

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

(j) All moneys remaining in the Construction Fund after completion 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 (i), inclusive, of this Section, shall be applied as shall be directed by the Authorized Lessee Representative, provided, that such direction shall be accompanied by an opinion of counsel of recognized standing in the area of tax exempt municipal bonds to the effect that such application will not adversely affect the exemption from Federal Income Taxes of interest to be received on the Note.

It is further agreed 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 Depository of a written order by the Authorized Lessee 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.

SECTION 4.4. Depository May Rely on Order of Authorized Representative. The Depository may honor withdrawals upon the signature of the Authorized Lessee Representative and shall have no further liability with respect to payments made in accordance with such order.

SECTION 4.5. Establishment of Completion Date. The Completion Date shall be evidenced to the Bank and to the County Board by a certificate prepared by the Lessee and signed by the Authorized Lessee Representative stating that, except for amounts retained in the Construction Fund for Project costs not then due and payable as provided in Section 4.3(j), (i) the Building has been completed substantially 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 Project Costs in Event Construction Fund Insufficient. In the event the moneys in the Construction Fund available for payment of the costs of the Project should not be sufficient to pay the costs thereof in full, the Lessee agrees to complete the Project free of all liens and encumbrances (other than Permitted Encumbrances) and to pay all that portion of the costs of the Project as may be in excess of the moneys 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 should 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 Bank, 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 Representative and Successors. The Lessee will designate, in the manner prescribed in Section 1.2, the Authorized Lessee Representative. In the event that any person so designated hereunder 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(i), 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(i). Any amounts recovered by way of damage, refunds, adjustments or otherwise in connection with the foregoing prior to the Completion Date, less legal expenses incurred in order to collect the same, shall be paid into the Construction Fund and after the Completion Date shall be paid over to the Lessee.

SECTION 4.9. Investment of Construction Fund Moneys Permitted — Limitation on Investments. Any moneys held as a part of the Construction Fund shall at the written request of the Authorized Lessee Representative be invested or reinvested by the Depository in (i) obligations of the United States and agencies thereof or unconditionally guaranteed as to principal and interest by the United States or any such agencies; (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; (iv) certificates of deposit or repurchase agreements collateralized 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 including interest.

The Lessee further covenants and agrees that it will furnish to the County accurate information to enable the appropriate County officers and counsel acceptable to the Bank to make all necessary certifications required by the Regulations.

ARTICLE V EFFECTIVE DATE OF THE AGREEMENT; 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 shall expire as herein provided.

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 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 the Bank to enter thereon for inspection purposes and to the other provisions of Section 8.2 hereof).

SECTION 5.3. Rents and Other Amounts Payable. On or before each payment date of the Note, until the principal of and interest on the Note shall have been fully paid, the Lessee shall pay to the Bank as rent for the Project, a sum equal to the amount payable on such date as principal and interest upon the Note in immediately available funds.

In any event each rental payment under this Section shall be sufficient to pay the total amount of interest and principal (whether at maturity or by prepayment as provided in the Notes and Note Ordinance) payable on each such payment date, provided that any amount at any time held for application to the payments as they become due on the Notes in accordance with the provisions hereof shall be credited against the next rental payment to the extent such amount is in excess of the amount required for payments of the Notes theretofore due; and provided further, that if the amount held by the Bank for application as aforesaid should be sufficient to pay at the times required the principal of and interest on the Note then remaining unpaid, the Lessee shall not be obligated to make any further rental payments under the foregoing provisions of this Section.

In the event the Lessee should fail to make any of the payments required in this Section 5.3 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 Penalty Rate until fully 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