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receive, store and distribute at wholesale plumbing, heating and industrial supplies (the Land, Buildings, and Leased Equipment constituting such facilities hereinafter called the "Project"), and leasing the Project to FERGUSON ENTERPRISES, INC., a Virginia corporation (the "Lessee"), and paying necessary expenses incidental thereto. This Note is secured by a first mortgage and security agreement, of even date herewith (the "Mortgage"), duly executed and delivered by the County to The South Carolina National Bank (the "Mortgagee"). The Project has been leased to the Lessee under a Lease between the County and the Lessee, of even date herewith (the "Lease"). Under the Lease, the Lessee must pay to the County such rentals as will be fully sufficient to pay the principal and interest on the Note as the same become due and the cost incurred in keeping the Project in good repair and properly insured. The Note is further secured by the rental payments due under the Lease, the assignment of which has been duly executed and delivered by the County to the Mortgagee (the "Assignment of Lease"). Payment of the principal of and interest on the Note has also been unconditionally guaranteed by the Lessee under the terms of a Guaranty Agreement between the Lessee and the Mortgagee, of even date herewith (the "Guaranty Agreement"). Copies of the Mortgage, Lease, Assignment of Lease, and Guaranty Agreement are on file at the principal office of the Mortgagee in the City of Greenville, State of South Carolina. The Lease, Assignment of Lease, Mortgage, and UCC financing statements are recorded in the office of the Register of Mesne Conveyance for Greenville County, South Carolina. UCC financing statements are also on file with the Secretary of State in Columbia, South Carolina. Reference is made to the Mortgage, Lease, Assignment of Lease and Guaranty Agreement for a description of the

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