the holders of at least twenty-five per cent in aggregate principal amount of Bonds then outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, nor unless also they have offered to the Trustee indemnity as provided in Section 1101(1) nor unless the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action,



suit or proceeding in its, his or their own name or names; and such notification, request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more holders or bearers of the Bonds or coupons shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by its, his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the holders of all Bonds and the bearers of all coupons then outstanding. Nothing in this Indenture contained shall, however, affect or impair the right of any Bondholder to enforce the payment of the principal, premium, if any, and interest of any Bond at and after the maturity thereof, or the obligation of the County to pay the principal of, premium, if any, and interest on each of the Bonds issued hereunder to the respective holders thereof and to the bearers of the coupons at the time, place, from the source, and in the manner in said Bonds and coupons expressed.

SECTION 1011 A. Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the County and the

Trustee shall be restored to their former positions and rights hereunder with respect to the Mortgaged Property herein conveyed, and all rights and remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

SECTION 1012 A. Waivers of Events of Default. The Trustee shall waive any event of default hereunder and its consequences and rescind any declaration of maturity of principal of and interest on the Bonds upon the written request of the holders of a majority in aggregate principal amount of all Bonds then outstanding; provided, however, that there shall not be waived (a) any event of default in the payment of the principal of any outstanding Bonds at the date of maturity specified therein or upon mandatory redemption if such be prescribed by any provision of this Indenture, or (b) any default in the payment when due of the interest or premium on any such Bonds unless prior to such waiver or rescission, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds in respect of which such default shall have occurred on overdue installments of interest or all arrears of payments of principal or premium when due (whether at the stated maturity thereof or upon proceedings for redemption) as the case may be, and all expenses of the Trustee, in connection with such default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the County, Trustee and Bondholders and bearers of coupons shall be restored to their former positions and rights hereunder respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

SECTION 1013 A. Notice of Defaults; Opportunity of the County and Lessee to Cure Defaults. Anything herein to the contrary notwithstanding, no default (other than a default under Section 1001(a), Section 1001(b) or Section 1001(c) hereof, to which this Section 1013 shall not be applicable) shall constitute an event of default until actual notice of such default by registered or certified mail shall be given by the Trustee or by the holders of not less than twenty-five per cent of the aggregate principal amount of Bonds then outstanding to the Lessee and the County, and the County shall have had thirty days after receipt of such notice to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected within the applicable period; provided, however, if said default be such that it cannot be corrected within the applicable period, it shall not constitute an event of default if corrective action is instituted by the Lessee or the County, as the case may be, within the applicable period and diligently pursued until the default is corrected.

With regard to any alleged default concerning which notice is given to the Lessee under the provisions of this Section 1013, the County hereby grants the Lessee full authority for account of the County to perform any covenant or obligation alleged in said notice to constitute a default, in the name and stead of the County with full power to do any and all things and acts to the same extent that the County could do and perform any such things and acts and with power of substitution.

In the event that the Trustee fails to receive the rental payable by the Lessee under Section 5.3 of the Lease Agreement on the occasion prescribed therein, the Trustee



shall forthwith give notice by telegram, or if telegraphic service is not available, then by mail to the Lessee, specifying such failure.

SECTION 1014 A. Powers of Trustee Upon Event of Default Under Lease Agreement or in Payment of Bonds. If the rents prescribed by Section 5.3 of the Lease Agreement are not paid on the occasions therein prescribed for, or in case an event of default, as defined in Section 1001 hereof, in the payment of the principal of, premium, if any, or interest on any Bonds shall occur and be continuing, the Trustee, in its own name and as trustee of an express trust, shall be entitled and empowered to institute any action or proceedings at law or in equity for the collection of all sums due and unpaid under the Lease Agreement or the Bonds and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against any obligor thereon, and collect in the manner provided by law out of the property of any obligor thereon wherever situated the moneys adjudged or decreed to be payable.

In case there shall be pending proceedings for the bankruptcy or for the reorganization of any obligor under the Lease Agreement under the National Bankruptcy Act or any other applicable law, or in case a receiver or trustee shall have been appointed for the property of any such obligor, or in case any other judicial proceedings relative to any obligor under the Lease Agreement, or to the creditors or property of any such obligor, the Trustee, irrespective of whether the principal of the Bonds shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand

pursuant to the power vested in it by the Indenture, shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount owing and unpaid, and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for reasonable compensation to the Trustee, its agents, attorneys and counsel, and for reimbursement of all expenses and liabilities incurred, and all advances made, by the Trustee except as a result of its negligence or bad faith) and the Bondholders allowed in any such judicial proceedings relative to the Lessee or any other obligor under the Lease Agreement or to the creditors or property of the Lessee, or any such other obligor, as the case may be, and to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute all amounts received with respect to the claims of the Bondholders and of the Trustee on their behalf; and any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized by each of the Bondholders to make payments to the Trustee and, in the event that the Trustee shall consent to the making of payments directly to the Bondholders, to pay to the Trustee such amount as shall be sufficient to cover reasonable compensation to the Trustee, its agents, attorneys and counsel, and all other expenses and liabilities incurred, and all advances made, by the Trustee except as a result of its negligence or bad faith.

In case of a default hereunder the Trustee may, in its discretion, proceed to protect and enforce the rights vested in it by this Indenture by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any of such rights, either at law or in equity or in bankruptcy,

or otherwise, whether for the specific performance of any covenant or agreement contained in this Indenture, or enforceable by the Trustee by reason of this Indenture, or in aid of the exercise of any power or right granted by this Indenture, or to enforce any other legal or equitable right vested in the Trustee by this Indenture, or by law.

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THERE ARE NO ADDITIONAL SECTIONS TO THIS ARTICLE X A.

ARTICLE XI A

THE TRUSTEE

SECTION 1101 A. Acceptance of the Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees, and shall be entitled to advice of counsel concerning all matters of trusts hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may be reasonably employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the County or the Lessee). The Trustee shall not be responsible for any loss or damage resulting from any action or non-action in good faith in reliance upon such opinion or advice.



(b) The Trustee shall not be responsible for any recital herein, or in the Bonds (except in respect to the authentication certificate of the Trustee endorsed on the Bonds), or for insuring the property conveyed hereby, or for collecting any insurance moneys, or for the validity of the execution by the County of this Indenture or of any supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, or for the value or title of the property conveyed hereby or otherwise as to the maintenance of the security hereof; except that in the event the Trustee enters into possession of a part or all of the property conveyed hereby pursuant to any provision of this Indenture it shall use due diligence in preserving such property; and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the County or on the part of the Lessee under the Lease Agreement, except as herein expressly set forth; but the Trustee may require of the County or the Lessee full information and advice as to the performance of the covenants, conditions and agreements aforesaid and as to the condition of the property conveyed hereby. Except as otherwise provided in Section 1003 hereof, the Trustee shall have no obligation to perform any of the duties or obligations of the County, as lessor, under the Lease Agreement.

(c) The Trustee shall not be accountable for the use of the proceeds from the sale of the Bonds disbursed

in accordance with the provisions of Sections 4.2 and 4.3 of the Lease Agreement. The Trustee may become the owner of Bonds and coupons secured hereby with the same rights which it would have if not Trustee.

(d) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram, or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the owner of any Bond, shall be conclusive and binding upon all future owners of the same Bond and of Bonds issued in exchange therefor or in place thereof, regardless of whether or not any notation thereof is made on any such Bond.

(e) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed on behalf of the County Board by its Chairman and attested by its Secretary as sufficient evidence of the facts therein contained and prior to the occurrence of a default of which the Trustee has been notified as provided in subsection (g) of this Section, or of which by said subsection it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the



same. The Trustee may accept a certificate of the Secretary of the County Board, under its seal, to the effect that a resolution in the form therein set forth has been adopted by the County Board, as conclusive evidence that such resolution has been duly adopted, and is in full force and effect.

(f) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful default.

(g) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except (i) failure by the County to cause to be made any of the payments to the Trustee required to be made by Article V and (ii) failure by the Lessee to make any of the payments to the Trustee required to be made by Section 5.3 of the Lease Agreement, unless the Trustee shall be specifically notified in writing of such default by the County or by the holders of at least twenty-five per cent in aggregate principal amount of all Bonds then outstanding and all notices or other instruments required by this Indenture to be delivered to the Trustee, must, in order to be effective, be delivered at the principal office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no default except as aforesaid.

(h) The Trustee shall not be liable for any debts contracted or for damages to persons or to personal



property injured or damaged, or for salaries or nonfulfillment of contracts during any period in which it may be in the possession of or managing the Mortgaged Property as in this Indenture provided.

(i) At any and all reasonable times, the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect any and all of the Project, including all books, papers and records of the County pertaining to the Project and the Bonds, and to take such memoranda from and in regard thereto as may be desired, subject to any limitations imposed upon such rights of inspection pursuant to Section 8.2 of the Lease Agreement.

(j) The Trustee shall not be required to give any bond or surety in respect to the execution of the said trusts and powers or otherwise in respect to the premises.

(k) Notwithstanding anything elsewhere in this Indenture contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals, or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Trustee, deemed desirable for the purpose of establishing the right of the County to the authentication of any Bonds, the withdrawal of any cash, the release of any property or the taking of any other

action by the Trustee.

(l) Before taking any action hereunder the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful default by reason of any action so taken.

(m) All moneys received by the Trustee or paying agent shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law or by this Indenture. Neither the Trustee nor paying agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

SECTION 1102 A. Fees, Charges and Expenses of Trustee.

The Trustee shall be entitled to payment and/or reimbursement for reasonable fees for its Ordinary Services rendered hereunder, and all advances, counsel fees and other Ordinary Expenses reasonably and necessarily made or incurred by the Trustee in connection with such Ordinary Services and, in the event that it should become necessary that the Trustee perform Extraordinary Services, it shall be entitled to reasonable extra compensation therefor, and to reimbursement for reasonable and necessary Extraordinary Expenses in connection therewith; provided, that if such Extraordinary Services or Extraordinary Expenses are occasioned by the neglect or misconduct of the Trustee, it shall not be entitled to compensation or reimbursement therefor. The Trustee shall be entitled to payment and reimbursement for the

reasonable fees and charges of the Trustee as Bond Registrar and paying agent for the Bonds and coupons as hereinabove provided. The Trustee shall have a lien with right of payment prior to payment on account of interest or principal of any Bond upon the Project for the foregoing advances, fees, costs and expenses incurred.

SECTION 1103 A. Notice to Bondholders If Default Occurs.

If a default occurs of which the Trustee is by section (g) of Section 1101 hereof required to take notice or if notice of default be given as in said subsection (g) provided, then the Trustee shall give such notice to the Lessee and the County as is specified in Section 1013 hereof, and such notice to the Lessee as is specified in Section 10.1 of the Lease Agreement, in order to have such default mature as an event of default upon the passage of the period of time therein specified and shall give written notice thereof by mail to the last known holders or owners of all Bonds then outstanding shown by the list of Bondholders required by the terms of Section 408 hereof to be kept at the office of the Trustee and by the registration books maintained by the Trustee pursuant to Section 208 hereof.

SECTION 1104 A. Intervention by Trustee. In any judicial proceeding to which the County is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of the owners of the Bonds, the Trustee may intervene on behalf of the Bondholders and shall do so if requested in writing by the owners of at least twenty-five per cent in aggregate principal amount of all Bonds then outstanding, and if indemnified as provided in Section 1101(1) hereof. The rights and obligations of the Trustee under this Section are



subject to the approval of a court of competent jurisdiction.

SECTION 1105 A. Successor Trustee. Any corporation or association into which the Trustee may be converted or merged or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor Trustee hereunder and vested with all of the title to the whole property or trust estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instruments or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

SECTION 1106 A. Resignation by the Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving thirty days' written notice to the County, to the Lessee and by registered or certified mail to each registered owner of Bonds then outstanding and to each holder of Bonds as shown by the list of Bondholders required by Section 408 hereof to be kept at the office of the Trustee, and such resignation shall take effect at the end of such thirty days, or upon the earlier appointment of a successor Trustee by the Bondholders or by the County. Such notice to the County and to the Lessee may be served personally or sent by registered mail.

SECTION 1107 A. Removal of the Trustee. The Trustee may be removed at any time, by an instrument or concurrent instruments in writing delivered to the Trustee and to the County, and signed by the owners of a majority in aggregate principal amount of all Bonds then outstanding.

SECTION 1108 A. Appointment of Successor Trustee by the Bondholders; Temporary Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the owners of a majority in aggregate principal amount of Bonds then outstanding, by an instrument or concurrent instruments in writing signed by such owners, or by their attorneys in fact, duly authorized; provided, nevertheless, that in case of vacancy the County by an instrument executed and signed by the Chairman of the County Board and attested by the Secretary of the County Board under its seal, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by such Bondholders in the manner above provided; and any such temporary Trustee so appointed by the County shall immediately and without further act be superseded by the Trustee so appointed by such Bondholders. Every such Trustee appointed pursuant to the provisions of this Section shall be a trust company or bank organized under the laws of the United States of America or any state thereof and which is in good standing, within or outside the State of South Carolina, having a reported capital and surplus of not less than that prescribed in Section 1108 hereof if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

SECTION 1109 A. Concerning Any Successor Trustees. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the County an instrument in writing accepting such appointment hereunder,



and thereupon such successor, without any further act, deed or conveyance, shall become duly vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the County or of its successor, and upon payment of all amounts due such predecessor pursuant to Section 1102 hereof, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the County be required by any successor Trustee for more fully and certainly vesting in such successor the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing, shall, on request, be executed, acknowledged and delivered by the County. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article shall be filed and/or recorded by the successor Trustee in each recording office where the Indenture shall have been filed and/or recorded.

SECTION 1110 A. Right of Trustee to Pay Taxes and Other Charges. In case any tax, assessment or governmental or other charge upon any part of the property herein conveyed is not paid as required herein, the Trustee may pay such tax, assessment or governmental or other charge, without prejudice, however, to any rights of the Trustee or the Bondholders hereunder arising in consequence of such failure; and any amount at any time so paid under this Section, with interest thereon from the date of payment at the rate of seven per cent



per annum, shall become so much additional indebtedness secured by this Indenture, and the same shall be given a preference in payment over any of the Bonds, and shall be paid out of the revenues herein pledged to the payment of the Bonds if not otherwise caused to be paid; but the Trustee shall be under no obligation to make any such payment unless it shall have been requested to do so by the holders of at least twenty-five per cent in the aggregate principal amount of all Bonds then outstanding and shall have been provided with adequate funds for the purpose of such payment.

SECTION 1111 A. Trustee Protected in Relying Upon Resolutions, etc. The resolutions, opinions, certificates and other instruments provided for in this Indenture may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for the release of property and the withdrawal of cash hereunder.

SECTION 1112 A. Successor Trustee as Trustee of Bond Fund and Construction Fund, Paying Agent and Bond Registrar. In the event of a change in the office of Trustee the predecessor Trustee which has resigned or has been removed shall cease to be trustee of the Bond Fund and the Construction Fund, and paying agent for principal of and interest and premium, if any, on the Bonds, and Bond Registrar, and the successor Trustee shall become such Trustee, paying agent and Bond Registrar.

SECTION 1113 A. Trust Estate May be Vested in Separate or Co-Trustee. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of South Carolina) denying or restricting the right of banking corporations or asso-

ciations to transact business as Trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture or the Lease Agreement, and in particular in case of the enforcement of either on default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the Mortgaged Property, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate or co-trustee. The following provisions of this Section 1113 are provided for this purpose.

In the event that the Trustee appoints an additional individual or institution as a separate or co-trustee (and the Trustee is hereby expressly granted such power), each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co-trustee but only to the extent necessary to enable such separate or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them.

Should any deed, conveyance or instrument in writing from the County be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to him or it such properties, rights,



powers, trusts, duties and obligations, any and all such deeds, conveyances, and instruments in writing shall, on request, be executed, acknowledged and delivered by the County. In case any separate trustee or co-trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

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THERE ARE NO ADDITIONAL SECTIONS TO THIS ARTICLE XI A.

ARTICLE XII A

SUPPLEMENTAL INDENTURES

SECTION 1201 A. Supplemental Indentures Not Requiring Consent of Bondholders. The County and the Trustee may without the consent of, or notice to, any of the Bondholders, enter into an indenture or indentures supplemental to this Indenture as shall not be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Indenture;
- (b) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders or the Trustee or either of them;



(c) to subject to the lien and pledge of this Indenture, additional revenues, properties or collateral; and

(d) to modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar Federal statute hereafter in effect or under any state Blue Sky Law.

The County and the Trustee shall without the consent of, or notice to, any of the Bondholders enter into an indenture or indentures supplemental to this Indenture (i) to the extent necessary with respect to any real or personal property forming a part of the Project and generally described in the Lease Agreement, so as to more precisely identify the same or to substitute or add additional land or interests in land, buildings, machinery and equipment, and (ii) with respect to any changes required to be made in the description of the Mortgaged Property in order to conform with similar changes made in the Lease Agreement as permitted by Section 1301.

SECTION 1202 A. Supplemental Indentures Requiring Consent of Bondholders. Exclusive of indentures supplemental hereto covered by Section 1201 hereof and subject to the terms and provisions contained in this Section, and not otherwise, the holders of not less than two thirds in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution

by the County and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the County for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; provided, however, that nothing in this Section contained shall permit, or be construed as permitting

(a) an extension of the stated maturity or reduction of any premium payable on the redemption of, any Bonds, or

(b) the creation of any lien (other than any Permitted Encumbrances as defined in the Lease Agreement), prior to or on a parity with the lien of this Indenture, or

(c) the issuance of Bonds hereunder in excess of the limitations imposed by the provisions of Article II, or

(d) a reduction in the principal amount of any Bonds required to be paid or redeemed by the provisions of this Indenture, or

(e) a reduction in the amount, or extension of the time, of any payment required for the Bond Fund, or

(f) a reduction in the aforesaid aggregate principal amount of Bonds the holders of which are required to consent to any such supplemental indenture, or

(g) any amendment of Section 1202,

without the consent of the Holders of all the Bonds at the time outstanding which would be affected by the action to be taken, or

(h) the modification of the rights, duties or immunities of the Trustee,

without the written consent of the Trustee.

If at any time the County shall request the Trustee to enter into any such supplemental indenture for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause such



notice of the proposed execution of such supplemental indenture to be published as shall be requested by the County and, in any event, one time in a newspaper or financial journal of general circulation published in the City of New York, New York, and shall also cause a similar notice to be mailed, postage prepaid, to all registered Bondholders; provided, however, that no publication of such notice shall be required and notice by mail as aforesaid shall be deemed sufficient notice where all Bonds outstanding are registered. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the corporate trust office of the Trustee for inspection by all Bondholders. If, within sixty days or such longer period as shall be prescribed by the County following the final publication of such notice, the Holders of not less than two-thirds in aggregate principal amount of the Bonds outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no Holder of any Bond and no bearer of any coupon shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the County from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this Section permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

Anything herein to the contrary notwithstanding, a supplemental indenture under this Article XII which affects any rights of the Lessee shall not become effective unless



and until the Lessee shall have consented to the execution and delivery of such supplemental indenture. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such supplemental indenture together with a copy of the proposed supplemental indenture to be mailed by certified or registered mail to the Lessee at least fifteen days prior to the proposed date of execution and delivery of any supplemental indenture. The Lessee shall be deemed to have consented to the execution and delivery of any such supplemental indenture if the Trustee does not receive a letter of protest or objection thereto signed by or on behalf of the Lessee on or before 2:30 o'clock P. M. of the fifteenth day after mailing of said notice and a copy of the proposed supplemental indenture. The Trustee may rely upon an opinion of counsel as conclusive evidence that execution and delivery of a supplemental indenture has been effected in compliance with the provisions of this Article XII.

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THERE ARE NO ADDITIONAL SECTIONS TO THIS ARTICLE XII A.

ARTICLE XIII A

AMENDMENT OF LEASE AGREEMENT

SECTION 1301 A. Amendments, etc., to Lease Agreement Not Requiring Consent of Bondholders. The County and the Trustee shall, without the consent of or notice to the Bondholders, consent to any amendment, change or modification of the Lease Agreement as may be required (i) by the provisions of the Lease Agreement and this Indenture, (ii) for the purpose of curing any ambiguity or formal defect or omission, (iii) in connection with

any real or personal property forming a part of the Project and described in the Lease Agreement, so as to identify more precisely the same or substitute or add additional land or interests in land, buildings, machinery and equipment, or (iv) in connection with any other change therein which, in the judgment of the Trustee, is not to the prejudice of the Trustee, or materially adverse to the Holders of the Bonds.

SECTION 1302 A. Amendments, etc., to Lease Agreement Re-  
quiring Consent of Bondholders. Except for the amendments, changes or modifications as provided in Section 1301 hereof, and subject to the special limitation contained in the sentence of this Section 1302 immediately following this sentence, the County and the Trustee may consent to other amendments, changes or modifications of the Lease Agreement after notice to and upon the written approval or consent of the Holders of not less than two thirds in aggregate principal amount of the Bonds at the time outstanding given and procured as in Section 1202 hereof provided. Provided, always, that nothing in this Section contained shall permit, or shall be construed as permitting, any amendment, change or modification of

(i) the Lessee's unconditional obligation to make payments sufficient to pay the principal, interest and premium, if any, due at any time on the Bonds, or

(ii) the provisions of Article V of the Lease Agreement,

without the consent of the Holders of all the Bonds at the time outstanding. If at any time the County and the Lessee shall request the consent of the Trustee to any such proposed amendment, change or modification of the Lease Agreement which is permitted by the first sentence of this Section 1302, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment,

change or modification to be given in the same manner as provided by Section 1202 hereof with respect to supplemental indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the corporate trust office of the Trustee for inspection by all Bondholders. If, within sixty days, or such longer period as shall be prescribed by the County following the giving of such notice, the Holders of not less than two thirds in aggregate principal amount of the Bonds outstanding at the time of the execution of such proposed amendment shall have consented to and approved the execution thereof as herein provided, no Holder of any Bond and no bearer of any coupon shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the County from consenting to the execution thereof or from taking any action pursuant to the provisions thereof. Upon the execution of any such amendment as in this Section permitted and provided, the Lease Agreement shall be and be deemed to be modified and amended in accordance therewith.

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THERE ARE NO ADDITIONAL SECTIONS TO THIS ARTICLE XIII A.

ARTICLE XIV A

MISCELLANEOUS

SECTION 1401 A. Consents, etc. of Bondholders. Any consent, request, direction, approval, waiver, objection or



other instrument authorized or permitted by this Indenture to be signed and executed by the Bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent authorized in writing. Proof of the execution of any consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of the Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken under such request or other instrument, namely:

(a) The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument acknowledged to him the execution thereof. Where such execution is by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership such affidavit or certificate shall also constitute sufficient proof of his authority.

(b) The amount of Bonds, transferable by delivery, held by any person executing any such request, consent or other instrument or writing as a Bondholder, and the distinguishing numbers of the Bonds held by such person, and the date of his holding the same may be proved by a

certificate executed by any trust company, bank, banker, or other depository (wherever situated), showing that at the date therein mentioned such person had on deposit with such depository, or exhibited to it, the Bonds therein described, or such facts may be proved by the certificate or affidavit of the person executing such request, consent or other instrument or writing as a Bondholder, if such certificate or affidavit shall be deemed by the Trustee to be satisfactory. The Trustee and the County may conclusively assume that such ownership continues until written notice to the contrary is served upon the Trustee. The fact and the date of execution of any request, consent, or other instrument and the amount and distinguishing numbers of Bonds held by the person so executing such request, consent or other instrument may also be proved in any other manner which the Trustee may deem sufficient. The Trustee may nevertheless, in its discretion, require further proof in cases where it may deem further proof desirable.

(c) The ownership of registered Bonds shall be proved by the register of such Bonds.

(d) Any request, consent or vote of the Holder of any Bond shall bind every future holder of the same Bond and the Holder of every Bond issued in exchange therefor or in lieu thereof regardless of the lack of any notation thereon to such effect, in respect of anything done or suffered to be done by the Trustee or the County in pursuance of such request, consent or vote.

(e) In determining whether the Holders of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent



or waiver under this Indenture, Bonds which are owned by the County, by the Lessee or by any other obligor under the Lease Agreement or on the Bonds, or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the County, the Lessee or any other obligor under the Lease Agreement, or on the Bonds, shall be disregarded and deemed not to be outstanding for the purpose of any such determination, provided that for the purpose of determining whether the Trustee shall be protected in relying on any such demand, request, direction, consent or waiver only Bonds which the Trustee knows to be so owned shall be disregarded. Bonds so owned which have been pledged in good faith may be regarded as outstanding for the purposes of this Section 1401 if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by or under common control with the County, the Lessee or any other obligor under the Lease Agreement, or on the Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

SECTION 1402 A. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any person or company other than the parties hereto, and the Holders of the Bonds and the bearers of coupons appertaining thereto, any



legal or equitable right, remedy or claim under or in respect to this Indenture or any covenants, conditions and provisions herein contained; this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the Holders of the Bonds and coupons as herein provided.

SECTION 1403 A. Severability. If any provision of this Indenture shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any Constitution or statute or rule of law or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or sections in this Indenture contained, shall not affect the remaining portions of this Indenture, or any part thereof.

SECTION 1404 A. Trustee as Paying Agent and Registrar. The Trustee is hereby designated and agrees to act as a paying agent and the Bond Registrar for and in respect to the Bonds.

SECTION 1405 A. Payments Due on Sundays and Holidays. In any case where the date of maturity of interest on or principal of the Bonds, or the date fixed for redemption of any Bonds, shall be a Sunday, or shall be in New York, or the State in which the Trustee maintains its principal office, a legal

holiday, or a day on which banking institutions are authorized by law to close, then payment of interest or principal (and premium, if any) need not be made on such date in such city but may be made on the next succeeding business day not a Sunday, or a legal holiday, or upon a day upon which banking institutions are authorized by law to close, with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

SECTION 1406 A. Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 1407 A. Laws Governing Indenture and Situs and Administration of Trust. The effect and meaning of this Indenture and the rights of all parties hereunder shall be governed by, and construed according to, the laws of the State of South Carolina, but it is the intention of the County that the situs of the trust created by this Indenture be in the state in which is located the corporate trust office of the Trustee from time to time acting under this Indenture. The word "Trustee" as used in the preceding sentence shall not be deemed to include any additional individual or institution appointed as a separate or co-trustee pursuant to Section 1113 of this Indenture. It is the further intention of the County that the Trustee administer said trust in the state in which is located, from time to time, the situs of said trust.

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THERE ARE NO ADDITIONAL SECTIONS TO THIS ARTICLE XIV A.

IN WITNESS WHEREOF, ORANGEBURG COUNTY, SOUTH CAROLINA, has caused these presents to be signed in its name and behalf by the Chairman of the County Commission of Orangeburg County, and its corporate seal to be hereunto affixed and attested by the Secretary of said County Commission, and to evidence its acceptance of the trusts hereby created, EXCHANGE SECURITY BANK has caused these presents to be signed in its name and behalf by one of its Trust Officers, its official seal to be hereunto affixed, and the same to be attested by one of its Assistant Trust Officers, all as of the day and year first hereinabove written.

ORANGEBURG COUNTY, SOUTH CAROLINA

(SEAL)

BY \_\_\_\_\_  
Chairman of the County Commission of  
Orangeburg County

Attest:

\_\_\_\_\_  
Secretary of the County Commission  
of Orangeburg County

Signed, sealed and delivered in  
the presence of:

\_\_\_\_\_

\_\_\_\_\_  
As to Orangeburg County.

EXCHANGE SECURITY BANK

(SEAL)

BY \_\_\_\_\_  
Its Trust Officer

Attest:

\_\_\_\_\_  
Its Assistant Trust Officer.

Signed, sealed and delivered in  
the presence of:

\_\_\_\_\_

\_\_\_\_\_  
As to Exchange Security Bank



STATE OF SOUTH CAROLINA

COUNTY OF ORANGEBURG.

PERSONALLY appeared before me \_\_\_\_\_,  
who, being duly sworn, says that (s)he saw the corporate seal of  
ORANGEBURG COUNTY, SOUTH CAROLINA, affixed to the foregoing Trust  
Indenture, and that (s)he also saw \_\_\_\_\_,  
as Chairman of the County Commission of Orangeburg County, and  
\_\_\_\_\_, as Secretary of said Commission, sign  
and attest the same and that (s)he with \_\_\_\_\_  
witnessed the execution and delivery thereof as the act and deed  
of the said Orangeburg County, South Carolina.

SWORN to before me this \_\_\_\_\_

day of \_\_\_\_\_, A. D. 1972. \_\_\_\_\_

(L.S.)

Notary Public for South Carolina

My Commission expires: \_\_\_\_\_.

STATE OF ALABAMA,

COUNTY OF

PERSONALLY appeared before me \_\_\_\_\_,  
who, being duly sworn says that (s)he saw the corporate seal of  
EXCHANGE SECURITY BANK affixed to the foregoing Trust Indenture,  
and that (s)he also saw \_\_\_\_\_, as  
a Trust Officer and \_\_\_\_\_ as an Assistant  
Trust Officer of Exchange Security Bank, sign and attest the  
same, and that (s)he with \_\_\_\_\_  
witnessed the execution and delivery thereof as the act and deed  
of the said Exchange Security Bank.

SWORN to before me this \_\_\_\_\_

day of \_\_\_\_\_, A. D. 1972. \_\_\_\_\_

(L.S.)

Notary Public for Alabama.

My Commission Expires: \_\_\_\_\_.

EXHIBIT A

DESCRIPTION OF LEASED LAND

Attached to Trust Indenture dated as of October 1, 1972  
between Orangeburg County and Exchange Security Bank

ALL THAT CERTAIN PIECE, PARCEL OR TRACT OF LAND, containing 84.75 acres, and designated PARCELS D & E, on Plat of survey prepared for SCM CORPORATION by Isaac B. Cox, R.L.S., dated March 25, 1963, revised August 10, 1972, to show Parcel "C", and revised August 14, 1972, to show Parcels "D" & "E", on the Southwestern side of S. C. Highway No. S-38-470, and on the Southeastern side of the Seaboard Coast Line Railroad (formerly Atlantic Coast Line Railroad) right-of-way, in the County of Orangeburg and State of South Carolina, together with the improvements thereon, and, as shown on said plat, is more fully described as follows:

COMMENCING at the point of intersection of the boundary line between Parcels "C" and "D" with the Southwestern boundary of S. C. Highway S-38-470, located S 70° 09' E a distance of 541.94 feet from the Southern corner of the intersection of the Southwestern boundary line of S. C. Highway S-38-470 with the Southeastern right-of-way line of the Seaboard Coast Line Railroad, and running thence along the Southwestern side of S. C. Highway S-38-470 as follows:

S 70° 09' E a distance of 459.59 feet; S 70° 15' E a distance of 1,063.50 feet; S 71° 02' E a distance of 424.10 feet to a point, point of intersection of the boundary line between Parcel "D" and property of Marchant Properties, Inc. with the Southwestern boundary line of S. C. Highway S-38-470;

THENCE TURNING and running S 19° 42' W along the boundary line between Parcels D & E and property of Marchant Properties, Inc. and of SCM Corporation 987.1 feet to a point;

THENCE TURNING and running along the boundary lines between Parcel "E" and property of SCM Corporation as follows:

S 48° 38' W a distance of 427.10 feet; N 70° 23' W a distance of 3,359.40 feet to the point of intersection with the Southeastern right-of-way line of the Seaboard Coast Line Railroad;

THENCE TURNING and running along the Southeastern right-of-way line of the Seaboard Coast Line Railroad N 56° 44' E a distance of 744.84 feet to the point of intersection of the said railroad right-of-way line with the boundary line between Parcels "C" and "D";

THENCE TURNING and running along the boundary lines between Parcels "C" and "D" as follows:

S 70° 23' E a distance of 930.68 feet; N 19° 37' E a distance of 500.00 feet; N 58° 43' E a distance of 372.86 feet to the point of COMMENCEMENT.

TOGETHER WITH an easement, for the purpose of maintaining a drainage canal, or ditch, over and across a 20 foot wide strip of land of Marchant Properties, Inc., the center line of which commences at a point on the Eastern boundary line of Parcel "D" above described, About 315.7 feet S 19° 42' W of the Southwestern boundary of S.C. Highway S-38-470, and running thence S 70° 46' E a distance of 150 feet across property of Marchants Properties, Inc.; thence continuing S 70° 46' E along and parallel to the Southern boundary line of property of South Carolina Electric and Gas Company a distance of 317.8 feet to the Southeastern boundary line of property of Marchant Properties, Inc. with the right of uninterrupted flow of water from the canal above described through and along the canal, or ditch, into which said canal empties.

ALSO: TOGETHER WITH an easement for the purpose of maintaining the existing electric power lines over and across a ten (10) foot wide strip (that is: five feet on each side of the center line of the existing electric power lines) of Tract "C", extending from the boundary line between Parcel "C" and the Seaboard Coast Line Railroad to the boundary line between Parcels "C" and "D", as shown on the Plat heretofore mentioned.



"EXHIBIT B"

DESCRIPTION OF EQUIPMENT, MACHINERY ETC.

UNITED STATES OF AMERICA

STATE OF SOUTH CAROLINA

ORANGEBURG COUNTY

FIRST MORTGAGE INDUSTRIAL REVENUE BOND, SERIES 1972

(ROPER CORPORATION - LESSEE)

Number \_\_\_\_\_ \$5,000.00

KNOW ALL MEN BY THESE PRESENTS that Orangeburg County, a body politic and corporate, and a political subdivision of the State of South Carolina (hereinafter called the "County") for value received promises to pay, but only from the source and as hereinafter provided, to bearer, or, if this Bond be registered, to the registered holder hereof, on October 1, 19\_\_\_\_, the principal sum of Five Thousand Dollars, and in like manner to pay interest on said sum from the date hereof at the rate of \_\_\_\_\_ per centum (\_\_\_\_%) per annum on April 1, 1973, and semiannually thereafter on October 1 and April 1 of each year until said principal sum is paid, except as the provisions hereinafter set forth with respect to redemption prior to maturity may become applicable hereto, principal of, premium, if any, and interest on this Bond being payable in lawful money of the United States of America at the principal office of Exchange Security Bank, in the City of Birmingham, State of Alabama, or its successor in trust.

This Bond is one of an authorized issue of Bonds in the aggregate principal amount of \$4,600,000 (hereinafter called the "Bonds") issued for the purpose of acquiring, improving and equipping facilities for the manufacture of rear engine riding lawn mowers and self-propelled lawn mowers and leasing the same to Roper Corporation, a Delaware corporation (hereinafter called the "Lessee") (the land, building, equipment and

machinery comprising such industrial facilities being hereinafter called the "Project") and paying necessary expenses incidental thereto so as to thereby promote industry and develop trade in South Carolina. The Bonds are issued under and are equally and ratably secured and entitled to the protection given by a Trust Indenture (hereinafter called the "Indenture"), dated as of October 1, 1972, duly executed and delivered by the County to Exchange Security Bank, as Trustee (the term "Trustee" where used herein referring collectively to said Trustee or its successors in said trust). The Project has been leased to the Lessee under and pursuant to a Lease Agreement between the County and the Lessee, dated as of October 1, 1972 (hereinafter called the "Lease Agreement"). Under the Lease Agreement the Lessee must pay to the County such rentals as will be fully sufficient to pay the principal of, premium, if any, and interest on the Bonds as the same mature and become due, and under the Lease Agreement it is the obligation of the Lessee to pay the cost of maintaining the Project in good repair and to keep it properly insured. Copies of the Indenture and the Lease Agreement are on file at the principal office of the Trustee in the City of Birmingham, Alabama, and are recorded in the office of the Clerk of Court for Orangeburg County, South Carolina, and reference is made to the Indenture and the Lease Agreement for a description of the security, the provisions, among others, with respect to the nature and extent of the security, the charging and collection of rentals for the Project, the rights and remedies of the holders of the Bonds and the coupons appertaining thereto, the rights, duties and obligations of the County, the Lessee, and the Trustee, and the terms upon which the Bonds are issued and secured.

As provided in the Indenture, bonds of other series ranking equally with the Bonds of the series of which this is one may be



issued, and such additional bonds may vary in such manner as is provided and permitted in the Indenture.

This Bond and appurtenant coupons are fully negotiable and shall pass by delivery, but this Bond may be registered as to principal on the registration books of the County in said principal office of the Trustee as Bond Registrar, upon presentation hereof at such office and the notation of such registration endorsed hereon by the Bond Registrar, and this Bond may thereafter be transferred on such books at the written request of the registered holder or by his legal representative, evidence of such transfer to be in like manner endorsed hereon. Such transfer may be to bearer, and thereby transferability by delivery shall be restored, subject, however, to successive registrations and transfers as before. The principal of this Bond, if registered, unless registered to bearer, shall be payable only to or upon the order of the registered holder or his legal representative. Interest accruing on this Bond will be paid only on presentation and surrender of the attached interest coupons as they respectively become due, and registration of this Bond as to principal as aforesaid will not affect the transferability by delivery of such coupons; provided, that if upon registration of this Bond, or at any time thereafter while this Bond be registered in the name of the holder, the unmatured coupons attached evidencing interest to be thereafter paid hereon shall be surrendered to said Bond Registrar, a statement to that effect will be endorsed hereon by the Bond Registrar and thereafter interest evidenced by such surrendered coupons will be paid by check or draft by the Bond Registrar at the times provided herein to the registered holder of this Bond by mail to the address shown on the registration books. This Bond when so converted into a Bond registered as to both

principal and interest may be reconverted into a coupon Bond at the written request of the registered holder and upon presentation at the office of said Bond Registrar. Upon such reconversion the coupons representing the interest to become due thereafter to the date of maturity will again be attached to this Bond and a statement will be endorsed thereon by the Bond Registrar in the registration blank on the back of this Bond as to whether it is then registered as to principal alone or payable to bearer.

The Bonds are noncallable for redemption prior to October 1, 1982, except in the event of (1) exercise by the Lessee of its option to purchase the Project as provided in Section 11.2 of the Lease Agreement, or (2) mandatory purchase of the Project by the Lessee pursuant to Section 12.2 of the Lease Agreement. If called for redemption in any of such events, the Bonds shall be subject to redemption by the County at any time, in whole and not in part, at the principal amount thereof plus accrued interest to the redemption date and, but only in the event of redemption as a result of the mandatory purchase of the Project pursuant to Section 12.2 of the Lease Agreement, a redemption premium determined by multiplying the annual interest on each Bond redeemed by the number of 360 day periods, or fractions thereof, between the date as of which interest on the Bonds is (or is determined to be) taxable and the redemption date. If it shall occur that any Bond shall have been paid subsequent to the date as of which such interest on the Bonds became (or was so determined to have become) taxable, but prior to the redemption of the Bonds from the purchase price derived from the mandatory purchase of the Project by the Lessee pursuant to Section 12.2 of the Lease Agreement, then in such event the holder of any such Bond on the occasion of its payment (whether



at maturity or by redemption) shall be entitled to receive from the purchase price to be paid by the Lessee pursuant to Section 12.2 of the Lease Agreement a premium computed as aforesaid to the date of payment or redemption, less any optional redemption premium previously paid on such Bond.

The Bonds maturing on and after October 1, 1983, are also subject to redemption by the County prior to maturity on any interest payment date on or after October 1, 1982, in whole or in part, in inverse order of their maturity (less than all of such Bonds of a single maturity to be selected by lot by the Trustee) at the redemption prices (expressed as percentages of principal amount) set forth in the table below, plus accrued interest to the redemption date:

<u>Redemption Date</u> <u>(dates inclusive)</u>	<u>Redemption Price</u>
October 1, 1982 to April 1, 1984	104%
October 1, 1984 to April 1, 1986	102%
October 1, 1986 to April 1, 1988	101%
October 1, 1988 and thereafter	100%

In the event any of the Bonds are called for redemption, as aforesaid, notice thereof, specifying the Bonds to be redeemed shall be given by publication not less than thirty days and not more than sixty days prior to the redemption date in a newspaper or financial journal of general circulation published in the City of New York, New York, and in the case of the redemption of registered Bonds, upon mailing a copy of the redemption notice by first class mail at least thirty days prior to the date fixed for redemption to the holder of each registered Bond to be redeemed at the address shown on the registration books; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceedings for the redemption of Bonds. If all of the Bonds to be redeemed are registered Bonds, notice by mailing given by first class



mail to the holder or holders thereof, at the addresses shown on the registration books, not less than thirty days prior to the date fixed for redemption as aforesaid shall be sufficient, and published notice of the call for redemption need not be given, and failure duly to give such notice by mailing, or any defect in the notice, to the holder of any registered Bond designated for redemption shall not affect the validity of the proceedings for the redemption of any other Bond. All Bonds so called for redemption will cease to bear interest on the specified redemption date, provided funds for their redemption are on deposit with the Trustee, and shall no longer be protected by the Indenture and shall not be deemed to be outstanding under the provisions of the Indenture. If, because of the temporary or permanent suspension of the publication or general circulation of any newspaper or financial journal or for any other reason it is impossible or impractical to publish such notice of call for redemption in the manner herein provided, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient publication of notice.

This Bond and the issue of which it forms a part are issued pursuant to the authorization of and for the purposes prescribed by Act No. 103 of the Acts and Joint Resolutions enacted at the 1967 Session of the General Assembly of the State of South Carolina, as amended, and pursuant to resolutions duly adopted by the Orangeburg County Commission and with the approval of the State Budget and Control Board of South Carolina. This Bond and the issue of which it forms a part and the interest coupons appertaining hereto are limited obligations of the County and are payable solely out of the lease rentals, revenues and receipts (excluding amounts paid by the Lessee pursuant to Sections 5.5 or 8.7 of the Lease Agreement) derived from the

leasing or sale of the Project, which has been financed through the issuance of the Bonds and leased to the Lessee.

This Bond and the interest coupons appertaining hereto are not and shall never constitute an indebtedness of the County within the meaning of any state constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers.

Pursuant to the Lease Agreement, rental payments sufficient for the prompt payment when due of the principal of, premium, if any, and interest on the Bonds are to be paid to the Trustee for the account of the County and deposited in a special account created by the County and designated "Orangeburg County Industrial Revenue Bond Fund--Roper Corporation Project," and have been pledged for that purpose, and in addition the project has been subjected to the lien of the Indenture to secure payment of such principal and interest and premium.

The holder of this Bond and the bearers of the coupons appertaining hereto shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, 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 principal of all of the Bonds issued under the Indenture and then outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. Modifications or alterations of the Indenture, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Indenture.



IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law; and that the issuance of this Bond and the issue of which it forms a part, together with all other obligations of the County, does not exceed or violate any constitutional or statutory limitation.

This Bond and the interest coupons appertaining hereto shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Trustee's Certificate of Authentication hereon shall have been duly executed by the Trustee.

IN WITNESS WHEREOF, Orangeburg County, South Carolina, has caused this Bond to be executed by the facsimile signature of the Chairman of the Orangeburg County Commission, and its corporate Seal to be impressed or reproduced hereon and attested by the manual signature of the Secretary of the Orangeburg County Commission, and has caused the interest coupons attached to be executed by the facsimile signatures of said Chairman and said Secretary, all as of the 1st day of October, A. D. 1972.

ORANGEBURG COUNTY, SOUTH CAROLINA

( S E A L )

By \_\_\_\_\_  
Chairman of Orangeburg County  
Commission

ATTEST:

\_\_\_\_\_  
Secretary of Orangeburg County  
Commission

This Bond is one of the Bonds of the issue described in the within-mentioned Indenture.

EXCHANGE SECURITY BANK, as Trustee  
By \_\_\_\_\_  
Authorized Signature



# CERTIFICATE OF REGISTRATION

(There must be no writing in the space below except by the Bond Registrar)

Date of Registration	Name of Registered Holder	Manner of Registration	Signature of Bond Registrar
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

## (FORM OF INTEREST COUPON)

No. \_\_\_\_\_ \$ \_\_\_\_\_

On the first day of \_\_\_\_\_, 19\_\_\_\_, Orangeburg County, South Carolina (unless the Bond to which this coupon appertains shall have been duly called for previous redemption and payment of the redemption price made or provided for) will pay to bearer, subject to the provisions of the Indenture, but solely from the lease rentals, revenues and receipts pledged therefor, all as described in the Bond hereinafter mentioned, and upon presentation and surrender of this coupon at the principal office of the Trustee, Exchange Security Bank, in the City of Birmingham, State of Alabama, or its successor in trust, the amount shown hereon in lawful money of the United States of America, as provided in and being semi-annual interest then due on its First Mortgage Industrial Revenue Bond, Series 1972 (Roper Corporation - Lessee) dated as of October 1, 1972, Numbered \_\_\_\_\_.

\_\_\_\_\_  
Chairman of Orangeburg County  
Commission

\_\_\_\_\_  
Secretary of Orangeburg County  
Commission

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ORANGEBURG COUNTY, SOUTH CAROLINA

and

ROPER CORPORATION

---

LEASE AGREEMENT

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THIS LEASE AGREEMENT, dated as of October 1, 1972, between ORANGEBURG COUNTY, a body politic and corporate and a political subdivision of the State of South Carolina, acting by and through its County Commission, which is the governing body of said County as constituted by Chapter 54, Title 14, Code of Laws of South Carolina, 1962, as amended, party of the first part, and ROPER CORPORATION, a corporation organized and existing under the laws of the State of Delaware, duly qualified to conduct business in the State of South Carolina, party of the second part,

W I T N E S S E T H:

In consideration of the respective representations and agreements hereinafter contained, the parties hereto agree as follows (provided that in the performance of the agreements of the party of the first part herein contained, any obligation it may thereby incur for the payment of money shall not create a pecuniary liability or a charge upon its general credit or against its taxing powers but shall be payable solely out of the proceeds derived from this Lease Agreement, the sale of the Bonds referred to in Section 2.1 hereof, the insurance proceeds and proceeds from released property and condemnation awards as herein provided):

ARTICLE I

DEFINITIONS

SECTION 1.1. Certain terms used in this Lease Agreement are defined herein. When used herein such terms shall have the meanings given to them by the language employed in this Article I defining such terms, unless the context clearly indicates otherwise.

SECTION 1.2. The following terms are defined terms under this Lease Agreement:



"ACT" means Act No. 103 of the Acts of the General Assembly of the State of South Carolina for the year 1967, as amended, and appearing as Article 2.1, Chapter 8, Title 14, Code of Laws of South Carolina, 1962, 1971 Cumulative Supplement.

"ADDITIONS or ALTERATIONS" means improvements, replacements, alterations, additions, enlargements or expansions in, on or to the Project including any and all machinery and equipment therefor.

"AGREEMENT" or "LEASE AGREEMENT" means the within Lease Agreement between the County and the Lessee as the same may be amended from time to time in accordance with the provisions hereof.

"AUTHORIZED COUNTY REPRESENTATIVE" means the person at the time designated to act in behalf of the County by written certificate furnished to the Lessee and the Trustee, containing the specimen signature of such person and signed on behalf of the County by the Chairman of the County Board. Such certificate may designate an alternate or alternates.

"AUTHORIZED LESSEE REPRESENTATIVE" means the person at the time designated to act in behalf of the Lessee by written certificate furnished to the County and the Trustee, containing the specimen signature of such person and signed on behalf of the Lessee by its President, any Vice President or by the Chairman of its Board of Directors. Such certificate may designate an alternate or alternates.

"BONDS" means the bonds of the County from time to time issued and outstanding under the Indenture.

"BOND FUND" means the Bond Fund created in Section 502 of the Indenture and referred to herein.

"BUILDING" means the existing building located on the Leased Land, containing approximately 290,000 square feet,

all improvements thereto, including the planned 185,000 square foot addition, and all other buildings and facilities forming a part of the Project and not constituting part of the Leased Equipment which, as set out in Section 4.1(a) hereof, are to be constructed on the Leased Land, as they may at any time exist, including any air conditioning and heating systems (which shall be deemed fixtures).

"COMPLETION DATE" means the date of completion of the construction of the Building and the installation therein of the Leased Equipment and all other facilities in connection with the Project as that date shall be certified as provided in Section 4.5 hereof.

"CONSTRUCTION FUND" means the Construction Fund created in Section 602 of the Indenture and referred to herein.

"CONSTRUCTION PERIOD" means the period between the beginning of construction or the date on which Bonds are first delivered to the purchaser thereof (whichever is earlier) and the Completion Date.

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

"COUNTY BOARD" means the County Commission of Orangeburg County, and any successor body.

"INDENTURE" means the Trust Indenture between the County and Exchange Security Bank, of Birmingham, Alabama, as Trustee, of even date herewith, providing for the terms, conditions and provisions under which the Bonds will be issued, pursuant to which the County's interest in this Agreement and the lease rentals, revenues and receipts received by the County

from the Project (except payments pursuant to Section 5.5 or Section 8.7 of this Agreement) are pledged and the Project is mortgaged as security for the payment of principal, premium, if any, and interest on the Bonds, including any indenture supplemental thereto.

"INDEPENDENT COUNSEL" means an attorney duly admitted to practice law before the highest court of any state and not a full time employee of either the County or the Lessee.

"INDEPENDENT ENGINEER" means an engineer or engineering firm registered and qualified to practice the profession of engineering under the laws of South Carolina and who or which is not a full time employee of either the County or the Lessee.

"LEASE TERM" means the duration of the leasehold estate created in this Agreement as specified in Section 5.1 hereof, including the Original Term prescribed in Section 5.1(a) and any and all renewals thereof as provided in Section 5.1(b).

"LEASED EQUIPMENT" means those items of machinery, equipment and related property required herein to be acquired and installed in the Building or elsewhere on the Leased Land with proceeds from the sale of the Bonds or the proceeds of any payment by Lessee pursuant to Section 4.6 hereof and any item of machinery, equipment and related property acquired and installed in the Building or elsewhere on the Leased Land in substitution therefor, and renewals and replacements thereof pursuant to the provisions of Section 4.1(b), 6.1, 6.2(a), 7.1 and 7.2 hereof and is further defined as all property owned by the County and hereby leased to the Lessee, which is not included in the definition of Leased Land or Building, but not including Lessee's own machinery and equipment installed under the provisions of Section 9.7 hereof. Leased Equipment is more



particularly described in Exhibit "B" attached hereto which, by this reference thereto, is incorporated herein.

"LEASED LAND" means the real property described in Exhibit "A" attached hereto which, by this reference thereto, is incorporated herein.

"LESSEE" means (i) the party of the second part hereto and its successors and assigns and (ii) any surviving, resulting or transferee corporation as provided in Section 8.3 hereof.

"NET PROCEEDS," when used with respect to any insurance or condemnation award, means the gross proceeds from the insurance or condemnation award with respect to which that term is used remaining after payment of all expenses (including attorneys' fees and extraordinary expenses of the Trustees) incurred in the collection of such gross proceeds.

"ORIGINAL TERM" means the term described in Section 5.1(a) which shall expire, subject to the provisions of this Agreement, at midnight on September 30, 1992.

"PERMITTED ENCUMBRANCES" means, as of any particular time, (i) liens for ad valorem taxes not then delinquent, (ii) this Agreement and the Indenture, (iii) utility, access and other easements and rights of way, flood rights, encroachments, leases, restrictions and exceptions that an Independent Engineer and the Authorized Lessee Representative certify will not interfere with or impair the operations being conducted (or if the Building is not yet complete, the operations to be conducted) in the Building (or, if the Building has been completed and no operations are being conducted therein, the operations for which the Building was designed or last modified), (iv) such minor defects, irregularities, encumbrances, 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 an Independent Counsel, materially impair the title to the Project for the purposes for which it was acquired or is held by the County, and (v) mechanics' and materialmen's liens not filed or perfected in the manner prescribed by Chapter 5, Title 45, Code of Laws of South Carolina, 1962, as now or hereafter amended.

"PROJECT" means the Leased Land, the Building and the Leased Equipment.

"SERIES 1972 BONDS" means the \$4,600,000 Orangeburg County First Mortgage Industrial Revenue Bonds, Series 1972 (Roper Corporation - Lessee) of the County to be issued pursuant to the Indenture.

"TRUSTEE" means the trustee and/or the co-trustee at the time serving as such under the Indenture.

SECTION 1.3 The words "hereof," "herein," "hereunder," and other words of similar import refer to this Lease Agreement as a whole.

SECTION 1.4. References to Articles, Sections, and other subdivisions of this Lease Agreement are to the designated Articles, Sections, and other subdivisions of this Lease Agreement as originally executed.

SECTION 1.5. The headings of this Lease Agreement are for convenience only and shall not define or limit the provisions hereof.

## ARTICLE II

### REPRESENTATIONS AND UNDERTAKINGS

SECTION 2.1. Representations by the County. The County makes the following representations as the basis for the undertakings on its part herein contained:

(a) The County is a body politic and corporate and a political subdivision of the State of South Carolina, and is authorized and empowered by the provisions of the Act to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder. The Project constitutes and will constitute a "project" within the meaning of the Act. By proper action by the County Board and the State Budget and Control Board of South Carolina, the County has been duly authorized to execute and deliver this Agreement.

(b) The County has acquired the Leased Land, upon which the Building is being constructed by the Lessee and has authorized, and does hereby authorize, the Lessee to complete the construction of the Building thereon, to acquire and install the Leased Equipment in the Building or on the Leased Land and to acquire, install and construct all other things deemed necessary in connection with the Project, and the County proposes to lease the Project to the Lessee and to sell the Project to the Lessee at the expiration or earlier termination of the Lease Term, all for the purposes of promoting and employing the manpower and natural resources of South Carolina.

(c) Heretofore, and before the acquisition by the Lessee of the Leased Land with the existing building



located thereon, the County and the Lessee did agree that the County would finance the cost of acquiring, constructing and equipping the Project. The Lessee has estimated that such cost will not exceed \$4,600,000 and on that basis the County now proposes to issue the Series 1972 Bonds in the aggregate principal amount of \$4,600,000, which will be dated, mature and bear interest as set forth in Section 202 of the Indenture and which will be subject to redemption on the occasions and at the redemption prices set forth in Section 301 of the Indenture, in order to finance the cost of acquiring, constructing and equipping the Project.

SECTION 2.2. Representations by the Lessee. The Lessee makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Lessee is a corporation duly incorporated under the laws of Delaware, is in good standing under its charter and the laws of Delaware and South Carolina, and has power to enter into this Agreement and by proper corporate action has been duly authorized to execute and deliver this Agreement.

(b) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement, conflict with or result in a breach of any of the terms, conditions or provisions of any corporate restriction or any agreement or instrument to which the Lessee is now a party or by which it is bound, or constitute a default under any of the foregoing, or 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 Lessee under the terms of any instrument or agreement.

(c) Relying upon the agreement of the County to finance the cost of acquiring, constructing and equipping the Project as aforesaid, the Lessee has heretofore acquired the Leased Land, with the existing building located thereon, and has begun construction of the improvements to the Building on the Leased Land.

(d) The Lessee intends to continue to operate the Project, from the Completion Date to the expiration or earlier termination of the Lease Term as provided herein as a plant for the manufacture and distribution of rear engine riding lawn mowers and self-propelled lawn mowers, or for the manufacture of such other products as the Lessee may deem appropriate.

(e) The acquiring of the Project by the County through the issuance of the Series 1972 Bonds and the leasing of the Project to the Lessee has induced the Lessee to establish this industrial enterprise in the County.

ARTICLE III

DEMISING CLAUSE, WARRANTY OF TITLE, TITLE INSURANCE

SECTION 3.1. Demise of the Leased Land, Building

and the Leased Equipment. The County demises and leases to the Lessee, and the Lessee leases from the County, the Leased Land, the Building and the Leased Equipment at the rental set forth in Section 5.3 hereof and in accordance with the provisions of this Agreement.

SECTION 3.2. Warranty of Title. The County warrants

that it has acquired a good and marketable fee simple title to the Leased Land, free from all encumbrances other than Permitted Encumbrances, and the County will furnish, at the time of the delivery of the Series 1972 Bonds, a written opinion of Independent Counsel that it has good and marketable fee simple title to the Leased Land, subject to Permitted Encumbrances.

SECTION 3.3. Title Insurance. At the time of the de-

livery of the Series 1972 Bonds, the County will provide a Mortgagee Title Insurance Policy (or appropriate Binder) upon the Leased Land and Building issued by a Company approved by the Trustee insuring the lien of the Indenture upon the Leased Land and Building, subject to no encumbrances other than Permitted Encumbrances, in the amount of not less than \$2,400,000. Any Net Proceeds therefrom shall be used to remedy the title defect resulting in the payment thereof or be deposited in the Bond Fund.



ARTICLE IV

CONSTRUCTION OF THE PROJECT; ISSUANCE OF THE SERIES 1972 BONDS;  
CONSTRUCTION FUND

SECTION 4.1. Agreement to Construct and Equip the Building on the Leased Land. The County has acquired the Leased Land by deed of the Lessee recorded simultaneously herewith. The Lessee agrees that it will exercise the authorizations given to it by the County in Section 2.1(b) and:

(a) It will cause the Building to be constructed on the Leased Land wholly within the boundary lines thereof (the Building to contain, in addition to its existing dimensions, approximately 185,000 square feet of planned additions, and to be used for the purposes set forth in Article II hereof); all of which will be constructed in accordance with a general description heretofore furnished to the County by the Lessee.

(b) It will cause to be acquired and installed in the Building or on the Leased Land for use of Lessee, the Leased Equipment, to consist of the machinery, equipment and related property described in the general list thereof in Exhibit "B" attached hereto, and incorporated herein by reference thereto, and such other items of machinery and equipment, and any transportation facility and equipment used as an integral part of the Project, which in Lessee's judgment may be necessary for the operation of the Project.

The Lessee agrees to complete the construction of the Building as promptly as practicable after receipt of proceeds from the sale of Series 1972 Bonds and to continue the said construction with all reasonable dispatch, and to effect the acquisition and installation of the Leased Equipment as promptly as practicable.

SECTION 4.2. Agreement to Issue Series 1972 Bonds; and Application of Bond Proceeds. In order to provide funds for payment of the costs of the Project, the County agrees that it will, on or before the 1st day of November, 1972, sell and cause to be delivered to the initial purchaser the Series 1972 Bonds in the aggregate principal amount of \$4,600,000 and will thereupon (i) deposit in the Bond Fund all accrued interest received on the sale of the Series 1972 Bonds and (ii) deposit in the Construction Fund the balance of the proceeds received from said sale.

SECTION 4.3. Disbursements from the Construction Fund. The County shall in the Indenture authorize and empower the Trustee to use the moneys in the Construction Fund for the following purposes (but, subject to the provisions of Section 4.9 hereof, for no other purposes):

(a) Payment of the initial or acceptance fee of the Trustee; the fees for recording the deed whereby the Leased Land has been conveyed to the County, this Agreement, the Indenture, financing statements and any title curative documents that either the Trustee, the Lessee or Independent Counsel may deem desirable to file for record in order to perfect or protect the lien or security interest of the Indenture on the Project; and the fees and expenses in connection with any actions or proceedings that either the Trustee, the Lessee or Independent Counsel may deem desirable to bring in order to perfect or protect the title of the County to the Project or to perfect or protect the lien or security interest of the Indenture on the Project.

(b) Payment to the Lessee and the County, as the case may be, of such amounts, if any, as shall be

necessary to reimburse the Lessee and the County in full for all advances and payments made by them or any of them prior to or after the delivery of the Series 1972 Bonds for expenditures in connection with (i) the acquisition by the County of title to the Leased Land (with the existing building thereon), including the cost of the Leased Land (with the existing building thereon) and the preparation of plans and specifications for the Project (including any preliminary study or planning of the Project or any aspect thereof), (ii) clearing the Leased Land, the improvement of the Building as heretofore stated, the acquisition and installation of the Leased Equipment, and all construction, acquisition and installation expenses required to provide utility services or other facilities, and all real or personal properties deemed necessary in connection with the Project (including architectural, engineering and supervisory services with respect to any of the foregoing), and (iii) any other costs and expenses relating to the Project.

(c) Payment of the cost of legal and accounting fees and expenses, title insurance premium, and printing and engraving costs incurred in connection with the authorization, sale and issuance of the Series 1972 Bonds, the preparation of this Agreement, the Indenture, and all other documents in connection therewith and in connection with the acquisition of title to the Leased Land, Building and Leased Equipment.

(d) Payment for labor, services, materials and supplies used or furnished in site improvement and in the improvement of the Building, payment for all costs incident



to the acquisition and installation of the Leased Equipment, payment for the cost of the construction, acquisition and installation of utility services or other facilities, and all real and personal property deemed necessary in connection with the Project and payment for the miscellaneous expenses incidental to any of the foregoing items, including the premium on any surety bond.

(e) Payment of the fees, or out-of-pocket expenses of the Lessee, if any, for architectural, engineering and supervisory services with respect to the Project.

(f) Payment to the Trustee as such payments become due, of the fees and expenses of the Trustee (as Trustee, Bond Registrar and paying agent) and of any paying agent properly incurred under the Indenture that may become due during the Construction Period, or reimbursement thereof if paid by the Lessee.

(g) To such extent as they shall not have been paid by a contractor for construction or installation with respect to any part of the Project, payment of the premiums on all insurance required to be taken out and maintained during the Construction Period under this Agreement, or reimbursement thereof if paid by the Lessee.

(h) Payment of the taxes, assessments and other charges, if any, referred to in Section 6.3 hereof that may become payable during the Construction Period, or reimbursement thereof if paid by the Lessor.

(i) Payment of expenses incurred in seeking to enforce any remedy against any contractor or subcontractor in respect of any default under a contract relating to the Project.

(j) Payment of any other costs and expenses relating to the Project.

(k) All moneys remaining in the Construction Fund after completion of the Construction of the Building and acquisition and installation of the Leased Equipment and payment in full of the costs thereof, and after payment of all other items provided for in the preceding subsections (a) to (j), inclusive, of this Section, shall at the direction of the Lessee be (i) used by the Trustee for the purchase of Series 1972 Bonds for the purpose of cancellation, at prices not exceeding the principal amount thereof plus accrued interest thereon to the date of delivery, or (ii) paid into the Bond Fund, except for amounts retained by the Trustee with the approval of the Authorized Lessee Representative for payment of Project costs not then due and payable, any balance remaining of such retained funds after full payment of all such Project costs to be used by the Trustee as directed by the Lessee in the manner specified in clauses (i) and (ii) of this subsection.

Provided that:

(1) Each of the payments made pursuant to the preceding subsections (a), (b), (c), (d), (e), (g), (i) and (j) of this Section shall be made only upon receipt by the Trustee of a written order by the Authorized Lessee Representative and by the Authorized County Representative which shall certify with respect to each such payment: (i) that none of the items for which the payment is proposed to be made has formed the basis for

any payment theretofore made from the Construction Fund and (ii) that each item for which the payment is proposed to be made is or was necessary in connection with the Project.

(2) In the case of any contract providing for retention by the Lessee of a portion of the contract price, there shall be paid from the Construction Fund only the net amount remaining after deduction of any such portion, until such retainage becomes due in accordance with the terms of such contract.

SECTION 4.4. Trustee May Rely on Orders and Certifications. In making any such payment from the Construction Fund, the Trustee may rely on any such orders and certifications delivered to it pursuant to Section 4.3, and the Trustee shall be relieved of all liability with respect to making such payments in accordance with such orders and certifications.

SECTION 4.5. Establishment of Completion Date. The Completion Date shall be evidenced to the Trustee by a certificate signed by the Authorized Lessee Representative stating that, except for amounts retained by the Trustee for Project costs not then due and payable as provided in Section 4.3(k), (i) construction of the Building has been completed in accordance with the specifications therefor and all labor, services, materials and supplies used in such construction have been paid for, and (ii) all other facilities necessary in connection with the Project have been constructed, acquired and installed in accordance with the specifications therefor and all costs and expenses incurred in connection therewith have been paid, the Leased Equipment has been installed to his satisfaction, the Leased Equipment so installed is suitable and sufficient for the



efficient operation of the Project for the purposes specified in Section 4.1(a) hereof and all costs and expenses incurred in the acquisition and installation of the Leased Equipment have been paid. 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. It shall be the duty of the Lessee to cause the certificate contemplated by this Section 4.5 to be furnished as soon as the Project shall have been completed.

SECTION 4.6. Lessee Required to Pay Construction Costs in Event Construction Fund Insufficient. In the event the moneys in the Construction Fund available for payment of the costs of the Project shall not be sufficient to pay the costs thereof in full, the Lessee agrees to complete, or cause to be completed, the Project and to pay all that portion of the costs of the Project as may be in excess of the moneys available therefor in the Construction Fund. The County does not make any warranty, either express or implied, that the moneys which will be paid into the Construction Fund and which, under the provisions of this Agreement, will be available for payment of the costs of the Project, will be sufficient to pay all the costs which will be incurred in that connection. The Lessee agrees that if after exhaustion of the moneys in the Construction Fund the Lessee shall pay any portion of the said costs of the Project pursuant to the provisions of this Section, it shall not be entitled to any reimbursement therefor from the County or from the Trustee or from the holders of any of the Series 1972 Bonds, nor shall it be entitled to any diminution of the rents payable under Section 5.3 hereof. The obligation of the Lessee to complete the Project shall survive any termination of this Agreement.

SECTION 4.7. Authorized Lessee and County Representatives and Successors. The Lessee and the County Board, respectively, shall designate, in the manner prescribed in Section 1.2, the Authorized Lessee Representative and the Authorized County Representative. In the event that any person so designated and his alternate or alternates, if any, should become unavailable or unable to take any action or make any certificate provided for or required in this Agreement, a successor shall be appointed in the same manner.

SECTION 4.8. Enforcement of Remedies Against Contractors and Subcontractors and Their Sureties. The Lessee covenants that it will take such action and institute such proceedings as shall be necessary to cause and require all contractors and material suppliers to complete their contracts diligently in accordance with the terms of said contracts, including, without limitation, the correcting of any defective work, with all expenses incurred by Lessee in connection with the performance of its obligations under this Section 4.8 to be considered part of the Project costs referred to in Section 4.3(j), and the County agrees that the Lessee may, from time to time, in its own name, or in the name of the County, take such action as may be necessary or advisable, as determined by Lessee, to insure the construction of the Project in accordance with the terms of such construction contracts, to insure the peaceable and quiet enjoyment of the Project for the Lease Term, and to insure the performance by the County of all covenants and obligations of the County under this Agreement, with all costs and expenses incurred by the Lessee in connection therewith to be considered as part of the Project costs referred to in Section 4.3(j). Any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing, less any unreimbursed legal expenses incurred in order to collect the same,



shall be paid into the Construction Fund and after the Completion Date shall be paid into the Bond Fund.

SECTION 4.9. Investment of Construction Fund and Bond Fund Moneys Permitted. Subject to the provisions of Section 703 of the Indenture, any moneys held as a part of the Construction Fund and not required for immediate disbursement and withdrawal, shall, at the written request of the Authorized Lessee Representative and at the risk of the Lessee, be invested and re-invested by the Trustee, to the extent such investments are not prohibited by law for investment of bond proceeds by the County, in (i) general obligations of, or obligations guaranteed by, the United States of America or any agency or corporation which is or may be created by Act of the Congress of the United States as an agency or instrumentality thereof; (ii) general obligations of the State of South Carolina; (iii) Public Housing Bonds, Temporary Notes, or Preliminary Loan Notes fully secured by contracts with the United States; (iv) certificates of deposit issued by the Trustee or any bank, trust company or national banking association, organized under the laws of the United States or any state thereof, which has a combined capital and surplus of at least \$5,000,000 if located in South Carolina, or \$10,000,000 if located in any other state, in any amount if collaterally secured by securities of the type described in (i), (ii) and (iii) above having a market value of not less than the amount of the certificates of deposit so secured, and in an amount not exceeding 10% of such combined capital and surplus if not so collaterally secured.

Investments of moneys in the Bond Fund shall be made as prescribed in Section 702 of the Indenture.

The Trustee may, and to the extent required for payments from the Construction Fund or Bond Fund shall, sell any such investment at any time, and the proceeds of such sale, and of



all payments at maturity and upon redemption of such investments, shall be held in the Fund in which such investments were held. Interest and other income received on moneys or securities in either such Fund shall be credited to such Fund.

ARTICLE V

EFFECTIVE DATE OF THE AGREEMENT; DURATION OF ORIGINAL  
TERM; RENEWAL OPTIONS; RENTAL PROVISIONS; PAYMENTS  
IN LIEU OF TAXES AND UNCONDITIONAL OBLIGATIONS OF  
LESSEE

SECTION 5.1. Effective Date of This Agreement;

Duration of Original Term; Renewal Options. (a) This Agreement shall become effective upon its delivery and shall be in full force and effect for an Original Term ending at midnight September 30, 1992, subject to the provisions of this Agreement (including particularly Section 8.10, Articles X, XI and Section 12.2.

(b) This Lease shall, upon the expiration of the Original Term, provided the Bonds have been fully paid, or provision for payment has been made in accordance with the Indenture, and no default exists and is continuing hereunder, be automatically renewed or extended for not exceeding five (5) additional successive terms of five years each unless notice be given in writing by the Lessee to the County at least 180 days before the end of the Original Term, or any renewal term, of its intention to terminate the Lease Term at the end of the Original Term or of the said renewal term, as the case may be, in which event the Lease Term shall terminate in accordance with such notice.

All such renewal terms shall be upon the terms and conditions herein specified except that an annual rental shall be paid by the Lessee on October 1 of each year during any such renewal term in the amount of \$1,000, and the Lease Term, in any event, shall terminate not later than October 1, 2017.

SECTION 5.2. Delivery and Acceptance of Possession.

The County agrees to deliver to the Lessee sole and exclusive possession of the Project upon the execution and delivery of this Agreement and Lessee thereupon and thereafter shall have

sole and exclusive possession of the Project during the Lease Term (subject to the right of the County and Trustee to enter thereupon for inspection purposes and to the other provisions of Section 8.2 hereof).

SECTION 5.3. Rents and Other Amounts Payable. At least fifteen days before April 1, 1973, and at least fifteen days before each October 1 and April 1 thereafter until the principal of, premium, if any, and interest on the Series 1972 Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, the Lessee shall pay to the Trustee as rent for the Project (i) if such date is October 1, a sum equal to the amount payable on such date as principal and interest upon the Series 1972 Bonds and (ii) if such date is April 1, a sum equal to the amount payable on such date as interest upon the Series 1972 Bonds, as provided in the Indenture.

In the event additional bonds shall be issued pursuant to Section 218 of the Indenture, thereafter at least fifteen days before any date on which the principal or interest on any such Bonds shall be due, until the principal, premium, if any, and interest on all such Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, the Lessee shall pay to the Trustee a sum equal to the amount payable on such date as principal and/or interest upon such Bonds, as provided in the Indenture.

In any event each rental payment under this Section shall be sufficient to pay the total amount of interest or interest and principal (whether at maturity or by redemption or acceleration as provided in the Indenture) and premium, if any, payable



on the next succeeding interest payment date, and if on any interest payment date the balance in the Bond Fund is insufficient to make the required payments of principal (whether at maturity or by redemption or acceleration as provided in the Indenture) and premium, if any, and interest on such date, the Lessee shall forthwith pay any such deficiency; provided that any amount at any time held by the Trustee in the Bond Fund shall be credited against the next rental payment to the extent such amount is in excess of the amount required for payment of Bonds theretofore matured or called for redemption and past due interest in all cases where such Bonds or coupons have not been presented for payment; and provided further, that if the amount held by the Trustee in the Bond Fund should be sufficient to pay at the times required the principal of, premium, if any, and interest on the Bonds then remaining unpaid, the Lessee shall not be obligated to make any further rental payments under the foregoing provisions of this Section.

The Lessee agrees to pay to the Trustee until the principal of, premium, if any, and interest on the Bonds shall have been fully paid (i) an amount equal to the annual fee of the Trustee for the ordinary services of the Trustee, as Trustee, rendered and its ordinary expenses, as Trustee, incurred under the Indenture, as and when the same becomes due, (ii) reasonable fees and charges of the Trustee as Bond Registrar and paying agent, and any other paying agents on the Bonds, for acting as paying agents as provided in the Indenture, as and when the same become due, and (iii) the reasonable fees and charges of the Trustee for the necessary extraordinary services rendered by it and extraordinary expenses incurred by it under the Indenture, as and when the same become due; provided, that the Lessee may, without creating a default hereunder, contest in good faith the

necessity for any such extraordinary services and extraordinary expenses and reasonableness of any such fees, charges or expenses.

In the event the Lessee shall 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 Lessee until the amount in default shall have been fully paid, and the Lessee agrees to pay the same with interest thereon at the rate of 8% per annum until paid. The provisions of this Section shall be subject to the provisions of Section 9.6 hereof.

SECTION 5.4. Place of Rental Payments. The rent provided for in Section 5.3 hereof shall be paid directly to the Trustee for the account of the County and shall be deposited in the Bond Fund. The additional payments to be made to the Trustee under Section 5.3 hereof shall be paid directly to the Trustee for its own use or for disbursement to the paying agents, as the case may be.

SECTION 5.5. Payments in Lieu of Taxes. It is recognized that under the provisions of the Act when any project is leased by a county pursuant to the Act the lessee thereof shall be required to make payments to the county, the school district or school districts, and other political units wherein the project shall be located in lieu of taxes, in such amounts as would result from taxes levied on the project by such county, school district or school districts, and other political unit or units, if the project were owned by the lessee, but with appropriate reductions similar to the tax exemptions, if any, which would be afforded to the lessee if it were the owner of the project. For the sole purpose of enabling the Lessee to comply with the aforesaid obligation, it is agreed that the County in cooperation with the Lessee (i) shall cause the Project to be valued as if privately owned as aforesaid for purposes of the said taxes by

the State Tax Commission of South Carolina or such other appropriate officer or officers as may from time to time be charged with responsibility for making such valuations; (ii) shall cause to be appropriately applied to the valuation or valuations so determined the respective rate or rates of such taxes, that would be applicable to the Project if so privately owned; (iii) shall cause the respective appropriate officer or officers charged with the duty of levying and collecting taxes to submit to the Lessee, when the respective levies are made upon property privately owned as aforesaid, a statement specifying the amount and due date of such taxes which the county, school district and other political units having taxing powers would receive if the Project were so privately owned; and Lessee shall file any accounts or tax returns required with the appropriate officer or officers. The Lessee shall pay to the aforesaid taxing authorities when due all such payments in lieu of taxes with respect to the Project required by the Act to be paid to the aforesaid taxing authorities, subject in each case to the Lessee's right to obtain exemptions (and discounts), if any, therefrom which would be afforded to a private owner of the Project and to seek to obtain a refund of any such payments made, and to contest the same in the manner and to the extent provided in Section 6.3 in the case of taxes and other governmental charges. The Lessee's obligation to make such additional payments shall continue only so long as and to the extent the Lessee is required by law to pay the aforesaid amounts in lieu of taxes. Once having paid the amounts required by this Section 5.5 to be paid by it in lieu of taxes, the Lessee shall not be required to pay any such taxes for which a payment in lieu thereof has been made to the State or to any city, county, town, school district or other political unit, any other



statute to the contrary notwithstanding. In the event the Lessee shall fail to make any of the payments required by this Section 5.5, the amount or amounts so in default shall continue as an obligation of the Lessee until fully paid and the Lessee agrees to pay the same with interest thereon at eight per centum per annum until paid.

SECTION 5.6. Obligations of Lessee Hereunder Unconditional.

Subject to the provisions of this Section and Section 9.6 hereof, the obligations of the Lessee to make the payments required in Sections 5.3 and 5.5 hereof and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional and until such time as the principal of, and interest and premium, if any, on the Bonds shall have been made in accordance with the Indenture, the Lessee (i) will not suspend or discontinue any payments provided for in Section 5.3 hereof, (ii) will perform and observe all of its other agreements contained in this Agreement, and (iii) except as provided in Section 11.1 hereof will not terminate the Lease Term for any cause including, without limiting the generality of the foregoing, failure of the Lessee to complete the Project, the taking by eminent domain of title to or the right of temporary use of all or any part of the Project, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or South Carolina or any political subdivision of either thereof or any failure of the County to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or in connection with this Agreement. Nothing contained in this Section shall be construed to release the County from the performance of any of the agreements on its part herein contained; and in the event the

County should fail to perform any such agreement on its part, the Lessee may institute such action against the County as the Lessee may deem necessary to compel performance so long as such action does not abrogate the Lessee's obligations contained in the first sentence of this Section 5.6. The Lessee may, however, at its own cost and expense and in its own name or in the name of the County, prosecute or defend any action or proceeding or take any other action involving third persons which the Lessee deems reasonably necessary in order to secure or protect its right of possession, occupancy and use hereunder, and in such event the County hereby agrees to cooperate fully with the Lessee and to take all action necessary to effect the substitution of the Lessee for the County in any such action or proceeding if the Lessee shall so request.

ARTICLE VI

MAINTENANCE, TAXES AND INSURANCE

SECTION 6.1. Maintenance and Modifications of Project

by Lessee. The Lessee agrees that during the Lease Term it will at its own expense (i) keep the Project in as reasonably safe condition as its operations shall permit and (ii) keep the Building and Leased Equipment and all other improvements forming a part of the Project in good repair and in good operating condition, making from time to time, subject to the provisions of Section 6.2, all necessary repairs thereto and renewals and replacements thereof. Subject to the provisions of Section 8.9 the Lessee may, also at its own expense, make from time to time any Additions or Alterations to the Project it may deem desirable for its business purposes that do not adversely affect the operations being conducted in and upon the Project (or, if no operations are being conducted, the operations for which the Project was designed or last modified). Subject to the provisions of Section 9.7 hereof, such Additions and Alterations so made by the Lessee shall be on the Leased Land and become a part of the Project. The Lessee shall not permit any mechanics' or other liens to be established or remain against the Project for labor or materials furnished in connection with any additions, modifications, improvements, repairs, renewals or replacements so made by it; provided, that if the Lessee shall first notify the Trustee of its intention so to do, the Lessee may in good faith contest any mechanics' or other liens filed or established against the Project, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Trustee shall notify the Lessee that, in the opinion of Independent Counsel, by non-payment of any such items the lien of the Indenture as to any part of the Project may be materially endangered or the Project or any part thereof will be subject to loss or forfeiture, in which event the Lessee shall promptly



pay and cause to be satisfied and discharged all such unpaid items. The County will cooperate fully with the Lessee in any such contest.

SECTION 6.2. Removal of Leased Equipment. The County shall not be under any obligation to renew, repair or replace any inadequate, obsolete, worn out, unsuitable, undesirable, or unnecessary Leased Equipment. If no event of default under this Agreement shall have happened and be continuing, in any instance where the Lessee in its discretion determines that any items of Leased Equipment have become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, subject to the provisions of Section 8.9 hereof the Lessee may remove such items of Leased Equipment from the Building and the Leased Land and (on behalf of the County) sell, trade in, exchange or otherwise dispose of them (as a whole or in part) without any responsibility or accountability to the County or the Trustee therefor, provided that the Lessee shall either:

(a) Substitute (either by direct payment of the cost thereof or by advancing to the County the funds necessary therefor) and install anywhere in the Building or on the Leased Land 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, provided such removal and substitution shall not impair operating unity, 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 Leased Equipment; or

(b) Not make any such substitution and installation, provided (i) that in the case of the sale of any such Leased Equipment to anyone other than itself or in the case of the scrapping thereof, (ii) that in the

case of the trade-in of such Leased Equipment for other machinery, equipment or related property not to be installed in the Building or on the Leased Land, and (iii) that in the case of the sale of any such Leased Equipment to the Lessee or in the case of any other disposition thereof, the Lessee shall pay into the Bond Fund an amount equal to the original cost thereof less depreciation at rates calculated in accordance with generally accepted accounting practice.

In the event that Lessee, prior to such removal of items of Leased Equipment from the Building and the Leased Land, has acquired and installed machinery or equipment with its own funds which has become part of the Leased Equipment, Lessee may take credit to the extent of the depreciated value thereof against the requirement that it either substitute and install other machinery and equipment having equal or greater value, or that it make payment into the Bond Fund.

The removal from the Project of any portion of the Leased Equipment pursuant to the provisions of this Section shall not entitle the Lessee to any abatement or diminution of the rents payable under Section 5.3 hereof.

The Lessee shall promptly report to the Trustee each such removal, substitution, sale and other disposition and shall pay to the Trustee such amounts as are required by the provisions of the preceding subsection (b) of this Section to be paid into the Bond Fund promptly after the sale, trade-in or other disposition requiring such payment; provided, that no such report and payment need be made until the amount to be paid into the Bond Fund on account of all such sales, trade-ins or other dispositions not previously reported aggregates at least \$200,000. The Lessee shall not remove, or permit the removal of, any of the Leased Equipment from the Leased Land except in accordance with the provisions of this Section.



SECTION 6.3. Taxes, Other Governmental Charges and Utility Charges. The County and the Lessee acknowledge (i) that pursuant to Section 13 of the Act, no part of the Project owned by the County will be subject to taxation in South Carolina, that under present law the income and profits (if any) of the County from the Project are not subject to either Federal or South Carolina taxation and that under present law there is no tax imposed upon leasehold estates in South Carolina, and (ii) that these factors, among others, have induced the Lessee to enter into this Agreement.

However, the Lessee will pay, as the same become due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Project or any machinery, equipment or other property installed or brought by the Lessee therein or thereon (including, without limiting the generality of the foregoing, any taxes levied upon or with respect to the lease rentals, revenues or receipts of the County from the Project which, if not paid, will become a lien on the Project prior to or on a parity with the lien of the Indenture or a charge on the revenues and receipts therefrom prior to or on a parity with the charge thereon and the pledge or assignment thereof to be created and made in the Indenture, and including all ad valorem taxes lawfully assessed upon the leasehold estate hereby granted and conveyed to the Lessee in the Project), all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project and all assessments and charges lawfully made by any governmental body for public improvements that may be secured by lien on the Project; provided, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Lessee shall be



obligated to pay only such installments as are required to be paid during the Lease Term.

If the Lessee shall first notify the Trustee of its intention so to do, the Lessee may, at its expense and in its own name and behalf or in the name and behalf of the County, in good faith contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Trustee shall notify the Lessee that, in the opinion of Independent Counsel, by non-payment of any such items the lien of the Indenture will be materially endangered or the Project or any part thereof will be subject to loss or forfeiture, in which event such taxes, assessments or charges shall be paid promptly. The County will cooperate fully with the Lessee in any such contest. In the event that the Lessee shall fail to pay any of the foregoing items required by this Section to be paid by the Lessee, the County or the Trustee may (but shall be under no obligation to) pay the same and any amounts so advanced therefor by the County or the Trustee shall become an additional obligation of the Lessee to the one making the advancement, which amounts, together with interest thereon at the rate of eight per centum per annum from the date thereof until paid, the Lessee agrees to pay.

The County agrees that any investment tax credit with respect to the Project shall be made available to the Lessee and the County will fully cooperate with the Lessee in any effort by the Lessee to avail itself of any such investment tax credit.

SECTION 6.4. Insurance Required. (a) Lessee shall, at Lessee's sole cost and expense at all times during the Lease Term, keep or cause to be kept, the Project insured against loss

or damage in accordance with the customary insurance practices of Lessee, but, subject to the provisions in the last sentence of paragraph (c) of this Section 6.4, in all events to the following extent:

(i) Against the perils of fire and the hazards ordinarily included under standard extended coverage endorsements in amounts necessary to prevent the application of the co-insurance provisions of the applicable policies but not less than the lesser of 80% of the full insurable value thereof within the terms of applicable policies or an amount equal to the principal amount of Bonds outstanding from time to time.

(ii) Against war risks when a state of war or national or public emergency exists and such insurance is obtainable from a department or agency of the United States Government, upon reasonable terms, in the full amount necessary to prevent the application of the co-insurance provisions of the applicable policies but not less than 80% of the then full insurable value, or, if such amounts be not obtainable, then in the highest amount which can be so obtained.

(iii) If there are boilers or pressure vessels, from boiler or pressure vessel explosion in an amount customarily carried in the case of similar industrial operations.

The term "full insurable value" means such value as shall be determined from time to time at the request of the County, Lessee or Trustee (but not more frequently than once in every twenty-four (24) months) by one of the insurers selected by Lessee.

(b) At all times during the Lease Term, Lessee shall, at no cost or expense to the County, maintain or cause to be maintained:

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(i) General Public liability insurance against claims for bodily injury or death occurring upon, in or about the Project, with insurance to afford protection to the limits of not less than \$1,000,000 in respect of bodily injury or death to any one person and to the limit of not less than \$1,000,000 in respect of any one accident; and

(ii) Property damage insurance against claims for damage to property (including loss of use) occurring upon, in or about the Project with such insurance to afford protection to the limit of not less than \$300,000 in respect of damage to the property of any one owner.

(c) The insurance required by this Section 6.4 shall be maintained in full force and effect at all times during the Lease Term, except that such insurance required by Section 6.4(a) need not be placed in force and effect until the completion of the construction of the Project, provided that builder's risk insurance is in effect at least to the extent contemplated by Section 6.4(a) and provided further that in no event shall the insurance required by Section 6.4(a) be placed into force and effect later than the expiration of the builder's risk insurance carried pursuant to the provisions of any contracts entered into with contractors, with the end in view of having full insurance coverage at all times. Any policy obtained by the Lessee pursuant to Section 6.4(a) or Section 6.4(b) of this Article VI may contain a deductible provision of not in excess of \$75,000 applicable to each separate instance of loss or damage insured against.



(d) Copies or certificates of the insurance required by this Section, each bearing notations evidencing payment of the premiums or other evidence of payment satisfactory to the Trustee, shall be delivered by Lessee to the Trustee. And in the case of expiring policies throughout the Lease Term, copies or certificates of any new or renewal policies, each bearing notations evidencing payment of the premiums or other evidence of payment satisfactory to the Trustee, shall be delivered by Lessee to the Trustee.

(e) Policies of Insurance provided for in Section 6.4(a) and any builder's risk insurance referred to in Section 6.4(c) shall name the County and the Lessee as insureds as their respective interests may appear, provided, however, that the Trustee shall also be named as a party insured pursuant to a standard mortgagee clause as its interest may appear, and provided further that while any Bonds remain outstanding all casualty insurance shall be payable as provided in Section 7.1 hereof.

(f) All insurance required by this Section 6.4 shall be effected with responsible insurance companies selected by the Lessee. Lessee shall cause appropriate provisions to be inserted in each insurance policy making each policy non-cancellable without at least ten (10) days prior written notice to the County, Lessee and Trustee. Also, it is agreed that no claim shall be made and no suit or action at law or in equity shall be brought by the County or by anyone claiming by, through or under the County, against Lessee for any damage to the Project covered by the insurance provided for by this Section 6.4, however caused, but nothing in this sub-section (f) shall diminish Lessee's obligation to repair or rebuild as provided in Section 7.1. The Lessee shall have the sole right and responsibility to

adjust any loss with the insurer involved and to conduct any negotiations in connection therewith, provided that so long as any Bonds remain outstanding and unpaid no settlement of any claim shall be effected without the written consent of the Trustee.

SECTION 6.5. Application of Net Proceeds of Insurance.

The Net Proceeds of the insurance carried pursuant to the provisions of Section 6.4(a) and 6.4(c) hereof shall be paid and applied as provided in Section 7.1 hereof and the Net Proceeds of insurance carried pursuant to the provisions of Section 6.4(b) hereof shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid.

SECTION 6.6. Advances by the County or the Trustee.

In

the event the Lessee shall fail to maintain the full insurance coverage required by this Agreement or shall fail to keep the Project in as reasonably safe condition as its operations will permit, or shall fail to keep the Project in good repair, the County or the Trustee may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums on the same or make required repairs; and all amounts so advanced therefor by the County or the Trustee shall become an additional obligation of the Lessee to the one making the advancement, which amounts, together with interest thereon at the rate of 8% per annum from the date hereof until paid, the Lessee agrees to pay.

## ARTICLE VII

### DAMAGE, DESTRUCTION AND CONDEMNATION

SECTION 7.1. Damage and Destruction. (a) Unless the Building or the Leased Equipment shall be damaged to the extent prescribed by, and the Lessee shall elect to exercise its option to purchase pursuant to, the provisions of Section 11.2(a) hereof, if prior to full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture) the Project is damaged by fire or other casualty to such extent that the claim for loss under the insurance policies required to be carried pursuant to Section 6.4(a) and Section 6.4(c) hereof resulting from such destruction or damage is not greater than \$200,000, the Lessee (i) shall promptly repair, rebuild or restore the Project to substantially the same condition thereof as existed prior to the event causing such damage or destruction with such changes, alterations and modifications (including the substitution and addition of other property) as may be desired by the Lessee and as will not impair the value or the character of the Project for the purposes originally intended, or such other purposes as the Lessee may deem appropriate, and (ii) will apply for such purpose so much as may be necessary of any Net Proceeds of insurance resulting from such claims for losses. All Net Proceeds of insurance resulting from such claims for losses not in excess of \$200,000 shall be paid to the Lessee, subject to the provisions of Section 7.1(e).

(b) Unless the Building or the Leased Equipment shall be destroyed or damaged to the extent prescribed by, and the Lessee shall elect to exercise its option to purchase pursuant to, the provisions of Section 11.2(a) hereof, if prior to full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture) the



Project is destroyed or is damaged (in whole or in part) by fire or other casualty to such extent that the claim for loss under the insurance policies required to be carried pursuant to Section 6.4(a) and Section 6.4(c) hereof resulting from such destruction or damages is in excess of \$200,000, the Lessee shall promptly give written notice thereof to the Trustee. All Net Proceeds of insurance resulting from such claims for losses in excess of \$200,000 shall be paid to and held by the Trustee in a separate trust account, whereupon the Lessee shall proceed promptly to repair, rebuild or restore the Project to substantially the same condition thereof as existed prior to the event causing such damage or destruction with such changes, alterations and modifications (including the substitution and addition of other property) as may be desired by the Lessee and as will not impair the value or the character of the Project as a plant for the purposes originally intended, or such other purposes as the Lessee may deem appropriate, whereupon the Trustee shall apply so much as may be necessary of the Net Proceeds of such insurance to payment of the costs of such repair, rebuilding or restoration, either on completion thereof or as the work progresses.

(c) In the event the Net Proceeds are not sufficient to pay in full the costs of any such repair, rebuilding or restoration, the Lessee shall nonetheless complete said work and shall pay that portion of the costs thereof in excess of the amount of said Net Proceeds.

(d) The Lessee shall not, by reason of the payment of such excess costs, be entitled to any reimbursement from the County, the Trustee or the holders or owners of the Bonds or any abatement or diminution of the rents payable under Section 5.3 hereof.

(e) Any balance of such Net Proceeds remaining after payment of all costs of such repair, rebuilding or restoration shall be paid into the Bond Fund. If the Bonds have been dully paid (or provision therefor has been made in accordance with the Indenture), all Net Proceeds shall be paid to the Lessee.

(f) Notwithstanding any other provision of this Section, in any event of damage or destruction when no Bonds are then outstanding and unpaid, there shall be no obligation on the part of Lessee to restore the Project.

SECTION 7.2. Condemnation. Unless title to, or temporary use of, all or substantially all, or any material portion, of the Project shall have been taken by condemnation and the Lessee shall elect to exercise its option to purchase pursuant to the provisions of Section 11.2(b) hereof, in the event that title to, or the temporary use of, the Project or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, the Lessee shall be obligated to continue to make the rental payments specified in Section 5.3 hereof. The County, the Lessee and the Trustee shall cause the Net Proceeds received by them or any of them from any award made in such eminent domain proceedings, to be paid to and held by the Trustee in a separate trust account, to be applied in one or more of the following ways as shall be directed in writing by the Lessee:

(a) To the restoration of the Project to substantially the same condition thereof as existed prior to the exercise of the said power of eminent domain.

(b) To the acquisition, by construction or otherwise, in the name of the County of improvements consisting of a building or buildings, facilities, machinery, equip-

ment or other properties suitable for the Lessee's operations at the Project (which improvements shall be deemed a part of the Project and available for use and occupancy by the Lessee without the payment of any rent other than as herein provided to the same extent as if such other improvements were specifically described herein and demised hereby); provided, that such improvements shall be acquired by the County subject to no liens or encumbrances prior to or on a parity with the lien of the Indenture, other than Permitted Encumbrances.

(c) For deposit into the Bond Fund, provided that the Lessee shall furnish to the County and the Trustee a certificate of an Independent Engineer acceptable to the County and the Trustee stating (i) that the property forming a part of the Project that was taken by such condemnation proceedings is not essential to the Lessee's use or occupancy of the Project, or (ii) that the Project has been restored to a condition substantially equivalent to its condition prior to the taking by such condemnation proceedings or (iii) that improvements have been acquired which are suitable for the Lessee's operations at the Project as contemplated by the foregoing subsection (b) of this Section.

Unless the Lessee shall have elected to exercise its option to purchase pursuant to the provisions of Section 11.2(b) hereof within ninety days from the date of entry of a final order in any eminent domain proceedings granting condemnation, the Lessee shall direct the County and the Trustee in writing as to which of the ways specified in this Section the Lessee elects to have the condemnation award applied.



Any balance of the Net Proceeds of the award in such eminent domain proceedings shall be paid into the Bond Fund. If the Bonds have been fully paid (or provision for payment thereof has been made in accordance with the provisions of the Indenture), all Net Proceeds shall be paid to the Lessee.

The County shall cooperate fully with the Lessee in the handling and conduct of any prospective or pending condemnation proceeding with respect to the Project or any part thereof and shall, to the extent it may lawfully do so, permit the Lessee to litigate in any such proceeding in the name and behalf of the County. In no event shall the County voluntarily settle, or consent to the settlement of, any prospective or pending condemnation proceeding with respect to the Project or any part thereof without the written consent of the Lessee.

Notwithstanding any other provision of this Section, in any event of condemnation when no Bonds are then outstanding and unpaid, there shall be no obligation on the part of the Lessee to restore or repair the Project.

SECTION 7.3. Condemnation of Lessee-Owned Property.

The Lessee shall also be entitled to the Net Proceeds of any condemnation award or portion thereof made for damages to or takings of its own property not included in the Project (except for damages for the value of its leasehold estate under this Agreement which shall be disposed of pursuant to Section 7.2 hereof).

## ARTICLE VIII

### SPECIAL COVENANTS, IMPROVEMENT BONDS

SECTION 8.1. No Warranty of Condition or Suitability by the County. The County makes no warranty, either express or implied, as to the condition of the Project or that it will be suitable for the Lessee's purposes or needs.

SECTION 8.2. County's and Trustee's Right of Access to the Project. The Lessee agrees that the County, the Trustee and the duly authorized agents of each of them shall have the right at all reasonable times to enter upon the Leased Land and to examine and inspect the Project, including such rights of access to the Project as may be reasonably necessary for the proper maintenance of the Project in the event of failure by the Lessee to perform its obligations under Section 6.1 hereof. The rights of access hereby reserved to the County and the Trustee may be exercised only after any such agent shall have executed release of liability and secrecy agreements in the form then currently used by the Lessee. However, nothing contained in this Section 8.2 or in any other provision of this agreement shall be construed to entitle the County or the Trustee to any information or inspection involving the confidential know-how of the Lessee.

SECTION 8.3. Lessee to Maintain its Corporate Existence, Conditions Under Which Exceptions Permitted. The Lessee agrees that during the Lease Term 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 Lessee 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, but only on condition (i) that such surviving, successor or transferee corporation is a solvent corporation organized and existing under the laws of the State of South Carolina, or is duly qualified to do business in the State of South Carolina, (ii) that the surviving, resulting or transferee corporation shall expressly assume and agree to perform all of the Lessee's obligations under this Lease Agreement, and (iii) after the consummation of such consolidation or merger, the corporation resulting from or surviving such consolidation or merger will have an excess of assets over liabilities at least as great as the Lessee had as of December 31, 1971; and (iv) that in connection with any such sale, transfer, consolidation or merger the Trustee shall be furnished with an opinion of counsel (who may be counsel for the Lessee) and a certificate by a firm of certified public accountants (which is of the size and type commonly referred to as nationally known certified public accountants and which is acceptable to the Trustee) stating that, in the opinion of such counsel and firm of certified public accountants, respectively, such sale, transfer, consolidation or merger, as the case may be, did not result in the violation of any of the covenants contained in Section 8.9.



SECTION 8.4. Qualification in South Carolina. The Lessee warrants that it is and throughout the Lease Term it will continue to be duly qualified to do business in South Carolina.

SECTION 8.5. Release of Certain Land. In addition to the rights granted by Section 11.3 hereof, the parties hereto reserve the right at any time and from time to time to amend this Agreement for the purpose of effecting the release of and removal from this Agreement and the leasehold estate created hereby of (i) any unimproved part of the Leased Land (on which neither the Building nor any Leased Equipment is situated, but upon which transportation or utility facilities may be situated) on which the County then proposes to construct, or cause to be constructed, improvements for lease to the Lessee or any subsidiary or affiliated corporation thereof under another and different lease agreement or (ii) any part (or interest in such part) of the Leased Land with respect to which the County proposes to grant an easement or convey fee title to a railroad, public utility or public body in order that railroad, utility services or roads may be provided for the Project; provided, that if at the time any such amendment is made any of the Bonds are outstanding and unpaid there shall be deposited with the Trustee the following:

(a) A copy of the said amendment as executed.

(b) A resolution of the County Board (i) stating that the County is not in default under any of the provisions of the Indenture and the Lessee is not to the knowledge of the County in default under any of the provisions of this Agreement, (ii) giving an adequate legal description of that portion (together with the interest in such portion) of the Leased Land to be released, (iii) stating the purpose for which the County desires the release, (iv) stating that the said improvements which will be so constructed will be such as will promote the continued industrial development of South Carolina, and (v) requesting such release.

(c) A resolution of the board of directors of the Lessee approving such amendment and a certificate of the president, any vice president or treasurer of the Lessee stating that the Lessee is not in default under any of the provisions of this Agreement.

(d) A copy of any agreement wherein the County agrees to construct, or cause to be constructed, improvements on the portion of the Leased Land so requested to be released and to lease the same or a copy of the instrument granting the easement or conveying the title to a railroad, public utility or public body.

(e) A certificate of an Independent Engineer who is acceptable to the Trustee, dated not more than sixty 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 Leased Land so proposed to be released is necessary or desirable in order to obtain railroad, utility services or roads to benefit the

Project or is not otherwise needed for the operation of the Project for the purposes hereinabove stated and (ii) the release so proposed to be made will not impair the usefulness of the Project as a manufacturing plant and will not destroy the means of ingress thereto and egress therefrom.

And, provided further, if such release relates to Leased Land, on which transportation or utility facilities are located, the County shall retain an easement to use such transportation or utility facilities to the extent necessary for the efficient operation of the Project as a manufacturing plant.

If all of the conditions of this Section 8.5 are met, the Trustee shall be authorized to release any such property from the lien of the Indenture.

No release effected under the provisions of this Section shall entitle the Lessee to any abatement or diminution of the rents payable under Section 5.3 hereof.

SECTION 8.6. Granting of Easements. If no event of default under this Agreement shall have happened and be continuing, the Lessee may at any time or times grant easements, licenses, rights of way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to any property included in the Project, free from the lien of the Indenture, or the Lessee may release existing easements, licenses, rights of way and other rights or privileges with or without consideration, and the County agrees that it shall execute and deliver and will cause and direct the Trustee to execute and deliver any instrument necessary or appropriate to confirm and grant or release any such easement, license, right of way or other right or privilege upon receipt of: (i) a copy of the instrument of grant



or release, (ii) a written application signed by the president or a vice president or the chairman of the board of directors of the Lessee stating (1) that such grant or release is not detrimental to the proper conduct of the business of the Lessee, and (2) that such grant or release will not impair the effective use of or interfere with the operation of the Project and will not weaken, diminish or impair the security intended to be given by or under the Indenture. No grant or release effected under the provisions of this Section shall entitle the Lessee to any abatement or diminution of the rents payable under Section 5.3 hereof.

SECTION 8.7. Indemnification Covenants.

(a) Lessee shall and agrees to indemnify and save the County and the Trustee harmless against and from all claims by or on behalf of any person, firm or corporation arising from the conduct or management of, or from any work or thing done on, the Project during the Lease Term, and, Lessee further, shall agree to indemnify and save the County and the Trustee harmless against and from all claims arising during the Lease Term from (i) any condition of the Project, (ii) any breach or default on the part of Lessee in the performance of any of its obligations under this Agreement, (iii) any act of negligence of Lessee or of any of its agents, contractors, servants, employees or licensees, or (iv) any act of negligence of any assignee or sublessee of Lessee, or of any agents, contractors, servants, employees or licensees of any assignee or sublessee of Lessee. Lessee shall indemnify and save the County and the Trustee harmless from and against all costs and expenses incurred in or in connection with any such claim arising as aforesaid from (i), (ii), (iii), or (iv), supra, or in connection with any action or proceedings brought thereon, and upon notice from the County, or the Trustee, Lessee shall

defend them or either of them in any such action or proceeding.

(b) Notwithstanding the fact that it is the intention of the parties that the County shall not incur pecuniary liability by reason of the terms of this Agreement, or the undertakings required of the County hereunder, by reason of the issuance of the Bonds, by reason of the execution of the Indenture, by reason of the performance of any act requested of it by the Lessee, or by reason of the County's ownership of the Project or the operation of the Project by the Lessee, including all claims, liabilities or losses arising in connection with the violation of any statutes or regulations pertaining to the foregoing, nevertheless, if the County should incur any such pecuniary liability, then in such event the Lessee shall indemnify and hold harmless the County against all claims by or on behalf of any person, firm or corporation, arising out of the same, and all costs and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, and upon notice from the County, the Lessee shall defend the County in any such action or proceeding.

SECTION 8.8. Financial Statements. Lessee agrees to furnish the County and the Underwriter such information respecting the business affairs, operation and financial condition of the Lessee and its consolidated subsidiaries as may be reasonably requested; and without any request to furnish to the Trustee, and upon request, to the holder of any Bond (a) as soon as available and in any event at the time the same are made available to the stockholders of the Lessee, copies of all quarterly and other interim financial statements as the Lessee shall furnish to its

stockholders and (b) as soon as available and in any event within one hundred fifty days after closing of each fiscal year of the Lessee a copy of the annual audit report (including balance sheets, profit and loss, and surplus statements) of the Lessee and its consolidated subsidiaries for each fiscal year, all as prepared and certified by independent public accountants of recognized standing; provided, however, that if the annual report of Lessee to its stockholders shall contain financial statements of substantially similar detail and similarly prepared and certified, copies of such annual report may be delivered in lieu of the copies of the annual reports referred to herein.

SECTION 8.9. Covenants of Lessee With Respect to Capital Expenditures. The County is issuing the Series 1972 Bonds pursuant to an election made under Section 103(c)(6)(D) of the Internal Revenue Code of 1954. In order to insure that interest on the Series 1972 Bonds will not become subject to Federal Income Taxes as a result of a violation of the capital expenditures limitation prescribed in said Section 103(c)(6)(D), the Lessee covenants with the County, the Trustee, and with each of the future holders of any Series 1972 Bonds or interest coupons appertaining thereto as follows:

(1) That all rights and privileges granted to the Lessee hereunder shall be exercised in such manner that the covenants made by this Section 8.9 shall be observed, and if any conflict between Section 8.9 and any other provisions in this Agreement shall arise, then in such case, Section 8.9 shall control;

(2) That the Lessee will never permit the occurrence of any circumstances set forth in Section 103(c)(6)(D) and (E) of the Internal Revenue Code of 1954 which might cause interest on the Series 1972 Bonds to lose its tax exempt status; and Lessee will not commit, or permit to be committed, any act which would



cause interest on the Series 1972 Bonds to become subject to Federal Income Taxes by virtue of Section 103(c)(1) of the Internal Revenue Code of 1954, nor fail to take any action necessary to be taken in order that the exemption of said Section 103(c)(6)(D) and (E) will continue to apply to the Series 1972 Bonds;

(3) That within 120 days following (i) January 1, 1972, and (ii) the first day of each January thereafter to and including January 1, 1976, the Lessee will furnish to the Trustee a certificate of independent certified public accountants stating that during the period beginning October 1, 1969 to such January 1 (or, in the case of the January 1, 1976 certificate, to the 3rd anniversary of the date of the delivery of the Series 1972 Bonds), capital expenditures (including the \$4,600,000 principal amount of the Series 1972 Bonds) in excess of the capital expenditures limitation prescribed by said Section 103(c)(6)(D) as now constituted or as hereafter amended, have not been paid or incurred with respect to "facilities" described in Section 103(c)(6)(E) of the Internal Revenue Code of 1954, in Orangeburg County, South Carolina, of which the Lessee or a related person as defined in Section 103(c)(6)(C) of the Internal Revenue Code of 1954 is the principal user. As used in this paragraph (3), capital expenditures within Orangeburg County shall include only those capital expenditures which have been paid or incurred in respect of "facilities" in Orangeburg County outside of the incorporated municipalities in such county.

(4) That it will comply with the governing regulations applicable to Section 103 of the Internal Revenue Code of 1954 to the extent that compliance therewith is necessary in order that interest on the Series 1972 Bonds shall remain exempt.

Nothing herein contained is intended to create any obligation upon the Lessee as a result of interest on any Series 1972

Bond becoming taxable or any deficiency being asserted against the holder of any Series 1972 Bond by virtue of the provisions of Section 103(c)(7) of the Internal Revenue Code of 1954.

SECTION 8.10. Improvement Bonds. Subject to the obligations of the County under the Indenture and subject to the provisions of Section 8.9 hereof, the County and the Lessee may hereafter negotiate one or more amendments to this Agreement pertaining to an increase in the obligations of the County and the Lessee upon an undertaking of the County to provide Additions or Alterations for the Project through the issuance of additional Bonds pursuant to Section 213 of the Indenture, and in such instance the Lease Term provided in Section 5.1 hereof may be extended until the date of the last maturing additional Bonds; provided that no obligation is imposed on the County by this Section 8.10 to enter into any such amendment and no such amendment is permitted hereunder which would result either in the breach of the County's agreements pursuant to the Indenture or in the reduction of Lessee's obligations pursuant to this Agreement.

ARTICLE IX

ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING; REDEMPTION;  
RENT PREPAYMENT AND ABATEMENT; INSTALLATION OF LESSEE'S OWN  
MACHINERY AND EQUIPMENT

SECTION 9.1. Assignment and Subleasing. This Agreement may be assigned, and the Project may be subleased as a whole or in part, by the Lessee without the necessity of obtaining the consent of either the County or the Trustee, subject, however, to each of the following conditions:

(a) No assignment (other than pursuant to Section 8.3 hereof) or subleasing shall relieve the Lessee from primary liability for any of its obligations hereunder, and in the event of any such assignment or subleasing, the Lessee shall continue to remain primarily liable for payment of the rents specified in Section 5.3 hereof and for the payment, performance and observance of the other obligations and agreements on its part herein provided to be performed and observed by it.

(b) The assignee or sublessee shall assume in writing the obligations of the Lessee hereunder to the extent of the interest assigned or subleased.

(c) The Lessee shall, within thirty days after the delivery thereof, furnish or cause to be furnished to the County and to the Trustee a true and complete copy of each such assignment or sublease, as the case may be, accompanied by a certificate of an independent certified public accountant and an opinion of counsel (who may be counsel for the Lessee) that nothing in the transaction so done has violated any covenant of Section 8.9.



SECTION 9.2. Mortgage of Property by County. The County will mortgage the Project by the Indenture, and assign its interest in and pledge any moneys receivable under this Agreement (except payments made in lieu of taxes pursuant to Section 5.5 and payments made pursuant to Section 8.7) pursuant to the Indenture, to the Trustee as security for payment of the principal of, premium, if any, and interest on the Bonds, but each such mortgage, assignment or pledge shall be subject and subordinate to this Agreement.

SECTION 9.3. Restrictions on Sale of Project by County. The County agrees that, except as set forth in Section 9.2 hereof or other provisions of this Agreement or the Indenture, it will not sell, convey, mortgage, encumber or otherwise dispose of any part of the Project during the Lease Term.

SECTION 9.4. Redemption of Bonds. The County, at the request at any time of the Lessee and if the same are then callable, shall forthwith take all steps that may be necessary under the applicable redemption provisions of the Indenture to effect redemption of all or part of the then outstanding Bonds, as may be specified by the Lessee, on the earliest redemption date on which such redemption may be made under such applicable provisions. The certificate of the County required by Section 307 of the Indenture shall contain such information as is requested by the Lessee.

SECTION 9.5. Prepayment of Rents. There is expressly reserved to the Lessee the right, and the Lessee is authorized and permitted, at any time it may choose, to prepay all or any part of the rents payable under Section 5.3 hereof, and the County agrees that the Trustee may accept such prepayment of rents when the same are tendered by the Lessee. All rents so

prepaid shall be credited on the rental payments specified in Section 5.3 hereof, in the order of their due dates.

SECTION 9.6. Lessee Entitled to Certain Rent Abatements if Series 1972 Bonds Paid Prior to Maturity. If at any time the aggregate moneys in the Bond Fund shall be sufficient to retire in accordance with the provisions of the Indenture all of the Series 1972 Bonds at the time outstanding, and to pay all fees and charges of the Trustee and any paying agents on the Series 1972 Bonds due or to become due through the date on which the last of the Series 1972 Bonds is retired, under circumstances not resulting in termination of the Lease Term, and if the Lessee is not at the time otherwise in default thereunder, the Lessee shall be entitled to use and occupy the Project from the date on which such aggregate moneys are in the hands of the Trustee to and including Midnight September 30, 1992, with no obligation to make the rental payments specified in the first paragraph of Section 5.3 hereof during that interval (but otherwise on the terms and conditions hereof).

SECTION 9.7. Installation of Lessee's Own Machinery and Equipment. Subject always to the provisions of Section 8.9, the Lessee may from time to time, in its sole discretion and at its own expense, install machinery, equipment and other personal property in the Building or on the Leased Land and which may be attached or affixed to the Building or the Leased Land. All such machinery, equipment and other personal property shall remain the sole property of the Lessee and the Lessee may remove the same from the Building or the Leased Land at any time, in its sole discretion and at its own expense; provided, that any damage to the Project resulting from any such removal shall be repaired by the Lessee at the expense of the Lessee. The Lessee may create any mortgage, encumbrance, lien or charge on any such

machinery, equipment and other personal property provided that the same will not diminish or impair the security intended to be given by or under the Indenture. Neither the County nor the Trustee shall have any interest in or landlord's lien on any such machinery, equipment or personal property so installed pursuant to this Section 9.7 and all such machinery, equipment and personal property shall be and remain identified as the property of the Lessee by appropriate tags or other markings.

SECTION 9.8. Reference to Bonds Ineffective After Bonds Paid. Upon payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture) and all fees and charges of the Trustee, all references in this Agreement to the Bonds and the Trustee shall be ineffective and neither the Trustee nor the holders of any of the Bonds shall thereafter have any rights hereunder, saving and excepting those that shall have theretofore vested. For the purpose of this Agreement the Bonds shall be deemed fully paid:

(a) If there is no default under Section 8.9 and there is on deposit in the Bond Fund a total amount sufficient to pay the principal of all the then outstanding Bonds plus the interest due thereon until and at their respective maturities and provision for payment of all Trustee's and paying agents' fees, accrued and to accrue, has been made in a manner satisfactory to the Trustee and such paying agents, or

(b) If there have been irrevocably deposited with the Trustee (i) moneys sufficient to pay, redeem and retire all the then outstanding Bonds (including, without limitation, principal, premium, interest to maturity or earliest applicable redemption date, as the case may be, expenses of redemption and Trustee's and paying agents' fees), and (ii) evidence satisfactory to the Trustee that all redemption notices required by the



Indenture have been duly given by the County or the  
Trustee has been irrevocably authorized to give such  
redemption notices.

ARTICLE X

EVENTS OF DEFAULT AND REMEDIES

SECTION 10.1. Events of Default Defined. The following shall be "events of default" under this Agreement and the terms "event of default" or "default" shall mean, whenever they are used in this Agreement, any one or more of the following events:

(a) Failure by the Lessee to pay the rents required to be paid under Section 5.3 of this Agreement at the times specified therein and continuing for a period of ten days after notice by telegram, or if telegraphic service is not available then after notice by mail given to the Lessee by either the Trustee or the County that the payment referred to in such notice has not been received.

(b) Violation by the Lessee of any of the covenants set forth in Section 8.9(2) and Section 8.9(4) hereof and failure of the Lessee to fulfill its obligation to purchase the Project as provided in Section 12.2 hereof.

(c) Failure by the Lessee to observe and perform any covenant, condition or agreement in this Agreement on the part of the Lessee to be observed or performed, other than as referred to in subsections (a) and (b) of this Section, for a period of 60 days after written notice, specifying such failure and requesting that it be remedied, given to the Lessee by the County or the Trustee, unless the County and the Trustee shall agree in writing to an extension of such time prior to its expiration (or in the case of any such default, which cannot with due diligence be cured within such 60-day period (other than a default in the payment of the rental prescribed in Section 5.1(b) for any renewal term),

if Lessee shall fail to proceed promptly to cure the same and thereafter prosecute the curing of such default with due diligence, it being intended in connection with such a default not susceptible of being cured with due diligence within the 60 days that the time of Lessee within which to cure the same shall be extended for such period as may be necessary to complete the curing of the same with all due diligence).

(d) The dissolution or liquidation of the Lessee or the filing by the Lessee of a voluntary petition in bankruptcy, or failure by the Lessee promptly to lift any execution, garnishment or attachment of such consequence as will impair the ability of the Lessee to carry on its operations at the Project, or the commission by the Lessee of any act of bankruptcy, or adjudication of the Lessee as a bankrupt, or assignment by the Lessee for the benefit of its creditors, or the entry by the Lessee into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Lessee or in any proceeding for its reorganization instituted under the provisions of the general bankruptcy act, as amended, or under any similar act in any domestic or foreign jurisdiction which may now be in effect or hereafter enacted. The term "dissolution or liquidation of the Lessee" as used in this subsection, shall not be construed to include the cessation of the corporate existence of the Lessee resulting either from a merger or consolidation of the Lessee into or with another corporation or a dissolution or liquidation of the Lessee following a transfer of all or substantially all of its assets as an entirety, provided, that the conditions permitting such actions contained in Section 8.3 hereof shall have been met.



The foregoing provisions of this Section are subject to the following limitations: If by reason of force majeure the Lessee is unable in whole or in part to carry out the agreements of the Lessee on its part herein contained (other than the obligations on the part of the Lessee contained in Article V and Sections 6.3, 6.4, 8.7, 8.9 and 12.2 hereof, to which this paragraph shall have no application), the Lessee shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: 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 South Carolina or any of their departments, agencies, or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquake; fire; hurricane; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the Lessee, it being agreed that the settlement of strikes, lockouts, and other industrial disturbances shall be entirely within the discretion of the Lessee, and the Lessee 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 Lessee, unfavorable to the Lessee.

SECTION 10.2. Remedies on Default. Whenever any event of default referred to in Section 10.1 hereof shall have happened and be subsiding, the County may take any one or more of the following remedial steps:

(a) The County or the Trustee as provided in the Indenture may, at its option, declare all installments of rent payable under Section 5.3 hereof for the remainder of the Original Term to be immediately due and payable, whereupon the same shall become immediately due and payable.

(b) The County, with the prior written consent of the Trustee, may re-enter and take possession of the Project without terminating this Agreement, and sublease the Project for the account of the Lessee, holding the Lessee liable for the difference in the rent and other amounts actually paid by such sublessee in such subleasing and the rents and other amounts payable by the Lessee hereunder; provided, that in the case of an event of default referred to in Section 10.1(a) hereof, the County shall not be entitled to take such action until the eleventh day after the giving of notice as prescribed in Section 10.1(a).

(c) The County, with the prior written consent of the Trustee, may terminate the Lease Term, exclude the Lessee from possession of the Project and use its best efforts to lease the Project to another for the account of the Lessee, holding the Lessee liable for all rent and other amounts payable by the Lessee hereunder; provided, that in the case of an event of default referred to in Section 10.1(a) hereof, the County shall not be entitled to take such action until the eleventh day after the giving of notice as prescribed in Section 10.1(a).

(d) In the event any of the Bonds shall at the time be outstanding and unpaid, the County may have access to and inspect, examine and make copies of the books and

records and any and all accounts, similar data and income tax and other tax returns of the Lessee.

(e) The County may take whatever action at law or in equity may appear necessary or desirable to collect the rent and other amounts then due and thereafter to become due or to enforce performance and observance of any obligation, agreement or covenant of the Lessee under this Agreement.

Any amounts collected pursuant to action taken under this Section shall be paid into the Bond Fund and applied in accordance with the provisions of the Indenture or, if the Bonds have been duly paid (or provision for payment thereof has been made in accordance with the provisions of the Indenture) and the Lessee is then in good standing with respect to the payment of rent hereunder and shall have paid the County and the Trustee all other sums due and owing hereunder, to the Lessee.

No action taken pursuant to this Section (including re-possession of the Project or termination of the Lease Term) shall relieve the Lessee from the Lessee's obligations pursuant to Section 5.3, Section 10.2(a) and Section 12.2 hereof, all of which shall survive any such action, and the Lessor may take whatever action at law or in equity as may appear necessary and desirable to collect the rent and other amounts due and thereafter to become due and/or to enforce the performance and observance of any obligation, agreement or covenant of the Lessee hereunder, including the Lessee's obligation to purchase the Project under Section 12.2 hereof.

SECTION 10.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the County 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 County 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. Such rights and remedies as are given the County hereunder shall also extend to the Trustee, and the Trustee and the holders of the Bonds shall be deemed third party beneficiaries of all covenants and agreements herein contained.

SECTION 10.4. Agreement to Pay Attorneys' Fees and Expenses. In the event the Lessee should default under any of the provisions of this Agreement and the County or the Trustee should employ attorneys or incur other expenses for the collection of rent or the enforcement of performance or observance of any obligation or agreement on the part of the Lessee herein contained, the Lessee agrees that it will on demand therefor pay to the County or the Trustee the reasonable fee of such attorneys and such other expenses so incurred by the County or the Trustee.

SECTION 10.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE XI

OPTIONS IN FAVOR OF THE LESSEE

SECTION 11.1. Options to Terminate. The Lessee shall have, and is hereby granted, the following options to terminate the Lease Term:

(a) At any time prior to full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture), the Lessee may terminate the Lease Term (i) by paying to the Trustee an amount which, when added to the amount on deposit in the Bond Fund, will be sufficient to pay, retire and redeem all the outstanding Bonds in accordance with the provisions of the Indenture (including, without limiting the generality of the foregoing, principal, interest to maturity or earliest applicable redemption date, as the case may be, premium, if any, expenses of redemption and Trustee's and paying agents' fees and expenses), and in case of redemption making arrangements satisfactory to the Trustee for the giving of the required notice of redemption, (ii) by paying to the County any and all sums then due to the County under this Agreement, and (iii) by giving the County notice in writing of such termination, and such termination shall forthwith become effective.

(b) At any time after full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture) and of any and all sums then due to the County under this Agreement, the Lessee may terminate the Lease Term by giving the County notice in writing of such termination and such termination shall forthwith become effective.

SECTION 11.2. Option to Purchase Project Prior to

Payment of the Bonds. The Lessee shall have, and is hereby granted, the option to purchase the Project prior to the full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture), if any of the events set forth in the following clauses shall have occurred:

(a) The Building or the Leased Equipment shall have been damaged or destroyed (i) to such extent that it cannot be reasonably restored within a period of four months to the condition thereof immediately preceding such damage or destruction, or (ii) to such extent that the Lessee is thereby prevented from carrying on its normal operations at the Project for a period of four months, or (iii) to such extent that the cost of restoration thereof would exceed by \$150,000 the Net Proceeds of insurance carried thereon pursuant to the requirements of Section 6.4(a) and Section 6.4(c) hereof, plus the deductible amounts for which the Lessee is self-insured with respect to the Project.

(b) Title to, or the temporary use of, all or substantially all the Project, or such part thereof as shall materially interfere, in Lessee's judgment, with the operation of the Project for the purpose for which the Project is designed, shall have been taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority (including such a taking or takings as results in the Lessee being thereby prevented from carrying on its normal operations at the Project for a period of four months.



(c) As a result of any changes in the Constitution of South Carolina or the Constitution of the United States of America or of legislative or administrative action (whether state or federal) or by final decree, judgment or order of any court or administrative body (whether state or federal) entered after the contest thereof by the Lessee in good faith, this Agreement shall have become void or unenforceable or impossible in accordance with the intent and purposes of the parties as expressed in this Agreement, or unreasonable burdens or excessive liabilities shall have been imposed on the County or the Lessee in respect of the Project including without limitation federal, state or other ad valorem, property, income or other taxes not being imposed on the date of this Agreement.

To exercise such option, the Lessee shall, within ninety days following the event authorizing the exercise of such option, give written notice to the County, and to the Trustee if any of the Bonds shall then be unpaid, and shall specify therein the date of closing such purchase, which date shall be not less than forty-five nor more than ninety days from the date such notice is mailed, and in case of a redemption of the Bonds in accordance with the provisions of the Indenture, shall make arrangements satisfactory to the Trustee for the giving of the required notice of redemption. The purchase price payable by the Lessee in the event of its exercise of the option granted in this Section shall be the sum of the following:

(1) An amount of money which, when added to the amount then on deposit in the Bond Fund, will be sufficient to retire and redeem all the then outstanding

Bonds on the earliest possible date after notice as provided by the Indenture, whether or not such date is an interest payment date, including without limitation, principal, all interest to accrue to said redemption date and redemption expense, plus

(2) An amount of money equal to the Trustee's and paying agents' fees and expenses under the Indenture accrued and to accrue until such final payment and redemption of the Bonds, plus

(3) The sum of one dollar, and any and all other sums then due to the County under this Agreement, for the Leased Land, Building and Leased Equipment.

In the event of the exercise of the option granted in this Section any Net Proceeds of insurance or condemnation shall be paid to the Lessee simultaneously with the conveyance prescribed by Section 11.4 hereof.

SECTION 11.3. Option to Purchase Unimproved Land. If

no event of default under this Agreement shall have happened and then be continuing, the Lessee shall have, and is hereby granted the option to purchase any part of the Leased Land on which neither the Building nor any Leased Equipment is located, but upon which transportation or utility facilities may be located, at any time and from time to time at and for a purchase price of \$1500 per acre provided that it furnishes the County with the following:

(a) A notice in writing containing (i) an adequate legal description of that portion of the Leased Land with respect to which such option is to be exercised, (ii) a statement that the Lessee intends to exercise its option to purchase such portion of the Leased Land on a date stated, which shall not be less than forty-five

nor more than ninety days from the date of such notice and (iii) a statement that the use to which the Lessee intends to devote such portion of the Leased Land will promote the continued industrial development of South Carolina.

(b) A certificate of an Independent Engineer who is acceptable to the Trustee, dated not more than ninety days prior to the date of the purchase and stating that, in the opinion of the person signing such certificate, (i) the portion of the Leased Land with respect to which the option is exercised is not needed for the operation of the Project for the purposes hereinabove stated, and (ii) the purchase will not impair the usefulness of the Project as a manufacturing plant and will not destroy the means of ingress and egress therefrom.

(c) An amount of money equal to the purchase price computed as provided in this Section.

The County agrees that upon receipt of the notice, certificate and money required in this Section to be furnished to it by the Lessee, the County will promptly deliver such money to the Trustee for deposit in the Bond Fund, and secure from the Trustee a release from the lien of the Indenture of such portion of the Leased Land with respect to which the Lessee shall have exercised the option granted to it in this Section. In the event the Lessee shall exercise the option granted to it under this Section, the Lessee shall not be entitled to any abatement or diminution of the rents payable under Section 5.3, and if such option relates to Leased Land on which transportation or utility facilities are located, the County shall retain an easement to use such transportation or utility facilities to the extent necessary for the efficient operation of the Project.



SECTION 11.4. Conveyance on Exercise of Option to

Purchase. At the closing of any purchase pursuant to any option to purchase granted herein, the County shall upon receipt of the purchase price deliver to the Lessee the following:

(a) If necessary, a release from the Trustee of the property with respect to which the option was exercised from the lien of the Indenture.

(b) Documents conveying to the Lessee good and marketable title to the property being purchased, as such property then exists, subject to the following:

(i) those liens and encumbrances (if any) to which title to said property was subject when conveyed to the County; (ii) those liens and encumbrances created by the Lessee or to the creation or suffering of which the Lessee consented; (iii) those liens and encumbrances resulting from the failure of the Lessee to perform or observe any of the agreements on its part contained in this Agreement; (iv) Permitted Encumbrances other than the Indenture and this Agreement; and (v) if the option is exercised pursuant to the provisions of Section 11.2(b) hereof, the rights and title of the condemning authority.

SECTION 11.5. Relative Position of Options and Indenture.

The options respectively granted to the Lessee in this Article except under Section 11.3 hereof shall be and remain prior and superior to the Indenture and may be exercised whether or not the Lessee is in default hereunder, provided that no such default will result in non-fulfillment of any condition to the right of the Lessee to obtain a conveyance of the Project by making the payments required hereunder.

## ARTICLE XII

### ADDITIONAL OBLIGATIONS OF THE LESSEE AND COUNTY

SECTION 12.1. Option to Purchase Project. The County hereby grants to the Lessee the option to purchase the Project for one dollar, and any and all sums then due to the County under this Agreement, at the expiration or sooner termination of the Lease Term, and following full payment of the Bonds, or provision for payment thereof having been made, in accordance with the provisions of the Indenture. If the Lessee shall exercise its option, then within 30 days after receiving written notice thereof, the County shall deliver to the Lessee the documents referred to in Section 11.4 hereof. The option to purchase granted in this Section shall be and remain prior and superior to the Indenture and may be exercised whether or not the Lessee is in default hereunder provided that no such default will result in nonfulfillment of any condition to this right.

SECTION 12.2. Lessee's Obligation to Purchase Project Under Certain Circumstances. Should Lessee be unable to provide the certificate and opinion required by Section 8.9(3) or should, by reason of any actual or claimed violation of any covenant set forth in Section 8.9(2) or Section 8.9(4) (whether through act of the Lessee or circumstances not under Lessee's control or otherwise) interest on the Series 1972 Bonds be determined by (i) the National Office of the Internal Revenue Service of the United States Treasury Department, or (ii) the District Director of Internal Revenue for the District in which the Lessee files the statements required by the governing regulations referred to in Section 8.9(4) hereof, or (iii) any court of competent jurisdiction, to be subject to Federal Income Tax by reason of a violation (actual or claimed) of the capital expenditure limitation prescribed in Section

103(c)(6)(D) of the Internal Revenue Code of 1954, the Lessee agrees to purchase, in full discharge of all liability hereunder, the Project within thirty days after such determination at a purchase price equal to the principal amount of all Series 1972 Bonds then outstanding, plus accrued interest to the redemption date and a redemption premium computed in the manner prescribed in Section 12.4, plus any expenses of redemption and the Trustee's and paying agents' fees and charges, but after the deduction of the amount, if any, then in the Bond Fund. The obligation of the Lessee under this Section 12.2 shall survive any termination of the Lease Term of this Agreement. Provided, that the Lessee may in good faith to the extent permitted by law, contest, at Lessee's expense, any such determination, in which event, at Lessee's option, the performance of its obligation to purchase pursuant to the foregoing provisions of this Section 12.2 as a result of that determination may be postponed for two years from the date of Lessee's receipt of written notice regarding the earliest such determination, but in no event shall the performance of Lessee's obligation to purchase be postponed beyond the expiration of such two year period, even though any such litigation or contest shall not then be completed or terminated. If such determination is reversed or withdrawn by competent authority within such two year period, Lessee shall be relieved of such obligation to purchase.

At the closing of any such purchase of the Project pursuant to this Section, the County shall deliver to the Lessee the documents referred to in Section 11.4. The purchase price shall be applied, together with other available moneys in the Bond Fund, to the redemption of the Bonds on the earliest possible date after notice as provided in the Indenture, whether or not such date is an interest payment date, and to the payment of any redemption premium required by Section 12.4 on account of previously paid Series 1972 Bonds.



SECTION 12.3. Obligation of Lessee Further Defined. The parties recognize that Series 1972 Bonds are being issued as tax free obligations by virtue of an election made under Section 103 (c) (6) (D) of the Internal Revenue Code of 1954, and that circumstances (not now contemplated or anticipated) may hereafter result in a determination as provided in Section 12.2 (which may be disputed) that interest on the Series 1972 Bonds is subject to Federal Income Tax by reason of a violation (actual or claimed) of the capital expenditures limitation prescribed in Section 103(c) (6) (D) of the Internal Revenue Code of 1954. It is the intention of the parties hereto that subject to the proviso of Section 12.2, the Lessee, in the event of such a determination, shall provide each person who is a holder of a Series 1972 Bond on the occasion as of which interest on the Series 1972 Bonds becomes (or is determined as provided in Section 12.2 to be) taxable, as a result of any actual or claimed violation of Section 103(c) (6) (D) of the Internal Revenue Code of 1954, with the relief prescribed in Section 12.2 and Section 12.4 hereof, without regard to the final outcome of any dispute, and such determination as prescribed in Section 12.2 shall be conclusive even though it might be thereafter determined by Court order, ruling or otherwise that interest on the Series 1972 Bonds was, in fact, not subject to Federal Income Taxes.

SECTION 12.4. Computation of Additional Redemption Premium. In the event the Lessee is required to purchase the Project by virtue of the provisions of Section 12.2, the total redemption premium payable by the Lessee shall be the aggregate of the premiums on each Series 1972 Bond outstanding on the date as of which interest on the Series 1972 Bonds becomes

taxable (as provided in Section 12.2) calculated as follows: such redemption premium shall be one year's interest, at the coupon rate on each Series 1972 Bond, for each year, or fraction thereof, between the date as of which interest on the Series 1972 Bonds is (or is determined to be) taxable as provided in Section 12.2, and the date of the redemption of such Series 1972 Bond, or the earlier payment date of any Series 1972 Bond which shall have been paid (whether at maturity or by redemption) subsequent to the date as of which interest on the Series 1972 Bonds is (or is determined to be) taxable, as provided in Section 12.2, (less any optional redemption premium previously paid on such Series 1972 Bond). On the occasion of the purchase of the Project pursuant to the requirements of Section 12.2 the purchase price paid by Lessee shall include the total premium above prescribed so that each person who is the holder of any Series 1972 Bond on the redemption date, as well as each person who was the holder of any Series 1972 Bond on the occasion when the same was paid (whether at maturity or by redemption) prior to such redemption date but subsequent to the date as of which interest on the Series 1972 Bonds became (or was determined to have become) taxable as provided in Section 12.2, shall receive a premium on each such Series 1972 Bond computed according to the provisions of this Section 12.4.

ARTICLE XIII

MISCELLANEOUS

SECTION 13.1. Quiet Enjoyment. The County agrees so long as the Lessee shall fully and punctually pay all of the rents and other amounts provided to be paid hereunder by the Lessee, and shall fully and punctually perform all of its other covenants and agreements hereunder, that the Lessee shall peacefully and quietly have, hold and enjoy the Project during the Lease Term.

SECTION 13.2. Surrender of Project. Except as otherwise provided in this Agreement at the expiration or sooner termination of the Lease Term, the Lessee agrees to surrender possession of the Project peaceably and promptly to the County in as good condition as at the commencement of the Lease Term, ordinary wear, tear and obsolescence only excepted.

SECTION 13.3. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered mail, postage prepaid, or given when dispatched by telegram when telegraphic notice is permitted, or required by express provisions of this Agreement, addressed as follows: if to the County, to the Orangeburg County Commission, Orangeburg County Courthouse, Orangeburg, South Carolina 29115; if to the Lessee, at 1905 West Court Street, Kankakee, Illinois 60901, Attention: Treasurer; if to the Trustee, at P. O. Box 2634, Birmingham, Alabama 35202, Attention: Corporate Trust Officer. The County, the Lessee, and the Trustee may, by notice given to all parties to this Agreement and the Indenture, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.



SECTION 13.4. Recording and Filing.

(a) This Agreement as originally executed shall be recorded prior to the recordation of the Indenture. It shall be recorded and indexed as a miscellaneous conveyance and as a security agreement in the office of the Clerk of Court for Orangeburg County, South Carolina, or in such other office as may at the time be provided by law as the proper place for recordation thereof. The security interest of the County created herein as to any personal property, equipment and fixtures forming a part of the Project shall be perfected by the filing of financing statements which fully comply with the South Carolina Uniform Commercial Code - Secured Transactions, in the Office of the Clerk of Court for Orangeburg County and in the Office of the Secretary of State in the City of Columbia, S. C. The parties further agree that all necessary continuation statements shall be filed within the time prescribed by the South Carolina Uniform Commercial Code - Secured Transactions, in order to continue the security interests created by this Agreement, to the end that the rights of the holders of the Series 1972 Bonds and the Trustee in the Project shall be fully preserved as against creditors of, or purchasers for value from, the County or the Lessee.

(b) The deed conveying the Leased Land to the County, this Agreement and the Indenture may be recorded prior to the delivery of the Series 1972 Bonds. If subsequent to such recording the Series 1972 Bonds shall not be delivered on or before April 1, 1973, or such later date as the Lessee may agree upon in writing, then the said deed, this

Agreement and the Indenture shall be of no force and effect and in such event the County and the Lessee do hereby mutually release and discharge each other from any and all claims of any character which either may have against the other by reason of or arising from a failure to deliver the Series 1972 Bonds; and all properties conveyed to the County by the said deed and for the same consideration paid by the County less any advances made therefor by the Lessee. All parties shall execute such further instruments as may be necessary to fully implement the provisions of this subsection (b) of Section 13.4.

SECTION 13.5. Other Instruments.

(a) The Lessee covenants to deliver to the County and the Trustee within 60 days after April 1, 1973, after each April 1 thereafter until the Completion Date, after the Completion Date and after the close of each fiscal year of the Lessee following the Completion Date, a description of the Project, on such April 1, Completion Date or such last day of a fiscal year, as appropriate, if the Project is not adequately described in the granting clauses of the Indenture as then supplemented, and in the demising clauses of this Agreement as then amended. Such description shall be sufficiently detailed so as to enable counsel to render the opinion referred to in clause (4) of the next succeeding sentence. Within 30 days after delivery of such description the Lessee covenants that it will:

- (1) prepare a supplement to the Indenture and an amendment to this Agreement, each containing an adequate and full description of the Project;

(2) deliver the supplement to the Indenture to the Trustee and the County and the supplement to this Agreement to the County, for execution;

(3) deliver the fully executed supplement to the Indenture and the fully executed supplement to this Agreement to the Trustee for recording and filing or re-recording or re-filing in all places required by the opinion of counsel referred to in subsection (a)(4) of this Section 13.4); and

(4) deliver to the Trustee a written opinion of counsel (who may be counsel for the County or the Lessee), addressed to the Trustee that the description of the Mortgaged Property (as defined in Article I of the Indenture) contained in the granting clauses of the Indenture, as supplemented, and the description of the Project contained in the demising clauses of this Agreement, as supplemented are adequate for all purposes thereof and hereof and in the opinion given with respect to the Completion Date, that such descriptions include descriptions of the entire Project; that the Indenture, as supplemented, constitutes a valid first mortgage lien on the interest of the County in the said Mortgaged Property, subject only to Permitted Encumbrances other than the Indenture; that the Indenture, as supplemented, this Agreement, as supplemented, and all financing statements, continuation statements, notices and other instruments required by applicable law have been recorded or filed or re-recorded or re-filed in such manner and in such places required by law in order fully to pre-



serve and protect the rights of the holders or owners of the Series 1972 Bonds and the Trustee in the Project (and in the assignment to the Trustee of the rents payable under this Agreement) as against creditors of, or purchasers for value from, the County or the Lessee.

(b) The Lessee, the County and the Trustee shall execute and deliver all instruments and shall furnish all information and evidence deemed necessary or advisable by such counsel in order to enable him to render the opinion referred to in subsection (a)(4) of this Section 13.5. The Trustee shall file and record and re-record or cause to be filed and recorded and re-recorded all instruments required to be filed and recorded and re-recorded pursuant to the opinion of such counsel and shall continue or cause to be continued the liens of such instruments for so long as the Series 1972 Bonds shall be outstanding, except as otherwise in this Agreement required.

SECTION 13.6. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the County, the Lessee and their respective successors and assigns, subject, however, to the limitations contained in Sections 8.3, 9.1, 9.2 and 9.3 hereof.

SECTION 13.7. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 13.8. Amounts Remaining in Bond Fund. It is agreed by the parties hereto that any amounts remaining in the Bond Fund after payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions

of the Indenture) and the fees, charges and expenses of the Trustee and paying agents in accordance with the Indenture, shall belong to and be paid to the Lessee by the Trustee as overpayment of rents.

SECTION 13.9. Amendments, Changes and Modifications.

Except in the instance of an amendment pursuant to Section 8.10 hereof, this Agreement may not be amended, changed, modified, altered or terminated without in each instance the prior written consent of the Trustee.

SECTION 13.10. Net Lease. This Agreement shall be deemed and construed to be a "net lease," and the Lessee shall pay absolutely net during the Lease Term the rent and all other payments required hereunder, free of any deductions, without abatement, diminution or set-off other than those herein expressly provided.

SECTION 13.11. Execution of Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 13.12. Law Governing Construction of Agreement. This Agreement is prepared and entered into with the intention that the law of the State of South Carolina shall govern its construction.

IN WITNESS WHEREOF, ORANGEBURG COUNTY, SOUTH CAROLINA, has executed this Lease Agreement by causing its name to be hereunto subscribed by the Chairman of its County Commission and the official seal of said County Board to be impressed hereon and attested by the Secretary of said County Board; and ROPER CORPORATION has executed this Lease Agreement by causing

its corporate name to be hereunto subscribed by its Senior Vice President and its corporate seal to be impressed hereon and attested by its Assistant Secretary, all being done as of the day and year first above written.

ORANGEBURG COUNTY, SOUTH CAROLINA

(SEAL)

BY  
Chairman of the County Commission  
of Orangeburg County.

Attest:

\_\_\_\_\_  
Secretary of the County Commission  
of Orangeburg County.

Signed, Sealed and Delivered in  
the Presence of:

\_\_\_\_\_  
As to Orangeburg County

ROPER CORPORATION

(SEAL)

BY  
Its Senior Vice President

Attest:

\_\_\_\_\_  
Its Assistant Secretary.

Signed, Sealed and Delivered in  
the Presence of:

\_\_\_\_\_  
As to Roper Corporation.



STATE OF SOUTH CAROLINA,  
COUNTY OF ORANGEBURG.

PERSONALLY appeared before me \_\_\_\_\_,  
who, being duly sworn, says that (s)he saw the corporate seal of  
Orangenburg County, South Carolina, affixed to the foregoing  
Lease Agreement, and that (s)he also saw \_\_\_\_\_  
as Chairman and \_\_\_\_\_ as Secretary of the County  
Commission of Orangenburg 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 the said Orangenburg County, South Carolina.

SWORN to before me this \_\_\_\_\_  
day of \_\_\_\_\_, A. D. 1972.

\_\_\_\_\_  
(L.S.)  
Notary Public for South Carolina

My Commission Expires: \_\_\_\_\_

STATE OF ILLINOIS,  
COUNTY OF \_\_\_\_\_.

PERSONALLY appeared before me \_\_\_\_\_  
who, being duly sworn, says that (s)he saw the corporate seal of  
ROPER CORPORATION affixed to the foregoing Lease Agreement, and  
that (s)he also saw W. C. WAGGONER as Senior Vice President, and  
\_\_\_\_\_ as Assistant Secretary, of said Cor-  
poration, sign and attest the same; and that (s)he with  
\_\_\_\_\_ witnessed the execution and delivery  
thereof as the act and deed of the said Roper Corporation.

SWORN to before me this \_\_\_\_\_  
day of \_\_\_\_\_, 1972.

\_\_\_\_\_  
(L.S.)  
Notary Public for Illinois

My Commission Expires: \_\_\_\_\_

EXHIBIT A

DESCRIPTION OF LEASED LAND

attached to Lease Agreement dated as of October 1, 1972  
between Orangeburg County and Roper Corporation

ALL THAT CERTAIN PIECE, PARCEL OR TRACT OF LAND, containing 84.75 acres, and designated PARCELS D & E, on Plat of survey prepared for SCM CORPORATION by Isaac B. Cox, R.L.S., dated March 25, 1963, revised August 10, 1972, to show Parcel "C", and revised August 14, 1972, to show Parcels "D" & "E", on the Southwestern side of S. C. Highway No. S-38-470, and on the Southeastern side of the Seaboard Coast Line Railroad (formerly Atlantic Coast Line Railroad) right-of-way, in the County of Orangeburg and State of South Carolina, together with the improvements thereon, and, as shown on said plat, is more fully described as follows:

COMMENCING at the point of intersection of the boundary line between Parcels "C" and "D" with the Southwestern boundary of S. C. Highway S-38-470, located S 70° 09' E a distance of 541.94 feet from the Southern corner of the intersection of the Southwestern boundary line of S. C. Highway S-38-470 with the Southeastern right-of-way line of the Seaboard Coast Line Railroad, and running thence along the Southwestern side of S. C. Highway S-38-470 as follows:

S 70° 09' E a distance of 459.59 feet; S 70° 15' E a distance of 1,063.50 feet; S 71° 02' E a distance of 424.10 feet to a point, point of intersection of the boundary line between Parcel "D" and property of Marchant Properties, Inc. with the Southwestern boundary line of S. C. Highway S-38-470;

THENCE TURNING and running S 19° 42' W along the boundary line between Parcels D & E and property of Marchant Properties, Inc. and of SCM Corporation 987.1 feet to a point;

THENCE TURNING and running along the boundary lines between Parcel "E" and property of SCM Corporation as follows:

S 48° 38' W a distance of 427.10 feet; N 70° 23' W a distance of 3,359.40 feet to the point of intersection with the Southeastern right-of-way line of the Seaboard Coast Line Railroad;

THENCE TURNING and running along the Southeastern right-of-way line of the Seaboard Coast Line Railroad N 56° 44' E a distance of 744.84 feet to the point of intersection of the said railroad right-of-way line with the boundary line between Parcels "C" and "D";

THENCE TURNING and running along the boundary lines between Parcels "C" and "D" as follows:

S 70° 23' E a distance of 930.68 feet; N 19° 37' E a distance of 500.00 feet; N 58° 43' E a distance of 372.86 feet to the point of COMMENCEMENT.

TOGETHER WITH an easement, for the purpose of maintaining a drainage canal, or ditch, over and across a 20 foot wide strip of land of Marchant Properties, Inc., the center line of which commences at a point on the Eastern boundary line of Parcel "D" above described, About 315.7 feet S 19° 42' W of the Southwestern boundary of S.C. Highway S-38-470, and running thence S 70° 46' E a distance of 150 feet across property of Marchants Properties, Inc.; thence continuing S 70° 46' E along and parallel to the Southern boundary line of property of South Carolina Electric and Gas Company a distance of 317.8 feet to the Southeastern boundary line of property of Marchant Properties, Inc. with the right of uninterrupted flow of water from the canal above described through and along the canal, or ditch, into which said canal empties.

ALSO: TOGETHER WITH an easement for the purpose of maintaining the existing electric power lines over and across a ten (10) foot wide strip (that is: five feet on each side of the center line of the existing electric power lines) of Tract "C", extending from the boundary line between Parcel "C" and the Seaboard Coast Line Railroad to the boundary line between Parcels "C" and "D", as shown on the Plat heretofore mentioned.

EXHIBIT B

DESCRIPTION OF EQUIPMENT, MACHINERY ETC.



ASSIGNMENT OF LEASE AGREEMENT

STATE OF SOUTH CAROLINA     )  
                                      )     SS:  
COUNTY OF ORANGEBURG        )

KNOW ALL MEN BY THESE PRESENTS That Orangeburg County, a body politic and corporate and a political subdivision of the State of South Carolina, acting by and through the Orangeburg County Commission, in consideration of the sum of One Dollar (\$1.00) to it in hand paid at and before the sealing of these presents, the receipt of which is hereby acknowledged, has assigned, transferred and set over unto Exchange Security Bank, Birmingham, Alabama, as Trustee under that certain Trust Indenture dated as of October 1, 1972, between Orangeburg County and said Exchange Security Bank, Birmingham, Alabama, as Trustee, and its successors in trust:

(a) All of the right, title and interest of said Orangeburg County in and to a certain Lease Agreement, dated as of October 1, 1972, between said Orangeburg County, as Lessor and Roper Corporation, as Lessee.

This assignment is made pursuant to and subject to all the terms and conditions of said Trust Indenture dated as of October 1, 1972, the terms of which are incorporated by this reference as fully as if the same were set forth at length herein, the Trust Indenture being intended to be duly recorded immediately.

IN WITNESS WHEREOF, ORANGEBURG COUNTY, SOUTH CAROLINA, has executed this Assignment by causing its name to be hereunto subscribed by the Chairman of the Orangeburg County Commission and the official seal of said Commission

to be impressed hereon and attested by the Clerk of the said  
Commission, all being done as of the 1st day of October, 1972.

ORANGEBURG COUNTY, SOUTH CAROLINA

(SEAL)

BY

\_\_\_\_\_  
Chairman, Orangeburg County  
Commission.

Attest:

\_\_\_\_\_  
Clerk, Orangeburg County Commission

Signed, Sealed and Delivered in  
the Presence of:

\_\_\_\_\_  
\_\_\_\_\_

EXHIBIT II  
OCT. 5, 1972

October 6, 1972

Honorable Theodore B. Guerard  
Sinkler, Simons, Gibbs & Guerard  
Post Office Box 340  
Charleston, South Carolina 29402

RE: \$1,300,000 Spartanburg County, South Carolina,  
First Mortgage Industrial Revenue Bonds,  
Series 1972 (Raycord Realty Company, et. al--  
Lessee)

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Dear Teddy:

At your request we are returning 10 copies of the Resolution adopted by the Budget and Control Board approving the petition of Spartanburg County to be authorized to issue the above bonds.

Each copy of the Resolution has attached a certificate of Board action.

Very truly yours,

P. C. Smith  
State Auditor

PCS:dr

Enclosure





OFFICE OF  
County Board of Commissioners

COUNTY COURT HOUSE

Spartanburg, South Carolina 29301

September 28, 1972

ROY MCBEE SMITH  
COUNTY ATTORNEY  
312 MONTGOMERY BUILDING  
P. O. Box 5306  
SPARTANBURG, S. C. 29301

Hon. P. C. Smith  
State Auditor  
P. O. Box 11333  
Columbia, S. C. 29211

RE: \$1,300,000 Spartanburg County, South Carolina,  
First Mortgage Industrial Revenue Bonds,  
Series 1972 (Raycord Realty Company, et. al--  
Lessee)

Dear Mr. Smith:

In connection with the above I now enclose the original  
Petition of Spartanburg County executed by the Chairman of the  
County Board of Commissioners and attested to by the Secretary.  
This Petition was authorized at the regular meeting of the County  
Commission on September 27, 1972 and bears that date.

With kind regards,

Very truly yours,

Roy McBee Smith

RMS:fer  
Enc.

CC: Mr. Robert E. Gregory  
Mr. Theodiere B. Guerard

STATE OF SOUTH CAROLINA

COUNTY OF SPARTANBURG

TO THE STATE BUDGET AND CONTROL  
BOARD OF SOUTH CAROLINA

P E T I T I O N

The Petition of the Board of County Commissioners of Spartanburg County (the County Board), pursuant to Act No. 103 of the Acts of the General Assembly of the State of South Carolina for the year 1967, as amended, respectfully shows:

1. The County Board is the governing body of Spartanburg County as established under Act No. 1035 of the 1968 Acts of the South Carolina General Assembly, as amended, and as such it is the "County Board" referred to in Act No. 103 of the South Carolina General Assembly enacted at its 1967 Session (the Act).

2. The Act authorizes and empowers the County Board if it shall comply with the provisions set forth in the Act, to acquire land and buildings, and other improvements deemed necessary, suitable and useful by any warehouse enterprise; to lease the same; and to finance the acquisition and construction of the same through the issuance of bonds payable from and secured by a pledge of the revenues to be derived from the leasing of such land and buildings, and other improvements.

3. The County Board has heretofore under an Inducement Contract with Montgomery Industries, a partnership (the Guarantor), dated as of March 22nd, 1972, agreed to issue

2.

not exceeding \$1,500,000 Spartanburg County First Mortgage Industrial Revenue Bonds pursuant to the Act for the purpose of financing the acquisition and construction of new warehouse facilities which were at that time under construction and approximately 25% complete on a 15 acre parcel of land located in the Camp Wadsworth area of Spartanburg County (the said 15 acre parcel of land and the buildings constituting the said warehouse facilities being hereinafter referred to as the Project). The Guarantor has now advised the County Board that the Project is substantially complete and costs \$1,300,000. In accordance with the provisions of the said Inducement Contract, the Guarantor has designated nine corporations, viz., Raycord Realty Company, The Rosemont Company, The Walmont Company, The Shumont Company, Atlas Realty Company, The Beaumont Company, Aden Bonded Warehouse Co., New South Warehouse Co. and Interstate Warehouse Co., each a South Carolina corporation and together constituting the partners of the Guarantor, as the parties to whom the Project shall be leased by the County (the said nine corporations being hereinafter collectively referred to as the Lessee).

4. The cost of the Project to be defrayed out of the proceeds of the bonds hereinafter described will include only the cost of constructing the buildings included in the Project consisting of two buildings with a total area of 224,000 square feet. The Guarantor proposes to convey the 15 acre parcel of land included in the Project to the County at no cost and to defray the cost of installing the necessary equipment out of its own funds. Accordingly, in order to finance the acquisition and construction of the Project, including



3.

reimbursement to the Guarantor of funds advanced or loans incurred for that purpose and the costs and charges incident to the issuance and sale of the bonds hereinafter described, it is necessary that the County Board issue \$1,300,000 Spartanburg County First Mortgage Industrial Revenue Bonds, Series 1972 (Raycord Realty Company, et al - Lessee) (the Bonds).

5. When the Project is complete, it will employ at least 20 persons and the construction of the Project has provided additional employment during the period of construction.

6. For the reasons above set forth and hereafter disclosed, the County Board has found:

(a) The proposed Project will subserve the purposes of the Act.

(b) By reason of undertaking the Project no pecuniary liability will result to the County nor will there be a charge against its general credit or taxing power.

(c) The proposed Lease between the County Board and the Lessee will unconditionally obligate the Lessee to pay rent in an amount adequate to provide for the principal and interest payments on the Bonds which mature and bear interest as follows:

<u>October 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
1974	\$ 85,000	6.00%
1975	90,000	6.00
1976	90,000	6.00
1977	90,000	6.00
1978	90,000	6.00
1979	90,000	6.00
1980	90,000	6.00
1981	90,000	6.00
1982	90,000	6.00
1983	90,000	6.00
1984	90,000	6.00
1985	105,000	6.00
1986	105,000	6.00
1987	105,000	6.00

(d) The Lessee consists of the partners of the Guarantor, and the performance of all of the Lessee's obligations under the said Lease, including the payment of all rentals and other sums to become due thereunder will be unconditionally guaranteed by the Guarantor.

(e) The Guarantor is a partnership with a well established credit and, therefore, it is unnecessary to establish reserve funds for the payment of such principal and interest.

(f) The terms of the Lease will require the Lessee to carry proper insurance and to pay all costs of maintaining the Project in good repair.

7. Pursuant to Section 14 of the Act, the County Board sets forth the following information:

(a) The Project to be undertaken consists of land and buildings, constituting warehouse facilities.

(b) The Project has provided considerable employment during the period of its construction and when completed will provide permanent employment for approximately 20 persons. It is, therefore, believed that the Project will have an extremely beneficial effect upon the economy of the County and areas adjacent thereto.

(c) The cost of the Project is approximately One Million Three Hundred Thousand Dollars (\$1,300,000), including construction cost, cost of land, and all other expenses to be incurred in connection therewith.

8. The proposed Lease will provide, among other things, the following:

(a) To finance the cost of the acquisition and construction of the Project the County will issue \$1,300,000

of Spartanburg County First Mortgage Industrial Revenue Bonds, Series 1972 (Raycord Realty Company, et al - Lessee). All Bonds will be secured by a pledge of the rents to be paid by the Lessee and will be further secured by a Trust Indenture, as authorized by Section 5 of the Act, to South Carolina National Bank, as Trustee, and the obligations of the Lessee under the said Lease will be unconditionally guaranteed by the Guarantor.

(b) The proceeds derived from the sale of the Bonds will be deposited with the Trustee and will be withdrawn on requisition of the Lessee and the County and applied solely for the payment of costs incident to the acquisition and construction of the Project, (including reimbursement of the Guarantor for funds advanced or loans incurred for that purpose) and the issuance of the Bonds.

(c) The Lease will contain a specific provision by which the Lessee will unconditionally agree to make payments to Spartanburg County, to any School District in Spartanburg County, and to all other political units in which the Project is situated, in lieu of taxes, in such amounts as would result from taxes levied on the Project by Spartanburg County, by any such School District, and by said political units if the Project were owned by the Lessee, but with appropriate reductions similar to the tax reductions, if any, which would be afforded the Lessee were it the owner of the Project.

(d) The Lease contains no provision imposing any pecuniary liability upon the County or which would create a charge upon its general credit or taxing power.

(e) The Guarantor will enter into an agreement (the Lease Guaranty Agreement) with the County which will be attached



6.

to the said Lease and pursuant to which the Guarantor will unconditionally guarantee the performance of all of the obligations of the Lessee under the said Lease, including the payment of all rentals and other amounts to become due.

9. The proposed Trust Indenture is in conventional form and constitutes a forecloseable mortgage upon the Project. Included in the granting clause of the mortgage will be:

(a) All real property, equipment and machinery and interests therein, acquired or to be acquired for the Project.

(b) The right, title and interest of the County in the Lease.

(c) The right, title and interest of the County in the Lease Guaranty Agreement.

(d) All rentals and revenues derived by the County under the Lease and Lease Guaranty Agreement, except those payments to be made in lieu of taxes or by way of indemnification.

The Indenture makes provision for the issuance of One Million Three Hundred Thousand Dollars (\$1,300,000) of Bonds to be secured thereunder. It provides for the payment and redemption of the Bonds, the establishment of a Bond Fund into which the proceeds of the rents payable by the Lessee are placed, and the use of said fund for the payment of the Bonds. It imposes upon the Lessee the obligation to pay, in addition to the moneys required for the payment of the principal and interest of the Bonds, all other costs and expenses resulting from the execution and delivery of the Indenture and the issuance of the Bonds pursuant thereto.

10. The proposed Lease and Lease Guaranty Agreement and the proposed Trust Indenture (draft copies of which are

enclosed herein) will be in the form heretofore used in the issuance of Industrial Revenue Bonds pursuant to the Act. While changes will be made in the enclosed forms, it is not expected that there will be any changes which will substantially affect the undertaking as now outlined therein.

11. The County Board proposes to elect to have the provisions of Section 103(c)(6)(D) of the Internal Revenue Code of 1954 apply to the Bonds so that interest thereon will not be subject to Federal Income Taxes.

Upon the basis of the foregoing, the County Board respectfully prays:

That the State Budget and Control Board accept the filing of the Petition presented herewith and that it do, thereafter, and as soon as practicable, make its independent investigation of the Project and the terms and provisions of the Lease, the Lease Guaranty Agreement and the Trust Indenture, as it deems advisable, and that thereafter, the said State Board make a finding that the proposed Project will promote the purpose of the Act and that it is reasonably anticipated to effect such result, and on the basis of such finding, that it does approve the Project, including changes in any details of the said financing as finally consummated which do not materially affect the said undertaking, and give published notice of its approval in the manner set forth in Section 14 of the Act.

9/27, 1972.

Respectfully submitted,

SPARTANBURG COUNTY, SOUTH CAROLINA

(SEAL)

By R. D. Blackburn  
Chairman, Board of County  
Commissioners of Spartanburg County

Attest:

H. E. Johnson  
Secretary, Board of County  
Commissioners of Spartanburg County

RESOLUTION

STATE OF SOUTH CAROLINA BUDGET AND CONTROL BOARD

WHEREAS, heretofore the Board of County Commissioners of Spartanburg County (the County Board) did, pursuant to Act No. 103 of the General Assembly of the State of South Carolina for the year 1967, as amended (the Act), petition the State Budget and Control Board of South Carolina (the State Board) seeking the approval of the State Board to an undertaking by the County Board pursuant to the Act, and

WHEREAS, the proposed undertaking consists of the acquisition by the County Board of a parcel of land containing approximately 15 acres of land located in the Camp Wadsworth area of Spartanburg County, on which the County Board will finance the construction of new warehouse facilities consisting of two buildings with a total area of 224,000 square feet (said 15 acre tract of land and the buildings, constituting the said facilities being hereinafter referred to as the Project), and which Project will be leased to Raycord Realty Company, The Rosemont Company, The Walmont Company, The Shumont Company, Atlas Realty Company, The Beaumont Company, Aden Bonded Warehouse Co., New South Warehouse Co. and Interstate Warehouse Co., each a South Carolina corporation (hereinafter collectively referred to as the Lessee); and

WHEREAS, the Project is to be leased to the Lessee at a rental sufficient to provide for the payment of the Bonds of Spartanburg County hereafter referred to, and costs and expenses resulting from the issuance thereof; and



WHEREAS, in order to finance the Project the County Board proposes to provide for an issue of \$1,300,000 Spartanburg County First Mortgage Industrial Revenue Bonds, payable from the rentals derived from the Lessee, under the terms and provisions of a Trust Indenture between Spartanburg County and South Carolina National Bank, as Trustee, which will constitute a mortgage lien on the Project; and the obligations of the Lessee under the Lease from the County, including Lessee's obligation to make rental and other payments, will be unconditionally guaranteed by Montgomery Industries, a partnership (the Guarantor); and

WHEREAS, the form of the Lease Agreement between Spartanburg County and the Lessee, the Lease Guaranty Agreement between Spartanburg County to Montgomery Industries and of the Trust Indenture have been considered by this Board; and

WHEREAS, although the Project is now substantially complete, the County entered into an Inducement Contract with the Guarantor dated as of March 22, 1972 (at which time the Project was under construction and approximately 25% complete) wherein the County Board agreed to issue the Bonds above described to finance the Project which had been initially undertaken by the Guarantor with a view to the availability of such assistance from the County.

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD IN MEETING DULY ASSEMBLED:

1. It has been found and determined by the State Board

(a) That the statement of facts set forth in the recitals of this Resolution are in all respects true and correct.

(b) That the County Board has filed a proper petition to the State Board establishing a reasonable estimate of the cost of the Project, a general summary of the terms and conditions of the Lease, the Lease Guaranty Agreement and the Trust Indenture spoken of hereinabove and has established that the Lessee will pay as additional rentals, in lieu of taxes, the sums prescribed by Section 6 of the Act.

(c) That the Project will provide employment for approximately 20 persons and will be of benefit to Spartanburg County and adjoining areas.

(d) That the Project is intended to promote the purposes of the Act and is reasonably anticipated to effect such results.

2. On the basis of the foregoing findings the proposed undertaking of the County Board to acquire the Project, to lease the Project to the Lessee and to finance the cost of constructing the Project through the issuance of \$1,300,000 Spartanburg County First Mortgage Industrial Revenue Bonds payable from the revenues to be derived from the leasing of the Project and additionally secured by the said Trust Indenture and Lease Guaranty Agreement, all pursuant to the Act (including changes in any details of the said financing as finally consummated which do not materially affect the said undertaking), be and the same is hereby approved.

3. Notice of the action taken of the State Board in giving approval to the undertaking of Spartanburg County above described in paragraph 2, supra, shall be published

- 4 -

in THE STATE and in THE SPARTANBURG HERALD, both of which are newspapers having general circulation in Spartanburg County.

4. That notice to be published shall be in form substantially as set forth as EXHIBIT "A" of this Resolution.



EXHIBIT "A"

NOTICE PURSUANT TO ACT NO. 103 OF  
THE ACTS OF THE GENERAL ASSEMBLY  
SOUTH CAROLINA FOR THE YEAR  
1967, AS AMENDED

Notice is hereby given that following the filing of a Petition by the Board of County Commissioners of Spartanburg County (the County Board) to the State Budget and Control Board of South Carolina (the State Board), approval has been given by the State Board to the following undertaking (including changes in any details of the said financing as finally consummated which do not materially affect the said undertaking), viz:

The acquisition by the County Board of a parcel of land containing approximately 15 acres in the Camp Wadsworth area of Spartanburg County, on which the County Board will finance the construction of new warehouse facilities (said 15 acre tract of land and the buildings constituting the said facilities being hereinafter referred to as the Project). To finance the construction of the Project, the County Board will issue \$1,300,000 Spartanburg County First Mortgage Industrial Revenue Bonds (the Bonds) pursuant to Act No. 103 of the Acts of the South Carolina General Assembly for the year 1967, as amended. The County Board will lease the Project to Raycord Realty Company, The Rosemont Company, The Walmont Company, The Shumont Company, Atlas Realty Company, The Beaumont Company, Aden Bonded Warehouse Co., New South Warehouse Co. and Interstate Warehouse Co., each a South Carolina corporation (hereinafter collectively referred to as the Lessee), under a Lease Agreement and the Bonds of Spartanburg County will be payable solely from

2.

the rentals to be paid to the County by the Lessee, which has irrevocably covenanted and agreed to pay when due, all sums required for the principal and interest thereon, and the Bonds will be secured by a Trust Indenture which will constitute a forecloseable lien upon the Project. Montgomery Industries, a partnership (the Guarantor), will unconditionally guarantee the performance of all obligations of the Lessee under the said Lease Agreement.

The construction of the aforesaid warehouse facilities was initially undertaken by the Guarantor with a view to the availability of the assistance which Spartanburg County might render through the issuance of Bonds pursuant to the Act. Thereafter, under an Inducement Contract dated as of March 22, 1972, at which time the Project was approximately 25% complete, the County Board agreed with the Guarantor that it would issue the Bonds hereinabove described and subsequently the Guarantor has proceeded with the construction of the two warehouse buildings (containing 224,000 square feet) included in the Project.

In addition the Lessee has agreed to pay as additional rentals to Spartanburg County, the School District, and all other political units wherein the Project is located, in lieu of taxes, such amounts as would result from taxes levied on the Project by Spartanburg County, the said School District, and the said other political units wherein the Project is situate, if the Project were owned by the Lessee, but with appropriate reductions similar to the tax exemptions, if any, which would be afforded to the Lessee if it were the owner of the Project.

3.

The Lease by which Spartanburg County will lease the Project to the Lessee will provide that the Lessee shall purchase the Project for One Dollar (\$1.00) upon the payment in full of the Bonds.

When completed, it is estimated that the Project will provide employment for approximately 20 persons.

Notice is further given that any interested party may at any time within twenty (20) days after the date of publication of this Notice, but not afterwards, challenge the validity of the action of the State Board in approving the undertaking of the County Board by action de novo instituted in the Court of Common Pleas for Spartanburg County.

THE STATE BUDGET AND CONTROL BOARD

By: P. C. SMITH, Secretary

PUBLICATION DATE:

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STATE OF SOUTH CAROLINA,  
COUNTY OF RICHLAND.

I, P. C. SMITH, Auditor of the State of South Carolina,  
and Secretary of the State Budget and Control Board, DO  
HEREBY CERTIFY:

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

His Excellency, John C. West, Governor of South  
Carolina and Chairman of the Board;

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

The Honorable John Henry Mills, Comptroller General  
of South Carolina;

The Honorable Edgar A. Brown, Chairman of the Senate  
Finance Committee; and

The Honorable Robert James Aycock, Chairman of the  
House Ways and Means Committee.

That due notice of meeting of said Board, called to be  
held at the office of the State Auditor, in the Hampton Office  
Building, at Columbia, South Carolina, at \_\_\_\_\_ M.,  
\_\_\_\_\_, 1972, was given to all members in writing,  
and at least four (4) days prior to said meeting; that all  
members of said Board were present at said meeting, with the  
exception of:

That at said meeting, a Resolution, of which the  
attached is a true, correct and verbatim copy, was introduced  
by \_\_\_\_\_, who moved its adoption; said motion was  
seconded by \_\_\_\_\_, and upon vote being taken  
and recorded it appeared that the following votes were cast:

FOR MOTION

AGAINST MOTION

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

---

Secretary

\_\_\_\_\_, 1972.

SINKLER GIBBS SIMONS & GUÉRARD  
ATTORNEYS & COUNSELLORS AT LAW  
PROFESSIONAL ASSOCIATION

TELEPHONE 722-3366  
AREA CODE 803

HUGER SINKLER  
CHARLES H. GIBBS  
ALBERT SIMONS, JR.  
THEODORE B. GUÉRARD  
G. DANA SINKLER  
THOMAS G. BUIST  
RUTH WILLIAMS

2 PRIOLEAU STREET

CHARLESTON, S. C. 29402

POST OFFICE BOX 340

THOMAS A. HUTCHESON  
ROBERT H. HOOD  
CHARLES F. AILSTOCK

September 23, 1972

Roy McBee Smith, Esq.  
County Attorney  
Post Office Box 5306  
Spartanburg, South Carolina 29301

Dear Roy:

Re: \$1,300,000 Spartanburg County, South Carolina,  
First Mortgage Industrial Revenue Bonds, Series  
1972 (Raycord Realty Company, et al - Lessee)

Enclosed you will find the original and 10 copies of a resolution to be considered by the Board of County Commissioners of Spartanburg County giving its initial approval to the project to be financed through the issuance of the captioned bonds. When adopted, will you please return 10 certified copies of this resolution to us.

I also enclose a draft of the Lease Agreement for your review and comments.

Finally, I include the original petition (in a blue back) which after the resolution has been adopted should be executed as indicated by the Chairman and Secretary of the Board of County Commissioners of Spartanburg County and forwarded directly to Pat Smith. You will notice that the petition refers to several documents to be included therewith. You need not concern yourself with these documents inasmuch as I will send them directly to Pat Smith within the next several days so that he will have them available when the State Board considers the enclosed petition.

Very truly yours,

T B G

TBG:mbd  
Enclosures

cc: ✓ Honorable P. C. Smith  
State Auditor  
Post Office Box 11333  
Columbia, South Carolina 29211

cc: Robert E. Gregory, Jr., Esq.  
Assistant General Counsel  
Spartan Mills  
Spartanburg, South Carolina  
29301

1569



A RESOLUTION  
APPROVING THE FINANCING OF THE ACQUISITION AND CONSTRUCTION  
OF WAREHOUSE FACILITIES IN SPARTANBURG COUNTY (TO BE LEASED  
TO RAYCORD REALTY COMPANY, ET AL) THROUGH THE ISSUANCE  
OF ONE MILLION THREE HUNDRED THOUSAND DOLLARS (\$1,300,000)  
OF SPARTANBURG COUNTY, SOUTH CAROLINA, FIRST MORTGAGE  
INDUSTRIAL REVENUE BONDS, SERIES 1972 (RAYCORD REALTY COMPANY,  
ET AL - LESSEE); AND AUTHORIZING THE PETITION TO THE STATE  
BUDGET AND CONTROL BOARD OF SOUTH CAROLINA FOR ITS APPROVAL  
OF SUCH UNDERTAKING PURSUANT TO ACT NO. 103 OF THE 1967  
ACTS OF THE SOUTH CAROLINA GENERAL ASSEMBLY, AS AMENDED.

As an incident to the adoption of this Resolution  
the Board of County Commissioners of Spartanburg County  
(the County Board) has made the following findings:

1. The County Board has heretofore agreed with Montgomery Industries, a partnership (the Guarantor), in an Inducement Contract dated as of March 22nd, 1972, to finance the acquisition and construction of warehouse facilities consisting of two buildings with a total area of 224,000 square feet on a 15 acre parcel of land located in the Camp Wadsworth area of Spartanburg County (the said land and buildings being herein-after referred to as the Project) through the issuance of not exceeding \$1,500,000 Spartanburg County First Mortgage Industrial Revenue Bonds, pursuant to Act No. 103 of the 1967 Acts of the South Carolina General Assembly, as amended (the Act). The Guarantor has now advised the County Board that the cost of the Project which is now substantially completed, will be \$1,300,000 and the County Board is adopting this resolution to issue its approval of the issuance of \$1,300,000 Spartanburg County First Mortgage Industrial Revenue Bonds (the Bonds) to finance the cost of acquiring and constructing the Project and to authorize its petition to the State Budget and Control Board (the State Board) setting forth the facts required by Section 14 of the Act.

2. In the aforesaid Inducement Contract it was agreed that the Guarantor would have the option to designate a corporation to which the Project would be leased by the County and the Guarantor has accordingly designated Raycord Realty Company, The Rosemont Company, The Walmont Company, The Shumont Company, Atlas Realty Company, The Beaumont Company, Aden Bonded Warehouse Co., New South Warehouse Co. and Interstate Warehouse Co., each a South Carolina corporation (hereinafter collectively referred to as the Lessee) as the parties to whom the Project shall be leased by the County.

3. The County Board has determined that the Project will subserve the purposes of the Act and neither the Project nor the Bonds will give rise to any pecuniary liability of Spartanburg County or a charge against its general credit or taxing power.

4. The amount necessary to finance the Project is One Million Three Hundred Thousand Dollars (\$1,300,000).

5. The Lessee has submitted to the County Board an outline of the proposed Lease, under which the Lessee will agree to pay as rent the amount necessary to provide the annual payments of principal and interest on the Bonds, which will be dated October 1, 1972, will mature as more fully set forth in paragraph 6(c) of the attached petition on October 1 in the years 1974 through 1987, and bear interest at the rate of 6% per annum.

6. The proposed Lease obligates the Lessee unconditionally to pay the amount necessary to provide the annual payments of principal and interest, and premium, if any, to become due on the bonds and to pay other costs in connection therewith and contains an appropriate provision requiring the Lessee

to pay in lieu of taxes, such amounts as would otherwise be paid if the Lessee owned the Project.

7. The Lessee consists of the partners of the Guarantor, and the performance of all of the Lessee's obligations under the said Lease, including the payment of all rentals and other sums to become due thereunder, will be unconditionally guaranteed by the Guarantor.

8. In view of the well established credit of the Guarantor, it is unnecessary to establish reserve funds for the payment of principal and interest.

9. The Lessee has advised the County Board that the Lessee will arrange for the sale of the bonds pursuant to a Bond Purchase Agreement which has been presented to the County Board in draft form.

10. The bonds will be issued as tax exempt bonds pursuant to an election to be made pursuant the provisions of Section 103(c)(6)(A) and (D) of the Internal Revenue Code of 1954.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF SPARTANBURG COUNTY, IN MEETING DULY ASSEMBLED:

That the County Board finds that the facts set forth above are in all respects true and correct and on such basis determines to finance the Project above described, and to authorize the sale of the bonds by Spartanburg County as aforesaid.

BE IT FURTHER RESOLVED:

That the Petition in form substantially as attached hereto be presented to the State Board to seek the approval required by Section 14 of the Act; and that said Petition



shall be duly executed by the Chairman of the County Board  
and attested by its Secretary.

(SEAL)

\_\_\_\_\_  
Chairman  
  
\_\_\_\_\_  
  
\_\_\_\_\_  
  
\_\_\_\_\_

\_\_\_\_\_  
Constituting the members of the Board  
of County Commissioners of Spartanburg  
County

Attest:

\_\_\_\_\_  
Secretary of the Board of County  
Commissioners of Spartanburg County

STATE OF SOUTH CAROLINA  
COUNTY OF SPARTANBURG

TO THE STATE BUDGET AND CONTROL  
BOARD OF SOUTH CAROLINA

P E T I T I O N

The Petition of the Board of County Commissioners of Spartanburg County (the County Board), pursuant to Act No. 103 of the Acts of the General Assembly of the State of South Carolina for the year 1967, as amended, respectfully shows:

1. The County Board is the governing body of Spartanburg County as established under Act No. 1035 of the 1968 Acts of the South Carolina General Assembly, as amended, and as such it is the "County Board" referred to in Act No. 103 of the South Carolina General Assembly enacted at its 1967 Session (the Act).

2. The Act authorizes and empowers the County Board if it shall comply with the provisions set forth in the Act, to acquire land and buildings, and other improvements deemed necessary, suitable and useful by any warehouse enterprise; to lease the same; and to finance the acquisition and construction of the same through the issuance of bonds payable from and secured by a pledge of the revenues to be derived from the leasing of such land and buildings, and other improvements.

3. The County Board has heretofore under an Inducement Contract with Montgomery Industries, a partnership (the Guarantor), dated as of March 22nd, 1972, agreed to issue

2.

not exceeding \$1,500,000 Spartanburg County First Mortgage Industrial Revenue Bonds pursuant to the Act for the purpose of financing the acquisition and construction of new warehouse facilities which were at that time under construction and approximately 25% complete on a 15 acre parcel of land located in the Camp Wadsworth area of Spartanburg County (the said 15 acre parcel of land and the buildings constituting the said warehouse facilities being hereinafter referred to as the Project). The Guarantor has now advised the County Board that the Project is substantially complete and costs \$1,300,000. In accordance with the provisions of the said Inducement Contract, the Guarantor has designated nine corporations, viz., Raycord Realty Company, The Rosemont Company, The Walmont Company, The Shumont Company, Atlas Realty Company, The Beaumont Company, Aden Bonded Warehouse Co., New South Warehouse Co. and Interstate Warehouse Co., each a South Carolina corporation and together constituting the partners of the Guarantor, as the parties to whom the Project shall be leased by the County (the said nine corporations being hereinafter collectively referred to as the Lessee).

4. The cost of the Project to be defrayed out of the proceeds of the bonds hereinafter described will include only the cost of constructing the buildings included in the Project consisting of two buildings with a total area of 224,000 square feet. The Guarantor proposes to convey the 15 acre parcel of land included in the Project to the County at no cost and to defray the cost of installing the necessary equipment out of its own funds. Accordingly, in order to finance the acquisition and construction of the Project, including



reimbursement to the Guarantor of funds advanced or loans incurred for that purpose and the costs and charges incident to the issuance and sale of the bonds hereinafter described, it is necessary that the County Board issue \$1,300,000 Spartanburg County First Mortgage Industrial Revenue Bonds, Series 1972 (Raycord Realty Company, et al - Lessee) (the Bonds).

5. When the Project is complete, it will employ at least 20 persons and the construction of the Project has provided additional employment during the period of construction.

6. For the reasons above set forth and hereafter disclosed, the County Board has found:

(a) The proposed Project will subserve the purposes of the Act.

(b) By reason of undertaking the Project no pecuniary liability will result to the County nor will there be a charge against its general credit or taxing power.

(c) The proposed Lease between the County Board and the Lessee will unconditionally obligate the Lessee to pay rent in an amount adequate to provide for the principal and interest payments on the Bonds which mature and bear interest as follows:

<u>October 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
1974	\$ 85,000	6.00%
1975	90,000	6.00
1976	90,000	6.00
1977	90,000	6.00
1978	90,000	6.00
1979	90,000	6.00
1980	90,000	6.00
1981	90,000	6.00
1982	90,000	6.00
1983	90,000	6.00
1984	90,000	6.00
1985	105,000	6.00
1986	105,000	6.00
1987	105,000	6.00

(d) The Lessee consists of the partners of the Guarantor, and the performance of all of the Lessee's obligations under the said Lease, including the payment of all rentals and other sums to become due thereunder will be unconditionally guaranteed by the Guarantor.

(e) The Guarantor is a partnership with a well established credit and, therefore, it is unnecessary to establish reserve funds for the payment of such principal and interest.

(f) The terms of the Lease will require the Lessee to carry proper insurance and to pay all costs of maintaining the Project in good repair.

7. Pursuant to Section 14 of the Act, the County Board sets forth the following information:

(a) The Project to be undertaken consists of land and buildings, constituting warehouse facilities.

(b) The Project has provided considerable employment during the period of its construction and when completed will provide permanent employment for approximately 20 persons. It is, therefore, believed that the Project will have an extremely beneficial effect upon the economy of the County and areas adjacent thereto.

(c) The cost of the Project is approximately One Million Three Hundred Thousand Dollars (\$1,300,000), including construction cost, cost of land, and all other expenses to be incurred in connection therewith.

8. The proposed Lease will provide, among other things, the following:

(a) To finance the cost of the acquisition and construction of the Project the County will issue \$1,300,000

5.

of Spartanburg County First Mortgage Industrial Revenue Bonds, Series 1972 (Raycord Realty Company, et al - Lessee). All Bonds will be secured by a pledge of the rents to be paid by the Lessee and will be further secured by a Trust Indenture, as authorized by Section 5 of the Act, to South Carolina National Bank, as Trustee, and the obligations of the Lessee under the said Lease will be unconditionally guaranteed by the Guarantor.

(b) The proceeds derived from the sale of the Bonds will be deposited with the Trustee and will be withdrawn on requisition of the Lessee and the County and applied solely for the payment of costs incident to the acquisition and construction of the Project, (including reimbursement of the Guarantor for funds advanced or loans incurred for that purpose) and the issuance of the Bonds.

(c) The Lease will contain a specific provision by which the Lessee will unconditionally agree to make payments to Spartanburg County, to any School District in Spartanburg County, and to all other political units in which the Project is situated, in lieu of taxes, in such amounts as would result from taxes levied on the Project by Spartanburg County, by any such School District, and by said political units if the Project were owned by the Lessee, but with appropriate reductions similar to the tax reductions, if any, which would be afforded the Lessee were it the owner of the Project.

(d) The Lease contains no provision imposing any pecuniary liability upon the County or which would create a charge upon its general credit or taxing power.

(e) The Guarantor will enter into an agreement (the Lease Guaranty Agreement) with the County which will be attached



to the said Lease and pursuant to which the Guarantor will unconditionally guarantee the performance of all of the obligations of the Lessee under the said Lease, including the payment of all rentals and other amounts to become due.

9. The proposed Trust Indenture is in conventional form and constitutes a forecloseable mortgage upon the Project. Included in the granting clause of the mortgage will be:

(a) All real property, equipment and machinery and interests therein, acquired or to be acquired for the Project.

(b) The right, title and interest of the County in the Lease.

(c) The right, title and interest of the County in the Lease Guaranty Agreement.

(d) All rentals and revenues derived by the County under the Lease and Lease Guaranty Agreement, except those payments to be made in lieu of taxes or by way of indemnification.

The Indenture makes provision for the issuance of One Million Three Hundred Thousand Dollars (\$1,300,000) of Bonds to be secured thereunder. It provides for the payment and redemption of the Bonds, the establishment of a Bond Fund into which the proceeds of the rents payable by the Lessee are placed, and the use of said fund for the payment of the Bonds. It imposes upon the Lessee the obligation to pay, in addition to the moneys required for the payment of the principal and interest of the Bonds, all other costs and expenses resulting from the execution and delivery of the Indenture and the issuance of the Bonds pursuant thereto.

10. The proposed Lease and Lease Guaranty Agreement and the proposed Trust Indenture (draft copies of which are

enclosed herein) will be in the form heretofore used in the issuance of Industrial Revenue Bonds pursuant to the Act. While changes will be made in the enclosed forms, it is not expected that there will be any changes which will substantially affect the undertaking as now outlined therein.

11. The County Board proposes to elect to have the provisions of Section 103(c)(6)(D) of the Internal Revenue Code of 1954 apply to the Bonds so that interest thereon will not be subject to Federal Income Taxes.

Upon the basis of the foregoing, the County Board respectfully prays:

That the State Budget and Control Board accept the filing of the Petition presented herewith and that it do, thereafter, and as soon as practicable, make its independent investigation of the Project and the terms and provisions of the Lease, the Lease Guaranty Agreement and the Trust Indenture, as it deems advisable, and that thereafter, the said State Board make a finding that the proposed Project will promote the purpose of the Act and that it is reasonably anticipated to effect such result, and on the basis of such finding, that it does approve the Project, including changes in any details of the said financing as finally consummated which do not materially affect the said undertaking, and give published notice of its approval in the manner set forth in Section 14 of the Act.

\_\_\_\_\_, 1972.

Respectfully submitted,

SPARTANBURG COUNTY, SOUTH CAROLINA

(SEAL)

By

Chairman, Board of County  
Commissioners of Spartanburg County

Attest:

\_\_\_\_\_  
Secretary, Board of County  
Commissioners of Spartanburg County

SINKLER GIBBS SIMONS & GUÉRARD  
ATTORNEYS & COUNSELLORS AT LAW  
PROFESSIONAL ASSOCIATION

HUGER SINKLER  
CHARLES H. GIBBS  
ALBERT SIMONS, JR.  
THEODORE B. GUÉRARD  
G. DANA SINKLER  
THOMAS G. BUIST  
RUTH WILLIAMS

THOMAS A. HUTCHESON  
ROBERT H. HOOD  
CHARLES F. AILSTOCK

2 PRIOLEAU STREET

CHARLESTON, S. C. 29402

POST OFFICE BOX 340

TELEPHONE 722-3366  
AREA CODE 803

September 29, 1972

Honorable P. C. Smith  
State Auditor  
Post Office Box 11333  
Columbia, South Carolina 29211

Dear Pat:

Re: \$1,300,000 Spartanburg County, South Carolina,  
First Mortgage Industrial Revenue Bonds, Series  
1972 (Raycord Realty Company, et al - Lessee)

You should have already received directly from Roy Smith the executed Petition of the Board of County Commissioners of Spartanburg County seeking State Board approval of the Project to be financed out of the proceeds of the captioned bonds. We enclose herein a draft of the Lease Agreement, Lease Guaranty Agreement and Trust Indenture referred to in the Petition so that the State Board will have these documents available at the time the Petition is considered.

You will note from the Petition that Spartanburg County and Montgomery Industries entered into an Inducement Contract dated as of March 22, 1972, at which time the Project was approximately 25% complete. We also enclose for the State Board's information a copy of this Inducement Contract. We do not think the commencement of construction by Montgomery Industries prior to formal action by the County Board is material. We have two reasons for this conclusion: in the first place, Montgomery Industries undertook construction originally with a view towards the availability of assistance which the County might render through the issuance of industrial revenue bonds; and secondly, the formal County commitment occurred during the early stages of construction and well before the Project was completed. Under these circumstances we are satisfied that the act is available, but want to call this feature of the financing to your attention.



SINKLER GIBBS SIMONS & GUÉRARD

PROFESSIONAL ASSOCIATION

Honorable P. C. Smith

Page 2

September 29, 1972

Finally we enclose the original and 10 copies of a Resolution for consideration by the State Board. When the Resolution is adopted, please return 10 certified copies to us.

Thanking you for your assistance, we remain,

Very truly yours,

*Reedy Guérard*

TBG:mbd  
Enclosures

cc: Roy McBee Smith, Esq.  
Robert E. Gregory, Jr., Esq.

INDUCEMENT CONTRACT

THIS CONTRACT made and entered into by and between SPARTANBURG COUNTY, a body politic and corporate, and a political subdivision of the State of South Carolina (the County), and MONTGOMERY INDUSTRIES, a partnership organized and existing under the laws of the State of South Carolina (the Industry).

W I T N E S S E T H:

ARTICLE I

RECITATION OF FACTS

SECTION 1.01.

As a means of setting forth the matters of mutual inducement which have resulted in the making and entering into of this Contract, the following statements of fact are herewith recited:

1. The County is a body politic and corporate, and a political subdivision of the State of South Carolina, and is authorized and empowered by the provisions of Act No. 103 enacted at the 1967 Session of the General Assembly of South Carolina, as amended (the Act), to acquire, 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.

2. The Industry proposes to construct warehouse facilities consisting of two buildings with a total area of 224,000 square feet on a 15 acre parcel of land located in

the Camp Wadsworth area of Spartanburg County. The warehouse facilities are being constructed in order to induce industries to locate in Spartanburg County in the vicinity of the warehouse. In addition the warehouse facilities are adaptable for manufacturing and can be made available for the purpose of attracting a manufacturer to locate in Spartanburg County. The Industry has advised the County that it believes the proposed facilities will attract new industries as aforesaid but that in the event (which the Industry considers unlikely) that no new industries are attracted to use the proposed facilities, that the Industry will operate the same as a warehouse and distribution facility employing at least 20 persons. The cost of new facilities, including land and buildings (the Project), is estimated to be \$1,400,000.

3. The Industry has advised that the Project was undertaken with the view to the availability of assistance which the County might render through the sale of Spartanburg County Industrial Revenue Bonds (the Bonds) pursuant to the Act, whereby the County would finance the acquisition and construction of the Project and lease the Project to the Industry.

4. The County has given due consideration to all of the proposals and requests of the Industry and has agreed to endeavor to effect the issuance of the Bonds at the time and on the terms and conditions hereafter set forth.

## ARTICLE II

### UNDERTAKINGS ON THE PART OF THE COUNTY

The County agrees as follows:

#### SECTION 2.01.

That it will accept a conveyance of the real property referred to in Paragraph numbered 2 of Section 1.01.



SECTION 2.02.

That it will, subject to the approval by the State Budget and Control Board required by the Act, authorize the issuance of not exceeding \$1,500,000 Spartanburg County, South Carolina, First Mortgage Industrial Revenue Bonds, Series 1972 (Montgomery Industries - Lessee), at such time as the Industry may request the County to do so.

SECTION 2.03.

That it will permit the Industry to arrange for the sale of the Bonds, and if successful market arrangements can be made, it will adopt such proceedings as are necessary for the making of the Lease spoken of in Section 2.06 and the issuance and securing of the Bonds.

SECTION 2.04.

That if the Bonds shall be sold, it will provide that the proceeds thereof shall be applied to the payment of the costs theretofore and thereafter to be incurred in connection with the issuance of the Bonds and the acquisition and construction of the Project, including the repayment of any funds advanced or loans incurred by the Industry for such purposes.

SECTION 2.05.

That prior to the issuance of the Bonds it will enter into an Indenture with a trustee bank to be selected by the Industry pursuant to which the Bonds will be issued. Such Indenture shall be substantially in the form used in connection with the issuance of South Carolina Industrial Revenue Bonds and shall constitute a lien on the Project to secure the payment of the Bonds.

SECTION 2.06.

That simultaneously with the issuance of the Bonds,

it will lease to the Industry the said 15 acre tract and all improvements, including buildings located and to be located thereon paid for with the proceeds of the Bonds for a term commensurate with the life of the Bonds and at a rental which will provide the County with sums required to pay the principal, interest and premium, if any, on the Bonds, as and when the same become due and payable; and when the Bonds have been paid, the County will convey the Project to the Industry for \$1.00.

SECTION 2.07.

That, if requested by the Industry and in order to provide interim financing pending the issuance of the Bonds, the County will adopt the necessary proceedings and provide for the issuance of Bond Anticipation Notes pursuant to Act No. 116 of the Acts of the General Assembly of the State of South Carolina for the year 1965, as amended, in anticipation of the issuance of the Bonds.

SECTION 2.08.

That it 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 INDUSTRY

The Industry agrees as follows:

SECTION 3.01.

That County will have no obligation to find a purchaser of the Bonds and the Industry will endeavor to market the Bonds on behalf of the County to the extent required to finance the cost of issuing the Bonds and the acquisition and construction of the Project.

SECTION 3.02.

If the plan proceeds as contemplated, the Industry further agrees as follows:

(a) to convey, or cause to be conveyed, to the County, the tract of land referred to in Paragraph 2 of Section 1.01.

(b) to enter into a lease with the County, under the terms of which it will obligate itself to pay to the County sums sufficient to pay the principal, interest and premium, if any, on the Bonds, as and when the same become due and payable, said Lease to be in form and contain such provisions as shall be satisfactory to the County and to the Industry.

(c) that it will obligate itself to make the additional rental payments required by the Act, including, but not limited to, payments in lieu of taxes.

(d) to hold the County 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 Contract and in the implementation of its terms and provisions.

(e) that it will perform such further acts and adopt such further proceedings as may be required to faithfully implement its undertakings and consummate the proposed financing.

ARTICLE IV

GENERAL PROVISIONS

SECTION 4.01.

All commitments of the County under Article II hereof are subject to all of the provisions of the Act and the condition that nothing contained in this Contract shall constitute or give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers.



SECTION 4.02.

At the option of the Industry, the Project shall be leased by the County to a corporation designated by the Industry rather than to the Industry, in which event the term "Industry" as used in Articles II and III, supra, shall refer to and mean such corporation.

SECTION 4.03.

The parties agree that the Industry may proceed with the acquisition and construction of the Project prior to the issuance of the Bonds.

SECTION 4.04.

All commitments of the County and the Industry hereunder are subject to the condition that the County and the Industry do agree on mutually acceptable terms and conditions of all documents whose execution and delivery are contemplated by the provisions hereof.

IN WITNESS WHEREOF, the parties hereto, each after due authorization, have executed this Contract as of March 22, 1972, but on the respective dates indicated below each.

SPARTANBURG COUNTY, SOUTH CAROLINA

(SEAL)

By

D. D. Black  
Chairman, Board of County Commissioners of Spartanburg County

Attest:

Hubert E. Johnson  
Secretary, Board of County Commissioners of Spartanburg County

Dated April 19, 1972

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MONTGOMERY INDUSTRIES, a partnership

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~~XXXXXXXXXX~~

(SEAL)

By

W. S. Montgomery  
Its General Manager

Dated April 19, 1972

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SPARTANBURG COUNTY, SOUTH CAROLINA

and

RAYCORD REALTY COMPANY, ET AL

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LEASE AGREEMENT

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Dated as of October 1, 1972

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THIS LEASE AGREEMENT, dated as of October 1, 1972, between SPARTANBURG COUNTY, a body politic and corporate and a political subdivision of the State of South Carolina, acting by and through its Board of County Commissioners of Spartanburg County, which is the governing body of said County as established under Act No. 1035 of the Acts of the South Carolina General Assembly for the year 1968, as amended, party of the first part, and RAYCORD REALTY COMPANY, THE ROSEMONT COMPANY, THE WALMONT COMPANY, THE SHUMONT COMPANY, ATLAS REALTY COMPANY, THE BEAUMONT COMPANY, ADEN BONDED WAREHOUSE CO., NEW SOUTH WAREHOUSE CO. and INTERSTATE WAREHOUSE CO., each of which is a corporation organized and existing under the laws of the State of South Carolina, and, collectively, the party of the second part,

WITNESSETH:

In consideration of the respective representations and agreements hereinafter contained, the parties hereto agree as follows (provided that in the performance of the agreements of the party of the first part herein contained, any obligation it may thereby incur for the payment of money shall not create a pecuniary liability or a charge upon its general credit or against its taxing powers but shall be payable solely out of the proceeds derived from this Lease Agreement, the sale of the Bonds referred to in Section 2.1 hereof, the insurance proceeds, and proceeds from released property and condemnation awards as herein provided):

ARTICLE I

DEFINITIONS

SECTION 1.1. Certain terms used in this Lease Agreement are defined herein. When used herein such terms shall have

the meanings given to them by the language employed in this Article I defining such terms, unless the context clearly indicates otherwise.

SECTION 1.2. The following terms are defined terms under this Lease Agreement:

"ACT" means Act No. 103 of the Acts of the General Assembly of the State of South Carolina for the year 1967, as amended, and appearing as Article 2.1, Chapter 8, Title 14, Code of Laws of South Carolina, 1962, 1971 Cumulative Supplement.

"ADDITIONS or ALTERATIONS" means improvements, replacements, alterations, additions, enlargements or expansions in, on or to the Project including any and all machinery and equipment therefor.

"AGREEMENT" or "LEASE AGREEMENT" means the within Lease Agreement between the County and the Lessee as the same may be amended from time to time in accordance with the provisions hereof.

"AUTHORIZED COUNTY REPRESENTATIVE" means the person at the time designated to act in behalf of the County by written certificate furnished to the Lessee and the Trustee, containing the specimen signature of such person and signed on behalf of the County by the Chairman of the County Board. Such certificate may designate an alternate or alternates.

"AUTHORIZED LESSEE REPRESENTATIVE" means the person at the time designated to act in behalf of the Lessee by written certificate furnished to the County and the Trustee, containing the specimen signature of such person and signed on behalf of the Guarantor by its General Manager. Such certificate may designate an alternate or alternates.

"BONDS" means the \$1,300,000 First Mortgage Industrial Revenue Bonds, Series 1972 (Raycord Realty Company, et al - Lessee) of the County to be issued pursuant to the Indenture.

"BOND FUND" means the Bond Fund created in Section 502 of the Indenture and referred to herein.

"BUILDING" means the buildings and all other facilities forming a part of the Project which, as set out in Section 4.1(a) hereof, are to be constructed on the Leased Land, as they may at any time exist, including any air conditioning and heating systems (which shall be deemed fixtures). The Building shall consist of two warehouse buildings with a total area of 224,000 square feet to be constructed on the Leased Land.

"COMPLETION DATE" means the date of completion of the construction of the Building and all other facilities in connection with the Project as that date shall be certified as provided in Section 4.5 hereof.

"CONSTRUCTION FUND" means the Construction Fund created in Section 602 of the Indenture and referred to herein.

"CONSTRUCTION PERIOD" means the period between the beginning of construction or the date on which Bonds are first delivered to the purchaser thereof (whichever is earlier) and the Completion Date.

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

"COUNTY BOARD" means the Board of County Commissioners of the County, and any successor body.

"GUARANTOR" means Montgomery Industries, a partnership consisting of the several corporations hereinabove designated as the party of the second part, which has unconditionally



guaranteed the performance of all of the obligations of the Lessee under this Agreement, including the payment of all rentals and other amounts to become due, as is more fully set forth in the Lease Guaranty Agreement of even date between the Guarantor and the County.

"INDENTURE" means the Trust Indenture between the County and South Carolina National Bank, as Trustee, of even date herewith, providing for the terms, conditions and provisions under which the Bonds will be issued, pursuant to which the County's interest in this Agreement and in the Lease Guaranty Agreement, and the lease rentals, revenues and receipts received by the County from the Project (except payments pursuant to Section 5.5 or Section 8.7 of this Agreement) are pledged and the Project is mortgaged as security for the payment of principal, premium, if any, and interest on the Bonds, including any indenture supplemental thereto.

"INDEPENDENT COUNSEL" means an attorney duly admitted to practice law before the highest court of any state and not a full time employee of either the County, the Lessee or the Guarantor.

"INDEPENDENT ENGINEER" means an engineer or engineering firm registered and qualified to practice the profession of engineering under the laws of South Carolina and who or which is not a full time employee of either the County, the Lessee or the Guarantor.

"LEASE GUARANTY AGREEMENT" means the agreement between the Guarantor and the County of even date herewith, whereby the Guarantor unconditionally guarantees the performance of all obligations of the Lessee under the Lease Agreement.

"LEASE TERM" means the duration of the leasehold estate created in this Agreement as specified in Section 5.1 hereof.

"LEASED LAND" means the real property described in Exhibit "A" attached hereto which, by this reference thereto, is incorporated herein.

"LESSEE" means (i) the several corporations collectively which constitute the party of the second part hereto and their successors and assigns and (ii) any surviving, resulting or transferee corporation as provided in Section 8.3 hereof.

"NET PROCEEDS", when used with respect to any insurance or condemnation award, means the gross proceeds from the insurance or condemnation award with respect to which that term is used remaining after payment of all expenses (including attorneys' fees and extraordinary expenses of the Trustee) incurred in the collection of such gross proceeds.

"PERMITTED ENCUMBRANCES" means, as of any particular time, (i) liens for ad valorem taxes not then delinquent, (ii) this Agreement and the Indenture, (iii) utility, access and other easements and rights of way, flood rights, encroachments, leases, restrictions and exceptions that an Independent Engineer and the Authorized Lessee Representative certify will not interfere with or impair the operations being conducted (or if the Building is not yet complete, the operations to be conducted) in the Building (or, if the Building has been completed and no operations are being conducted therein, the operations for which the Building was designed or last modified), (iv) such minor defects, irregularities, encumbrances, 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 an Independent Counsel, materially impair the title to the Project for the purposes for which it was acquired or is held by the County, and (v) mechanics' and materialmen's liens not filed or perfected in the manner prescribed by

Chapter 5, Title 45, Code of Laws of South Carolina, 1962, as now or hereafter amended.

"PROJECT" means the Leased Land and the Building all of which constitute, when the Project is complete, new warehouse facilities.

"TRUSTEE" means the trustee and/or the co-trustee at the time serving as such under the Indenture.

SECTION 1.3. The words "hereof", "herein", "hereunder", and other words of similar import refer to this Lease Agreement as a whole.

SECTION 1.4. References to Articles, Sections, and other subdivisions of this Lease Agreement are to the designated Articles, Sections, and other subdivisions of this Lease Agreement as originally executed.

SECTION 1.5. The headings of this Lease Agreement are for convenience only and shall not define or limit the provisions hereof.



## ARTICLE II

### REPRESENTATIONS AND UNDERTAKINGS

SECTION 2.1. Representations by the County. The County makes the following representations as the basis for the undertakings on its part herein contained:

(a) The County is a body politic and corporate and a political subdivision of the State of South Carolina, and is authorized and empowered by the provisions of the Act to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder. The Project constitutes and will constitute a "project" within the meaning of the Act. By proper action by the County Board and the State Budget and Control Board of South Carolina, the County has been duly authorized to execute and deliver this Agreement.

(b) The County has acquired the Leased Land, upon which the Building is being constructed by the Guarantor and has authorized, and does hereby authorize, the Lessee to complete the construction of the Building thereon, and to acquire, install and construct all other things deemed necessary in connection with the Project, and the County proposes to lease the Project to the Lessee and to sell the Project to the Lessee at the expiration or earlier termination of the Lease Term, all for the purposes of promoting and employing the manpower and natural resources of South Carolina.

(c) Heretofore, the County and the Guarantor as of March 22, 1972, did agree in writing that the

County would finance the cost of acquiring and constructing the Project. The Lessee estimates that such cost will be \$1,300,000 and on that basis the County now proposes to issue the Bonds in the aggregate principal amount of \$1,300,000, which will be dated, mature and bear interest as set forth in Section 202 of the Indenture and which will be subject to redemption on the occasions and at the redemption prices set forth in Section 301 of the Indenture, in order to finance the cost of acquiring and constructing the Project.

SECTION 2.2. Representations by the Lessee. The Lessee makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Lessee consists of corporations duly incorporated under the laws of South Carolina which are in good standing under their respective charters and the laws of South Carolina, and have power to enter into this Agreement and by proper corporate action each such corporation has been duly authorized to execute and deliver this Agreement.

(b) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement, conflict with or result in a breach of any of the terms, conditions or provisions of any corporate restriction or any agreement or instrument to which any corporation included in the Lessee is now a party or by which it is bound, or constitute a default.

under any of the foregoing, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of any such corporation under the terms of any instrument or agreement.

(c) Relying upon the availability of assistance which the County might render through the sale of bonds pursuant to the Act, the Guarantor undertook the construction of the Building, which was approximately 25% complete on March 22, 1972, the effective date of the written agreement spoken of in Section 2.1(c), and in further reliance upon such agreement the Guarantor has proceeded to complete the Building on the Leased Land.

(d) The Lessee intends to continue to operate the Project, from the Completion Date to the expiration or earlier termination of the Lease Term as provided herein, as a warehouse facility.

(e) The acquiring of the Project by the County through the issuance of the Bonds and the leasing of the Project to the Lessee has induced the Guarantor and Lessee to establish this industrial enterprise in the County.

(f) In accordance with the terms of the agreement between the Guarantor and the County hereinabove spoken of, the Guarantor has designated the several corporations hereinabove designated as the party of the second part as the Lessee hereunder.



ARTICLE III

DEMISING CLAUSE, WARRANTY OF TITLE

SECTION 3.1. Demise of the Leased Land and Building.

The County demises and leases to the Lessee, and the Lessee leases from the County, the Leased Land and the Building at the rental set forth in Section 5.3 hereof and in accordance with the provisions of this Agreement.

SECTION 3.2. Warranty of Title. The County warrants that it has acquired a good and marketable fee simple title to the Leased Land, free from all encumbrances other than Permitted Encumbrances, and the County will furnish, at the time of the delivery of the Bonds, a written opinion of Independent Counsel that it has good and marketable fee simple title to the Leased Land, subject to Permitted Encumbrances.

ARTICLE IV

CONSTRUCTION OF THE PROJECT; ISSUANCE OF THE BONDS;  
CONSTRUCTION FUND

SECTION 4.1. Agreement to Construct the Building on the Leased Land. The County has acquired the Leased Land by deed of the Guarantor recorded simultaneously herewith. The Lessee agrees that it will exercise the authorizations given to it by the County in Section 2.1(b) and:

(a) It will cause the Building to be constructed on the Leased Land wholly within the boundary lines thereof (the Building to consist of two warehouse buildings with a total area of 224,000 square feet); all of which will be constructed in accordance with a general description heretofore furnished to the County by the Guarantor.

(b) It will cause to be acquired and installed in the Building or on the Leased Land for use of Lessee such items of machinery and equipment, and any transportation facility and equipment used as an integral part of the Project, which in Lessee's judgment may be necessary for the operation of the Project as a warehouse facility; but all such machinery and equipment shall remain the property of the Lessee, and the County will have no interest therein.

The Lessee agrees to complete the construction of the Building as promptly as practicable after receipt of proceeds from the sale of Bonds and to continue the said construction with all reasonable dispatch.

SECTION 4.2. Agreement to Issue Bonds; Application of Bond Proceeds. In order to provide funds for payment of the costs of the Project, the County agrees that it will, on or before the 31st day of October, 1972, sell and cause to be delivered to the initial purchaser the Bonds in the aggregate principal amount of \$1,300,000 and will thereupon (i) deposit in the Bond Fund all accrued interest received on the sale of the Bonds and (ii) deposit in the Construction Fund the balance of the proceeds received from said sale.

SECTION 4.3. Disbursements from the Construction Fund. The County shall in the Indenture authorize and direct the Trustee to use the moneys in the Construction Fund for the following purposes (but, subject to the provisions of Section 4.9 hereof, for no other purposes):

(a) Payment of the initial or acceptance fee of the Trustee; the fees for recording the deed whereby the Leased Land has been conveyed to the County, this Agreement, the Indenture, financing statements and any title curative documents that either the Trustee, the Lessee or Independent Counsel may deem desirable to file for record in order or to perfect or protect the lien or security interest of the Indenture on the Project; and the fees and expenses in connection with any actions or proceedings that either the Trustee, the Lessee or Independent Counsel may deem desirable to bring in order to perfect or protect the title of the County to the Project or to perfect or protect the lien of the Indenture on the Project.

(b) Payment to the Guarantor, the Lessee and the County, as the case may be, of such amounts,



if any, as shall be necessary to reimburse the Guarantor, the Lessee and the County in full for all advances and payments made by them or any of them prior to or after the delivery of the Bonds for expenditures in connection with (i) the preparation of plans and specifications for the Project (including any preliminary study or planning of the Project or any aspect thereof), (ii) clearing the Leased Land, the construction of the Building, and all construction, acquisition and installation expenses required to provide utility services or other facilities, and all real or personal properties deemed necessary in connection with the Project (including architectural, engineering and supervisory services with respect to any of the foregoing), and (iii) any other costs and expenses relating to the Project.

(c) Payment of the cost of legal and accounting fees and expenses, and printing and engraving costs incurred in connection with the authorization, sale and issuance of the Bonds, the preparation of this Agreement, the Indenture, and all other documents in connection therewith and in connection with the acquisition of title to the Leased Land, and Building.

(d) Payment for labor, services, materials and supplies used or furnished in site improvement and in the construction of the Building, payment for the cost of the construction, acquisition and installation of utility services or other facilities, and all real and personal property deemed necessary in connection with the Project and payment for the

miscellaneous expenses incidental to any of the foregoing items including the premium on any surety bond.

(e) Payment of the fees, or out-of-pocket expenses of the Lessee and of the Guarantor, if any, for architectural, engineering and supervisory services with respect to the Project.

(f) Payment to the Trustee as such payments become due, of the fees and expenses of the Trustee (as Trustee, Bond Registrar and paying agent) and of any paying agent properly incurred under the Indenture that may become due during the Construction Period, or reimbursement thereof if paid by the Lessee or the Guarantor.

(g) To such extent as they shall not have been paid by a contractor for construction or installation with respect to any part of the Project, payment of the premiums on all insurance required to be taken out and maintained during the Construction Period under this Agreement, or reimbursement thereof if paid by the Lessee or the Guarantor.

(h) Payment of the taxes, assessments and other charges, if any, referred to in Section 6.3 hereof that may become payable during the Construction Period, or reimbursement thereof if paid by the Lessee or the Guarantor.

(i) Payment of expenses incurred in seeking to enforce any remedy against any contractor or subcontractor in respect of any default under a contract relating to the Project.

(j) Payment of any other costs and expenses relating to the Project.

(k) All moneys remaining in the Construction Fund after completion of the construction of the Building and payment in full of the costs thereof, and after payment of all other items provided for in the preceding subsections (a) to (j), inclusive, of this Section, shall at the direction of the Lessee be (i) used by the Trustee for the purchase of Bonds for the purpose of cancellation, at prices not exceeding the principal amount thereof plus accrued interest thereon to the date of delivery, or (ii) paid into the Bond Fund, except for amounts retained by the Trustee with the approval of the Authorized Lessee Representative for payment of Project costs not then due and payable, any balance remaining of such retained funds after full payment of all such Project costs to be used by the Trustee as directed by the Lessee in the manner specified in clauses (i) and (ii) of this subsection.

PROVIDED THAT:

(1) Each of the payments made pursuant to the preceding subsections (a), (b), (c), (d), (e), (g), (i) and (j) of this Section shall be made only upon receipt by the Trustee of a written order by the Authorized Lessee Representative and by the Authorized County Representative which shall certify with respect to each such payment: (i) that none of the items for which the payment is proposed to be made has formed the basis for any payment theretofore made from the Construction Fund and (ii) that each item for which the payment is proposed to be made is or was necessary in connection with the Project.



(2) In the case of any contract providing for retention by the Lessee of a portion of the contract price, there shall be paid from the Construction Fund only the net amount remaining after deduction of any such portion, until such retainage becomes due in accordance with the terms of such contract.

SECTION 4.4. Trustee May Rely on Orders and Certifications. In making any such payment from the Construction Fund, the Trustee may rely on any such orders and certifications delivered to it pursuant to Section 4.3, and the Trustee shall be relieved of all liability with respect to making such payments in accordance with such orders and certifications.

SECTION 4.5. Establishment of Completion Date. The Completion Date shall be evidenced to the Trustee by a certificate signed by the Authorized Lessee Representative stating that, except for amounts retained by the Trustee for Project costs not then due and payable as provided in Section 4.3(k), (i) construction of the Building has been completed in accordance with the specifications therefor and all labor, services, materials and supplies used in such construction have been paid for, and (ii) all other facilities necessary in connection with the Project have been constructed, acquired and installed in accordance with the specifications therefor and all costs and expenses incurred in connection therewith have been paid. 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. It shall be the duty of the Lessee to cause the certificate contemplated by this Section 4.5 to be furnished as soon as the Project shall have been completed.

SECTION 4.6. Lessee Required to Pay Construction

Costs in Event Construction Fund Insufficient. In the event the moneys in the Construction Fund available for payment of the costs of the Project shall not be sufficient to pay the costs thereof in full, the Lessee agrees to complete, or cause to be completed, the Project and to pay all that portion of the costs of the Project as may be in excess of the moneys available therefor in the Construction Fund. The County does not make any warranty, either express or implied, that the moneys which will be paid into the Construction Fund and which, under the provisions of this Agreement, will be available for payment of the costs of the Project, will be sufficient to pay all the costs which will be incurred in that connection. The Lessee agrees that if after exhaustion of the moneys in the Construction Fund the Lessee shall pay any portion of the said costs of the Project pursuant to the provisions of this Section, it shall not be entitled to any reimbursement therefor from the County or from the Trustee or from the holders of any of the Bonds, nor shall it be entitled to any diminution of the rents payable under Section 5.3 hereof. The obligation of the Lessee to complete the Project shall survive any termination of this Agreement.

SECTION 4.7. Authorized Lessee and County Representatives and Successors. The Lessee and the County Board, respectively, shall designate, in the manner prescribed in Section 1.2, the Authorized Lessee Representative and the Authorized County Representative. In the event that any person so designated and his alternate or alternates, if any, should become unavailable or unable to take any action or make

any certificate provided for or required in this Agreement, a successor shall be appointed in the same manner.

SECTION 4.8. Enforcement of Remedies Against Contractors and Subcontractors and Their Sureties. The Lessee covenants that it will take such action and institute such proceedings as shall be necessary to cause and require all contractors and material suppliers to complete their contracts diligently in accordance with the terms of said contracts, including, without limitation, the correcting of any defective work, with all expenses incurred by Lessee in connection with the performance of its obligations under this Section 4.8 to be considered part of the Project costs referred to in Section 4.3(j), and the County agrees that the Lessee may, from time to time, in its own name, or in the name of the County, take such action as may be necessary or advisable, as determined by Lessee, to insure the construction of the Project in accordance with the terms of such construction contracts, to insure the peaceable and quiet enjoyment of the Project for the Lease Term, and to insure the performance by the County of all covenants and obligations of the County under this Agreement, with all costs and expenses incurred by the Lessee in connection therewith to be considered as part of the Project costs referred to in Section 4.3(j). Any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing, less any unreimbursed legal expenses incurred in order to collect the same, shall be paid into the Construction Fund and after the Completion Date shall be paid into the Bond Fund.

SECTION 4.9. Investment of Construction Fund Moneys Permitted. Any moneys held as part of the Construction



Fund shall at the written request of the Authorized Lessee Representative be invested or reinvested by the Trustee in (i) obligations of the United States and agencies thereof; (ii) general obligations of the State of South Carolina or any of its political units; (iii) Savings and Loan Associations to the extent that the same are insured by the Federal Savings and Loan Insurance Corporation; or (iv) certificates of deposit where such certificates of deposit are collaterally secured by securities of the type described in (i) and (ii) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest. Such investments shall be as specified by the Authorized Lessee Representative, but no investment shall be made which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 103(d) of the Internal Revenue Code of 1954.

ARTICLE V

EFFECTIVE DATE OF THE AGREEMENT; DURATION OF  
LEASE TERM; RENTAL PROVISIONS; PAYMENTS IN  
LIEU OF TAXES AND UNCONDITIONAL OBLIGATIONS  
OF LESSEE

SECTION 5.1. Effective Date of this Agreement;

Duration of Lease Term. This Agreement shall become effective upon its delivery, and the leasehold estate created in this Agreement shall then begin, and, subject to the provisions of this Agreement (including particularly Articles X and XI and Section 12.2), shall expire October 1, 1987.

SECTION 5.2. Delivery and Acceptance of Possession.

The County agrees to deliver to the Lessee sole and exclusive possession of the Leased Land upon the execution and delivery of this Agreement and Lessee thereupon and thereafter shall have sole and exclusive possession of the Project during the Lease Term (subject to the right of the County and Trustee to enter thereon for inspection purposes and to the other provisions of Section 8.2 hereof).

SECTION 5.3. Rents and Other Amounts Payable. At least seven days before April 1, 1973, and at least seven days before each October 1 and April 1 thereafter until the principal of, premium, if any, and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, the Lessee shall pay to the Trustee as rent for the Project (i) if such date is October 1, a sum equal to the amount payable on such date as principal and interest upon the Bonds and (ii) if such date is April 1, a sum equal to the amount payable on such date as interest upon the Bonds, as provided in the Indenture.

In any event each rental payment under this Section shall be sufficient to pay the total amount of interest or interest and principal (whether at maturity or by redemption or acceleration as provided in the Indenture) and premium, if any, payable on the next succeeding interest payment date, and if on any interest payment date the balance in the Bond Fund is insufficient to make the required payments of principal (whether at maturity or by redemption or acceleration as provided in the Indenture) and premium, if any, and interest on such date, the Lessee shall forthwith pay any such deficiency; provided that any amount at any time held by the Trustee in the Bond Fund shall be credited against the next rental payment to the extent such amount is in excess of the amount required for payment of Bonds theretofore matured or called for redemption and past due interest in all cases where such Bonds or coupons have not been presented for payment; and provided further, that if the amount held by the Trustee in the Bond Fund should be sufficient to pay at the times required the principal of, premium, if any, and interest on the Bonds then remaining unpaid, the Lessee shall not be obligated to make any further rental payments under the foregoing provisions of this Section.

The Lessee agrees to pay to the Trustee until the principal of, premium, if any, and interest on the Bonds shall have been fully paid (i) an amount equal to the annual fee of the Trustee for the ordinary services of the Trustee, as Trustee, rendered and its ordinary expenses, as Trustee, incurred under the Indenture, as and when the same becomes due, (ii) reasonable fees and charges of the Trustee as Bond Registrar and paying agent, and any other paying agents



on the Bonds, for acting as paying agents as provided in the Indenture, as and when the same become due, and (iii) the reasonable fees and charges of the Trustee for the necessary extraordinary services rendered by it and extraordinary expenses incurred by it under the Indenture, as and when the same become due; provided, that the Lessee may, without creating a default hereunder, contest in good faith the necessity for any such extraordinary services and extraordinary expenses and reasonableness of any such fees, charges or expenses.

In the event the Lessee shall 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 Lessee until the amount in default shall have been fully paid, and the Lessee agrees to pay the same with interest thereon at the rate of 8% per annum until paid. The provisions of this Section shall be subject to the provisions of Section 9.6 hereof.

SECTION 5.4. Place of Rental Payments. The rent provided for in Section 5.3 hereof shall be paid directly to the Trustee, at its principal office in the City of Columbia, South Carolina, for the account of the County and shall be deposited in the Bond Fund. The additional payments to be made to the Trustee under Section 5.3 hereof shall be paid directly to the Trustee for its own use or for disbursement to the paying agents, as the case may be.

SECTION 5.5. Payments in Lieu of Taxes. It is recognized that under the provisions of the Act when any project is leased by a county pursuant to the Act the lessee thereof shall be required to make payments to the county, the school

district or school districts, and other political units wherein the project shall be located in lieu of taxes, in such amounts as would result from taxes levied on the project by such county, school district or school districts, and other political unit or units, if the project were owned by the lessee, but with appropriate reductions similar to the tax exemptions, if any, which would be afforded to the lessee if it were the owner of the project. For the sole purpose of enabling the Lessee to comply with the aforesaid obligation, it is agreed that the County in cooperation with the Lessee (i) shall cause the Project to be valued as if privately owned as aforesaid for purposes of the said taxes by the State Tax Commission of South Carolina or such other appropriate officer or officers as may from time to time be charged with responsibility for making such valuations; (ii) shall cause to be appropriately applied to the valuation or valuations so determined the respective rate or rates of such taxes, that would be applicable to the Project if so privately owned; (iii) shall cause the respective appropriate officer or officers charged with the duty of levying and collecting taxes to submit to the Lessee, when the respective levies are made upon property privately owned as aforesaid, a statement specifying the amount and due date of such taxes which the county, school district and other political units having taxing powers would receive if the Project were so privately owned; and Lessee shall file any accounts or tax returns required with the appropriate officer or officers. The Lessee shall pay to the aforesaid taxing authorities when due all such payments in lieu of taxes with respect to the Project required by the Act to be paid to the aforesaid

taxing authorities, subject in each case to the Lessee's right to obtain exemptions (and discounts), if any, therefrom which would be afforded to a private owner of the Project and to seek to obtain a refund of any such payments made, and to contest the same in the manner and to the extent provided in Section 6.3 in the case of taxes and other governmental charges. The Lessee's obligation to make such additional payments shall continue only so long as and to the extent the Lessee is required by law to pay the aforesaid amounts in lieu of taxes. Once having paid the amounts required by this Section 5.5 to be paid by it in lieu of taxes, the Lessee shall not be required to pay any such taxes for which a payment in lieu thereof has been made to the State or to any city, county, town, school district or other political unit, any other statute to the contrary notwithstanding. In the event the Lessee shall fail to make any of the payments required by this Section 5.5, the amount or amounts so in default shall continue as an obligation of the Lessee until fully paid and the Lessee agrees to pay the same with interest thereon at 8% per annum until paid.

SECTION 5.6. Obligations of Lessee Hereunder Unconditional. Subject to the provisions of this Section and Section 9.6 hereof, the obligations of the Lessee to make the payments required in Sections 5.3 and 5.5 hereof and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional and until such time as the principal of, and interest and premium, if any, on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, the Lessee (i) will not suspend or discontinue



any payments provided for in Section 5.3 hereof, (ii) will perform and observe all of its other agreements contained in this Agreement, and (iii) except as provided in Section 11.1 hereof will not terminate the Lease Term for any cause including, without limiting the generality of the foregoing, failure of the Lessee to complete the Project, the taking by eminent domain of title to or the right of temporary use of all or any part of the Project, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or South Carolina or any political subdivision of either thereof or any failure of the County to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Agreement. Nothing contained in this Section shall be construed to release the County from the performance of any of the agreements on its part herein contained; and in the event the County should fail to perform any such agreement on its part, the Lessee may institute such action against the County as the Lessee may deem necessary to compel performance so long as such action does not abrogate the Lessee's obligations contained in the first sentence of this Section 5.6. The Lessee may, however, at its own cost and expense and in its own name or in the name of the County, prosecute or defend any action or proceeding or take any other action involving third persons which the Lessee deems reasonably necessary in order to secure or protect its right of possession, occupancy and use hereunder; and in such event the County

hereby agrees to cooperate fully with the Lessee and to  
take all action necessary to effect the substitution of  
the Lessee for the County in any such action or proceeding  
if the Lessee shall so request.

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ARTICLE VI

MAINTENANCE, TAXES AND INSURANCE

SECTION 6.1. Maintenance and Modifications of Project

by Lessee. The Lessee agrees that during the Lease Term it will at its own expense (i) keep the Project in as reasonably safe condition as its operations shall permit and (ii) keep the Building and all other improvements forming a part of the Project in good repair and in good operating condition, making from time to time, all necessary repairs thereto and renewals and replacements thereof. Subject to the provisions of Section 8.9, the Lessee may, also at its own expense, make from time to time any Additions or Alterations to the Project it may deem desirable for its business purposes that do not adversely affect the operations being conducted in and upon the Project (or, if no operations are being conducted, the operations for which the Project was designed or last modified). Subject to the provisions of Section 6.2 hereof, such Additions and Alterations so made by the Lessee shall be on the Leased Land and become a part of the Project. The Lessee shall not permit any mechanics' or other liens to be established or remain against the Project for labor or materials furnished in connection with any additions, modifications, improvements, repairs, renewals or replacements so made by it; provided, that if the Lessee shall first notify the Trustee of its intention so to do, the Lessee may in good faith contest any mechanics' or other liens filed or established against the Project, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Trustee shall notify the Lessee



that, in the opinion of Independent Counsel, by non-payment of any such items the lien of the Indenture as to any part of the Project will be materially endangered or the Project or any part thereof will be subject to loss or forfeiture, in which event the Lessee shall promptly pay and cause to be satisfied and discharged all such unpaid items. The County will cooperate fully with the Lessee in any such contest.

SECTION 6.2.    Installation of Lessee's Own Machinery and Equipment. Subject always to the provisions of Section 8.9, the Lessee may from time to time, in its sole discretion and at its own expense, install machinery, equipment and other personal property in the Building or on the Leased Land and which may be attached or affixed to the Building or the Leased Land. All such machinery, equipment and other personal property shall remain the sole property of the Lessee and the Lessee may remove the same from the Building or the Leased Land at any time, in its sole discretion and at its own expense; provided, that any damage to the Project resulting from any such removal shall be repaired by the Lessee at the expense of the Lessee. The Lessee may create any mortgage, encumbrance, lien or charge on any such machinery, equipment and other personal property provided that the same will not diminish or impair the security intended to be given by or under the Indenture. Neither the County nor the Trustee shall have any interest in or landlord's lien on any such machinery, equipment or personal property so installed pursuant to this Section 6.2 and all such machinery, equipment and personal property shall be and remain identified as the property of the Lessee by appropriate tags or other markings.

SECTION 6.3. Taxes, Other Governmental Charges and Utility Charges. The County and the Lessee acknowledge (i) that pursuant to Section 13 of the Act, no part of the Project owned by the County will be subject to taxation in South Carolina, that under present law the income and profits (if any) of the County from the Project are not subject to either Federal or South Carolina taxation and that under present law there is no tax imposed upon leasehold estates in South Carolina, and (ii) that these factors, among others, have induced the Lessee to enter into this Agreement.

However, the Lessee will pay, as the same become due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Project or any machinery, equipment or other property installed or brought by the Lessee therein or thereon (including, without limiting the generality of the foregoing, any taxes levied upon or with respect to the lease rentals, revenues or receipts of the County from the Project which, if not paid, will become a lien on the Project prior to or on a parity with the lien of the Indenture or a charge on the revenues and receipts therefrom prior to or on a parity with the charge thereon and the pledge or assignment thereof to be created and made in the Indenture, and including all ad valorem taxes lawfully assessed upon the leasehold estate hereby granted and conveyed to the Lessee in the Project), all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project and all assessments and charges lawfully made by any governmental body for public improvements that



may be secured by lien on the Project; provided, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Lessee shall be obligated to pay only such installments as are required to be paid during the Lease Term.

If the Lessee shall first notify the Trustee of its intention so to do, the Lessee may, at its expense and in its own name and behalf or in the name and behalf of the County, in good faith contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Trustee shall notify the Lessee that, in the opinion of Independent Counsel, by non-payment of any such items the lien of the Indenture will be materially endangered or the Project or any part thereof will be subject to loss or forfeiture, in which event such taxes, assessments or charges shall be paid promptly. The County will cooperate fully with the Lessee in any such contest. In the event that the Lessee shall fail to pay any of the foregoing items required by this Section to be paid by the Lessee, the County or the Trustee may (but shall be under no obligation to) pay the same and any amounts so advanced therefor by the County or the Trustee shall become an additional obligation of the Lessee to the one making the advancement, which amounts, together with interest thereon at the rate of 8% per annum from the date thereof until paid, the Lessee agrees to pay.

The County agrees that any investment tax credit with respect to the Project shall be made available to the



Lessee and the County will fully cooperate with the Lessee in any effort by the Lessee to avail itself of any such investment tax credit.

SECTION 6.4. Insurance Required. (a) Lessee shall, at Lessee's sole cost and expense at all times during the Lease Term, keep or cause to be kept, the Project insured against loss or damage in accordance with the customary insurance practices of Lessee, but in all events to the following extent:

(i) Against the perils of fire and the hazards ordinarily included under standard extended coverage endorsements in amounts necessary to prevent the application of the co-insurance provisions of the applicable policies but not less than the lesser of 80% of the full insurable value thereof within the terms of applicable policies or an amount equal to the principal amount of Bonds outstanding from time to time.

(ii) Against war risks when a state of war or national or public emergency exists and such insurance is obtainable from a department or agency of the United States Government, upon reasonable terms, in the full amount necessary to prevent the application of the co-insurance provisions of the applicable policies but not less than 80% of the then full insurable value, or, if such amounts be not obtainable, then in the highest amount which can be so obtained.

(iii) If there are boilers or pressure vessels, from boiler or pressure vessel explosion in an amount

customarily carried in the case of similar industrial operations.

The term "full insurable value" means such value as shall be determined from time to time at the request of the County, Lessee or Trustee (but not more frequently than once in every twenty-four (24) months) by one of the insurers selected by Lessee.

(b) At all times during the Lease Term, Lessee shall, at no cost or expense to the County, maintain or cause to be maintained:

(i) General public liability insurance (including workmen's compensation insurance in amounts usually carried by similar operations) against claims for bodily injury or death occurring upon, in or about the Project, with such insurance (other than workmen's compensation insurance) to afford protection to the limits of not less than \$100,000 in respect of bodily injury or death to any one person and to the limit of not less than \$500,000 in respect of any one accident; and

(ii) Property damage insurance against claims for damage to property (including loss of use) occurring upon, in or about the Project with such insurance to afford protection to the limit of not less than \$100,000 in respect of damage to the property of any one owner.

(c) The insurance required by this Section 6.4 shall be maintained in full force and effect at all times during the Lease Term, except that such insurance required by Section 6.4(a) need not be placed in force and effect until the

completion of the construction of the Project, provided that builder's risk insurance is in effect at least to the extent contemplated by Section 6.4(a) and provided further that in no event shall the insurance required by Section 6.4(a) be placed into force and effect later than the expiration of the builder's risk insurance carried pursuant to the provisions of any contracts entered into with contractors, with the end in view of having full insurance coverage at all times.

(d) Copies or certificates of the insurance required by this Section, each bearing notations evidencing payment of the premiums or other evidence of payment satisfactory to the Trustee, shall be delivered by Lessee to the Trustee. And, in the case of expiring policies throughout the Lease Term, copies or certificates of any new or renewal policies, each bearing notations evidencing payment of the premiums or other evidence of payment satisfactory to the Trustee, shall be delivered by Lessee to the Trustee.

(e) Policies of insurance provided for in Section 6.4(a) and any builder's risk insurance referred to in Section 6.4(c) shall name the County and the Lessee as insureds as their respective interests may appear, provided, however, that the Trustee shall also be named as a party insured pursuant to a standard mortgagee clause as its interests may appear, and provided further that while any Bonds remain outstanding all casualty insurance shall be payable as provided in Section 7.1 hereof.

(f) All insurance required by this Section 6.4 shall be effected with responsible insurance companies selected by the Lessee. Lessee shall cause appropriate provisions



to be inserted in each insurance policy making each policy non-cancellable without at least ten (10) days prior written notice to the County, Lessee and Trustee. Also, it is agreed that no claim shall be made and no suit or action at law or in equity shall be brought by the County or by anyone claiming by, through or under the County, against Lessee for any damage to the Project covered by the insurance provided for by this Section 6.4, however caused, but nothing in this sub-section (f) shall diminish Lessee's obligation to repair or rebuild as provided in Section 7.1. The Lessee shall have the sole right and responsibility to adjust any loss with the insurer involved and to conduct any negotiations in connection therewith, provided that so long as any Bonds remain outstanding and unpaid no settlement of any claim shall be effected without the written consent of the Trustee.

SECTION 6.5. Application of Net Proceeds of Insurance.

The Net Proceeds of the insurance carried pursuant to the provisions of Section 6.4(a) and 6.4(c) hereof shall be paid and applied as provided in Section 7.1 hereof and the Net Proceeds of insurance carried pursuant to the provisions of Section 6.4(b) hereof shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid.

SECTION 6.6. Advances by the County or the Trustee.

In the event the Lessee shall fail to maintain the full insurance coverage required by this Agreement or shall fail to keep the Project in as reasonably safe condition as its operations will permit, or shall fail to keep the Project in good repair, the County or the Trustee may (but shall be under no obligation to) take out the required policies

of insurance and pay the premiums on the same or make required repairs; and all amounts so advanced therefor by the County or the Trustee shall become an additional obligation of the Lessee to the one making the advancement, which amounts, together with interest thereon at the rate of 8% per annum from the date thereof until paid, the Lessee agrees to pay.

ARTICLE VII

DAMAGE, DESTRUCTION AND CONDEMNATION

SECTION 7.1. Damage and Destruction. (a) Unless the Lessee shall elect to exercise its option to purchase pursuant to the provisions of Section 11.2(a) hereof, if prior to full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture) the Project is damaged by fire or other casualty to such extent that the claim for loss under the insurance policies required to be carried pursuant to Section 6.4(a) and Section 6.4(c) hereof resulting from such destruction or damage is not greater than \$25,000, the Lessee (i) shall promptly repair, rebuild or restore the Project to substantially the same condition thereof as existed prior to the event causing such damage or destruction with such changes, alterations and modifications (including the substitution and addition of other property) as may be desired by the Lessee and as will not impair the value or the character of the Project as a warehouse facility, and (ii) will apply for such purpose so much as may be necessary of any Net Proceeds of insurance resulting from such claims for losses. All Net Proceeds of insurance resulting from such claims for losses not in excess of \$25,000 shall be paid to the Lessee, subject to the provisions of Section 7.1(e).

(b) Unless the Lessee shall elect to exercise its option to purchase pursuant to, the provisions of Section 11.2(a) hereof, if prior to full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture) the Project is destroyed or is damaged (in whole or in part) by fire or other casualty



to such extent that the claim for loss under the insurance policies required to be carried pursuant to Section 6.4(a) and Section 6.4(c) hereof resulting from such destruction or damages is in excess of \$25,000, the Lessee shall promptly give written notice thereof to the Trustee. All Net Proceeds of insurance resulting from such claims for losses in excess of \$25,000 shall be paid to and held by the Trustee in a separate trust account, whereupon the Lessee shall proceed promptly to repair, rebuild or restore the Project to substantially the same condition thereof as existed prior to the event causing such damage or destruction with such changes, alterations and modifications (including the substitution and addition of other property) as may be desired by the Lessee and as will not impair the value or the character of the Project as a warehouse facility, whereupon the Trustee shall apply so much as may be necessary of the Net Proceeds of such insurance to payment of the costs of such repair, rebuilding or restoration, either on completion thereof or as the work progresses.

(c) In the event the Net Proceeds are not sufficient to pay in full the costs of any such repair, rebuilding or restoration, the Lessee shall nonetheless complete said work and shall pay that portion of the costs thereof in excess of the amount of said Net Proceeds.

(d) The Lessee shall not, by reason of the payment of such excess costs be entitled to any reimbursement from the County, the Trustee or the holders or owners of the Bonds or any abatement or diminution of the rents payable under Section 5.3 hereof.

(e) Any balance of such Net Proceeds remaining after payment of all costs of such repair, rebuilding or restoration shall be paid into the Bond Fund. If the Bonds have been fully paid (or provision therefor has been made in accordance with the Indenture), all Net Proceeds shall be paid to the Lessee.

(f) Notwithstanding any other provision of this Section, in any event of damage or destruction when no Bonds are then outstanding and unpaid, there shall be no obligation on the part of Lessee to restore the Project.

SECTION 7.2. Condemnation. Unless the Lessee shall elect to exercise its option to purchase pursuant to the provisions of Section 11.2(b) hereof, in the event that title to, or the temporary use of, the Project or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, the Lessee shall be obligated to continue to make the rental payments specified in Section 5.3 hereof. The County, the Lessee and the Trustee shall cause the Net Proceeds received by them or any of them from any award made in such eminent domain proceedings, to be paid to and held by the Trustee in a separate trust account, to be applied in one or more of the following ways as shall be directed in writing by the Lessee:

(a) To the restoration of the Project to substantially the same condition thereof as existed prior to the exercise of the said power of eminent domain.

(b) To the acquisition, by construction or otherwise, in the name of the County of improvements



consisting of a building or buildings, facilities, machinery, equipment or other properties suitable for the Lessee's operations at the Project (which improvements shall be deemed a part of the Project and available for use and occupancy by the Lessee without the payment of any rent other than as herein provided to the same extent as if such other improvements were specifically described herein and demised hereby); provided, that such improvements shall be acquired by the County subject to no liens or encumbrances prior to or on a parity with the lien of the Indenture, other than Permitted Encumbrances.

(c) For deposit into the Bond Fund, provided that the Lessee shall furnish to the County and the Trustee a certificate of an Independent Engineer acceptable to the County and the Trustee stating (i) that the property forming a part of the Project that was taken by such condemnation proceedings is not essential to the Lessee's use or occupancy of the Project, or (ii) that the Project has been restored to a condition substantially equivalent to its condition prior to the taking by such condemnation proceedings or (iii) that improvements have been acquired which are suitable for the Lessee's operations at the Project as contemplated by the foregoing subsection (b) of this Section.

Unless the Lessee shall have elected to exercise its option to purchase pursuant to the provisions of Section 11.2(b) hereof within ninety days from the date of entry of a final order in any eminent domain proceedings granting condemnation,



the Lessee shall direct the County and the Trustee in writing as to which of the ways specified in this Section the Lessee elects to have the condemnation award applied.

Any balance of the Net Proceeds of the award in such eminent domain proceedings shall be paid into the Bond Fund. If the Bonds have been fully paid (or provision for payment thereof has been made in accordance with the provisions of the Indenture), all Net Proceeds shall be paid to the Lessee.

The County shall cooperate fully with the Lessee in the handling and conduct of any prospective or pending condemnation proceeding with respect to the Project or any part thereof and shall, to the extent it may lawfully do so, permit the Lessee to litigate in any such proceeding in the name and behalf of the County. In no event shall the County voluntarily settle, or consent to the settlement of, any prospective or pending condemnation proceeding with respect to the Project or any part thereof without the written consent of the Lessee.

Notwithstanding any other provision of this Section, in any event of condemnation when no Bonds are then outstanding and unpaid, there shall be no obligation on the part of Lessee to restore or repair the Project.

SECTION 7.3. Condemnation of Lessee-Owned Property.

The Lessee shall also be entitled to the Net Proceeds of any condemnation award or portion thereof made for damages to or takings of its own property not included in the Project (except for damages for the value of its leasehold estate under this Agreement which shall be disposed of pursuant to Section 7.2 hereof).

ARTICLE VIII

SPECIAL COVENANTS, IMPROVEMENT BONDS

SECTION 8.1. No Warranty of Condition or Suitability  
by the County. The County makes no warranty, either express or implied, as to the condition of the Project or that it will be suitable for the Lessee's purposes or needs.

SECTION 8.2. County's and Trustee's Right of Access  
to the Project. The Lessee agrees that the County, the Trustee and the duly authorized agents of each of them shall have the right at all reasonable times to enter upon the Leased Land and to examine and inspect the Project, including such rights of access to the Project as may be reasonably necessary for the proper maintenance of the Project in the event of failure by the Lessee to perform its obligations under Section 6.1 hereof.

SECTION 8.3. Lessee to Maintain its Corporate Existence,  
Conditions Under Which Exceptions Permitted. The Lessee agrees that during the Lease Term each of the corporations constituting the Lessee 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 any such 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, provided no such consolidation or merger shall result in the dissolution or termination of the Guarantor and the surviving, resulting or transferee corporation, as the case may be, assumes



in writing all of the obligations of the Lessee under this Agreement; and provided further that prior to such sale, transfer, consolidation or merger the Trustee shall be furnished a certificate from a firm of independent certified public accountants stating that the covenants contained in Section 8.9 hereof will not be violated as a result of such sale, transfer, consolidation or merger.

SECTION 8.4. Qualification in South Carolina. The Lessee warrants that each of the corporation's constituting the Lessee is and throughout the Lease Term it will continue to be duly qualified to do business in South Carolina.

SECTION 8.5. Release of Certain Land. In addition to the rights granted by Section 11.3 hereof, the parties hereto reserve the right at any time and from time to time to amend this Agreement for the purpose of effecting the release of and removal from this Agreement and the leasehold estate created hereby of (i) any unimproved part of the Leased Land (on which the Building is not situated, but upon which transportation or utility facilities may be situated) on which the County then proposes to construct, or cause to be constructed, improvements for lease to the Lessee or any subsidiary or affiliated corporation thereof under another and different lease agreement or (ii) any part (or interest in such part) of the Leased Land with respect to which the County proposes to grant an easement or convey fee title to a railroad, public utility or public body in order that railroad, utility services or roads may be provided for the Project; provided, that if at the time any such



amendment is made any of the Bonds are outstanding and unpaid there shall be deposited with the Trustee the following:

(a) A copy of the said amendment as executed.

(b) A resolution of the County Board (i) stating that the County is not in default under any of the provisions of the Indenture and the Lessee is not to the knowledge of the County in default under any of the provisions of this Agreement, (ii) giving an adequate legal description of that portion (together with the interest in such portion) of the Leased Land to be released, (iii) stating the purpose for which the County desires the release, (iv) stating that the said improvements which will be so constructed will be such as will promote the continued industrial development of South Carolina, and (v) requesting such release.

(c) A resolution of the board of directors of each of the corporations constituting the Lessee approving such amendment and a certificate of the president, any vice president or treasurer of each such corporation stating that the Lessee is not in default under any of the provisions of this Agreement.

(d) A copy of any agreement wherein the County agrees to construct, or cause to be constructed, improvements on the portion of the Leased Land so requested to be released and to lease the same or a copy of the instrument granting the easement or conveying the title to a railroad, public utility or public body.

(e) A certificate of an Independent Engineer who is acceptable to the Trustee, dated not more than sixty 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 Leased Land so proposed to be released is necessary or desirable in order to obtain railroad, utility services or roads to benefit the Project or is not otherwise needed for the operation of the Project for the purposes hereinabove stated and (ii) the release so proposed to be made will not impair the usefulness of the Project as a warehouse facility and will not destroy the means of ingress thereto and egress therefrom.

And, provided further, if such release relates to Leased Land on which transportation or utility facilities are located, the County shall retain an easement to use such transportation or utility facilities to the extent necessary for the efficient operation of the Project as a warehouse facility.

If all of the conditions of this Section 8.5 are met, the Trustee shall be authorized to release any such property from the lien of the Indenture.

No release effected under the provisions of this Section shall entitle the Lessee to any abatement or diminution of the rents payable under Section 5.3 hereof.

SECTION 8.6. Granting of Easements. If no event of default under this Agreement shall have happened and be continuing, the Lessee may at any time or times grant easements, licenses, rights of way (including the dedication

of public highways) and other rights or privileges in the nature of easements with respect to any property included in the Project, free from the lien of the Indenture, or the Lessee may release existing easements, licenses, rights of way and other rights or privileges with or without consideration, and the County agrees that it shall execute and deliver and will cause and direct the Trustee to execute and deliver any instrument necessary or appropriate to confirm and grant or release any such easement, license, right of way or other right or privilege upon receipt of: (i) a copy of the instrument of grant or release, (ii) a written application signed by the president or a vice president or the chairman of the board of directors of each corporation constituting the Lessee requesting such instrument, and (iii) a certificate executed by the president or a vice president or the chairman of the board of directors of each such corporation stating (1) that such grant or release is not detrimental to the proper conduct of the business of the Lessee, and (2) that such grant or release will not impair the effective use of interfere with the operation of the Project and will not weaken, diminish or impair the security intended to be given by or under the Indenture. No grant or release effected under the provisions of this Section shall entitle the Lessee to any abatement or diminution of the rents payable under Section 5.3 hereof.

SECTION 8.7. Indemnification Covenants.

(a) Lessee shall and agrees to indemnify and save the County and the Trustee harmless against and from all claims by or on behalf of any person, firm or corporation arising from the conduct or management of, or from any work



or thing done on, the Project during the Lease Term, and, Lessee further, shall agree to indemnify and save the County and the Trustee harmless against and from all claims arising during the Lease Term from (i) any condition of the Project, (ii) any breach or default on the part of Lessee in the performance of any of its obligations under this Agreement, (iii) any act or negligence of Lessee or of any of its agents, contractors, servants, employees or licensees, or (iv) any act or negligence of any assignee or sublessee of Lessee, or of any agents, contractors, servants, employees or licensees of any assignee or sublessee of Lessee. Lessee shall indemnify and save the County and the Trustee harmless from and against all costs and expenses incurred in or in connection with any such claim arising as aforesaid from (i), (ii), (iii) or (iv), supra, or in connection with any action or proceeding brought thereon, and upon notice from the County, or the Trustee, Lessee shall defend them or either of them in any such action or proceeding.

(b) Notwithstanding the fact that it is the intention of the parties that the County shall not incur pecuniary liability by reason of the terms of this Agreement, or the undertakings required of the County hereunder, by reason of the issuance of the Bonds, by reason of the execution of the Indenture, by reason of the performance of any act requested of it by the Lessee, or by reason of the County's ownership of the Project or the operation of the Project by the Lessee, including all claims, liabilities or losses arising in connection with the violation of any statutes or regulations pertaining to the foregoing, nevertheless, if the County should incur any such pecuniary liability,

then in such event the Lessee shall indemnify and hold harmless the County against all claims by or on behalf of any person, firm or corporation, arising out of the same, and all costs and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, and upon notice from the County, the Lessee shall defend the County in any such action or proceeding.

SECTION 8.8. Financial Statements of Guarantor.

The Guarantor is a partnership of which the corporations constituting the Lessee are the partners. In and by the Lease Guaranty Agreement, the Guarantor agrees to furnish the County such information respecting the business affairs, operation and financial condition of the Guarantor as may be reasonably requested; and without any request to furnish to the Trustee, and upon request, to the holder of any Bond as soon as available and in any event within ninety (90) days after close of each fiscal year of the Guarantor, a copy of the annual audit report (including balance sheets, profit and loss, and surplus statements) of the Guarantor and its corporate partners for each fiscal year, all as prepared and certified by independent public accountants of recognized standing. In the event any corporation which is obligated to perform the obligations and covenants of the Lessee is not at any time hereafter a partner in the Guarantor, such corporation shall furnish to the County such information respecting its business affairs, operations and financial conditions as may be reasonably requested, and, without any request, such corporation shall furnish to the Trustee, and upon request, to the holder of any Bond, as soon as available, and in any event



within ninety (90) days after close of its fiscal year, a copy of the annual audit report (including balance sheets, profit and loss, and surplus statements) of such corporation for each fiscal year, all as prepared and certified by independent public accountants of recognized standing.

SECTION 8.9. Covenants of Lessee with Respect to Capital Expenditures. The County is issuing the Bonds pursuant to an election made under Section 103(c)(6)(D) of the Internal Revenue Code of 1954. In order to insure that interest on the Bonds will not become subject to Federal Income Taxes as a result of a violation of the capital expenditures limitation prescribed in said Section 103(c)(6)(D), the Lessee covenants with the County, the Trustee, and with each of the future holders of any Bonds or interest coupons appertaining thereto as follows:

(1) That all rights and privileges granted to the Lessee hereunder shall be exercised in such manner that the covenants made by this Section 8.9 shall be observed, and if any conflict between Section 8.9 and any other provisions in this Agreement shall arise, then in such case, Section 8.9 shall control;

(2) That the Lessee will never permit the occurrence of any circumstances set forth in Section 103(c)(6)(D) and (E) of the Internal Revenue Code of 1954 which might cause interest on the Bonds to lose its tax exempt status; and Lessee will not commit, or permit to be committed, any act which would cause interest on the Bonds to become subject to Federal Income Taxes by virtue of Section 103(c)(1) of the Internal Revenue Code of 1954, nor fail to take any action necessary to be taken in order that the exemption



of said Section 103(c)(6)(D) and (E) will continue to apply to the Bonds;

(3) That within 60 days following (i) February 1, 1973, and (ii) the first day of each February, to and including February 1, 1976, the Lessee will furnish to the Trustee a certificate of independent certified public accountants, together with an opinion of Independent Counsel, stating that during the period beginning October 1, 1972, to such February 1 (or, in the case of the February 1, 1976 certificate, to the 3rd anniversary of the date of the delivery of the Bonds), capital expenditures (including the \$1,300,000 principal amount of the Bonds) in excess of the greater of (a) \$5,000,000, or (b) the capital expenditures limitation prescribed by said Section 103(c)(6)(D) if hereafter amended so as to increase the limitation, have not been paid or incurred with respect to "facilities" described in Section 103(c)(6)(E) of the Internal Revenue Code of 1954, in Spartanburg County, South Carolina, of which the Lessee or a related person as defined in Section 103(c)(6)(C) of the Internal Revenue Code of 1954 or will be is the principal user; and

(4) That it will comply with the governing regulations applicable to Section 103 of the Internal Revenue Code of 1954 to the extent that compliance therewith is necessary in order that interest on the Bonds shall remain exempt.

Nothing herein contained is intended to create any obligation upon the Lessee as a result of interest on any Bond becoming taxable or any deficiency being asserted against the holder of any Bond by virtue of the provisions of Section 103(c)(7) of the Internal Revenue Code of 1954.

ARTICLE IX

ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING; REDEMPTION;  
RENT PREPAYMENT AND ABATEMENT

SECTION 9.1. Assignment and Subleasing. This Agreement may be assigned, and the Project may be subleased as a whole or in part, by the Lessee without the necessity of obtaining the consent of either the County or the Trustee, subject, however, to each of the following conditions:

(a) No assignment (other than pursuant to Section 8.3 hereof) or subleasing shall relieve the Lessee from primary liability for any of its obligations hereunder, and in the event of any such assignment or subleasing, the Lessee shall continue to remain primarily liable for payment of the rents specified in Section 5.3 hereof and for the payment, performance and observance of the other obligations and agreements on its part herein provided to be performed and observed by it.

(b) The assignee or sublessee shall assume in writing the obligations and covenants of the Lessee hereunder to the extent of the interest assigned or subleased.

(c) The Lessee shall, within thirty days after the delivery thereof, furnish or cause to be furnished to the County and to the Trustee a true and complete copy of each such assignment or sublease, as the case may be, accompanied by a certificate of an independent certified public accountant and an opinion of Independent Counsel that nothing in the transaction so done has violated any covenant of Section 8.9.



SECTION 9.2. Mortgage of Property by County. The County will mortgage the Project by the Indenture, and assign its interest in and pledge any moneys receivable under this Agreement (except payments made in lieu of taxes pursuant to Section 5.5 and payments made pursuant to Section 8.7) pursuant to the Indenture, to the Trustee as security for payment of the principal of, premium, if any, and interest on the Bonds, but each such mortgage, assignment or pledge shall be subject and subordinate to this Agreement.

SECTION 9.3. Restrictions on Sale of Project by County. The County agrees that, except as set forth in Section 9.2 hereof or other provisions of this Agreement or the Indenture, it will not sell, convey, mortgage, encumber or otherwise dispose of any part of the Project during the Lease Term.

SECTION 9.4. Redemption of Bonds. The County, at the request at any time of the Lessee and if the same are then callable, shall forthwith take all steps that may be necessary under the applicable redemption provisions of the Indenture to effect redemption of all or part of the then outstanding Bonds, as may be specified by the Lessee, on the earliest redemption date on which such redemption may be made under such applicable provisions.

SECTION 9.5. Prepayment of Rents. There is expressly reserved to the Lessee the right, and the Lessee is authorized and permitted, at any time it may choose, to prepay all or any part of the rents payable under Section 5.3 hereof, and the County agrees that the Trustee may accept such prepayment of rents when the same are tendered by the Lessee. All rents so prepaid shall be credited on the rental payments



specified in Section 5.3 hereof, in the order of their due dates.

SECTION 9.6. Lessee Entitled to Certain Rent Abatements if Bonds Paid Prior to Maturity. If at any time the aggregate moneys in the Bond Fund shall be sufficient to retire in accordance with the provisions of the Indenture all of the Bonds at the time outstanding, and to pay all fees and charges of the Trustee and any paying agents on the Bonds due or to become due through the date on which the last of the Bonds is retired, under circumstances not resulting in termination of the Lease Term, and if the Lessee is not at the time otherwise in default hereunder, the Lessee shall be entitled to use and occupy the Project from the date on which such aggregate moneys are in the hands of the Trustee to and including October 1, 1987, with no obligation to make the rental payments specified in the first paragraph of Section 5.3 hereof during that interval (but otherwise on the terms and conditions hereof).

SECTION 9.7. Reference to Bonds Ineffective After Bonds Paid. Upon payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture) and all fees and charges of the Trustee, all references in this Agreement to the Bonds and the Trustee shall be ineffective and neither the Trustee nor the holders of any of the Bonds shall thereafter have any rights hereunder, saving and excepting those that shall have theretofore vested. For the purpose of this Agreement the Bonds shall be deemed fully paid:

- (a) If there is no default under Section 8.9 and there is on deposit in the Bond Fund a total

amount sufficient to pay the principal of all the then outstanding Bonds plus the interest due thereon until and at their respective maturities and provision for payment of all Trustee's and paying agents' fees, accrued and to accrue, has been made in a manner satisfactory to the Trustee and such paying agents, or

(b) If there have been irrevocably deposited with the Trustee (i) moneys sufficient to pay, redeem and retire all the then outstanding Bonds (including, without limitation, principal, premium, interest to maturity or earliest applicable redemption date, as the case may be, expenses of redemption and Trustee's and paying agents' fees), and (ii) evidence satisfactory to the Trustee that all redemption notices required by the Indenture have been duly given by the County or the Trustee has been irrevocably authorized to give such redemption notices.

ARTICLE X

EVENTS OF DEFAULT AND REMEDIES

SECTION 10.1. Events of Default Defined. The following shall be "events of default" under this Agreement and the terms "event of default" or "default" shall mean, whenever they are used in this Agreement, any one or more of the following events:

(a) Failure by the Lessee to pay the rents required to be paid under Section 5.3 of this Agreement at the times specified therein and continuing for a period of five days after notice by telegram, or if telegraphic service is not available then after notice by mail given to the Lessee and the Guarantor by either the Trustee or the County that the payment referred to in such notice has not been received.

(b) Violation by the Lessee of any of the covenants set forth in Section 8.9(2) and Section 8.9(4) hereof and failure of the Lessee to fulfill its obligation to purchase the Project as provided in Section 12.2 hereof.

(c) Failure by the Lessee to observe and perform any covenant, condition or agreement in this Agreement on the part of the Lessee to be observed or performed, other than as referred to in subsections (a) and (b) of this Section, or failure by the Guarantor to observe and perform any covenant, condition or agreement in the Lease Guaranty Agreement on the part of the Guarantor to be observed or performed, for a period of 30 days after written notice, specifying such failure and requesting that it be remedied, given



to the Lessee and the Guarantor by the County or the Trustee, unless the County and the Trustee shall agree in writing to an extension of such time prior to its expiration (or in the case of any such default, other than any default in the payment of money, which cannot with due diligence be cured within such 30-day period, if Lessee or Guarantor shall fail to proceed promptly to cure the same and thereafter prosecute the curing of such default with due diligence, it being intended in connection with such a default not susceptible of being cured with due diligence with the 30 days that the time of Lessee within which to cure the same shall be extended for such period as may be necessary to complete the curing of the same with all due diligence).

(d) The dissolution or liquidation of any one of the corporations constituting the Lessee or the dissolution or termination of the Guarantor or the filing by any such corporation or by the Guarantor of a voluntary petition in bankruptcy, or failure by any such corporation promptly to lift any execution, garnishment or attachment of such consequence as will impair the ability of the Lessee to carry on its operations at the Project, or the commission by any such corporation or by the Guarantor of any act of bankruptcy, or adjudication of any such corporation or of the Guarantor as a bankrupt, or assignment by any such corporation or by the Guarantor for the benefit of its creditors, or the entry by any such corporation or by the Guarantor into an agreement

of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to any such corporation or to the Guarantor in any proceeding for its reorganization instituted under the provisions of the general bankruptcy act, as amended, or under any similar act in any domestic or foreign jurisdiction which may now be in effect or hereafter enacted. The term "dissolution or liquidation of any one of the corporations constituting the Lessee," as used in this subsection, shall not be construed to include the cessation of the corporate existence of any such corporation resulting either from a merger or consolidation of such corporation into or with another corporation or a dissolution or liquidation of such corporation following a transfer of all or substantially all of its assets as an entirety, provided, that the conditions permitting such actions contained in Section 8.3 hereof shall have been met.

The foregoing provisions of this Section are subject to the following limitations: If by reason of force majeure the Lessee is unable in whole or in part to carry out the agreements of the Lessee on its part herein contained (other than the obligations on the part of the Lessee contained in Article V and Sections 6.3, 6.4, 8.7, 8.9 and 12.2 hereof, to which this paragraph shall have no application), the Lessee shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: 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 South Carolina or any of their departments, agencies, or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquake; fire; hurricane; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the Lessee, it being agreed that the settlement of strikes, lockouts, and other industrial disturbances shall be entirely within the discretion of the Lessee, and the Lessee 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 Lessee, unfavorable to the Lessee.

SECTION 10.2. Remedies on Default. Whenever any event of default referred to in Section 10.1 hereof shall have happened and be subsisting, the County may take any one or more of the following remedial steps:

(a) The County or the Trustee as provided in the Indenture may, at its option, declare all installments of rent payable under Section 5.3 hereof for the remainder of the Lease Term to be immediately due and payable, whereupon the same shall become immediately due and payable.

(b) The County, with the prior written consent of the Trustee, may re-enter and take possession of the Project without terminating this Agreement, and sublease the Project for the account of the Lessee,



holding the Lessee liable for the difference in the rent and other amounts actually paid by such sublessee in such subleasing and the rents and other amounts payable by the Lessee hereunder; provided, that in the case of an event of default referred to in Section 10.1(a) hereof, the County shall not be entitled to take such action until the sixth day after the giving of notice as prescribed in Section 10.1(a).

(c) The County, with the prior written consent of the Trustee, may terminate the Lease Term, exclude the Lessee from possession of the Project and use its best efforts to lease the Project to another for the account of the Lessee, holding the Lessee liable for all rent and other amounts payable by the Lessee hereunder; provided, that in the case of an event of default referred to in Section 10.1(a) hereof, the County shall not be entitled to take such action until the sixth day after the giving of notice as prescribed in Section 10.1(a).

(d) In the event any of the Bonds shall at the time be outstanding and unpaid, the County may have access to and inspect, examine and make copies of the books and records and any and all accounts, similar data and income tax and other tax returns of the Lessee.

(e) The County may take whatever action at law or in equity may appear necessary or desirable to collect the rent and other amounts then due and thereafter to become due or to enforce performance and observance of any obligation, agreement or covenant of the Lessee under this Agreement.

Any amounts collected pursuant to action taken under this Section shall be paid into the Bond Fund and applied in accordance with the provisions of the Indenture or, if the Bonds have been fully paid (or provision for payment thereof has been made in accordance with the provisions of the Indenture) and the Lessee is then in good standing with respect to the payment of rent hereunder and shall have paid the County and the Trustee all other sums due and owing hereunder, to the Lessee.

No action taken pursuant to this Section (including repossession of the Project or termination of the Lease Term) shall relieve the Lessee from the Lessee's obligations pursuant to Section 5.3, Section 10.2(a) and Section 12.2 hereof, all of which shall survive any such action, and the County or the Trustee may take whatever action at law or in equity as may appear necessary and desirable to collect the rent and other amounts then due and thereafter to become due and/or to enforce the performance and observance of any obligation, agreement or covenant of the Lessee hereunder, including the Lessee's obligation to purchase the Project under Section 12.2 hereof.

SECTION 10.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the County 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 County 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. Such rights and remedies as are given the County hereunder shall also extend to the Trustee, and the Trustee and the holders of the Bonds shall be deemed third party beneficiaries of all covenants and agreements herein contained.

SECTION 10.4. Agreement to Pay Attorneys' Fees and Expenses. In the event the Lessee should default under any of the provisions of this Agreement and the County or the Trustee should employ attorneys or incur other expenses for the collection of rent or the enforcement of performance or observance of any obligation or agreement on the part of the Lessee herein contained, the Lessee agrees that it will on demand therefor pay to the County or the Trustee the reasonable fee of such attorneys and such other expenses so incurred by the County or the Trustee.

SECTION 10.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.



ARTICLE XI

OPTIONS IN FAVOR OF THE LESSEE

SECTION 11.1. Options to Terminate. The Lessee shall have, and is hereby granted, the following options to terminate the Lease Term:

(a) At any time prior to full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture), the Lessee may terminate the Lease Term (i) by paying to the Trustee an amount which, when added to the amount on deposit in the Bond Fund, will be sufficient to pay, retire and redeem all the outstanding Bonds in accordance with the provisions of the Indenture (including, without limiting the generality of the foregoing, principal, interest to maturity or earliest applicable redemption date, as the case may be, premium, if any, expenses of redemption and Trustee's and paying agents' fees and expenses), and in case of redemption making arrangements satisfactory to the Trustee for the giving of the required notice of redemption, (ii) by paying to the County any and all sums then due to the County under this Agreement, and (iii) by giving the County notice in writing of such termination, and such termination shall forthwith become effective.

(b) At any time after full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture) and of any and all sums then due to the County under this Agreement, the Lessee may terminate the Lease

Term by giving the County notice in writing of such termination and such termination shall forthwith become effective.

SECTION 11.2. Option to Purchase Project Prior to Payment of the Bonds. The Lessee shall have, and is hereby granted, the option to purchase the Project prior to the full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture), if any of the events set forth in the following clauses shall have occurred:

(a) The Building or the Leased Equipment shall have been damaged or destroyed (i) to such extent that it cannot be reasonably restored within a period of six months to the condition thereof immediately preceding such damage or destruction, or (ii) to such extent that the Lessee is thereby prevented from carrying on its normal operations at the Project for a period of six months, or (iii) to such extent that the cost of restoration thereof would exceed by \$50,000 the Net Proceeds of insurance carried thereon pursuant to the requirements of Section 6.4(a) and Section 6.4(c) hereof, plus the deductible amounts for which the Lessee is self-insured with respect to the Project.

(b) Title to, or the temporary use of, all or substantially all the Project, or such part thereof as shall materially interfere, in Lessee's judgment, with the operation of the Project for the purpose for which the Project is designed, shall have been

taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority (including such a taking or takings as results in the Lessee being thereby prevented from carrying on its normal operations at the Project for a period of six months).

(c) As a result of any changes in the Constitution of South Carolina or the Constitution of the United States of America or of legislative or administrative action (whether state or federal) or by final decree, judgment or order of any court or administrative body (whether state or federal) entered after the contest thereof by the Lessee in good faith, this Agreement shall have become void or unenforceable or impossible in accordance with the intent and purposes of the parties as expressed in this Agreement, or unreasonable burdens or excessive liabilities shall have been imposed on the County or the Lessee in respect to the Project including without limitation federal, state or other ad valorem, property, income or other taxes not being imposed on the date of this Agreement.

To exercise such option, the Lessee shall, within ninety days following the event authorizing the exercise of such option, give written notice to the County, and to the Trustee if any of the Bonds shall then be unpaid, and shall specify therein the date of closing such purchase, which date shall be not less than forty-five nor more than ninety days from



the date such notice is mailed, and in case of a redemption of the Bonds in accordance with the provisions of the Indenture, shall make arrangements satisfactory to the Trustee for the giving of the required notice of redemption. The purchase price payable by the Lessee in the event of its exercise of the option granted in this Section shall be the sum of the following:

(1) An amount of money which, when added to the amount then on deposit in the Bond Fund, will be sufficient to retire and redeem all the then outstanding Bonds on the earliest possible date after notice as provided by the Indenture, whether or not such date is an interest payment date, including without limitation, principal, all interest to accrue to said redemption date and redemption expense, plus

(2) An amount of money equal to the Trustee's and paying agent's fees and expenses under the Indenture accrued and to accrue until such final payment and redemption of the Bonds, plus

(3) The sum of one dollar, and any and all other sums then due to the County under this Agreement, for the Leased Land and Building.

In the event of the exercise of the option granted in this Section any Net Proceeds of insurance or condemnation shall be paid to the Lessee simultaneously with the conveyance prescribed by Section 11.4 hereof.

SECTION 11.3. Option to Purchase Unimproved Land.

If no event of default under this Agreement shall have happened and then be continuing, the Lessee shall have, and is hereby

granted the option to purchase any part of the Leased Land on which the Building is not located, but upon which transportation or utility facilities may be located, at any time and from time to time at and for a purchase price of \$\_\_\_\_\_ per acre provided that it furnishes the County with the following:

(a) A notice in writing containing (i) an adequate legal description of that portion of the Leased Land with respect to which such option is to be exercised, (ii) a statement that the Lessee intends to exercise its option to purchase such portion of the Leased Land on a date stated, which shall not be less than forty-five nor more than ninety days from the date of such notice and (iii) a statement that the use to which the Lessee intends to devote such portion of the Leased Land will promote the continued industrial development of South Carolina.

(b) A certificate of an Independent Engineer who is acceptable to the Trustee, dated not more than ninety days prior to the date of the purchase and stating that, in the opinion of the person signing such certificate, (i) the portion of the Leased Land with respect to which the option is exercised is not needed for the operation of the Project for the purposes hereinabove stated, and (ii) the purchase will not impair the usefulness of the Project as a warehouse facility and will not destroy the means of ingress thereto and egress therefrom.

(c) An amount of money equal to the purchase price computed as provided in this Section.

The County agrees that upon receipt of the notice, certificate and money required in this Section to be furnished to it by the Lessee, the County will promptly deliver such money to the Trustee for deposit in the Bond Fund, and secure from the Trustee a release from the lien of the Indenture of such portion of the Leased Land with respect to which the Lessee shall have exercised the option granted to it in this Section. In the event the Lessee shall exercise the option granted to it under this Section, the Lessee shall not be entitled to any abatement or diminution of the rents payable under Section 5.3, and if such option relates to Leased Land on which transportation or utility facilities are located, the County shall retain an easement to use such transportation or utility facilities to the extent necessary for the efficient operation of the Project.

SECTION 11.4. Conveyance on Exercise of Option to Purchase. At the closing of any purchase pursuant to any option to purchase granted herein, the County shall upon receipt of the purchase price deliver to the Lessee the following:

(a) If necessary, a release from the Trustee of the property with respect to which the option was exercised from the lien of the Indenture.

(b) Documents conveying to the Lessee good and marketable title to the property being purchased, as such property then exists, subject to the following:

(i) those liens and encumbrances (if any) to which title to said property was subject when conveyed to the County; (ii) those liens and encumbrances created by the Lessee or to the creation or suffering



of which the Lessee consented; (iii) those liens and encumbrances resulting from the failure of the Lessee to perform or observe any of the agreements on its part contained in this Agreement; (iv) Permitted Encumbrances other than the Indenture and this Agreement; and (v) if the option is exercised pursuant to the provisions of Section 11.2(b) hereof, the rights and title of the condemning authority.

SECTION 11.5. Relative Position of Options and Indenture.

The options respectively granted to the Lessee in this Article except under Section 11.3 hereof shall be and remain prior and superior to the Indenture and may be exercised whether or not the Lessee is in default hereunder, provided that no such default will result in non-fulfillment of any condition to the right of the Lessee to obtain a conveyance of the Project by making the payments required hereunder.

ARTICLE XII

ADDITIONAL OBLIGATIONS OF LESSEE AND COUNTY

SECTION 12.1. Obligation to Purchase Project. The Lessee hereby agrees to purchase, and the County hereby agrees to sell, the Project for one dollar, and any and all sums then due to the County under this Agreement, at the expiration or sooner termination of the Lease Term following full payment of the Bonds, or provision for payment thereof having been made, in accordance with the provisions of the Indenture. At the closing of the foregoing purchase, the County shall deliver to the Lessee the documents referred to in Section 11.4 hereof. The right to purchase granted in this Section shall be and remain prior and superior to the Indenture and may be exercised whether or not the Lessee is in default hereunder provided that no such default will result in nonfulfillment of any condition to this right.

SECTION 12.2. Lessee's Obligation to Purchase Project Under Certain Circumstances. Should Lessee be unable to provide the certificate and opinion required by Section 8.9(3) or should, by reason of any actual or claimed violation of any covenant set forth in Section 8.9(2) or Section 8.9(4) (whether through act of the Lessee or circumstances not under Lessee's control or otherwise) interest on the Bonds be determined by (i) the National Office of the Internal Revenue Service of the United States Treasury Department, or (ii) the District Director of Internal Revenue for the District in which the Lessee files the Statements required by the governing regulations referred to in Section 8.9(4) hereof, or (iii) any court of competent jurisdiction, to

be subject to Federal Income Tax by reason of a violation (actual or claimed) of the capital expenditure limitation prescribed in Section 103(c)(6)(D) of the Internal Revenue Code of 1954, the Lessee agrees to purchase, in full discharge of all liability hereunder, the Project within thirty days after such determination at a purchase price equal to the principal amount of all Bonds then outstanding plus accrued interest to the redemption date and a redemption premium computed in the manner prescribed in Section 12.4, plus any expenses of redemption and the Trustee's and paying agent's fees and charges, but after the deduction of the amount, if any, then in the Bond Fund. The obligation of the Lessee under this Section 12.2 shall survive any termination of the Lease Term of this Agreement. Provided, that the Lessee may in good faith to the extent permitted by law, contest, at Lessee's expense, any such determination, in which event, at Lessee's option, the performance of its obligation to purchase pursuant to the foregoing provisions of this Section 12.2 as a result of that determination may be postponed for one year from the date of Lessee's receipt of written notice regarding the earliest such determination; but in no event shall the performance of Lessee's obligation to purchase be postponed beyond the expiration of such one year period, even though any such litigation or contest shall not then be completed or terminated. If such determination is reversed or withdrawn by competent authority within such one year period Lessee shall be relieved of such obligation to purchase.

At the closing of any such purchase of the Project pursuant to this Section 12.2, the County shall deliver to the



Lessee the documents referred to in Section 11.5. The purchase price shall be applied, together with other available monies in the Bond Fund, to the redemption of the Bonds on the earliest possible date after notice as provided in the Indenture, whether or not such date is an interest payment date, and to the payment of any redemption premium required by Section 12.4 on account of previously paid Bonds.

SECTION 12.3. Obligation of Lessee Further Defined.

The parties recognize that the Bonds are being issued as tax free obligations by virtue of an election made under Section 103(c)(6)(D) of the Internal Revenue Code of 1954, and that circumstances (not now contemplated or anticipated) may hereafter result in a determination as described in Section 12.2 (which may be disputed) that interest on the Bonds is subject to Federal Income Taxes by reason of a violation of the capital expenditure limitation prescribed in Section 103(c)(6)(D) of the Internal Revenue Code of 1954. It is the intention of the parties hereto that subject to the proviso of Section 12.2, the Lessee, in the event of such a determination, shall provide each person who is a holder of a Bond on the occasion as of which interest on the Bonds becomes (or is determined to be) taxable, with the relief prescribed in Section 12.2 and Section 12.4 hereof, without regard to the final outcome of any dispute as to such determination, and such determination as prescribed in Section 12.2 shall be (subject to the proviso of Section 12.2) conclusive even though it might be thereafter determined by Court order, ruling or otherwise that interest on the Bonds was, in fact, not subject to Federal Income Taxes.

SECTION 12.4. Computation of Additional Redemption

Premium. In the event the Lessee is required to purchase the Project by virtue of the provisions of Section 12.2, the redemption premium payable shall be the aggregate of the premiums computed on each Bond outstanding on the date as of which interest on the Bonds becomes (or is determined as provided in Section 12.2 to have become) taxable as follows: a redemption premium determined by multiplying the annual interest on such Bond by the number of 360 day periods, or fraction thereof, between the date as of which interest on the Bonds is (or is determined to be) taxable and the date of redemption or the earlier payment date of any Bond which shall have been paid (whether at maturity or by redemption) subsequent to the date as of which interest on the Bonds is (or is determined as provided in Section 12.2 to be) taxable (less any optional redemption premium previously paid on such Bond). On the occasion of the purchase of the Project pursuant to the requirements of Section 12.2 the purchase price paid by Lessee shall include the premium above prescribed so that each person who is the holder of any Bond on the redemption date, as well as each person who was the holder of any Bond on the occasion when the same was paid (whether at maturity or by redemption) prior to such redemption date but subsequent to the date as of which interest on the Bonds became (or was so determined to have become) taxable, shall receive a premium on each such Bond computed according to the provisions of this Section 12.4.

ARTICLE XIII

MISCELLANEOUS

SECTION 13.1. Quiet Enjoyment. The County agrees so long as the Lessee shall fully and punctually pay all of the rents and other amounts provided to be paid hereunder by the Lessee, and shall fully and punctually perform all of its other covenants and agreements hereunder, that the Lessee shall peaceably and quietly have, hold and enjoy the Project during the Lease Term.

SECTION 13.2. Surrender of Project. Except as otherwise provided in this Agreement at the expiration or sooner termination of the Lease Term, the Lessee agrees to surrender possession of the Project peaceably and promptly to the County in as good condition as at the commencement of the Lease Term, ordinary wear, tear and obsolescence only excepted.

SECTION 13.3. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered mail, postage prepaid, or given when dispatched by telegram when telegraphic notice is permitted, or required by express provisions of this Agreement, addressed as follows: if to the County, to the Board of County Commissioners of Spartanburg County, Spartanburg County Court House, Spartanburg, South Carolina; if to the Lessee, at \_\_\_\_\_, Attention: \_\_\_\_\_; if to the Trustee, at \_\_\_\_\_, Attention: Corporate Trust Officer; if to the Guarantor, at \_\_\_\_\_, Attention: \_\_\_\_\_. The County, the Lessee, the Guarantor and the Trustee may, by notice given to all parties



to this Agreement and the Indenture, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 13.4. Recording and Filing.

(a) This Agreement as originally executed shall be recorded prior to the recordation of the Indenture. It shall be recorded and indexed as a miscellaneous conveyance and as a security agreement in the R. M. C. Office for Spartanburg County, South Carolina, or in such other office as may at the time be provided by law as the proper place for recordation thereof. The security interest of the County created herein as to any personal property, equipment and fixtures forming a part of the Project shall be perfected by the filing of financing statements which fully comply with the South Carolina Uniform Commercial Code--Secured Transactions, in the R. M. C. Office for Spartanburg County and in the Office of the Secretary of State in the City of Columbia, S. C. The parties further agree that all necessary continuation statements shall be filed within the time prescribed by the South Carolina Uniform Commercial Code--Secured Transactions, in order to continue the security interests created by this Agreement, to the end that the rights of the holders of the Bonds and the Trustee in the Project shall be fully preserved as against creditors of, or purchasers for value from, the County or the Lessee.

(b) The deed conveying the Leased Land to the County, this Agreement and the Indenture may be recorded

prior to the delivery of the Bonds. If subsequent to such recording the Bonds shall not be delivered on or before October 31st, 1972, or such later date as the Lessee may agree upon in writing, then the said deed, this Agreement and the Indenture shall be of no force and effect and in such event the County and the Lessee do hereby mutually release and discharge each other from any and all claims of any character which either may have against the other by reason of or arising from a failure to deliver the Bonds; and all properties conveyed to the County by the said deed and for the same consideration paid by the County less any advances made therefor by the Lessee or Guarantor. All parties shall execute such further instruments as may be necessary to fully implement the provisions of this subsection (b) of Section 13.4.

SECTION 13.5. Other Instruments.

(a) The Lessee covenants to deliver to the County and the Trustee within 60 days (i) after the Completion Date, and (ii) after each October 1 thereafter, a description of the Project, on the Completion Date or such October 1, as appropriate, if the Project is not adequately described in the granting clauses of the Indenture as then supplemented, and in the demising clauses of this Agreement as then amended. Such description shall be sufficiently detailed so as to enable counsel to render the opinion referred to in clause (4) of the next succeeding sentence. Within 30 days after delivery of such description,

the Lessee covenants that it will:

(1) prepare a supplement to the Indenture and an amendment to this Agreement, each containing an adequate and full description of the Project;

(2) deliver the supplement to the Indenture to the Trustee and the County and the supplement to this Agreement to the County, for execution;

(3) deliver the fully executed supplement to the Indenture and the fully executed supplement to this Agreement to the Trustee for recording and filing or re-recording or re-filing in all places required by the opinion of counsel referred to in subsection (a) (4) of this Section 13.4; and

(4) deliver to the Trustee a written opinion of counsel (who may be counsel for the County or the Lessee), addressed to the Trustee that the description of the Mortgaged Property (as defined in Article I of the Indenture) contained in the granting clauses of the Indenture, as supplemented, and the description of the Project contained in the demising clauses of this Agreement, as supplemented, are adequate for all purposes thereof and hereof and in the opinion given with respect to the Completion Date, that such descriptions include descriptions of the entire Project; that the Indenture, as supplemented, constitutes a valid first mortgage lien on the interest of the County in the said Mortgaged



Property, subject only to Permitted Encumbrances other than the Indenture; that the Indenture, as supplemented, this Agreement, as supplemented and all financing statements, continuation statements, notices and other instruments required by applicable law have been recorded or filed or re-recorded or re-filed in such manner and in such places required by law in order fully to preserve and protect the rights of the holders or owners of the Bonds and the Trustee in the Project (and in the assignment to the Trustee of the rents payable under this Agreement) as against creditors of, or purchasers for value from, the County or the Lessee.

(b) The Lessee, the County and the Trustee shall execute and deliver all instruments and shall furnish all information and evidence deemed necessary or advisable by such counsel in order to enable him to render the opinion referred to in subsection (a)(4) of this Section 13.5. The Trustee shall file and record and re-record or cause to be filed and recorded and re-recorded all instruments required to be filed and recorded and re-recorded pursuant to the opinion of such counsel and shall continue or cause to be continued the liens of such instruments for so long as the Bonds shall be outstanding, except as otherwise in this Agreement required.

SECTION 13.6. Obligations of Lessee Joint and Several.

The Lessee agrees that all of the obligations of the Lessee to make any and all payments and to perform and observe all

other agreements on the part of the Lessee, under this Lease Agreement are, and shall be, the joint and several obligations of each of the corporations hereinabove collectively designated as the Lessee; and such obligations shall be enforceable against each such corporation.

SECTION 13.7. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the County, the Lessee and their respective successors and assigns, subject, however, to the limitations contained in Section 8.3, 9.1, 9.2 and 9.3 hereof.

SECTION 13.8. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 13.9. Amounts Remaining in Bond Fund. It is agreed by the parties hereto that any amounts remaining in the Bond Fund after payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture) and the fees, charges and expenses of the Trustee and paying agents in accordance with the Indenture, shall belong to and be paid to the Lessee by the Trustee as overpayment of rents.

SECTION 13.10. Amendments, Changes and Modifications. This Agreement may not be amended, changed, modified, altered or terminated without in each instance the prior written consent of the Trustee.

SECTION 13.11. Net Lease. This Agreement shall be deemed and construed to be a "net lease", and the Lessee shall pay absolutely net during the Lease Term the rent

and all other payments required hereunder, free of any deductions, without abatement, diminution or set-off other than those herein expressly provided.

SECTION 13.12. Execution of Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 13.13. Law Governing Construction of Agreement. This Agreement is prepared and entered into with the intention that the law of the State of South Carolina shall govern its construction.

IN WITNESS WHEREOF, SPARTANBURG COUNTY, SOUTH CAROLINA, has executed this Lease Agreement by causing its name to be hereunto subscribed by the Chairman of its Board of County Board of Commissioners of Spartanburg County and the official seal of said County Board to be impressed hereon and attested by the Clerk of said County Board; and RAYCORD REALTY COMPANY, THE ROSEMONT COMPANY, THE WALMONT COMPANY, THE SHUMONT COMPANY, ATLAS REALTY COMPANY, THE BEAUMONT COMPANY, ADEN BONDED WAREHOUSE CO., NEW SOUTH WAREHOUSE CO. and INTERSTATE WAREHOUSE CO. have each executed this Lease Agreement by causing its corporate name to be hereunto subscribed by its President and its corporate seal to be impressed hereon and attested by its Secretary, all being done as of the day and year first above written.

SPARTANBURG COUNTY, SOUTH CAROLINA

(SEAL)

By \_\_\_\_\_  
Chairman of the Board of County  
Commissioners of Spartanburg County



Attest:

\_\_\_\_\_  
Clerk of the Board of County  
Commissioners of Spartanburg County

Signed, Sealed and Delivered in  
the Presence of:

\_\_\_\_\_  
\_\_\_\_\_

RAYCORD REALTY COMPANY

(SEAL)

By \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

Signed, Sealed and Delivered in  
the Presence of:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

THE ROSEMONT COMPANY

(SEAL)

By \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

Signed, Sealed and Delivered in  
the Presence of:

\_\_\_\_\_  
\_\_\_\_\_

XIII - 10

1671



THE WALMONT COMPANY

(SEAL)

By \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

Signed, Sealed and Delivered in  
the Presence of:

\_\_\_\_\_  
\_\_\_\_\_

XIII - 11

| 1672

THE SHUMONT COMPANY

(SEAL)

By \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

Signed, Sealed and Delivered in  
the Presence of:

\_\_\_\_\_  
\_\_\_\_\_

ATLAS REALTY COMPANY

(SEAL)

By \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

Signed, Sealed and Delivered in  
the Presence of:

\_\_\_\_\_  
\_\_\_\_\_



THE BEAUMONT COMPANY

(SEAL)

By \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

Signed, Sealed and Delivered in  
the Presence of:

\_\_\_\_\_  
\_\_\_\_\_

ADEN BONDED WAREHOUSE CO.

(SEAL)

By \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

Signed, Sealed and Delivered in  
the Presence of:

\_\_\_\_\_  
\_\_\_\_\_

NEW SOUTH WAREHOUSE CO.

(SEAL)

By \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

Signed, Sealed and Delivered in  
the Presence of:

\_\_\_\_\_  
\_\_\_\_\_



INTERSTATE WAREHOUSE CO.

(SEAL)

By \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

Signed, Sealed and Delivered in  
the Presence of:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

STATE OF SOUTH CAROLINA,  
COUNTY OF SPARTANBURG.

PERSONALLY appeared before me \_\_\_\_\_  
who being duly sworn says that (s)he saw the corporate seal  
of Spartanburg County, South Carolina, affixed to the foregoing  
Lease Agreement, and that (s)he also saw \_\_\_\_\_  
as Chairman and \_\_\_\_\_ as Clerk of the Board of County  
Commissioners of Spartanburg 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 the said Spartanburg County, South Carolina.

\_\_\_\_\_

SWORN to before me this

\_\_\_\_\_ day of \_\_\_\_\_, A. D. 1972.

\_\_\_\_\_  
Notary Public for South Carolina (L.S.)

My Commission Expires \_\_\_\_\_.

STATE OF SOUTH CAROLINA,

COUNTY OF \_\_\_\_\_.

PERSONALLY appeared before me \_\_\_\_\_

who being duly sworn says that (s)he saw the corporate seal  
of Raycord Realty Company affixed to the foregoing Lease  
Agreement, and that (s)he also saw \_\_\_\_\_

as President and \_\_\_\_\_ as Secretary of  
said Corporation, sign and attest the same, and the (s)he  
with \_\_\_\_\_ witnessed the execution  
and delivery thereof as the act and deed of the said Raycord  
Realty Company.

\_\_\_\_\_

SWORN to before me this

\_\_\_\_\_ day of \_\_\_\_\_, A. D. 1972.

\_\_\_\_\_  
(L.S.)  
Notary Public for State of South Carolina.

My Commission Expires \_\_\_\_\_.



STATE OF SOUTH CAROLINA,

COUNTY OF \_\_\_\_\_.

PERSONALLY appeared before me \_\_\_\_\_  
who being duly sworn says that (s)he saw the corporate seal  
of The Rosemont Company affixed to the foregoing Lease Agreement,  
and that (s)he also saw \_\_\_\_\_ as President  
and \_\_\_\_\_ as Secretary of said Corporation,  
sign and attest the same, and the (s)he with \_\_\_\_\_  
witnessed the execution and delivery thereof as the act  
and deed of the said The Rosemont Company.

SWORN to before me this

\_\_\_\_\_ day of \_\_\_\_\_, A. D. 1972.

\_\_\_\_\_  
(L.S.)  
Notary Public for State of South Carolina.

My Commission Expires \_\_\_\_\_.

STATE OF SOUTH CAROLINA,

COUNTY OF \_\_\_\_\_.

PERSONALLY appeared before me \_\_\_\_\_

who being duly sworn says that (s)he saw the corporate seal  
of The Walmont Company affixed to the foregoing Lease Agreement,  
and that (s)he also saw \_\_\_\_\_ as President  
and \_\_\_\_\_ as Secretary of said Corporation,  
sign and attest the same, and the (s)he with \_\_\_\_\_  
witnessed the execution and delivery thereof as the act  
and deed of the said The Walmont Company.

\_\_\_\_\_

SWORN to before me this

\_\_\_\_\_ day of \_\_\_\_\_, A. D. 1972.

\_\_\_\_\_  
(L.S.)  
Notary Public for State of South Carolina.

My Commission Expires \_\_\_\_\_.

STATE OF SOUTH CAROLINA,

COUNTY OF \_\_\_\_\_.

PERSONALLY appeared before me \_\_\_\_\_  
who being duly sworn says that (s)he saw the corporate seal  
of The Shumont Company affixed to the foregoing Lease Agreement,  
and that (s)he also saw \_\_\_\_\_ as President  
and \_\_\_\_\_ as Secretary of said Corporation,  
sign and attest the same, and the (s)he with \_\_\_\_\_  
witnessed the execution and delivery thereof as the act  
and deed of the said The Shumont Company.

SWORN to before me this

\_\_\_\_\_ day of \_\_\_\_\_, A. D. 1972.

\_\_\_\_\_  
(L.S.)  
Notary Public for State of South Carolina.

My Commission Expires \_\_\_\_\_.



STATE OF SOUTH CAROLINA,

COUNTY OF \_\_\_\_\_.

PERSONALLY appeared before me \_\_\_\_\_  
who being duly sworn says that (s)he saw the corporate seal  
of Atlas Realty Company affixed to the foregoing Lease Agreement,  
and that (s)he also saw \_\_\_\_\_ as President  
and \_\_\_\_\_ as Secretary of said Corporation,  
sign and attest the same, and the (s)he with \_\_\_\_\_  
witnessed the execution and delivery thereof as the act  
and deed of the said Atlas Realty Company.

\_\_\_\_\_

SWORN to before me this

\_\_\_\_\_ day of \_\_\_\_\_, A. D. 1972.

\_\_\_\_\_  
(L.S.)  
Notary Public for State of South Carolina.

My Commission Expires \_\_\_\_\_.

STATE OF SOUTH CAROLINA,

COUNTY OF \_\_\_\_\_.

PERSONALLY appeared before me \_\_\_\_\_  
who being duly sworn says that (s)he saw the corporate seal  
of The Beaumont Company affixed to the foregoing Lease Agreement,  
and that (s)he also saw \_\_\_\_\_ as President  
and \_\_\_\_\_ as Secretary of said Corporation,  
sign and attest the same, and the (s)he with \_\_\_\_\_  
witnessed the execution and delivery thereof as the act  
and deed of the said The Beaumont Company.

SWORN to before me this

\_\_\_\_\_ day of \_\_\_\_\_, A. D. 1972.

\_\_\_\_\_  
(L.S.)  
Notary Public for State of South Carolina.

My Commission Expires \_\_\_\_\_.

STATE OF SOUTH CAROLINA,

COUNTY OF \_\_\_\_\_.

PERSONALLY appeared before me \_\_\_\_\_  
who being duly sworn says that (s)he saw the corporate seal  
of Aden Bonded Warehouse Co. affixed to the foregoing Lease  
Agreement, and that (s)he also saw \_\_\_\_\_  
as President and \_\_\_\_\_ as Secretary of  
said Corporation, sign and attest the same, and the (s)he  
with \_\_\_\_\_ witnessed the execution  
and delivery thereof as the act and deed of the said Aden  
Bonded Warehouse Co.

SWORN to before me this

\_\_\_\_\_ day of \_\_\_\_\_, A. D. 1972.

\_\_\_\_\_  
(L.S.)  
Notary Public for State of South Carolina.

My Commission Expires \_\_\_\_\_.



STATE OF SOUTH CAROLINA,

COUNTY OF \_\_\_\_\_.

PERSONALLY appeared before me \_\_\_\_\_

who being duly sworn says that (s)he saw the corporate seal  
of New South Warehouse Co. affixed to the foregoing Lease  
Agreement, and that (s)he also saw \_\_\_\_\_

as President and \_\_\_\_\_ as Secretary of  
said Corporation, sign and attest the same, and the (s)he  
with \_\_\_\_\_ witnessed the execution  
and delivery thereof as the act and deed of the said New South  
Warehouse Co.

\_\_\_\_\_  
SWORN to before me this

\_\_\_\_\_ day of \_\_\_\_\_, A. D. 1972.

\_\_\_\_\_  
(L.S.)  
Notary Public for State of South Carolina.

My Commission Expires \_\_\_\_\_.

STATE OF SOUTH CAROLINA,

COUNTY OF \_\_\_\_\_.

PERSONALLY appeared before me \_\_\_\_\_  
who being duly sworn says that (s)he saw the corporate seal  
of Interstate Warehouse Co. affixed to the foregoing Lease  
Agreement, and that (s)he also saw \_\_\_\_\_  
as President and \_\_\_\_\_ as Secretary of  
said Corporation, sign and attest the same, and the (s)he  
with \_\_\_\_\_ witnessed the execution  
and delivery thereof as the act and deed of the said Interstate  
Warehouse Co.

SWORN to before me this

\_\_\_\_\_ day of \_\_\_\_\_, A. D. 1972.

\_\_\_\_\_  
(L.S.)  
Notary Public for State of South Carolina.

My Commission Expires \_\_\_\_\_.

EXHIBIT "A"

DESCRIPTION OF LEASED LAND

(Attached to the Lease Agreement between Spartanburg County,  
South Carolina, and Raycord Realty Company, et al, dated as  
of October 1, 1972)

Exhibit A - 1



LEASE GUARANTY AGREEMENT

Attached to Lease Agreement between Spartanburg County, South Carolina and Raycord Realty Company, et al, dated as of October 1, 1972.

FOR VALUE RECEIVED, and as an inducement to and as part of the consideration for the execution and delivery by Spartanburg County, South Carolina (the "County") of the foregoing Lease Agreement dated as of October 1, 1972, between the County and Raycord Realty Company, The Rosemont Company, The Walmont Company, The Shumont Company, Atlas Realty Company, The Beaumont Company, Aden Bonded Warehouse Co., New South Warehouse Co. and Interstate Warehouse Co., each of which is a South Carolina corporation (hereinafter collectively called the "Lessee") and the leasing by the County of property thereunder, and as an inducement to and as part of the consideration for the issuance, execution, sale and delivery of \$1,300,000 Spartanburg County, South Carolina, First Mortgage Industrial Revenue Bonds, Series 1972 (Raycord Realty Company, et al - Lessee) (the "Bonds") described in the Lease Agreement and the purchase of the Bonds, and the assignment by the County of all its right, title and interest in, to and under the Lease Agreement by the Indenture dated as of October 1, 1972, between the County and South Carolina National Bank, as Trustee, (the "Trustee"), to provide for the acquisition and construction of the Project (as defined in the Lease Agreement) the undersigned, Montgomery Industries, a partnership (the "Guarantor"), unconditionally guarantees to the County and the Trustee, their successors or assigns, the full and prompt payment,

when due and at all times thereafter, of each and all of the rents and other sums required to be paid by the Lessee to the County or the Trustee under the terms of the Lease Agreement, as amended or supplemented by an instrument amending or supplementing the Lease Agreement (the foregoing Lease Agreement, as from time to time amended or supplemented, being hereinafter called the "Lease") and the full and prompt performance and observance by the Lessee of each and all of the covenants and agreements required to be performed and observed by the Lessee under the terms of the Lease. The Guarantor further unconditionally agrees to pay an amount or amounts equal to said rents and other sums when due, in the event that the Lessee fails to do so, and to pay all expenses and charges, legal or otherwise (including court costs and attorneys' fees) paid or incurred by the County or the Trustee, their successors or assigns, in realizing upon any of the payments or enforcing covenants hereby guaranteed or in enforcing this Lease Guaranty Agreement (herein sometimes referred to as the "Agreement").

Each and every default by the Lessee under the terms of the Lease shall give rise to a separate cause of action hereunder, and separate suits may be brought hereunder as each cause of action arises.

This Agreement shall remain in full force and effect until the Lessee shall have fully and satisfactorily discharged all of its obligations to the County under the Lease, irrespective of the genuineness, validity, regularity or enforceability of the Lease or any assignment or termination thereof, or the bankruptcy, insolvency, reorganization or dissolution



of the County or any of the corporations hereinabove collectively designated as Lessee, or the assignment for benefit of creditors by the County or any such corporation.

This Agreement and the liability hereunder shall in no wise be affected or impaired by (and the County, its successors or assigns are hereby expressly authorized to make from time to time without notice to anyone) any compromise, settlement, release, renewal, extension, indulgence, change in or modification of any of the obligations and liabilities of the Lessee under the Lease, or by any redelivery, repossession, surrender or destruction of the Project (as defined in the Lease), in whole or in part, or by any failure, neglect or omission on the part of the County, its successors or assigns, to realize upon any obligations or liabilities of the Lessee, or to give notice to the Guarantor of the occurrence of any default under the Lease.

The obligations, covenants, agreements and duties of Guarantor under this Agreement shall not be affected or impaired by reason of the happening from time to time of any of the following with respect to the Lease or said assignment thereof or this Agreement or the assignment hereof to the Trustee, although without notice to or consent of Guarantor: (a) any assignment or mortgaging or the purported assignment or mortgaging of all or any part of the interest of Lessee in the Lease or in the Project (as defined in the Lease); (b) the waiver by the County or the Trustee of the performance or observance by Lessee of any of the agreements, covenants, terms or conditions contained in any of such instruments; (c) the extension of the time



for payment by Lessee of any rents or other sums or any part thereof owing or payable under the Lease or of the time for performance by Lessee of any other obligations under or arising out of any of such instruments or the extension or the renewal of any thereof; (d) the modification or amendment (whether material or otherwise) of any duty, agreement or obligation of Lessee set forth in any such instrument; (e) the taking or the omission of any of the actions referred to in any of such instruments; (f) any failure, omission, delay or lack on the part of the County or the Trustee to enforce, assert or exercise any right, power or remedy conferred on the County or the Trustee in any of such instruments, or any action on the part of the County or the Trustee granting indulgence or extension in any form; (g) the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshalling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition or readjustment of, or other similar proceeding affecting any of the corporations hereinabove designated as Lessee, or the Guarantor or any of their assets, or the disaffirmance of the Lessee or any contest of the validity of the Lease in any such proceeding; (h) the release or discharge of Lessee, or of any of the corporations hereinabove designated as Lessee, from the performance or observance of any agreement, covenant, term or condition contained in any of such instruments by operation of law; (i) the release, substitution or replacement in accordance with the terms of the Lease of any property subject thereto; (j) the receipt and acceptance by the County or the Trustee

of notes, checks or other instruments for the payment of moneys made by Lessee and extensions and renewals thereof, or (k) any other cause, whether similar or dissimilar to the foregoing.

Without limiting the foregoing, it is specifically understood that any modification, limitation or discharge of the Lessee's liability under the Lease or of the liability of the Guarantor thereunder or hereunder, arising out of or by virtue of any bankruptcy arrangement, reorganization or similar proceeding for relief of debtors under Federal or State law hereinafter initiated by or against any of the corporations hereinabove designated as the Lessee, or the Guarantor, shall not affect, modify, limit or discharge the liability of the Guarantor in any manner whatsoever and this Agreement shall remain and continue in full force and effect and shall be enforceable against the Guarantor to the same extent and with the same force and effect as if any such proceedings had not been instituted; and it is the intent and purpose of this Agreement that the Guarantor shall and does hereby waive all rights and benefits which might accrue to it by reason of any such proceeding and that it shall be liable for an amount equal to the full amount of rent and other sums, including all damages imposed, or payable under the terms of the Lease, irrespective of, and without regard to, any modification, limitation or discharge of the liability of the Lessee that may result from any such proceeding.

No act of commission or omission of any kind or at any time upon the part of the County, its successors or assigns, in respect of any matter whatsoever shall in any

way affect or impair the rights of the County or any successor or assignee of the County to enforce any right, power or benefit of the County under this Agreement, and no set-off, claim, reduction or diminution of an obligation, or any defense of any kind or nature which the Guarantor has or may have against the County or any assignee or successor thereof shall be available to the Guarantor against the County or against any assignee or successor of the County.

The County may without any notice whatsoever to anyone sell, assign or transfer all of its right, title and interest as the Lessor under the Lease or all of its right, title and interest in and to the rents and other sums at any time due and to become due thereunder, to the Trustee, or the Trustee's successors or assigns, and in such event, the Trustee, or such successors or assigns, shall have all of the rights, power and benefits of the County under this Agreement, including, without limitation, the right to enforce this Agreement by suit or otherwise for its benefit as fully as if it were herein by name specifically given all of such rights, powers and benefits.

The County, its successors and assigns, in its or their sole discretion, shall have the right to proceed first and directly against the Guarantor, its successors and assigns, under this Agreement without proceeding against or exhausting its remedies against the Lessee, its successors or assigns, and without resorting to any other security held by the County or the Trustee, or their successors or assigns.

The Guarantor agrees to furnish the County such information respecting the business affairs, operation and financial



condition of the Guarantor as may be reasonably requested; and without any request to furnish to the Trustee, and upon request, to the holder of any Bond as soon as available and in any event within ninety (90) days after close of each fiscal year of the Guarantor, a copy of the annual audit report (including balance sheets, profit and loss, and surplus statements) of the Guarantor and its corporate partners for each fiscal year, all as prepared and certified by independent public accountants of recognized standing.

This Agreement and every part thereof shall be binding upon the Guarantor and its successors and assigns and shall inure to the benefit of the County and its successors and assigns including the Trustee. The Guarantor agrees that during the term of the Lease it will maintain its existence as a partnership, will not dissolve or terminate its partnership existence or otherwise dispose of all or substantially all of its assets.

Guarantor is advised that the rights of the County under this Agreement will be assigned to the Trustee, and upon such assignment and so long as any Bonds shall be unpaid in whole or in part, all rights against Guarantor arising under this Agreement shall be for the sole benefit of the Trustee and the holders of the Bonds, and the Trustee shall be entitled to bring any suit, action or proceeding against Guarantor for the enforcement of any provisions of this Agreement in its name as Trustee, and it shall not be necessary in any such suit, action or proceeding to make the County a party thereto; and this Agreement may not be modified or amended without the prior written consent of the Trustee,

and any attempted modification or amendment without such consent shall be void. The terms of this Agreement may be enforced as to any one or more breaches either separately or cumulatively. Notice of acceptance of this Agreement and notice of the execution and delivery of the Lease by Lessee and of the assignment thereof and of this Agreement to the Trustee are waived by Guarantor.

IN WITNESS WHEREOF, Montgomery Industries, a partnership, has executed this Lease Guaranty Agreement by causing its name to be hereunto subscribed by its General Manager; and Spartanburg County, South Carolina, has executed this Lease Guaranty Agreement by causing its name to be hereunto subscribed by the Chairman of the Board of County Commissioners of Spartanburg County, and the official seal of said County Board to be impressed hereon and attested by the Clerk of said County Board, all being done as of October 1, 1972.

MONTGOMERY INDUSTRIES, a partnership

(SEAL)

By \_\_\_\_\_  
General Manager

Signed, sealed and delivered in  
the presence of:

\_\_\_\_\_  
\_\_\_\_\_

SPARTANBURG COUNTY, SOUTH CAROLINA

(SEAL)

By \_\_\_\_\_  
Chairman of the Board of County  
Commissioners of Spartanburg County

Attest:

\_\_\_\_\_  
Clerk of the Board of County  
Commissioners of Spartanburg County

Signed, sealed and delivered in  
the presence of:

\_\_\_\_\_  
\_\_\_\_\_

LGA - 9

1698



ASSIGNMENT OF LEASE AGREEMENT AND OF LEASE  
GUARANTY AGREEMENT

STATE OF SOUTH CAROLINA     )  
                                  )     SS:  
COUNTY OF SPARTANBURG     )

KNOW ALL MEN BY THESE PRESENTS, that Spartanburg County, a body politic and corporate and a political subdivision of the State of South Carolina, acting by and through the Board of County Commissioners of Spartanburg County, in consideration of the sum of One Dollar (\$1.00) to it in hand paid at and before the sealing of these presents, the receipt of which is hereby acknowledged, has assigned, transferred and set over unto South Carolina National Bank, as Trustee under that certain Trust Indenture dated as of October 1, 1972, between Spartanburg County and said South Carolina National Bank, as Trustee, and its successors in trust:

(a) All of the right, title and interest of said Spartanburg County in and to the foregoing Lease Agreement dated as of October 1, 1972, between said Spartanburg County, as Lessor, and Raycord Realty Company, et al, as Lessee.

(b) All of the right, title and interest of said Spartanburg County in and to the foregoing Lease Guaranty Agreement dated as of October 1, 1972, between said Montgomery Industries, a partnership, and Spartanburg County, South Carolina.

This assignment is made pursuant to and subject to all the terms and conditions of said Trust Indenture dated

Assignment - 1

as of October 1, 1972, the terms of which are incorporated by this reference as fully as if the same were set forth at length herein, the Trust Indenture being intended to be duly recorded immediately.

IN WITNESS WHEREOF, Spartanburg County, South Carolina, has executed this Assignment by causing its name to be hereunto subscribed by the Chairman of the Board of County Commissioners of Spartanburg County, and the official seal of said County Board to be impressed hereon and attested by the Clerk of the said County Board, all being done as of the 1st day of October, 1972.

(SEAL)

SPARTANBURG COUNTY, SOUTH CAROLINA

By \_\_\_\_\_  
Chairman of the Board of County  
Commissioners of Spartanburg County

Attest:

\_\_\_\_\_  
Clerk of the Board of County  
Commissioners of Spartanburg  
County

Signed, sealed and delivered in  
the presence of:

\_\_\_\_\_  
\_\_\_\_\_

Assignment - 2

1700

STATE OF SOUTH CAROLINA    )  
                                  ) SS:  
COUNTY OF SPARTANBURG    )

Personally appeared before me \_\_\_\_\_  
who being duly sworn says that he saw the corporate seal  
of Spartanburg County, South Carolina, affixed to the foregoing  
Assignment of Lease Agreement and of Lease Guaranty Agreement,  
and that he also saw \_\_\_\_\_, as Chairman,  
and \_\_\_\_\_ as Clerk of the Board of County  
Commissioners of Spartanburg County, sign and attest the  
same, and that he with \_\_\_\_\_ witnessed  
the execution and delivery thereof as the act and deed of  
the said Spartanburg County, South Carolina.

\_\_\_\_\_  
SWORN to before me this  
\_\_\_\_ day of \_\_\_\_\_, A. D. 1972.

\_\_\_\_\_(L.S.)  
Notary Public for South Carolina  
My Commission Expires \_\_\_\_\_.

Assignment - 3



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SPARTANBURG COUNTY, SOUTH CAROLINA

and

SOUTH CAROLINA NATIONAL BANK,  
AS TRUSTEE

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TRUST INDENTURE

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Dated as of October 1, 1972

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## TRUST INDENTURE

THIS TRUST INDENTURE, comprised of two parts, herein designated as Part I and Part II, made and entered into as of the first day of October, 1972, by and between SPARTANBURG COUNTY, a body politic and corporate and a political subdivision of the State of South Carolina (hereinafter sometimes referred to as the "County"), as party of the first part, and SOUTH CAROLINA NATIONAL BANK, a national banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out, under and by virtue of the laws of the United States, as Trustee, party of the second part;

### W I T N E S S E T H:

WHEREAS, the County is authorized and empowered by the provisions of Act No. 103 of the Acts of the General Assembly of the State of South Carolina, for the year 1967, as amended (the "Act"), to acquire, construct, own, improve, lease, dispose of and mortgage the properties hereinafter described in order that the industrial development of South Carolina will be promoted and trade developed by inducing warehouse enterprises to locate in South Carolina and thus utilize and employ manpower and other resources of South Carolina; and

WHEREAS, the County is further authorized by the Act to issue revenue bonds payable solely from the lease rentals, revenues and receipts from any such project and secured by a pledge of said lease rentals, revenues and receipts and by a mortgage on the land, buildings and improvements, so acquired; and

WHEREAS, the County has made the necessary arrangements with Raycord Realty Company, The Rosemont Company, The Walmont Company, The Shumont Company, Atlas Realty Company, The Beaumont Company, Aden Bonded Warehouse Co., New South Warehouse Co. and Interstate Warehouse Co., each a corporation organized and existing under the laws of the State of South Carolina (hereinafter sometimes collectively referred to as the "Lessee"), for the acquisition and construction of warehouse facilities, and the necessary land and buildings in connection therewith (hereinafter sometimes referred to as the "Project") which will be of the character and accomplish the purpose provided by the Act, and the County has further entered into a Lease Agreement with the Lessee specifying the terms and conditions of the acquisition and construction of the Project and the leasing of the same to the Lessee; and the obligation of the Lessee under the Lease Agreement have been unconditionally guaranteed by Montgomery Industries, a partnership; and

WHEREAS, the execution and delivery of this Trust Indenture (hereinafter sometimes referred to as the "Indenture") have been authorized by Resolutions duly adopted by the Board of County Commissioners of Spartanburg County (hereinafter sometimes referred to as the "County Board") and the County Board in accordance with the requirements of Section 14 of the Act has submitted its Petition to the State Budget and Control Board of South Carolina, including a general summary of the terms and conditions of the Indenture, and the State Budget and Control Board of South Carolina has duly approved the Project in accordance with the provisions of the Act and thereby authorized the County Board to proceed with the acquisition and construction of the Project. Notice



of the approval was duly published in a newspaper having general circulation in Spartanburg County and notwithstanding more than twenty days have elapsed from the date of publication of such notice, no challenge was made to the validity of such approval as provided in the Act; and

WHEREAS, it has been determined that the estimated amount necessary to finance the cost of the Project, including necessary expenditures incidental thereto, will require the issuance, sale and delivery of Bonds designated as SPARTANBURG COUNTY FIRST MORTGAGE INDUSTRIAL REVENUE BONDS, SERIES 1972 (RAYCORD REALTY COMPANY, ET AL - LESSEE) in the aggregate principal amount of \$1,300,000 as hereinafter provided; and

WHEREAS, the issuance of such Bonds under the Act has been in all respects duly and validly authorized by resolutions duly passed and approved by the County Board; and

WHEREAS, the \$1,300,000 aggregate principal amount of Bonds to be issued, the interest coupons to be attached thereto, and the Trustee's Certificate of Authentication to be endorsed on such Bonds, are all to be in substantially the form set forth as Exhibit B hereto, with necessary and appropriate variations, omissions and insertions as permitted or required by this Indenture; and

WHEREAS, all things necessary to make the Bonds, when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal obligations of the County according to the import thereof, and to constitute this Indenture a valid lien on the properties mortgaged and a valid pledge of the lease rentals, revenues and receipts

herein made to the payment of the principal of, premium, if any, and interest on the Bonds, have been done and performed, and the creation, execution and delivery of this Indenture and the creation, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

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

That the County, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the holders and owners thereof, and of the sum of one dollar, lawful money of the United States of America, to it duly paid by the Trustee at or before the execution and delivery of these presents, and for other good and valuable considerations, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on the Bonds according to their tenor and effect and the performance and observance by the County of all the covenants expressed or implied herein and in the Bonds, does hereby, subject to the terms and provisions of the Lease Agreement, grant, bargain, sell, convey, mortgage, pledge and assign unto South Carolina National Bank, as Trustee, and unto its successors in trust, and to its assigns forever, for the securing of the performance of the obligations of the County hereinafter set forth, the following:

I

The real property situated in Spartanburg County, State of South Carolina, described in Exhibit A attached hereto with all buildings, additions, improvements and fixtures now or hereafter located thereon and with the tenements,

hereditaments, servitudes, appurtenances, rights, privileges and immunities thereunto belonging or appertaining which may from time to time be owned by the County.

## II

All right, title and interest of the County in and to the Lease Agreement, dated as of October 1, 1972, between the County and the Lessee, and all lease rentals, revenues and receipts received or to be received under said Lease Agreement, except amounts paid by the Lessee thereunder to the County and other local taxing authorities in lieu of taxes pursuant to Section 5.5 thereof and all amounts paid by Lessee to the County pursuant to Section 8.7 thereof.

## III

All right, title and interest of the County in and to the Lease Guaranty Agreement, dated as of October 1, 1972, by Montgomery Industries, a partnership, and all amounts received or to be received under the said Lease Guaranty Agreement except amounts paid thereunder in fulfillment of the obligations of the Lessee under Section 5.5 or Section 8.7 of the Lease Agreement.

## IV

All lease rentals, revenues and receipts arising out of or in connection with the ownership of the Project, except amounts paid under Section 5.5 or Section 8.7 of the aforementioned Lease Agreement.

## V

Any and all other property from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred as and for additional security hereunder by the County or by anyone on its behalf or with



its written consent to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended so to be, to the Trustee and its successors in said trust and to them and their assigns forever.

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all holders and owners of the Bonds and interest coupons thereto appertaining issued under and secured by this Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Bonds or interest coupons thereto appertaining over any of the others of the Bonds or interest coupons;

PROVIDED, HOWEVER, that if the County shall pay or cause to be paid to the holders and owners of the Bonds and bearers of interest coupons the principal, interest and premium, if any, to become due thereon at the times and in the manner stipulated therein and herein and if the County shall keep, perform and observe all and singular the covenants and promises in the Bonds and in this Indenture expressed as to be kept, performed and observed by it or on its part, or if the issuance of the Bonds is not made within the time provided in Section 4.2 of the Lease Agreement, then these presents and the estate and rights hereby granted shall, at the option of the County, cease, determine and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture and execute and deliver to the County such instruments in writing as shall be requisite to satisfy the lien hereof, and deliver

to the County any property at the time subject to the lien of this Indenture which may then be in its possession, except amounts in the Bond Fund required to be paid to the Lessee under Section 510 hereof and except cash held by the Trustee for the payment of interest on and retirement of the Bonds; otherwise this Indenture to be and remain in full force and effect.

THIS TRUST INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all said lease rentals, revenues and receipts hereby pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the County has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective holders and owners, from time to time, of the said Bonds and the bearers of the interest coupons thereto appertaining, or any part thereof, as follows, that is to say:

ARTICLE I

DEFINITIONS

SECTION 101. The terms defined in Section 101 (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Indenture and of any indenture supplemental hereto, shall have the respective meanings specified in this Section 101. Other definitions appear in Section 101 A of Part II.

"BOND" or "BONDS" means the \$1,300,000 Spartanburg County, South Carolina, First Mortgage Industrial Revenue Bonds, Series 1972 (Raycord Realty Company, et al - Lessee) of the County to be issued hereunder.

"CONSTRUCTION FUND" or "SPARTANBURG COUNTY INDUSTRIAL CONSTRUCTION FUND - MONTGOMERY INDUSTRIES PROJECT" means the fund created by Section 602 hereof.

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

"COUNTY BOARD" means the Board of County Commissioners of Spartanburg County, and any successor body.

"GUARANTOR" means Montgomery Industries, a partnership, which has unconditionally guaranteed the performance of the obligations of the Lessee under this Agreement pursuant to a Lease Guaranty Agreement dated as of October 1, 1972, between the Guarantor and the County.

"LEASE GUARANTY AGREEMENT" means the Lease Guaranty Agreement between the Guarantor and the County dated as of October 1, 1972.

"LESSEE" means Raycord Realty Company, The Rosemont Company, The Walmont Company, The Shumont Company, Atlas



Realty Company, The Beaumont Company, Aden Bonded Warehouse Co., New South Warehouse Co. and Interstate Warehouse Co., collectively, each a South Carolina corporation, and their respective successors and assigns and any surviving, resulting or transferee corporation as provided in Section 8.3 of the Lease Agreement.

SECTION 102. References to Sections of this Indenture.

Whenever reference is made in this Indenture to any Section in Part I by relating such reference to a section number, such reference shall be deemed to include a reference to the section correspondingly numbered, with the suffix "A", in Part II hereof. To illustrate the intent and meaning of this provision, let it be assumed that reference is made to Section 510 hereof. Such reference shall be deemed to include reference to Section 510 A of Part II of this Indenture, and Section 510 A of Part II shall be embraced by the reference to Section 510. If a reference is made to a section in Part I and there is no correspondingly numbered section in Part II, then the reference shall relate only to that numbered section in Part I. Whenever there are no correspondingly numbered sections in Part II of this Indenture, that fact is so stated. References to Articles shall include a reference to the Article correspondingly numbered, with the suffix "A", in Part II, e.g. a reference to Article III in Part I will include a reference to Article III A in Part II.

ARTICLE II

THE BONDS

SECTION 201. Restrictions on Issuance of Bonds.

No Bonds may be issued under provisions of this Indenture except in accordance with this Article.

The total principal amount of Bonds that may be issued pursuant to the provisions of this Indenture is hereby expressly limited to \$1,300,000.

SECTION 202. Issuance of the Bonds. The Bonds in the aggregate principal amount of \$1,300,000, dated as of October 1, 1972, shall be in coupon bond form and shall be designated "First Mortgage Industrial Revenue Bonds, Series 1972 (Raycord Realty Company, et al - Lessee)." They shall bear interest from October 1, 1972, at the rate of six per centum (6%) per annum, payable April 1, 1973, and semi-annually thereafter on April 1 and October 1 of each year. They shall be in the denomination of \$5,000 each and shall be numbered consecutively from 1 upwards, and shall mature in numerical order on October 1 in each of the years set forth in, and in the principal amount set opposite each year in, the following schedule:

<u>October 1 in the Year</u>	<u>Principal Amount Maturing</u>
1974	\$ '85,000
1975	90,000
1976	90,000
1977	90,000
1978	90,000
1979	90,000
1980	90,000
1981	90,000
1982	90,000
1983	90,000
1984	90,000
1985	105,000
1986	105,000
1987	105,000

The interest on the Bonds shall be evidenced by coupons. The principal of, premium, if any, and interest on the Bonds, except as otherwise provided in the case of registration of Bonds as provided in Section 208 hereof, 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, to bearer upon presentation and surrender of the Bonds or coupons as they respectively become due, at the principal office of the Trustee, in the City of Columbia, State of South Carolina.

SECTION 203. Execution; Limited Obligation. The provisions of Section 203 are set forth and appear in this Indenture in Section 203 A of Part II.

SECTION 204. Authentication. The provisions of Section 204 are set forth and appear in this Indenture in Section 204 A of Part II.

SECTION 205. Form of Bonds. The Bonds issued under this Indenture and the coupons attached thereto shall be substantially in the form set forth as Exhibit "B" hereto, with such appropriate variations, omissions and insertions as are permitted or required by this Indenture.

SECTION 206. Delivery of the Bonds. Upon the execution and delivery of this Indenture, the County shall execute and deliver to the Trustee, and the Trustee shall authenticate the Bonds in the aggregate principal amount of \$1,300,000 and deliver them to the purchaser as may be directed by the County as hereinafter in this Section 206 provided.

Prior to the authentication by the Trustee of any such Bonds, there shall be filed with the Trustee:



1. A copy, duly certified by the Secretary, of the Resolution of the County Board, authorizing the execution and delivery of the Lease Agreement.

2. An original executed counterpart of the Lease Agreement.

3. A copy, duly certified by the Secretary, of the Resolution of the County Board, authorizing the execution and delivery of this Indenture and the issuance of the \$1,300,000 aggregate principal amount of the Bonds.

4. The written opinion of counsel for the County, or other counsel satisfactory to the Trustee, expressing the conclusion that upon payment of the purchase price of the land described in Exhibit A attached hereto and acceptance of the instruments of conveyance, all as theretofore agreed upon, the County will have title free and clear of liens and encumbrances upon said land (except for Permitted Encumbrances as defined in the Lease Agreement).

5. A request and authorization to the Trustee on behalf of the County Board and signed by the Chairman and Secretary to authenticate and deliver the Bonds in the aggregate principal amount of \$1,300,000 to the purchasers therein identified, upon payment to the Trustee, but for the account of the County, of the sum specified in such request and authorization, plus accrued interest thereon to the date of delivery. Such proceeds shall be paid over to the Trustee and deposited to the credit of the Bond Fund and Construction Fund as herein-after provided under Article VI hereof.

SECTION 207. Mutilated, Lost, Stolen or Destroyed Bonds or Coupons. The provisions of Section 207 are set forth and appear in this Indenture in Section 207 A of Part II.

SECTION 208. Registration of Bonds, Persons Treated  
As Owners. The provisions of Section 208 are set forth and  
appear in this Indenture in Section 208 A of Part II.

### ARTICLE III

#### REDEMPTION OF BONDS BEFORE MATURITY

SECTION 301. Redemption Dates and Prices. The Bonds are noncallable for redemption prior to October 1, 1981, except in the event of (1) exercise by the Lessee of its options to purchase the Project as provided in Section 11.2 of the Lease Agreement, or (2) mandatory purchase of the Project by the Lessee pursuant to Section 12.2 of the Lease Agreement. If called for redemption in either of such events, the Bonds shall be subject to redemption by the County at the earliest possible date after notice as provided in Section 302 of this Indenture, whether or not such date is an interest payment date, in whole and not in part, at the principal amount thereof, plus accrued interest to the redemption date and, but only in the event of redemption as a result of the mandatory purchase of the Project pursuant to Section 12.2 of the Lease Agreement, a redemption premium determined by multiplying the annual interest on each Bond outstanding on the date as of which interest on the Bonds becomes (or is determined to become as provided in Section 12.2 of the Lease Agreement) taxable by the number of 360-day periods, or fraction thereof, between the date as of which interest on the Bonds is (or is determined to be as provided in Section 12.2 of the Lease Agreement) taxable and the date of redemption or the earlier payment date of any Bond which shall have been paid (whether at maturity or by redemption) subsequent to the date as of which interest on the Bonds is (or is so determined to be) taxable and prior to the date fixed for redemption (less any optional redemption premium previously paid on any such Bond).



If it shall occur that any Bond is paid or retired subsequent to the date as of which interest on the Bonds is (or is determined to be as provided in Section 12.2 of the Lease Agreement) taxable as a result of the violation of any covenant set forth in Section 8.9(2) or Section 8.9(4) of the Lease Agreement and prior to the redemption of the Bonds by use of the purchase price derived from the mandatory purchase of the Project by the Lessee pursuant to Section 12.2 of the Lease Agreement, then in such event the person who shall have been the holder of any such Bond on the occasion of its payment (whether at maturity or by redemption) shall receive a premium computed in accordance with the provisions of Section 12.4 of the Lease Agreement to be paid from the purchase price paid by the Lessee under Section 12.2 of the Lease Agreement.

The Bonds maturing on and after October 1, 1982, are also subject to redemption by the County prior to maturity on any interest payment date on or after October 1, 1981, in whole or in part, in inverse order of their maturity (less than all of such Bonds of a single maturity to be selected by lot by the Trustee) at the redemption prices (expressed as percentages of principal amount) set forth in the table below, plus accrued interest to the redemption date:

<u>Redemption Date</u> <u>(dates inclusive)</u>	<u>Redemption Price</u>
October 1, 1981 to October 1, 1983.....	104%
April 1, 1984 to October 1, 1985.....	103%
April 1, 1986 and thereafter.....	102%

SECTION 302. Notice of Redemption. The provisions of Section 302 are set forth and appear in this Indenture in Section 302 A of Part II.

SECTION 303. Cancellation. The provisions of Section 303 are set forth and appear in this Indenture in Section 303 A of Part II.

SECTION 304. Unpaid Coupons. The provisions of Section 304 are set forth and appear in this Indenture in Section 304A of Part II.

SECTION 305. Purchase of Bonds. The provisions of Section 305 are set forth and appear in this Indenture in Section 305 A of Part II.

ARTICLE IV

GENERAL COVENANTS

SECTION 401. Condition of County's Obligation; Payment of Principal and Interest. The provisions of Section 401 are set forth and appear in this Indenture in Section 401 A of Part II.

SECTION 402. Performance of Covenants; Authority of County. The provisions of Section 402 are set forth and appear in this Indenture in Section 402 A of Part II.

SECTION 403. Ownership; Instruments of Further Assurance. The provisions of Section 403 are set forth and appear in this Indenture in Section 403 A of Part II.

SECTION 404. Payment of Taxes, Charges, etc. The provisions of Section 404 are set forth and appear in this Indenture in Section 404 A of Part II.

SECTION 405. Maintenance and Repair. The provisions of Section 405 are set forth and appear in this Indenture in Section 405 A of Part II.

SECTION 406. Inspection of the Project Books. The provisions of Section 406 are set forth and appear in this Indenture in Section 406 A of Part II.

SECTION 407. Rights Under Lease Agreement. The provisions of Section 407 are set forth and appear in this Indenture in Section 407 A of Part II, except that, in addition, the Trustee shall have and may exercise all of the rights of the County under the Lease Guaranty Agreement.



ARTICLE V

REVENUES AND FUNDS

SECTION 501. Source of Payment of Bonds. The provisions of Section 501 are set forth and appear in this Indenture in Section 501 A of Part II.

SECTION 502. Creation of the Bond Fund. The provisions of Section 502 are set forth and appear in this Indenture in Section 502 A of Part II, except that the fund therein referred to shall be designated as "Spartanburg County Industrial Revenue Bond Fund - Montgomery Industries Project".

SECTION 503. Payments into the Bond Fund. The provisions of Section 503 are set forth and appear in this Indenture in Section 503 A of Part II.

SECTION 504. Use of Moneys in the Bond Fund. The provisions of Section 504 are set forth and appear in this Indenture in Section 504 A of Part II.

SECTION 505. Custody of the Bond Fund. The provisions of Section 505 are set forth and appear in this Indenture in Section 505 A of Part II.

SECTION 506. Non-presentment of Bonds or Coupons. The provisions of Section 506 are set forth and appear in this Indenture in Section 506 A of Part II.

SECTION 507. Trustee's and Paying Agents' Fees, Charges and Expenses. The provisions of Section 507 are set forth and appear in this Indenture in Section 507 A of Part II.

SECTION 508. Moneys to be Held in Trust. The provisions of Section 508 are set forth and appear in this Indenture in Section 508 A of Part II.

SECTION 509. Insurance and Condemnation Proceeds. The provisions of Section 509 are set forth and appear in

this Indenture in Section 509 A of Part II.

SECTION 510. Repayment to the Lessee from the Bond Fund. The provisions of Section 510 are set forth and appear in this Indenture in Section 510 A of Part II.

ARTICLE VI

CUSTODY AND APPLICATION OF PROCEEDS OF BONDS

SECTION 601. Deposits in the Bond Fund. The provisions of Section 601 are set forth and appear in this Indenture in Section 601 A of Part II.

SECTION 602. Construction Fund; Disbursements. The provisions of Section 602 are set forth and appear in this Indenture in Section 602 A of Part II, except that the fund therein referred to shall be designated as "Spartanburg County Industrial Construction Fund - Montgomery Industries Project".

SECTION 603. Completion of the Project. The provisions of Section 603 are set forth and appear in this Indenture in Section 603 A of Part II.



ARTICLE VII

INVESTMENTS

The provisions of Article VII are set forth and appear in this Indenture in Article VII A of Part II.

ARTICLE VIII

POSSESSION, USE AND PARTIAL RELEASE OF LEASED PROPERTY

The provisions of Article VIII are set forth and appear in this Indenture in Article VIII A of Part II.

ARTICLE IX

DISCHARGE OF LIEN

The provisions of Article IX are set forth and appear in this Indenture in Article IX A of Part II.

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ARTICLE X

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND  
BONDHOLDERS

The provisions of Article X are set forth and appear  
in this Indenture in Article X A of Part II.

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ARTICLE XI

THE TRUSTEE

SECTION 1101. Acceptance of the Trusts. The provisions of Section 1101 are set forth and appear in this Indenture in Section 1101 A of Part II.

SECTION 1102. Fees, Charges and Expenses of Trustee. The provisions of Section 1102 are set forth and appear in this Indenture in Section 1102 A of Part II.

SECTION 1103. Notice to Bondholders if Default Occurs. The provisions of Section 1103 are set forth and appear in this Indenture in Section 1103 A of Part II.

SECTION 1104. Intervention by Trustee. The provisions of Section 1104 are set forth and appear in this Indenture in Section 1104 A of Part II.

SECTION 1105. Successor Trustee. The provisions of Section 1105 are set forth and appear in this Indenture in Section 1105 A of Part II.

SECTION 1106. Resignation by the Trustee. The provisions of Section 1106 are set forth and appear in this Indenture in Section 1106 A of Part II.

SECTION 1107. Removal of the Trustee. The provisions of Section 1107 are set forth and appear in this Indenture in Section 1107 A of Part II.

SECTION 1108. Appointment of Successor Trustee by the Bondholders; Temporary Trustee. The provisions of Section 1108 are set forth and appear in this Indenture in Section 1108 A of Part II, except that the reported capital and surplus of such institution shall be not less than \$10,000,000.

SECTION 1109. Concerning any Successor Trustee. The provisions of Section 1109 are set forth and appear in

this Indenture in Section 1109 A of Part II.

SECTION 1110. Right of Trustee to Pay Taxes and Other Charges. The provisions of Section 1110 are set forth and appear in this Indenture in Section 1110 A of Part II.

SECTION 1111. Trustee Protected in Relying Upon Resolutions, Etc. The provisions of Section 1111 are set forth and appear in this Indenture in Section 1111 A of Part II.

SECTION 1112. Successor Trustee as Trustee of Bond Fund and Construction Fund, Paying Agent and Bond Registrar. The provisions of Section 1112 are set forth and appear in this Indenture in Section 1112 A of Part II.

SECTION 1113. Trust Estate May be Vested in Separate or Co-Trustee. The provisions of Section 1113 are set forth and appear in this Indenture in Section 1113 A of Part II.



ARTICLE XII

SUPPLEMENTAL INDENTURES

The provisions of Article XII are set forth and appear in this Indenture in Article XII A of Part II.

ARTICLE XIII

AMENDMENT TO LEASE AGREEMENT

The provisions of Article XIII are set forth and appear in this Indenture in Article XIII A of Part II.

ARTICLE XIII

AMENDMENT TO LEASE AGREEMENT

The provisions of Article XIII are set forth and appear in this Indenture in Article XIII A of Part II.



ARTICLE XIV

MISCELLANEOUS

SECTION 1401. Consents, etc. of Bondholders. The provisions of Section 1401 are set forth and appear in this Indenture in Section 1401 A of Part II.

SECTION 1402. Limitation of Rights. The provisions of Section 1402 are set forth and appear in this Indenture in Section 1402 A of Part II.

SECTION 1403. Severability. The provisions of Section 1403 are set forth and appear in this Indenture in Section 1403 A of Part II.

SECTION 1404. Trustee as Paying Agent and Registrar. The provisions of Section 1404 are set forth and appear in this Indenture in Section 1404 A of Part II.

SECTION 1405. Payments Due on Sundays and Holidays. The provisions of Section 1405 are set forth and appear in this Indenture in Section 1405 A of Part II.

SECTION 1406. Counterparts. The provisions of Section 1406 are set forth and appear in this Indenture in Section 1406 A of Part II.

SECTION 1407. Laws Governing Indenture and Situs and Administration of Trust. The provisions of Section 1407 are set forth and appear in this Indenture in Section 1407 A of Part II.

SECTION 1408. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered mail, postage prepaid, or given when dispatched by telegram when telegraphic notice is permitted by express provisions of this Indenture, addressed as follows: If to the County,

to the Board of County Commissioners of Spartanburg County,  
Spartanburg County Courthouse, Spartanburg, South Carolina;  
if to the Lessee, at

Attention: \_\_\_\_\_; if to the Trustee, at  
Post Office Box 168, Columbia, South Carolina, 29202, Attention:  
Corporate Trust Department; if to the Guarantor, at  
\_\_\_\_\_, Attention \_\_\_\_\_

\_\_\_\_\_. The County, the Lessee, the Guarantor and the  
Trustee may, by notice given to all parties to this Indenture,  
designate any further or different addresses to which subsequent  
notices, certificates or other communications shall be sent.

P A R T I I

ARTICLE I A

ADDITIONAL DEFINITIONS

SECTION 101 A. The terms defined in this Section 101 A (except as herein otherwise expressly provided, or unless the context otherwise requires) for all purposes of this Indenture and of any indenture supplemental hereto shall have the respective meanings herein specified in this Section 101 A.

"ACT" means Act No. 103 of the Acts of the General Assembly of the State of South Carolina for the year 1967, as amended.

"BONDHOLDER" or "HOLDER" or "OWNER OF THE BONDS" means the bearer of any coupon Bond which is not registered or is registered to bearer, and the registered owner of any Bond registered otherwise than to bearer.

"BOND REGISTRAR" means the Trustee acting in the capacity of keeper of the books upon which is noted the registration of any Bond.

"CHAIRMAN" means the chief executive officer of the County Board. The term shall also include the Vice Chairman of the County Board whenever, by reason of absence, illness, or other reason, the person who is the Chairman is unable to act.

"DEFAULT" means any of those defaults specified in and defined by Section 1001 hereof.

"EXTRAORDINARY SERVICES" and "EXTRAORDINARY EXPENSES" means all services rendered and all expenses incurred under the Indenture other than Ordinary Services and Ordinary Expenses.



"INDENTURE" means these presents and other indentures supplemental hereto with the Trustee in pursuance hereof.

"LEASE AGREEMENT" means the Lease Agreement executed by and between the County and the Lessee, dated as of the date hereof.

"MORTGAGED PROPERTY" means the properties conveyed as security hereunder and described in the numbered paragraphs following the granting clause of this Indenture.

"ORDINARY SERVICES" and "ORDINARY EXPENSES" mean those services normally rendered and those expenses normally incurred by a trustee under instruments similar to this Indenture.

The term "OUTSTANDING" or "BONDS OUTSTANDING" means all Bonds which have been duly authenticated and delivered by the Trustee under this Indenture, except

(a) Bonds theretofore cancelled by the Trustee or theretofore delivered to the Trustee for cancellation;

(b) Bonds for the payment or redemption of which cash funds shall have been theretofore deposited with the Trustee (whether upon or prior to the maturity or redemption date of any such Bonds); provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Trustee shall have been filed with the Trustee; and

(c) Bonds in lieu of which others have been authenticated under Section 207 hereof, unless proof satisfactory to the Trustee is presented to the Trustee that any such Bonds are held by bona fide purchasers

as that term is defined in Article 8 of the South Carolina Uniform Commercial Code, as amended, in which case the Bond or Bonds so replaced and the Bond or Bonds authenticated and delivered therefor shall be deemed outstanding.

"PERSON" means natural persons, firms, associations, corporations and public bodies.

"PROJECT" means the land, buildings, machinery, equipment and other facilities leased under the Lease Agreement.

"SECRETARY" means the Secretary of the County Board. The term shall also include a person whose title is Clerk, and the Assistant or Acting Secretary or Clerk of the County Board whenever, by reason of absence, illness or other reason, the person who is the Secretary or Clerk is unable to act.

"TRUST ESTATE" means the Mortgaged Property.

"TRUSTEE" means the party of the second part hereto, and any successor trustee pursuant to Sections 1105 and 1108 hereof at the time serving as successor trustee hereunder,

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THERE ARE NO ADDITIONAL SECTIONS TO THIS ARTICLE I A.

#### ARTICLE II A

##### THE BONDS

SECTION 201 A. There is no Section 201 A.

SECTION 202 A. There is no Section 202 A.

SECTION 203 A. Execution; Limited Obligation. The Bonds shall be executed on behalf of the County by the Chairman of the County Board and the corporate seal of the County or a facsimile thereof shall be impressed or reproduced thereon

and attested by the Secretary of the County Board, provided that at least one of said signatures shall be a manual signature. The coupons attached to the Bonds shall be executed by the facsimiles of the official signatures of said Chairman and Secretary and such facsimiles shall have the same force and effect as if said Chairman and Secretary had manually signed each of the coupons. The Bonds, together with interest thereon, shall be limited obligations of the County, payable from the Bond Fund, and shall be a valid claim of the respective holders thereof only against such fund and the lease rentals, revenues and receipts from the leasing or sale of the Project pledged to such fund (but in addition shall be secured by the lien of the Indenture on the Project), which lease rentals, revenues and receipts (except amounts paid by the Lessee to local taxing authorities in lieu of taxes pursuant to Section 5.5 and amounts paid pursuant to Section 8.7 of the Lease Agreement) are hereby pledged and assigned for the equal and ratable payment of the Bonds and the coupons and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Bonds, except as may be otherwise expressly authorized in this Indenture. The Bonds and coupons do not now and shall never constitute an indebtedness of the County within the meaning of any state constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers.

In case any officer whose signature or facsimile of whose signature shall appear on the Bonds or coupons shall cease to be such officer before the delivery of such Bonds,



such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery.

SECTION 204 A. Authentication. Only such Bonds as shall have endorsed thereon a certificate of authentication substantially in the form set forth in Exhibit C hereto, duly executed by the Trustee, shall be entitled to any right or benefit under this Indenture. No Bond or coupon appertaining to any Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized signature of the Trustee, but it shall not be necessary that the same person sign the certificate of authentication on all of the Bonds issued hereunder. Before authenticating or delivering any Bonds, the Trustee shall detach and cancel all matured coupons, if any, appertaining thereto, and such cancelled coupons shall be cremated by the Trustee.

SECTION 205 A. There is no Section 205 A.

SECTION 206 A. There is no Section 206 A.

SECTION 207 A. Mutilated, Lost, Stolen or Destroyed Bonds or Coupons. In the event any Bond is mutilated, lost, stolen or destroyed, the County may execute and the Trustee may authenticate a new Bond of like date, maturity and denomination as that mutilated, lost, stolen or destroyed, which new Bond shall have attached thereto coupons corresponding

in all respects to those (if any) on the Bond mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond, together with all coupons (if any) appertaining thereto shall first be surrendered to the County, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the County and the Trustee evidence of such loss, theft or destruction satisfactory to the County and the Trustee, together with indemnity satisfactory to them. In the event any such Bond or coupon shall have matured, instead of issuing a duplicate Bond or coupon, the County may pay the same without surrender thereof. The County and the Trustee may charge the holder or owner of such Bond with their reasonable fees and expenses in this connection.

SECTION 208 A. Registration of Bonds; Persons Treated as Owners. Each of the Bonds issued hereunder in coupon form shall be fully negotiable and pass by delivery but shall be subject to registration (as hereinafter provided) as to principal or as to both principal and interest in the name of the owner on the registration books to be provided for that purpose by the County at the principal office of the Trustee, as Bond Registrar. Upon presentation at said office, any of such Bonds may be registered as to principal only and such registration shall be evidenced by notation to that effect by the Bond Registrar in the registration blank on the reverse side thereof, after which no transfer thereof shall be valid unless made, at the written request of the registered owner or his duly authorized attorney, on said registration books and similarly endorsed thereon. Such registered Bonds may be thus transferred to bearer, whereupon transferability by delivery shall be restored, but such Bonds may again, from time to time, be registered or transferred to bearer as be-



fore. Such registration of any of such Bonds shall not affect the transferability by delivery only of the coupons thereunto appertaining, provided that if upon registration of any such Bond, or at any time thereafter while registered in the name of the owner, the unmatured coupons attached evidencing interest to be thereafter paid thereon shall be surrendered to said Bond Registrar a statement to that effect will be endorsed thereon and thereafter interest evidenced by such surrendered coupons will be paid by check or draft at the times provided therein, to the registered owner by mail to the address shown on the registration books. Each of such Bonds when converted as aforesaid into a Bond registered as to both principal and interest may be reconverted into a coupon Bond at the written request of the registered owner or his duly authorized attorney and upon presentation at the office of said Bond Registrar. Upon such reconversion the coupons representing the interest to become due thereafter to the date of maturity will be attached to such Bond and a statement will be endorsed thereon by said Bond Registrar in the registration blank on the back of such Bond as to whether it is then registered as to principal alone or payable to bearer. No charge shall be made to any Bondholder for the privilege of registration and transfer hereinabove granted, but any bondholder requesting any such registration or transfer shall pay any tax or other governmental charge required to be paid with respect thereto. As to any such Bond registered as to principal, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of or on account of the principal of any such Bond shall be made only to or upon the order of the registered owner thereof, or his duly authorized



attorney, and neither the County, the Trustee, any paying agent nor the Bond Registrar shall be affected by any notice to the contrary, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid. The County, the Trustee, the Bond Registrar and any paying agent may deem and treat the bearer of any such Bond which shall not at the time be registered as to principal (except to bearer) and the bearer of any coupon appertaining to any such Bond, whether such Bond be registered as to principal or not, as the absolute owner of such Bond or coupon, as the case may be, whether such Bond or coupon shall be overdue or not, for the purpose of receiving payment thereof and for all other purposes whatsoever, and neither the County, the Bond Registrar, any paying agent nor the Trustee shall be affected by any notice to the contrary.

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THERE ARE NO ADDITIONAL SECTIONS TO THIS ARTICLE II A.

#### ARTICLE III A

##### REDEMPTION OF BONDS BEFORE MATURITY

SECTION 301 A. There is no Section 301 A.

SECTION 302 A. Notice of Redemption. In the event any of the Bonds are called for redemption, the Trustee shall give notice, in the name of the County, of the redemption of such Bonds, which notice shall specify the maturities of the Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption shall be payable and, if less than all of the Bonds of any maturity are to be

redeemed, the numbers of such Bonds so to be redeemed. Such notice shall be given by publication at least once not less than 30 days nor more than 60 days prior to the redemption date in a newspaper or financial journal of general circulation published in the City of New York, New York, and in the case of the redemption of fully registered Bonds upon mailing a copy of the redemption notice by first class mail at least 30 days prior to the date fixed for redemption to the holder of each registered Bond to be redeemed at the address shown on the registration books; provided, however, that failure to give such notice by mailing or any defect therein, shall not affect the validity of any proceedings for the redemption of Bonds. If all of the Bonds to be redeemed are registered Bonds, notice by mailing given by first class mail to the holder or holders thereof, at the addresses shown on the registration books, not less than 30 days prior to the date fixed for redemption as aforesaid shall be sufficient and published notice of the call for redemption need not be given and failure duly to give such notice by mailing, or any defect in the notice, to the holder of any registered Bond designated for redemption shall not affect the validity of the proceedings for the redemption of any other Bond. All Bonds so called for redemption will cease to bear interest on the specified redemption date, provided funds for their redemption are on deposit with the Trustee and shall no longer be protected by the Indenture and shall not be deemed to be outstanding under the provisions of the Indenture. If, because of the temporary or permanent suspension of the publication or general circulation of any newspaper or financial journal or for any other reason, it is impossible or impracticable to publish such notice of call for redemption in the manner herein



provided, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient publication of notice.

SECTION 303 A. Cancellation. All Bonds which have been redeemed shall be cancelled and cremated by the Trustee together with the unmatured coupons appertaining thereto and shall not be reissued and a counterpart of the certificate of cremation evidencing such cremation shall be furnished by the Trustee to the County and the Lessee.

SECTION 304 A. Unpaid Coupons. All unpaid coupons which appertain to Bonds which have been called for redemption and which shall have become payable on or prior to the date fixed for redemption shall continue to be payable to the bearers thereof severally and respectively upon the presentation and surrender of such coupons.

SECTION 305 A. Purchase of Bonds. The Trustee shall, if and to the extent practicable, purchase Bonds at the written direction of the County upon request of the Lessee, at such time, in such manner and at such price as may be specified by the Lessee. The Trustee may so purchase Bonds with any moneys then held by the Trustee and available for the redemption or purchase of Bonds in excess of any amount set aside for payment of Bonds called for redemption; provided, that any limitations or restrictions on such redemption or purchase contained in the Lease Agreement or this Indenture shall be complied with. The expenses of such purchase shall be deemed an expense of the Trustee under Section 1102.

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THERE ARE NO ADDITIONAL SECTIONS TO THIS ARTICLE III A.



ARTICLE IV A

GENERAL COVENANTS

SECTION 401 A. Condition of County's Obligation; Payment of Principal and Interest. Each and every covenant herein made, including all covenants made by the various sections of this Article, is predicated upon the condition that any obligation for the payment of money incurred by the County shall not create a pecuniary liability of the County or a charge upon its general credit or against its taxing powers, but shall be payable solely from the lease rentals, revenues and receipts derived from or in connection with the Project, including all moneys received under the Lease Agreement (except amounts paid pursuant to Section 5.5 or 8.7 of the Lease Agreement) which are required to be set apart and transferred to the Bond Fund, which lease rentals, revenues and receipts are hereby specifically pledged to the payment thereof in the manner and to the extent in this Indenture specified and nothing in the Bonds or coupons or in this Indenture shall be considered as pledging any other funds or assets of the County.

The County covenants that it will promptly pay the principal of, including any applicable redemption premiums, and interest on every Bond issued under this Indenture at the place, on the dates and in the manner provided herein and in said Bonds, and in the coupons appertaining thereto according to the true intent and meaning thereof.

SECTION 402 A. Performance of Covenants; Authority of County. The County covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all

proceedings pertaining thereto. The County covenants that it is duly authorized under the Constitution and Laws of the State of South Carolina, to issue the Bonds authorized hereby and to execute this Indenture, to convey the property described in and conveyed hereby and to pledge the lease rentals, revenues and receipts hereby pledged in the manner and to the extent herein set forth; that all action on its part for the issuance of the Bonds and the execution and delivery of this Indenture has been duly and effectively taken, and that the Bonds in the hands of the holders and owners thereof and the coupons appertaining thereto in the hands of the bearers thereof are and will be valid and enforceable obligations of the County according to the import thereof.

SECTION 403 A. Ownership; Instruments of Further Assurance.

The County covenants that it lawfully owns and is lawfully possessed of the real and personal property including in the Project and that it has good and indefeasible title and estate therein (except for Permitted Encumbrances as defined in the Lease Agreement), and that it will defend the title to the Project and every part thereof to the Trustee, for the benefit of the holders and owners of the Bonds and the bearers of the coupons appertaining thereto against the claims and demands of all persons whomsoever. The County covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such indentures supplemental hereto and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, conveying, pledging, assigning

and confirming unto the Trustee all and singular the property herein described and the lease rentals, revenues and receipts pledged hereby to the payment of the principal of and interest and premium, if any, on the Bonds. Any and all property hereafter acquired which is of the kind or nature herein provided to be and become subject to the lien hereof shall ipso facto, and without further conveyance, assignment or act on the part of the County or the Trustee, become and be subject to the lien of this Indenture as fully and completely as though specifically described herein, but nothing in this sentence contained shall be deemed to modify or change the obligations of the County under this Section. The County covenants and agrees that, except as herein and in the Lease Agreement provided, it will not sell, convey, mortgage, encumber or otherwise dispose of any part of the Project or the lease rentals, revenues and receipts therefrom or of its rights under the Lease Agreement.

SECTION 404 A. Payment of Taxes, Charges, Etc. Pursuant to the provisions of Section 6.3 of the Lease Agreement the Lessee has agreed to pay all lawful taxes, assessments and charges at any time levied or assessed upon or against the Project, or any part thereof, failure to pay which might impair or prejudice the lien and priority of this Indenture; provided, however, that nothing contained in this Section shall require the payment of any such taxes, assessments or charges if the same are not required to be paid under the provisions of Section 6.3 of the Lease Agreement.



SECTION 405 A. Maintenance and Repair. Pursuant to the provisions of Section 6.1 of the Lease Agreement the Lessee has agreed at its own expense to cause the Project to be kept in as reasonably safe condition as its operations shall permit, and that it will from time to time cause to be made all needed repairs so that the Project shall at all times be kept in good repair and in good operating condition, and that the Lessee may, at its own expense, make from time to time additions, modifications and improvements to the Project under the terms and conditions set forth in Section 6.1 of the Lease Agreement.

SECTION 406 A. Inspection of the Project Books. The County covenants and agrees that all books and documents in its possession relating to the Project and the lease rentals, revenues and receipts derived from the Project shall at all times be open to inspection by such accountants or other agencies as the Trustee may from time to time designate.

SECTION 407 A. Rights under Lease Agreement. The Lease Agreement, duly executed counterpart of which has been filed with the Trustee, sets forth the covenants and obligations of the County and the Lessee, including a provision that subsequent to the initial issuance of the Bonds and prior to their payment in full, or provision for payment thereof in accordance with the provisions hereof, the Lease Agreement may not be effectively amended, changed, modified, altered or terminated (other than as provided therein) without the written consent of the Trustee, and reference is hereby made to the Lease Agreement for a detailed statement of said covenants and obligations of the Lessee under the Lease Agreement, and the County agrees that the Trustee in its name or in the name of the County may enforce all rights of the County and all obligations of the Lessee under

and pursuant to the Lease Agreement for and on behalf of the Bondholders, whether or not the County is in default hereunder.

SECTION 408 A. List of Bondholders. To the extent that such information shall be made known to the County under the terms of this Section, it will keep on file at the corporate trust office of the Trustee a list of names and addresses of the last known holders of all Bonds payable to bearer and believed to be held by each of such last known holders. Any Bondholder may request that his name and address be placed on said list by filing a written request with the County or with the Trustee, which request shall include a statement of the principal amount of Bonds held by such holder and the numbers of such Bonds. The Trustee shall be under no responsibility with regard to the accuracy of said list. At reasonable times and under reasonable regulations established by the Trustee, said list may be inspected and copied by the Lessee or by holders and/or owners (or a designated representative thereof) of twenty-five per cent or more in principal amount of Bonds then outstanding, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

SECTION 409 A. Recording and Filing. This Indenture shall be recorded and indexed as mortgage of real estate in the office in the County wherein are recorded mortgages of real estate, or in such other office as may be at the time provided by law as the proper place for the recordation thereof. The security interest of the Trustee created by this Indenture in any personal property and fixtures which are to be part of the Project, shall be perfected by the filing in the office in the County wherein are recorded mortgages of personal property, and



in the office of the Secretary of State of South Carolina, in the City of Columbia, South Carolina, of financing statements which fully comply with the South Carolina Uniform Commercial Code--Secured Transactions. Such financing or continuation statements shall be filed from time to time by the Trustee in said offices of the County and of the Secretary of State of South Carolina as in the opinion of counsel, as provided in Section 13.5(a)(4) of the Lease Agreement or otherwise, are necessary to preserve the lien of this Indenture.

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THERE ARE NO ADDITIONAL SECTIONS TO THIS ARTICLE IV A.

#### ARTICLE V A

##### REVENUES AND FUNDS

SECTION 501 A. Source of Payment of Bonds. The Bonds herein authorized and all payments by the County hereunder are not general obligations of the County but are limited obligations payable solely from the lease rentals, revenues and receipts derived from the Project and as authorized and provided in this Indenture.

The Project has been leased under the Lease Agreement and the rental payments provided for in Section 5.3 of the Lease Agreement are to be remitted directly to the Trustee for the account of the County and deposited in the Bond Fund. Said rental payments are sufficient in amount to pay the principal of, premium, if any, and interest on the Bonds, and the entire amount of lease rentals, revenues and receipts from said Lease Agreement (except amounts paid by the Lessee to local taxing authorities in lieu of taxes pursuant to Section 5.5 and



amounts paid pursuant to Section 8.7 of the Lease Agreement) are pledged to the payment of the principal of, premium, if any, and interest on the Bonds. The County hereby covenants and agrees that it will not create any lien upon said lease rentals, revenues and receipts or the Project other than the lien hereby created.

SECTION 502 A. Creation of the Bond Fund. There is hereby created by the County and ordered established with the Trustee a trust fund to bear the designation set forth in Section 502.

SECTION 503 A. Payments into the Bond Fund. There shall be deposited into the Bond Fund all accrued interest derived from the sale of the Bonds. In addition, there shall be deposited into the Bond Fund, as and when received (a) any amount remaining in the Construction Fund to the extent provided in Section 4.3 of the Lease Agreement, except as otherwise directed pursuant to said Section 4.3; (b) all rental payments specified in Section 5.3 of the Lease Agreement; and (c) all other moneys received by the Trustee under and pursuant to any of the provisions of the Lease Agreement when accompanied by directions by Lessee that such moneys are to be paid into the Bond Fund. The County hereby covenants and agrees that so long as any of the Bonds issued hereunder are outstanding it will deposit, or cause to be deposited, in the Bond Fund for its account sufficient sums from lease rentals, revenues and receipts derived from the Project promptly to meet and pay the principal of, interest and premium, if any, on the Bonds as the same become due and payable and to this end the County covenants and agrees that, so long as any Bonds issued hereunder are outstanding,

amounts paid pursuant to Section 8.7 of the Lease Agreement) are pledged to the payment of the principal of, premium, if any, and interest on the Bonds. The County hereby covenants and agrees that it will not create any lien upon said lease rentals, revenues and receipts or the Project other than the lien hereby created.

SECTION 502 A. Creation of the Bond Fund. There is hereby created by the County and ordered established with the Trustee a trust fund to bear the designation set forth in Section 502.

SECTION 503 A. Payments into the Bond Fund. There shall be deposited into the Bond Fund all accrued interest derived from the sale of the Bonds. In addition, there shall be deposited into the Bond Fund, as and when received (a) any amount remaining in the Construction Fund to the extent provided in Section 4.3 of the Lease Agreement, except as otherwise directed pursuant to said Section 4.3; (b) all rental payments specified in Section 5.3 of the Lease Agreement; and (c) all other moneys received by the Trustee under and pursuant to any of the provisions of the Lease Agreement when accompanied by directions by Lessee that such moneys are to be paid into the Bond Fund. The County hereby covenants and agrees that so long as any of the Bonds issued hereunder are outstanding it will deposit, or cause to be deposited, in the Bond Fund for its account sufficient sums from lease rentals, revenues and receipts derived from the Project promptly to meet and pay the principal of, interest and premium, if any, on the Bonds as the same become due and payable and to this end the County covenants and agrees that, so long as any Bonds issued hereunder are outstanding,



it will cause the Project to be continuously and efficiently leased as a revenue and income producing undertaking, and that, should there be a default under the Lease Agreement with the result that the right of possession of the Project under the Lease Agreement is returned to the County, the County shall fully cooperate with the Trustee and with the Bondholders to the end of fully protecting the rights and security of the Bondholders and the bearers of coupons appertaining to the Bonds and shall diligently proceed in good faith and use its best efforts to secure another tenant for the premises to the end that at all times sufficient lease rentals, revenues and receipts will be derived from the Project promptly to meet and pay the principal of, interest and premium, if any, on the Bonds as the same become due and payable, as well as covering the cost of maintaining and insuring the Project. Nothing herein shall be construed as requiring the County to operate the Project or to use any funds or revenues from any source other than lease rentals, revenues and receipts derived from the Project.

SECTION 504 A. Use of Moneys in the Bond Fund. Except as provided in Section 510 hereof, moneys in the Bond Fund shall be used solely for the payment of the principal of, interest on, and premium, if any, on the Bonds and for the redemption of the Bonds at or prior to maturity. Unless otherwise provided in Section 504, and only to the extent otherwise provided in Section 504, no part of said rental payments in the Bond Fund shall be used to redeem, prior to maturity, a part of the Bonds outstanding; provided that whenever the amount in the Bond Fund from any source whatsoever is sufficient to redeem all of the Bonds outstanding hereunder and to



pay interest to accrue thereon prior to such redemption, the County covenants and agrees to take and cause to be taken the necessary steps to redeem all of said Bonds on the next succeeding redemption date for which the required redemption notice may be given; and provided further that any moneys in the Bond Fund, other than rental payments, may be used at the request of the County to redeem a part of the Bonds outstanding on the next succeeding redemption date for which the required notice of redemption may be given so long as the Lessee is not in default with respect to any rental payments under the Lease Agreement and to the extent said moneys are in excess of the amount required for payment of Bonds theretofore matured or called for redemption and past due interest in all cases where such Bonds or coupons have not been presented for payment.

SECTION 505 A. Custody of the Bond Fund. The Bond Fund shall be in the custody of the Trustee but in the name of the County and the County hereby authorizes and directs the Trustee to withdraw sufficient funds from the Bond Fund to pay principal of and interest and premium, if any, on the Bonds as the same become due and payable and to make said funds so withdrawn available to the Trustee and to the paying agent or agents for the purpose of paying said principal and interest, and premium, if any, which authorization and direction the Trustee hereby accepts.

SECTION 506 A. Non-Presentment of Bonds or Coupons. In the event any Bonds shall not be presented for payment when the principal thereof becomes due, either at maturity or at the date fixed for redemption thereof or otherwise, or in the event any coupon shall not be presented for payment at the due date thereof, if funds sufficient to pay such

Bonds or coupons shall have been made available to the Trustee for the benefit of the holder or holders thereof, all liability of the County to the holder thereof for the payment of such Bond or coupon, as the case may be, shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds, without liability for interest thereon, for the benefit of the holder of such Bond, or the bearer of such coupon, as the case may be, who shall thereafter be restricted exclusively to such fund or funds, for any claim of whatever nature on his part under this Indenture or on, or with respect to, said Bond or coupon.

SECTION 507 A. Trustee's and Paying Agent's Fees, Charges and Expenses. Pursuant to the provisions of the Lease Agreement, the Lessee has agreed to pay the Trustee, until the principal of, interest and premium, if any, on the Bonds shall have been fully paid: (i) an amount equal to the annual fee of the Trustee for the Ordinary Services of the Trustee rendered, as trustee, and its Ordinary Expenses incurred, as trustee, under this Indenture, as and when the same becomes due; (ii) the reasonable fees and charges of the Trustee, as Bond Registrar and paying agent, and any other paying agents who may hereafter act in such capacity, as and when the same become due; and (iii) the reasonable fees and charges for the necessary Extraordinary Services and Extraordinary Expenses of the Trustee under this Indenture, as and when the same become due. It is further understood and agreed that the initial or acceptance fees of the Trustee and the fees, charges and expenses of the Trustee and paying agent referred to in the preceding sentence which become due prior to the Completion Date (as defined in the Lease Agreement) will be paid to the Trustee from the Construction



this Indenture), the fees, charges and expenses of the Trustee and any paying agents and all other amounts required to be paid hereunder shall be paid to the Lessee upon the expiration or sooner termination of the term of the Lease Agreement as provided in Section 13.8 of the Lease Agreement.

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THERE ARE NO ADDITIONAL SECTIONS TO THIS ARTICLE V A.

#### ARTICLE VI A

##### CUSTODY AND APPLICATION OF PROCEEDS OF BONDS

SECTION 601 A. Deposits in the Bond Fund. From the proceeds of the issuance and delivery of Bonds there shall be deposited in the Bond Fund all accrued interest received upon the sale of the Bonds.

SECTION 602 A. Construction Fund; Disbursement. There is hereby created and established with the Trustee a trust in the name of the County to bear the designation set forth in Section 602. The balance of the proceeds of the issuance and delivery of Bonds remaining after the deduction provided by Section 601 hereof shall have been made shall be deposited in the Construction Fund. Moneys in the Construction Fund shall be expended in accordance with the provisions of the Lease Agreement and particularly Section 4.3 thereof.

The Trustee is hereby authorized and directed to issue its check for each disbursement required by the aforesaid provisions of the Lease Agreement.

The Trustee shall keep and maintain adequate records pertaining to the Construction Fund and all disbursements therefrom, and after the Project shall have been completed



Fund as and when the same shall become due. The Lessee may, without creating a default hereunder, contest in good faith the necessity for any such Extraordinary Services and Extraordinary Expenses and the reasonableness of any of the fees, charges or expenses referred to herein.

SECTION 508 A. Moneys to be Held in Trust. All moneys required to be deposited with or paid to the Trustee for account of the Bond Fund or the Construction Fund under any provision of this Indenture shall be held by the Trustee in trust, and except for moneys deposited with or paid to the Trustee for the redemption of Bonds, notice of redemption of which has been duly given, shall, while held by the Trustee, constitute a part of the Trust Estate and be subject to the lien hereof.

SECTION 509 A. Insurance and condemnation Proceeds. Reference is hereby made to Article VII of the Lease Agreement whereunder it is provided that under certain circumstances the net proceeds of insurance and condemnation awards are to be paid to the Trustee and deposited in separate trust accounts and to be disbursed and paid out as therein provided. The Trustee hereby accepts and agrees to perform the duties and obligations as therein specified. Any moneys held by the Trustee pursuant to the provisions of this Section may be invested and reinvested, with the approval of the Lessee, in investments authorized by Section 702 hereof for the investment of moneys held as a part of the Bond Fund.

SECTION 510 A. Repayment to the Lessee from the Bond Fund. Any amounts remaining in the Bond Fund after payment in full of the principal of, interest and premium, if any, on Bonds (or provision for payment thereof as provided in

and a certificate of payment of all costs filed as provided in Section 603 hereof, the Trustee shall, if requested by the Lessee, file an accounting thereof with the County and with the Lessee.

SECTION 603 A. Completion of the Project. The completion of the Project and the payment of all costs and expenses incident thereto shall be evidenced by the filing with the Trustee of (i) the certificate of the Authorized Lessee Representative (as defined in the Lease Agreement) required by the provisions of Section 4.5 of the Lease Agreement and (ii) a certificate signed by the Chairman of the County Board and by the Lessee (by one of the authorized officers of the Lessee) which certificate shall state that all obligations and costs in connection with the Project and payable out of the Construction Fund have been paid and discharged except for amounts retained by the Trustee with the approval of the said Authorized Lessee Representative for the payment of costs of the Project not then due and payable as provided in the Lease Agreement. As soon as practicable and in any event after sixty days from the date of the certificate referred to in clause (ii) of the preceding sentence any balance remaining in the Construction Fund (other than the amounts retained by the Trustee referred to in the preceding sentence) shall without further authorization be deposited in the Bond Fund by the Trustee with advice to the County and to the Lessee of such action unless the Lessee shall have directed the Trustee to purchase Bonds in the open market for the purpose of cancellation in accordance with Section 4.3 of the Lease Agreement.

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THERE ARE NO ADDITIONAL SECTIONS TO THIS ARTICLE VI A.



ARTICLE VII A

INVESTMENTS

SECTION 701 A. Investment of Construction Fund Moneys.

*Spelled out  
about 100  
million*

Any moneys held as part of the Construction Fund shall, at the written request of and as specified by the Authorized Lessee Representative (as defined in the Lease Agreement), be invested and reinvested by the Trustee in accordance with the provisions of Section 4.9 of the Lease Agreement. Any such investments shall be held by or under the control of the Trustee and shall be deemed at all times a part of the Construction Fund and the interest accruing thereon and any profit realized from such investments shall be credited to such fund, and any loss resulting from such investments shall be charged to such fund. The Trustee is directed to sell and reduce to cash funds a sufficient amount of such investments whenever the cash balance in the Construction Fund is insufficient to pay a requisition when presented.

SECTION 702 A. Investment of Bond Fund Moneys. Any

moneys held as part of the Bond Fund shall, at the written request of and as specified by the Authorized Lessee Representative (as defined in the Lease Agreement), be invested or reinvested by the Trustee in any bonds or other obligations which as to principal and interest constitute direct obligations of the United States of America. Any such investment shall be held by or under control of the Trustee and shall be deemed at all times a part of the Bond Fund and the interest accruing thereon and any profit realized therefrom shall be credited to such fund and any loss resulting from such investments shall be charged to such fund. The Trustee shall sell and reduce to cash funds a sufficient portion of investments



under the provisions of this Section 702 whenever the cash balance in the Bond Fund is insufficient to pay the current interest and principal requirements.

SECTION 703 A. Trustee's Own Bond Department. The Trustee may make any and all investments permitted under Section 701 and Section 702 through its own Bond Department.

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THERE ARE NO ADDITIONAL SECTIONS TO THIS ARTICLE VII A.

ARTICLE VIII A

POSSESSION, USE AND PARTIAL RELEASE OF LEASED PROPERTY

SECTION 801 A. Subordination to Rights of the Lessee.

This Indenture and the rights and privileges hereunder of the Trustee and the holders of the Bonds and bearers of coupons appertaining thereto are specifically made subject and subordinate to the rights and privileges of the Lessee set forth in the Lease Agreement. So long as not otherwise provided in this Indenture, the County shall be suffered and permitted to possess, use and enjoy the Mortgaged Property and appurtenances so as to carry out its obligations under the Lease Agreement.

SECTION 802 A. Release of Leased Land. Reference is made to the provisions of the Lease Agreement, including without limitation Sections 8.5 and 11.3 thereof, whereby the County and the Lessee have reserved the right to withdraw certain portions of the Leased Land (as defined in the Lease Agreement) upon compliance with the terms and conditions of the Lease Agreement. The Trustee shall release from the lien of this Indenture any such land upon compliance with the provisions of the Lease Agreement.

SECTION 803 A. Granting of Easements. Reference is made to the provisions of the Lease Agreement, including, without limitation Section 8.6 thereof, whereby the Lessee may grant easements and take other action upon compliance with the terms and conditions of the Lease Agreement. The Trustee shall execute or confirm the grants or releases of easements, licenses, rights of way and other rights and privileges permitted by Section 8.6 thereof upon compliance with the provisions of the Lease Agreement.

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THERE ARE NO ADDITIONAL SECTIONS TO THIS ARTICLE VIII A.

ARTICLE IX A

DISCHARGE OF LIEN

SECTION 901 A. Discharge of Lien of the Indenture.

If the County shall pay or cause to be paid to the holders and owners of the Bonds and bearers of coupons the principal, interest and premium, if any, to become due thereon at the times and in the manner stipulated therein and herein, and shall have paid all fees and expenses of the Trustee and each

paying agent, and if the County shall keep, perform and observe all and singular the covenants and promises in the Bonds and in this Indenture expressed as to be kept, performed and observed by it or on its part, or if the issuance of the Bonds is not made within the time provided in Section 4.2 of the Lease Agreement, then these presents and the estate and rights hereby granted shall, at the option of the County, cease, determine and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture and execute and deliver to the County such instruments in writing as shall be requisite to satisfy the lien hereof, and re-convey to the County the estate hereby conveyed, and assign and deliver to the County any property at the time subject to the lien of this Indenture which may then be in its possession, except amounts in the Bond Fund required to be paid to the Lessee under Section 510 hereof and except funds held by the Trustee for the payment of principal of, interest and premium, if any, on the Bonds.

Bonds and coupons for the payment or redemption of which moneys shall have been deposited with the Trustee (whether upon or prior to the maturity or the redemption date of such Bonds) shall be deemed to be paid within the meaning of this Article; provided, however, that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given or arrangements satisfactory to the Trustee shall have been made for the giving thereof.

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THERE ARE NO ADDITIONAL SECTIONS TO THIS ARTICLE IX A.



ARTICLE X A

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERS

SECTION 1001 A. Defaults; Events of Default. If any of the following events occurs, subject to the provisions of Sections 1012 and 1013 hereof, it is hereby defined as and declared to be and to constitute an "event of default," viz:

(a) Default in the due and punctual payments of any interest on any Bond; or

(b) Default in the due and punctual payment of the principal of any Bonds (or premium thereon, if any), whether at the stated maturity thereof, or upon proceedings for redemption thereof, or upon the maturity thereof by declaration or upon the mandatory purchase of the Project contemplated by Section 12.2 of the Lease Agreement; or

(c) The occurrence of an "event of default" under Section 10.1(a) or (b) of the Lease Agreement; or

(d) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the County in this Indenture or in the Bonds contained; or

(e) The occurrence of an "event of default" under Section 10.1 of the Lease Agreement arising out of matters referred to in Sections 404, 405, and 507 hereof.

The term "default shall mean default by the County in the performance or observance of any of the covenants, agreements or conditions on its part contained in this Indenture or in the Bonds, exclusive of any period of grace required

to constitute a default an "event of default" as in this Article provided and shall mean the occurrence of an "event of default" under Section 10.1 of the Lease Agreement arising out of matters referred to in Sections 404, 405, and 507 hereof.

SECTION 1002 A. Acceleration. Upon the occurrence of an event of default the Trustee may, and upon the written request of the holders of not less than twenty-five per cent in aggregate principal amount of Bonds then outstanding shall, by notice in writing delivered to the County, declare the principal of all Bonds then outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable.

SECTION 1003 A. Surrender of Possession of Mortgaged Property; Rights and Duties of Trustee in Possession; Other Remedies. Upon the occurrence of an event of default, it shall be lawful for the Trustee, by such officer or agent as it may appoint, to take possession of all or any part of the Mortgaged Property together with the books, papers and accounts of the County appertaining thereto, and including the rights and the position of the County under the Lease Agreement, and to hold, operate and manage the same, and from time to time make all needful repairs and improvements as by the Trustee shall be deemed wise; and the Trustee may lease the Project or any part thereof in the name and for account of the County and collect, receive and sequester the rents, revenues, issues, earnings, income, products and profits therefrom, and out of the same and any moneys received from any receiver of any part thereof pay, and/or set up proper reserves for the payment of all proper costs and expenses of so taking, holding and

managing the same, including reasonable compensation to the Trustee, its agents and counsel, and any charges of the Trustee hereunder, and any taxes and assessments and other charges prior to the lien of this Indenture which the Trustee 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 1008 hereof.

Whenever all that is due upon the Bonds shall have been paid and all defaults made good, the Trustee shall surrender possession to the County; the same right of entry, however, to exist upon any subsequent event of default.

While in possession of such property the Trustee shall render annually to the County and the Lessee and also to the Bondholders, at their addresses set forth in the list required by Section 408 hereof and to the holders of all Bonds then registered as to principal (except to bearer) at their addresses shown by the registration books, a summarized statement of income and expenditures in connection therewith.

Upon the occurrence of an event of default the lien on the Project created and vested by this Indenture may be foreclosed either by sale at public outcry or by proceedings in equity and the Trustee or the holder or holders of any of the Bonds then outstanding, whether or not then in default of payment of principal or interest, may become the purchaser at any foreclosure sale if the highest bidder.

Upon the occurrence of an event of default, the Trustee shall have the power to proceed with any right or remedy granted by the Constitution and Laws of the State of South Carolina, as it may deem best, including any suit, action or special proceeding in equity or at law for the special



performance of any covenant or agreement contained herein or for the enforcement of any proper legal or equitable remedy as the Trustee shall deem most effectual to protect the rights aforesaid, insofar as such may be authorized by law, and the right to appointment, as a matter of right and without regard to the sufficiency of the security afforded by the Mortgaged Property, of a receiver for all or any part of the Mortgaged Property and the earnings, rents and income thereof; the rights here specified are to be cumulative to all other available rights, remedies or powers and shall not exclude any such rights, remedies or powers.

SECTION 1004 A. Rights of Bondholders. If an event of default shall have occurred, and if requested so to do by the holders of not less than twenty-five per cent in the aggregate principal amount of Bonds then outstanding and if indemnified as provided in Section 1101(1) hereof, the Trustee shall be obliged to exercise such one or more of the rights and powers conferred by this Article, as the Trustee, being advised by counsel, shall deem most expedient in the interest of the Bondholders.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the Bondholders) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Bondholders hereunder 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 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 acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or event of default hereunder, whether by the Trustee or by the Bondholders shall extend to or shall affect any subsequent default or event of default or shall impair any rights or remedies consequent thereon.

SECTION 1005 A. Rights of Bondholders to Direct Proceedings. Anything in this Indenture to the contrary notwithstanding, the holders of a majority in aggregate principal amount of Bonds then outstanding (determined in accordance with the provisions of Section 1401 hereof) shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

SECTION 1006 A. Appointment of Receiver. Upon the occurrence of an event of default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bondholders or the bearers of the coupons under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Mortgaged Property and of the rents, revenues, issues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

SECTION 1007 A. Foreclosure of Indenture. Upon the occurrence of an event of default, to the extent that such right may then lawfully be waived, neither the County, nor anyone claiming through or under it, shall set up, claim, or seek to take advantage of any appraisement, valuation, stay, extension or redemption laws now or hereinafter in force, in order to prevent or hinder the enforcement of the Indenture or the foreclosure of the Indenture, and the County, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws and all right of appraisement and redemption to which it may be entitled under the laws of South Carolina.

SECTION 1008 A. Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee, be deposited in the Bond Fund and all moneys in the Bond Fund shall be applied as follows;

(a) Unless the principal of all Bonds 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 Bonds, 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, 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 of and premium, if any, on any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates, with interest on such Bonds from the respective dates upon which they become due and, if the amount available shall not be sufficient to pay in full principal of, premium, if any, and interest on the Bonds due on any particular date, then to the payment ratably, according to the amount of the principal, interest, and premium, if any, due on such date, to the persons entitled thereto without any discrimination or privilege.

(b) If the principal of all the Bonds shall have become due 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 Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, 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 Bonds shall have been declared due and payable, and if such declaration shall thereafter have been declared due and payable, and if

such declaration shall thereafter have been rescinded and annulled under the provisions of this Article then, subject to the provisions of paragraph (b) of this Section in the event that the principal of all the Bonds 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.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time as the Trustee 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 Trustee 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 dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the bearer of any unpaid coupon or the holder of any Bond until such coupon or such Bond and all unmatured coupons, if any, appertaining to such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all principal of, premium, if any, and interest on all Bonds have been paid under the provisions of this Section and all expenses and charges of the Trustee shall have been paid, any balance remaining in the Bond Fund shall be paid to the Lessee as provided in Section 510 hereof.

SECTION 1009 A. Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) under this Indenture or under any of the Bonds or coupons may be enforced by the Trustee without the possession of any of the Bonds or coupons or the production thereof in any trial or other proceeding relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any holders of the Bonds or bearers of coupons, and any recovery of judgment shall be for the equal benefit of the holders of the outstanding Bonds and the bearers of the outstanding coupons.

SECTION 1010 A. Rights and Remedies of Bondholders. No holder or bearer of any Bond or coupon, as the case may be, shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust thereof or for the appointment of a receiver or any other remedy hereunder, unless also a default has occurred of which the Trustee has been notified as provided in subsection (g) of Section 1101, or of which by said subsection it is deemed to have notice, nor unless also such default shall have become an event of default and the holders of at least twenty-five per cent in aggregate principal amount of Bonds then outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, nor unless also they have offered to the Trustee indemnity as provided in Section 1101(1) nor unless the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action,



suit or proceeding in its, his or their own name or names; and such notification, request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more holders or bearers of the Bonds or coupons shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by its, his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the holders of all Bonds and the bearers of all coupons then outstanding. Nothing in this Indenture contained shall, however, affect or impair the right of any Bondholder to enforce the payment of the principal, premium, if any, and interest of any Bond at and after the maturity thereof, or the obligation of the County to pay the principal of, premium, if any, and interest on each of the Bonds issued hereunder to the respective holders thereof and to the bearers of the coupons at the time, place, from the source, and in the manner in said Bonds and coupons expressed.

SECTION 1011 A. Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the County and the

Trustee shall be restored to their former positions and rights hereunder with respect to the Mortgaged Property herein conveyed, and all rights and remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

SECTION 1012 A. Waivers of Events of Default. The Trustee shall waive any event of default hereunder and its consequences and rescind any declaration of maturity of principal of and interest on the Bonds upon the written request of the holders of a majority in aggregate principal amount of all Bonds then outstanding; provided, however, that there shall not be waived (a) any event of default in the payment of the principal of any outstanding Bonds at the date of maturity specified therein or upon mandatory redemption if such be prescribed by any provision of this Indenture, or (b) any default in the payment when due of the interest or premium on any such Bonds unless prior to such waiver or rescission, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds in respect of which such default shall have occurred on overdue installments of interest or all arrears of payments of principal or premium when due (whether at the stated maturity thereof or upon proceedings for redemption) as the case may be, and all expenses of the Trustee, in connection with such default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the County, Trustee and Bondholders and bearers of coupons shall be restored to their former positions and rights hereunder respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.



SECTION 1013 A. Notice of Defaults; Opportunity of the County and Lessee to Cure Defaults. Anything herein to the contrary notwithstanding, no default (other than a default under Section 1001(a), Section 1001(b) or Section 1101(c) hereof, to which this Section 1013 shall not be applicable) shall constitute an event of default until actual notice of such default by registered or certified mail shall be given by the Trustee or by the holders of not less than twenty-five per cent of the aggregate principal amount of Bonds then outstanding to the Lessee and the County, and the County shall have had thirty days after receipt of such notice to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected within the applicable period; provided, however, if said default be such that it cannot be corrected within the applicable period, it shall not constitute an event of default if corrective action is instituted by the Lessee or the County, as the case may be, within the applicable period and diligently pursued until the default is corrected.

With regard to any alleged default concerning which notice is given to the Lessee under the provisions of this Section 1013, the County hereby grants the Lessee full authority for account of the County to perform any covenant or obligation alleged in said notice to constitute a default, in the name and stead of the County with full power to do any and all things and acts to the same extent that the County could do and perform any such things and acts and with power of substitution.

In the event that the Trustee fails to receive the rental payable by the Lessee under Section 5.3 of the Lease Agreement on the occasion prescribed therein, the Trustee



shall forthwith give notice by telegram, or if telegraphic service is not available, then by mail to the Lessee, specifying such failure.

SECTION 1014 A. Powers of Trustee Upon Event of Default Under Lease Agreement or in Payment of Bonds. If the rents prescribed by Section 5.3 of the Lease Agreement are not paid on the occasions therein prescribed for, or in case an event of default, as defined in Section 1001 hereof, in the payment of the principal of, premium, if any, or interest on any Bonds shall occur and be continuing, the Trustee, in its own name and as trustee of an express trust, shall be entitled and empowered to institute any action or proceedings at law or in equity for the collection of all sums due and unpaid under the Lease Agreement or the Bonds and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against any obligor thereon, and collect in the manner provided by law out of the property of any obligor thereon wherever situated the moneys adjudged or decreed to be payable.

In case there shall be pending proceedings for the bankruptcy or for the reorganization of any obligor under the Lease Agreement under the National Bankruptcy Act or any other applicable law, or in case a receiver or trustee shall have been appointed for the property of any such obligor, or in case any other judicial proceedings relative to any obligor under the Lease Agreement, or to the creditors or property of any such obligor, the Trustee, irrespective of whether the principal of the Bonds shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand

pursuant to the power vested in it by the Indenture, shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount owing and unpaid, and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for reasonable compensation to the Trustee, its agents, attorneys and counsel, and for reimbursement of all expenses and liabilities incurred, and all advances made, by the Trustee except as a result of its negligence or bad faith) and the Bondholders allowed in any such judicial proceedings relative to the Lessee or any other obligor under the Lease Agreement or to the creditors or property of the Lessee, or any such other obligor, as the case may be, and to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute all amounts received with respect to the claims of the Bondholders and of the Trustee on their behalf; and any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized by each of the Bondholders to make payments to the Trustee and, in the event that the Trustee shall consent to the making of payments directly to the Bondholders, to pay to the Trustee such amount as shall be sufficient to cover reasonable compensation to the Trustee, its agents, attorneys and counsel, and all other expenses and liabilities incurred, and all advances made, by the Trustee except as a result of its negligence or bad faith.

In case of a default hereunder the Trustee may, in its discretion, proceed to protect and enforce the rights vested in it by this Indenture by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any of such rights, either at law or in equity or in bankruptcy,



or otherwise, whether for the specific performance of any covenant or agreement contained in this Indenture, or enforceable by the Trustee by reason of this Indenture, or in aid of the exercise of any power or right granted by this Indenture, or to enforce any other legal or equitable right vested in the Trustee by this Indenture, or by law.

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THERE ARE NO ADDITIONAL SECTIONS TO THIS ARTICLE X A.

ARTICLE XI A

THE TRUSTEE

SECTION 1101 A. Acceptance of the Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees, and shall be entitled to advice of counsel concerning all matters of trusts hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may be reasonably employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the County or the Lessee). The Trustee shall not be responsible for any loss or damage resulting from any action or non-action in good faith in reliance upon such opinion or advice.



(b) The Trustee shall not be responsible for any recital herein, or in the Bonds (except in respect to the authentication certificate of the Trustee endorsed on the Bonds), or for insuring the property conveyed hereby, or for collecting any insurance moneys, or for the validity of the execution by the County of this Indenture or of any supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, or for the value or title of the property conveyed hereby or otherwise as to the maintenance of the security hereof; except that in the event the Trustee enters into possession of a part or all of the property conveyed hereby pursuant to any provision of this Indenture it shall use due diligence in preserving such property; and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the County or on the part of the Lessee under the Lease Agreement, except as herein expressly set forth; but the Trustee may require of the County or the Lessee full information and advice as to the performance of the covenants, conditions and agreements aforesaid and as to the condition of the property conveyed hereby. Except as otherwise provided in Section 1003 hereof, the Trustee shall have no obligation to perform any of the duties or obligations of the County, as lessor, under the Lease Agreement.

(c) The Trustee shall not be accountable for the use of the proceeds from the sale of the Bonds disbursed

in accordance with the provisions of Sections 4.2 and 4.3 of the Lease Agreement. The Trustee may become the owner of Bonds and coupons secured hereby with the same rights which it would have if not Trustee.

(d) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram, or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the owner of any Bond, shall be conclusive and binding upon all future owners of the same Bond and of Bonds issued in exchange therefor or in place thereof, regardless of whether or not any notation thereof is made on any such Bond.

(e) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed on behalf of the County Board by its Chairman and attested by its Secretary as sufficient evidence of the facts therein contained and prior to the occurrence of a default of which the Trustee has been notified as provided in subsection (g) of this Section, or of which by said subsection it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the

same. The Trustee may accept a certificate of the Secretary of the County Board, under its seal, to the effect that a resolution in the form therein set forth has been adopted by the County Board, as conclusive evidence that such resolution has been duly adopted, and is in full force and effect.

(f) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful default.

(g) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except (i) failure by the County to cause to be made any of the payments to the Trustee required to be made by Article V and (ii) failure by the Lessee to make any of the payments to the Trustee required to be made by Section 5.3 of the Lease Agreement, unless the Trustee shall be specifically notified in writing of such default by the County or by the holders of at least twenty-five per cent in aggregate principal amount of all Bonds then outstanding and all notices or other instruments required by this Indenture to be delivered to the Trustee, must, in order to be effective, be delivered at the principal office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no default except as aforesaid.

(h) The Trustee shall not be liable for any debts contracted or for damages to persons or to personal



property injured or damaged, or for salaries or nonfulfillment of contracts during any period in which it may be in the possession of or managing the Mortgaged Property as in this Indenture provided.

(i) At any and all reasonable times, the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect any and all of the Project, including all books, papers and records of the County pertaining to the Project and the Bonds, and to take such memoranda from and in regard thereto as may be desired, subject to any limitations imposed upon such rights of inspection pursuant to Section 8.2 of the Lease Agreement.

(j) The Trustee shall not be required to give any bond or surety in respect to the execution of the said trusts and powers or otherwise in respect to the premises.

(k) Notwithstanding anything elsewhere in this Indenture contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals, or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Trustee, deemed desirable for the purpose of establishing the right of the County to the authentication of any Bonds, the withdrawal of any cash, the release of any property or the taking of any other

action by the Trustee.

(1) Before taking any action hereunder the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful default by reason of any action so taken.

(m) All moneys received by the Trustee or paying agent shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law or by this Indenture. Neither the Trustee nor paying agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

SECTION 1102 A. Fees, Charges and Expenses of Trustee.

The Trustee shall be entitled to payment and/or reimbursement for reasonable fees for its Ordinary Services rendered hereunder, and all advances, counsel fees and other Ordinary Expenses reasonably and necessarily made or incurred by the Trustee in connection with such Ordinary Services and, in the event that it should become necessary that the Trustee perform Extraordinary Services, it shall be entitled to reasonable extra compensation therefor, and to reimbursement for reasonable and necessary Extraordinary Expenses in connection therewith; provided, that if such Extraordinary Services or Extraordinary Expenses are occasioned by the neglect or misconduct of the Trustee, it shall not be entitled to compensation or reimbursement therefor. The Trustee shall be entitled to payment and reimbursement for the

reasonable fees and charges of the Trustee as Bond Registrar and paying agent for the Bonds and coupons as hereinabove provided. The Trustee shall have a lien with right of payment prior to payment on account of interest or principal of any Bond upon the Project for the foregoing advances, fees, costs and expenses incurred.

SECTION 1103 A. Notice to Bondholders If Default Occurs.

If a default occurs of which the Trustee is by section (g) of Section 1101 hereof required to take notice or if notice of default be given as in said subsection (g) provided, then the Trustee shall give such notice to the Lessee and the County as is specified in Section 1013 hereof, and such notice to the Lessee as is specified in Section 10.1 of the Lease Agreement, in order to have such default mature as an event of default upon the passage of the period of time therein specified and shall give written notice thereof by mail to the last known holders or owners of all Bonds then outstanding shown by the list of Bondholders required by the terms of Section 408 hereof to be kept at the office of the Trustee and by the registration books maintained by the Trustee pursuant to Section 208 hereof.

SECTION 1104 A. Intervention by Trustee. In any judicial proceeding to which the County is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of the owners of the Bonds, the Trustee may intervene on behalf of the Bondholders and shall do so if requested in writing by the owners of at least twenty-five per cent in aggregate principal amount of all Bonds then outstanding, and if indemnified as provided in Section 1101(1) hereof. The rights and obligations of the Trustee under this Section are



subject to the approval of a court of competent jurisdiction.

SECTION 1105 A. Successor Trustee. Any corporation or association into which the Trust may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor Trustee hereunder and vested with all of the title to the whole property or trust estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instruments or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

SECTION 1106 A. Resignation by the Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving thirty days' written notice to the County, to the Lessee and by registered or certified mail to each registered owner of Bonds then outstanding and to each holder of Bonds as shown by the list of Bondholders required by Section 408 hereof to be kept at the office of the Trustee, and such resignation shall take effect at the end of such thirty days, or upon the earlier appointment of a successor Trustee by the Bondholders or by the County. Such notice to the County and to the Lessee may be served personally or sent by registered mail.

SECTION 1107 A. Removal of the Trustee. The Trustee may be removed at any time, by an instrument or concurrent instruments in writing delivered to the Trustee and to the County, and signed by the owners of a majority in aggregate principal amount of all Bonds then outstanding.

SECTION 1108 A. Appointment of Successor Trustee by the Bondholders; Temporary Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the owners of a majority in aggregate principal amount of Bonds then outstanding, by an instrument or concurrent instruments in writing signed by such owners, or by their attorneys in fact, duly authorized; provided, nevertheless, that in case of vacancy the County by an instrument executed and signed by the Chairman of the County Board and attested by the Secretary of the County Board under its seal, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by such Bondholders in the manner above provided; and any such temporary Trustee so appointed by the County shall immediately and without further act be superseded by the Trustee so appointed by such Bondholders. Every such Trustee appointed pursuant to the provisions of this Section shall be a trust company or bank organized under the laws of the United States of America or any state thereof and which is in good standing, within or outside the State of South Carolina, having a reported capital and surplus of not less than that prescribed in Section 1108 hereof if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

SECTION 1109 A. Concerning Any Successor Trustees. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the County an instrument in writing accepting such appointment hereunder,



and thereupon such successor, without any further act, deed or conveyance, shall become duly vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the County or of its successor, and upon payment of all amounts due such predecessor pursuant to Section 1102 hereof, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the County be required by any successor Trustee for more fully and certainly vesting in such successor the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing, shall, on request, be executed, acknowledged and delivered by the County. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article shall be filed and/or recorded by the successor Trustee in each recording office where the Indenture shall have been filed and/or recorded.

SECTION 1110 A. Right of Trustee to Pay Taxes and Other Charges. In case any tax, assessment or governmental or other charge upon any part of the property herein conveyed is not paid as required herein, the Trustee may pay such tax, assessment or governmental or other charge, without prejudice, however, to any rights of the Trustee or the Bondholders hereunder arising in consequence of such failure; and any amount at any time so paid under this Section, with interest thereon from the date of payment at the rate of seven per cent



per annum, shall become so much additional indebtedness secured by this Indenture, and the same shall be given a preference in payment over any of the Bonds, and shall be paid out of the revenues herein pledged to the payment of the Bonds if not otherwise caused to be paid; but the Trustee shall be under no obligation to make any such payment unless it shall have been requested to do so by the holders of at least twenty-five per cent in the aggregate principal amount of all Bonds then outstanding and shall have been provided with adequate funds for the purpose of such payment.

SECTION 1111 A. Trustee Protected in Relying Upon Resolutions, etc. The resolutions, opinions, certificates and other instruments provided for in this Indenture may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for the release of property and the withdrawal of cash hereunder.

SECTION 1112 A. Successor Trustee as Trustee of Bond Fund and Construction Fund, Paying Agent and Bond Registrar. In the event of a change in the office of Trustee the predecessor Trustee which has resigned or has been removed shall cease to be trustee of the Bond Fund and the Construction Fund, and paying agent for principal of and interest and premium, if any, on the Bonds, and Bond Registrar, and the successor Trustee shall become such Trustee, paying agent and Bond Registrar.

SECTION 1113 A. Trust Estate May be Vested in Separate or Co-Trustee. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of South Carolina) denying or restricting the right of banking corporations or asso-

ciations to transact business as Trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture or the Lease Agreement, and in particular in case of the enforcement of either on default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the Mortgaged Property, in trust, as herein granted, or take any other which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate or co-trustee. The following provisions of this Section 1113 are adapted to these ends.

In the event that the Trustee appoints an additional individual or institution as a separate or co-trustee (and the Trustee is hereby expressly granted such power), each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co-trustee but only to the extent necessary to enable such separate or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them.

Should any deed, conveyance or instrument in writing from the County be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to him or it such properties, rights,

powers, trusts, duties and obligations, any and all such deeds, conveyances, and instruments in writing shall, on request, be executed, acknowledged and delivered by the County. In case any separate trustee or co-trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

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THERE ARE NO ADDITIONAL SECTIONS TO THIS ARTICLE XI A.

#### ARTICLE XII A

##### SUPPLEMENTAL INDENTURES

SECTION 1201 A. Supplemental Indentures Not Requiring Consent of Bondholders. The County and the Trustee may without the consent of, or notice to, any of the Bondholders, enter into an indenture or indentures supplemental to this Indenture as shall not be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Indenture;
- (b) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders or the Trustee or either of them;



powers, trusts, duties and obligations, any and all such deeds, conveyances, and instruments in writing shall, on request, be executed, acknowledged and delivered by the County. In case any separate trustee or co-trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

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THERE ARE NO ADDITIONAL SECTIONS TO THIS ARTICLE XI A.

#### ARTICLE XII A

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SECTION 1201 A. Supplemental Indentures Not Requiring Consent of Bondholders. The County and the Trustee may without the consent of, or notice to, any of the Bondholders, enter into an indenture or indentures supplemental to this Indenture as shall not be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

(a) to cure any ambiguity or formal defect or omission in this Indenture;

(b) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders or the Trustee or either of them;

(c) to subject to the lien and pledge of this Indenture, additional revenues, properties or collateral; and

(d) to modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar Federal statute hereafter in effect or under any state Blue Sky Law.

The County and the Trustee shall without the consent of, or notice to, any of the Bondholders enter into an indenture or indentures supplemental to this Indenture (i) to the extent necessary with respect to any real or personal property forming a part of the Project and generally described in the Lease Agreement, so as to more precisely identify the same or to substitute or add additional land or interests in land, buildings, machinery and equipment, and (ii) with respect to any changes required to be made in the description of the Mortgaged Property in order to conform with similar changes made in the Lease Agreement as permitted by Section 1301.

SECTION 1202 A. Supplemental Indentures Requiring Consent of Bondholders. Exclusive of indentures supplemental hereto covered by Section 1201 hereof and subject to the terms and provisions contained in this Section, and not otherwise, the holders of not less than two thirds in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution

by the County and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the County for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; provided, however, that nothing in this Section contained shall permit, or be construed as permitting

(a) an extension of the stated maturity or reduction of any premium payable on the redemption of, any Bonds, or

(b) the creation of any lien (other than any Permitted Encumbrances as defined in the Lease Agreement), prior to or on a parity with the lien of this Indenture, or

(c) the issuance of Bonds hereunder in excess of the limitations imposed by the provisions of Article II, or

(d) a reduction in the principal amount of any Bonds required to be paid or redeemed by the provisions of this Indenture, or

(e) a reduction in the amount, or extension of the time, of any payment required for the Bond Fund, or

(f) a reduction in the aforesaid aggregate principal amount of Bonds the holders of which are required to consent to any such supplemental indenture, or

(g) any amendment of Section 1202,

without the consent of the Holders of all the Bonds at the time outstanding which would be affected by the action to be taken, or

(h) the modification of the rights, duties or immunities of the Trustee,

without the written consent of the Trustee.

If at any time the County shall request the Trustee to enter into any such supplemental indenture for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause such



notice of the proposed execution of such supplemental indenture to be published as shall be requested by the County and, in any event, one time in a newspaper or financial journal of general circulation published in the City of New York, New York, and shall also cause a similar notice to be mailed, postage prepaid, to all registered Bondholders; provided, however, that no publication of such notice shall be required and notice by mail as aforesaid shall be deemed sufficient notice where all Bonds outstanding are registered. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the corporate trust office of the Trustee for inspection by all Bondholders. If, within sixty days or such longer period as shall be prescribed by the County following the final publication of such notice, the Holders of not less than two-thirds in aggregate principal amount of the Bonds outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no Holder of any Bond and no bearer of any coupon shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the County from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this Section permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

Anything herein to the contrary notwithstanding, a supplemental indenture under this Article XII which affects any rights of the Lessee shall not become effective unless

and until the Lessee shall have consented to the execution and delivery of such supplemental indenture. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such supplemental indenture together with a copy of the proposed supplemental indenture to be mailed by certified or registered mail to the Lessee at least fifteen days prior to the proposed date of execution and delivery of any supplemental indenture. The Lessee shall be deemed to have consented to the execution and delivery of any such supplemental indenture if the Trustee does not receive a letter of protest or objection thereto signed by or on behalf of the Lessee on or before 2:30 o'clock P. M. of the fifteenth day after mailing of said notice and a copy of the proposed supplemental indenture. The Trustee may rely upon an opinion of counsel as conclusive evidence that execution and delivery of a supplemental indenture has been effected in compliance with the provisions of this Article XII.

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THERE ARE NO ADDITIONAL SECTIONS TO THIS ARTICLE XII A.

#### ARTICLE XIII A

##### AMENDMENT OF LEASE AGREEMENT

SECTION 1301 A. Amendments, etc., to Lease Agreement Not Requiring Consent of Bondholders. The County and the Trustee shall, without the consent of or notice to the Bondholders, consent to any amendment, change or modification of the Lease Agreement as may be required (i) by the provisions of the Lease Agreement and this Indenture, (ii) for the purpose of curing any ambiguity or formal defect or omission, (iii) in connection with



any real or personal property forming a part of the Project and described in the Lease Agreement, so as to identify more precisely the same or substitute or add additional land or interests in land, buildings, machinery and equipment, or (iv) in connection with any other change therein which, in the judgment of the Trustee, is not to the prejudice of the Trustee, or materially adverse to the Holders of the Bonds.

SECTION 1302 A. Amendments, etc., to Lease Agreement Requiring Consent of Bondholders. Except for the amendments, changes or modifications as provided in Section 1301 hereof, and subject to the special limitation contained in the sentence of this Section 1302 immediately following this sentence, the County and the Trustee may consent to other amendments, changes or modifications of the Lease Agreement after notice to and upon the written approval or consent of the Holders of not less than two thirds in aggregate principal amount of the Bonds at the time outstanding given and procured as in Section 1202 hereof provided. Provided, always, that nothing in this Section contained shall permit, or shall be construed as permitting, any amendment, change or modification of

(i) the Lessee's unconditional obligation to make payments sufficient to pay the principal, interest and premium, if any, due at any time on the Bonds, or

(ii) the provisions of Article V of the Lease Agreement,

without the consent of the Holders of all the Bonds at the time outstanding. If at any time the County and the Lessee shall request the consent of the Trustee to any such proposed amendment, change or modification of the Lease Agreement which is permitted by the first sentence of this Section 1302, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment,



change or modification to be given in the same manner as provided by Section 1202 hereof with respect to supplemental indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the corporate trust office of the Trustee for inspection by all Bondholders. If, within sixty days, or such longer period as shall be prescribed by the County following the giving of such notice, the Holders of not less than two thirds in aggregate principal amount of the Bonds outstanding at the time of the execution of such proposed amendment shall have consented to and approved the execution thereof as herein provided, no Holder of any Bond and no bearer of any coupon shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the County from consenting to the execution thereof or from taking any action pursuant to the provisions thereof. Upon the execution of any such amendment as in this Section permitted and provided, the Lease Agreement shall be and be deemed to be modified and amended in accordance therewith.

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THERE ARE NO ADDITIONAL SECTIONS TO THIS ARTICLE XIII A.

ARTICLE XIV A

MISCELLANEOUS

SECTION 1401 A. Consents, etc. of Bondholders. Any consent, request, direction, approval, waiver, objection or

other instrument authorized or permitted by this Indenture to be signed and executed by the Bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent authorized in writing. Proof of the execution of any consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of the Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken under such request or other instrument, namely:

(a) The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument acknowledged to him the execution thereof. Where such execution is by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership such affidavit or certificate shall also constitute sufficient proof of his authority.

(b) The amount of Bonds, transferable by delivery, held by any person executing any such request, consent or other instrument or writing as a Bondholder, and the distinguishing numbers of the Bonds held by such person, and the date of his holding the same may be proved by a

certificate executed by any trust company, bank, banker, or other depository (wherever situated), showing that at the date therein mentioned such person had on deposit with such depository, or exhibited to it, the Bonds therein described, or such facts may be proved by the certificate or affidavit of the person executing such request, consent or other instrument or writing as a Bondholder, if such certificate or affidavit shall be deemed by the Trustee to be satisfactory. The Trustee and the County may conclusively assume that such ownership continues until written notice to the contrary is served upon the Trustee. The fact and the date of execution of any request, consent, or other instrument and the amount and distinguishing numbers of Bonds held by the person so executing such request, consent or other instrument may also be proved in any other manner which the Trustee may deem sufficient. The Trustee may nevertheless, in its discretion, require further proof in cases where it may deem further proof desirable.

(c) The ownership of registered Bonds shall be proved by the register of such Bonds.

(d) Any request, consent or vote of the Holder of any Bond shall bind every future holder of the same Bond and the Holder of every Bond issued in exchange therefor or in lieu thereof regardless of the lack of any notation thereon to such effect, in respect of anything done or suffered to be done by the Trustee or the County in pursuance of such request, consent or vote.

(e) In determining whether the Holders of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent



or waiver under this Indenture, Bonds which are owned by the County, by the Lessee or by any other obligor under the Lease Agreement or on the Bonds, or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the County, the Lessee or any other obligor under the Lease Agreement, or on the Bonds, shall be disregarded and deemed not to be outstanding for the purpose of any such determination, provided that for the purpose of determining whether the Trustee shall be protected in relying on any such demand, request, direction, consent or waiver only Bonds which the Trustee knows to be so owned shall be disregarded. Bonds so owned which have been pledged in good faith may be regarded as outstanding for the purposes of this Section 1401 if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by or under common control with the County, the Lessee or any other obligor under the Lease Agreement, or on the Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

SECTION 1402 A. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any person or company other than the parties hereto, and the Holders of the Bonds and the bearers of coupons appertaining thereto, any

legal or equitable right, remedy or claim under or in respect to this Indenture or any covenants, conditions and provisions herein contained; this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the Holders of the Bonds and coupons as herein provided.

SECTION 1403 A. Severability. If any provision of this Indenture shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions or in all cases because it conflicts with any other provision or provisions hereof or any Constitution or statute or rule of law or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or sections in this Indenture contained, shall not affect the remaining portions of this Indenture, or any part thereof.

SECTION 1404 A. Trustee as Paying Agent and Registrar. The Trustee is hereby designated and agrees to act as a paying agent and the Bond Registrar for and in respect to the Bonds.

SECTION 1405 A. Payments Due on Sundays and Holidays. In any case where the date of maturity of interest on or principal of the Bonds, or the date fixed for redemption of any Bonds, shall be a Sunday, or shall be in New York, or the State in which the Trustee maintains its principal office, a legal



holiday, or a day on which banking institutions are authorized by law to close, then payment of interest or principal (and premium, if any) need not be made on such date in such city but may be made on the next succeeding business day not a Sunday, or a legal holiday, or upon a day upon which banking institutions are authorized by law to close, with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

SECTION 1406 A. Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 1407 A. Laws Governing Indenture and Situs and Administration of Trust. The effect and meaning of this Indenture and the rights of all parties hereunder shall be governed by, and construed according to, the laws of the State of South Carolina, but it is the intention of the County that the situs of the trust created by this Indenture be in the state in which is located the corporate trust office of the Trustee from time to time acting under this Indenture. The word "Trustee" as used in the preceding sentence shall not be deemed to include any additional individual or institution appointed as a separate or co-trustee pursuant to Section 1113 of this Indenture. It is the further intention of the County that the Trustee administer said trust in the state in which is located, from time to time, the situs of said trust.

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THERE ARE NO ADDITIONAL SECTIONS TO THIS ARTICLE XIV A.



IN WITNESS WHEREOF, SPARTANBURG COUNTY, SOUTH CAROLINA,  
has caused these presents to be signed in its name and behalf  
by the Chairman of the Board of County Commissioners of Spartan-  
burg County, and its corporate seal to be hereunto affixed  
and attested by the Secretary of said Board, and to evidence  
its acceptance of the trusts hereby created, SOUTH CAROLINA  
NATIONAL BANK has caused these presents to be signed in its  
name and behalf by one of its Trust Officers, its official  
seal to be hereunto affixed, and the same to be attested  
by one of its Assistant Trust Officers, all as of the day  
and year first hereinabove written.

SPARTANBURG COUNTY, SOUTH CAROLINA

(SEAL)

By

\_\_\_\_\_  
Chairman of the Board of County  
Commissioners of Spartanburg County

Attest:

\_\_\_\_\_  
Secretary of the Board of County  
Commissioners of Spartanburg County

Signed, sealed and delivered in  
the presence of:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SOUTH CAROLINA NATIONAL BANK, as Trustee

(SEAL)

By \_\_\_\_\_  
Trust Officer

Attest:

\_\_\_\_\_  
Assistant Trust Officer

Signed, sealed and delivered in  
the presence of:

\_\_\_\_\_  
\_\_\_\_\_

STATE OF SOUTH CAROLINA,  
COUNTY OF SPARTANBURG.

PERSONALLY appeared before me \_\_\_\_\_  
who, being duly sworn, says that (s)he saw the corporate  
seal of SPARTANBURG COUNTY, SOUTH CAROLINA, affixed to the  
foregoing Trust Indenture, and that (s)he also saw \_\_\_\_\_  
\_\_\_\_\_, as Chairman of the Board of County  
Commissioners of Spartanburg County, and \_\_\_\_\_  
\_\_\_\_\_, as Secretary of said Board, sign and attest the  
same and that (s)he with \_\_\_\_\_  
witnessed the execution and delivery thereof as the act and  
deed of the said Spartanburg County, South Carolina.

SWORN to before me this

\_\_\_\_\_ day of \_\_\_\_\_, A. D. 1972.

\_\_\_\_\_  
Notary Public for South Carolina (L.S.)

My Commission Expires \_\_\_\_\_.



STATE OF SOUTH CAROLINA,

COUNTY OF RICHLAND.

PERSONALLY appeared before me \_\_\_\_\_,  
who, being duly sworn, says that (s)he saw the corporate seal of  
SOUTH CAROLINA NATIONAL BANK affixed to the foregoing Trust  
Indenture, and that (s)he also saw \_\_\_\_\_,  
as a Trust Officer, and \_\_\_\_\_, as  
an Assistant Trust Officer of South Carolina National Bank,  
sign and attest the same, and that (s)he with \_\_\_\_\_  
\_\_\_\_\_ witnessed the execution and delivery thereof  
as the act and deed of the said South Carolina National Bank.

SWORN to before me this

\_\_\_\_\_ day of \_\_\_\_\_, A. D. 1972.

\_\_\_\_\_(L.S.)  
Notary Public for South Carolina

My Commission Expires \_\_\_\_\_.

EXHIBIT "A"

DESCRIPTION OF LEAED LAND

(Attached to Trust Indenture between Spartanburg County, South Carolina and South Carolina National Bank, as Trustee, dated as of October 1, 1972)

Exhibit A - 1

EXHIBIT "B"

FORM OF BOND

(Attached to Trust Indenture between Spartanburg County, South Carolina and South Carolina National Bank, as Trustee, dated as of October 1, 1972)



UNITED STATES OF AMERICA

STATE OF SOUTH CAROLINA

SPARTANBURG COUNTY

FIRST MORTGAGE INDUSTRIAL REVENUE BOND, SERIES 1972

(RAYCORD REALTY COMPANY, ET AL - LESSEE)

Number \_\_\_\_\_ \$5,000.00

KNOW ALL MEN BY THESE PRESENTS That SPARTANBURG COUNTY, a body politic and corporate, and a political subdivision of the State of South Carolina (hereinafter called the "County") for value received promises to pay, but only from the source and as hereinafter provided, to bearer, or, if this Bond be registered, to the registered holder hereof, on October 1, 19\_\_, the principal sum of Five Thousand Dollars, and in like manner to pay interest on said sum from the date hereof at the rate of six per centum (6%) per annum on April 1, 1973, and semi-annually thereafter on April 1 and October 1 of each year until said principal sum is paid, except as the provisions hereinafter set forth with respect to redemption prior to maturity may become applicable hereto, principal, premium, if any, and interest on this Bond being payable in lawful money of the United States of America, at the principal office of South Carolina National Bank, in the City of Columbia, State of South Carolina.

This Bond is one of an authorized issue of Bonds in the aggregate principal amount of \$1,300,000 (hereinafter called the "Bonds") issued for the purpose of acquiring and constructing new warehouse facilities and leasing the same to Raycord Realty Company, The Rosemont Company, The Walmont Company, The Shumont Company, Atlas Realty Company, The Beaumont

Company, Aden Bonded Warehouse Co., New South Warehouse Co. and Interstate Warehouse Co., each a South Carolina corporation (hereinafter collectively called the "Lessee") (the land and buildings comprising such warehouse facilities being hereinafter called the "Project") and paying necessary expenses incidental thereto so as to thereby promote industry and develop trade in South Carolina. The Bonds are issued under, and are equally and ratably secured and entitled to the protection given by, a Trust Indenture (hereinafter called the "Indenture") dated as of October 1, 1972, duly executed and delivered by the County to South Carolina National Bank, as Trustee (the term "Trustee" where used herein referring collectively to said Trustee or its successors in said trust). The Project has been leased to the Lessee under and pursuant to a Lease Agreement between the County and the Lessee dated as of October 1, 1972 (hereinafter called the "Lease Agreement"). Under the Lease Agreement the Lessee must pay to the County such rentals as will be fully sufficient to pay the principal of, premium, if any, and interest on the Bonds as the same mature and become due, and under the Lease Agreement it is the obligation of the Lessee to pay the cost of maintaining the Project in good repair and to keep it properly insured. The obligations of the Lessee under the Lease Agreement, including the obligation to make rental and other payments, have been unconditionally guaranteed by Montgomery Industries, a partnership (hereinafter referred to as the "Guarantor") under the terms of a Lease Guaranty Agreement dated as of October 1, 1972. Copies of the Indenture, the Lease Agreement and the Lease Guaranty Agreement are on file at the principal

office of the Trustee in Columbia, South Carolina, and are recorded in the office of the Register of Mesne Conveyance for Spartanburg County, South Carolina, and reference is made to the Indenture, the Lease Agreement and the Lease Guaranty Agreement for a description of the security, the provisions, among others, with respect to the nature and extent of the security, the charging and collection of rentals for the Project, the rights and remedies of the holders of the Bonds and the coupons appertaining thereto, the rights, duties and obligations of the County, the Lessee, the Guarantor and the Trustee, and the terms upon which the Bonds are issued and secured.

This Bond and appurtenant coupons are fully negotiable and shall pass by delivery, but this Bond may be registered as to principal on the registration books of the County in said principal office of the Trustee as Bond Registrar, upon presentation hereof at such office and the notation of such registration endorsed hereon by the Bond Registrar, and this Bond may thereafter be transferred on such books at the written request of the registered holder or by his legal representative, evidence of such transfer to be in like manner endorsed thereon. Such transfer may be to bearer, and thereby transferability by delivery shall be restored, subject, however, to successive registrations and transfers as before. The principal of this Bond, if registered, unless registered to bearer, shall be payable only to or upon the order of the registered holder or his legal representative. Interest accruing on this Bond will be paid only on presentation and surrender of the attached interest coupons as they respectively become due, and registra-



tion of this Bond as to principal as aforesaid will not affect the transferability by delivery of such coupons; provided, that if upon registration of this Bond, or at any time thereafter while this Bond be registered in the name of the holder, the unmatured coupons attached, evidencing interest to be thereafter paid hereon, shall be surrendered to said Bond Registrar, a statement to that effect will be endorsed hereon by the Bond Registrar and thereafter interest evidenced by such surrendered coupons will be paid by check or draft by the Bond Registrar at the times provided herein to the registered holder of this Bond, by mail to the address shown on the registration books. This Bond when so converted into a Bond registered as to both principal and interest may be reconverted into a coupon bond at the written request of the registered holder and upon presentation at the office of said Bond Registrar. Upon such reconversion the coupons representing the interest to become due thereafter to the date of maturity will again be attached to this Bond and a statement will be endorsed thereon by the Bond Registrar in the registration blank on the back of this Bond as to whether it is then registered as to principal alone or payable to bearer.

The Bonds of this issue are noncallable for redemption prior to October 1, 1981, except in the event of (1) exercise by the Lessee of its options to purchase the Project as provided in Section 11.2 of the Lease Agreement, or (2) mandatory purchase of the Project by the Lessee pursuant to Section 12.2 of the Lease Agreement. If called for redemption in any of such events, such Bonds shall be subject to redemption by the County at any time, in whole and not in part, at the

principal amount thereof plus accrued interest to the redemption date and, but only in the event of redemption as a result of the mandatory purchase of the Project pursuant to Section 12.2 of the Lease Agreement, a redemption premium (in lieu of all other redemption premiums) determined by multiplying the annual interest on each Bond redeemed by the number of 360-day periods, or fraction thereof, between the date as of which interest on the Bonds becomes (or is determined to be as provided in Section 12.2 of the Lease Agreement) taxable and the redemption date. If it shall occur that any Bond shall have been paid or retired subsequent to the date as of which such interest on the Bonds became (or was determined to have become) taxable, but prior to the redemption of the Bonds from the purchase price derived from the mandatory purchase of the Project by the Lessee pursuant to Section 12.2 of the Lease Agreement, then in such event the holder of any such Bond on the occasion of its payment (whether at maturity or by redemption) shall be entitled to receive from the purchase price to be paid by the Lessee pursuant to Section 12.2 of the Lease Agreement a premium computed as aforesaid, to the date of payment or redemption, less any optional redemption premium previously paid on such Bond.

Bonds of this issue maturing on October 1, 1982 and thereafter, are also subject to redemption by the County prior to maturity on any interest payment date on or after October 1, 1981, in whole or in part, but if in part in inverse order of their maturity (less than all of such Bonds of a single maturity to be selected by lot by the Trustee), at the redemption prices (expressed as percentages of principal

amount) set forth in the table below, plus accrued interest to the redemption date:

<u>Redemption Date</u> <u>(dates inclusive)</u>	<u>Redemption Price</u>
October 1, 1981 to October 1, 1983.....	104%
April 1, 1984 to October 1, 1985.....	103%
April 1, 1986 and thereafter.....	102%

In the event any of the Bonds are called for redemption as aforesaid, notice thereof specifying the Bonds to be redeemed shall be given by publication not less than thirty days and not more than sixty days prior to the redemption date in a newspaper or financial journal of general circulation published in the City of New York, New York, and in the case of the redemption of registered Bonds, upon mailing a copy of the redemption notice by first class mail at least thirty days prior to the date fixed for redemption to the holder of each registered Bond to be redeemed, at the address shown on the registration books; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceedings for the redemption of Bonds. If all of the Bonds to be redeemed are registered Bonds, notice by mailing given by first class mail to the holder or holders thereof, at the addresses shown on the registration books, not less than thirty days prior to the date fixed for redemption as aforesaid shall be sufficient, and published notice of the call for redemption need not be given, and failure duly to give such notice by mailing, or any defect in the notice, to the holder of any registered Bond designated for redemption shall not affect the validity of the proceedings for the redemption of any other Bond.



All Bonds so called for redemption will cease to bear interest on the specified redemption date, provided funds for their redemption are on deposit with the Trustee, and shall no longer be protected by the Indenture and shall not be deemed to be outstanding under the provisions of the Indenture. If, because of the temporary or permanent suspension of the publication or general circulation of any newspaper or financial journal or for any other reason it is impossible or impractical to publish such notice of call for redemption in the manner herein provided, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient publication of notice.

This Bond and the issue of which it forms a part are issued pursuant to the authorization of and for the purposes prescribed by Act No. 103 of the Acts and Joint Resolutions, enacted at the 1967 Session of the General Assembly of the State of South Carolina, as amended, and pursuant to resolutions duly adopted by the Board of County Commissioners of Spartanburg County and with the approval of the State Budget and Control Board of South Carolina. This Bond and the issue of which it forms a part and the interest coupons appertaining hereto are limited obligations of the County and are payable solely out of the lease rentals, revenues and receipts (excluding amounts paid by the Lessee pursuant to Sections 5.5 or 8.7 of the Lease Agreement) derived from the leasing or sale of the Project, which has been financed through the issuance of the Bonds and leased to the Lessee.

This Bond and the interest coupons appertaining hereto are not and shall never constitute an indebtedness of the

County within the meaning of any state constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers.

Pursuant to the Lease Agreement, rental payments sufficient for the prompt payment when due of the principal of, premium, if any, and interest on the Bonds are to be paid to the Trustee for the account of the County and deposited in a special account created by the County and designated "Spartanburg County Industrial Revenue Bond Fund - Montgomery Industries Project", and have been pledged for that purpose, and in addition the Project has been subjected to the lien of the Indenture to secure payment of such principal and interest and premium.

The holder of this Bond and the bearers of the coupons appertaining hereto shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, 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 principal of all of the Bonds issued under the Indenture and then outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. Modifications or alterations of the Indenture, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law; and that the issuance of this Bond and the issue of which it forms a part, together with all other obligations of the County, does not exceed or violate any constitutional or statutory limitation.

This Bond and the interest coupons appertaining hereto shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Trustee's Certificate of Authentication hereon shall have been duly executed by the Trustee.

IN WITNESS WHEREOF, Spartanburg County, South Carolina, has caused this Bond to be executed by the facsimile signature of the Chairman of the Board of County Commissioners of Spartanburg County, and its corporate seal to be impressed or reproduced hereon and attested by the manual signature of the Secretary of the Board of County Commissioners, and has caused the interest coupons attached to be executed by the facsimile signatures of said Chairman and said Secretary, all as of the 1st day of October, A. D. 1972.

SPARTANBURG COUNTY, SOUTH CAROLINA

(SEAL)

By

\_\_\_\_\_  
Chairman of the Board of County  
Commissioners of Spartanburg County

Attest:

\_\_\_\_\_  
Secretary of the Board of County  
Commissioners of Spartanburg County



This Bond is one of the Bonds of the issue described in the within-mentioned Indenture.

SOUTH CAROLINA NATIONAL BANK,  
as Trustee

By \_\_\_\_\_  
Authorized Signature

#### CERTIFICATE OF REGISTRATION

(There must be no writing in the space below except by the Bond Registrar)

Date of Registration	Name of Registered Holder	Manner of Registration	Signature of Bond Registrar
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

#### FORM OF INTEREST COUPONS

No. \_\_\_\_\_ \$ \_\_\_\_\_

On the first day of \_\_\_\_\_, 19\_\_\_\_, Spartanburg County, South Carolina (unless the Bond to which this coupon appertains shall have been duly called for previous redemption and payment of the redemption price made or provided for) will pay to bearer, subject to the provisions of the Indenture, but solely from the lease rentals, revenues and receipts pledged therefor, all as described in the Bond hereinafter mentioned, and upon presentation and surrender of this coupon at the principal office of the Trustee, South Carolina National Bank, in the City of Columbia, State of South Carolina, or its successor in trust, the amount shown hereon in lawful money of the United States of America, as provided in and

11.

being semi-annual interest then due on its First Mortgage  
Industrial Revenue Bond, Series 1972 (Raycord Realty Company,  
et al - Lessee), dated as of October 1, 1972, Numbered \_\_\_\_\_.

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Chairman

Board of County Commissioners of Spartanburg County

1814

E N D