



INTER-OFFICE CORRESPONDENCE / SUBJECT: S-60-90
P-80-20
SS #23694
SW/c Augusta & Grove
Greenville, South Carolina
(Reproco, Inc.)

November 15, 1967
Raleigh, North Carolina

MR. F. A. BENNETT
City Manager

In connection with the leasing of the subject station from Reproco, Inc., we are attaching, for the purpose of recording in the order in which they appear, the following instruments:

1. Short Form Lease dated September 15, 1967 from Reproco to Phillips.
2. Mortgage dated September 15, 1967 between Reproco and Bankers Trust Company in the amount of \$142,108.00.
3. Assignment of Lease & Agreement dated September 15, 1967 between Reproco and Phillips.

For your guidance, the following is the interpretation of state laws governing payment of state taxes on these instruments. The Clerks of Court in South Carolina are specifically required by the Tax Commission to enforce the collection of South Carolina taxes upon recordation of leases if one or both parties of the lease are domiciled in the state; if neither are, it is not taxable. In this case the Short Form Lease is not taxable. Concerning mortgages, these are not taxable unless the original note is incorporated in the mortgage and there is no other separate certificate of indebtedness. In this case there is a separate certificate of indebtedness, a Promissory Note; hence, this mortgage is not taxable. Concerning notes, if the note is executed between residents of the state, a state tax stamp is required. In this case it was not; hence, taxes are not required. If the Clerk of Court needs to view the Promissory Note in order to be assured that it was not executed by residents of the state, please advise and we will send it to you. Concerning assignments of leases, this is construed as not an obligation to pay money; hence, this assignment is not taxable.

You should pay all required taxes and fees for the recording of these instruments including any transfer fees, note taxes or other charges peculiar to the local area. These instruments are to be recorded immediately and returned to this office as quickly as possible together with a detailed breakdown of all expenditures connected with

(Continued on next page)