

being hereinafter called the "Project") and paying necessary expenses incidental thereto so as to thereby promote industry and develop trade in South Carolina. Said 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 May 1, 1971, duly executed and delivered by the County to The National Bank of South Carolina, 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 May 1, 1971 (herein referred to as 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, premiums, 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 House of Fabrics, Inc., a California corporation (hereinafter referred to as the "Guarantor"), under the terms of a Lease Guaranty Agreement dated as of May 1, 1971. Copies of the Indenture, the Lease Agreement and the said Lease Guaranty Agreement are on file at the principal office of the Trustee in the City of Sumter, South Carolina, and are recorded in the office of the R. M. C. for Greenville County, South Carolina, and reference is made to the Indenture, the Lease Agreement and the said Lease Guaranty Agreement for a description of the security, the provi-