

STATE OF SOUTH CAROLINA)
)
COUNTY OF LANCASTER, SOUTH CAROLINA)

ORDINANCE NO. 401
Bond Ordinance

AN ORDINANCE

AUTHORIZING THE ISSUANCE OF LANCASTER COUNTY, SOUTH CAROLINA INDUSTRIAL REVENUE BONDS IN ONE OR MORE SERIES THROUGH DECEMBER 31, 2003, IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$75,000,000 FOR THE PURPOSE OF FINANCING CERTAIN ADDITIONAL COSTS OF AN EXPANSION TO OR IMPROVEMENT OF THE MANUFACTURING AND DISTRIBUTION FACILITIES OF SPRING INDUSTRIES, INC. IN LANCASTER COUNTY, SOUTH CAROLINA CONSISTING OF THE ACQUISITION, CONSTRUCTION, INSTALLATION, EXPANSION, IMPROVEMENT, DESIGN AND ENGINEERING, IN PHASES, OF ADDITIONAL OR IMPROVED MACHINERY AND EQUIPMENT, BUILDINGS, IMPROVEMENTS OR FIXTURES; GRANTING AN EXTENSION TO COMPLETE THE PROJECT THROUGH DECEMBER 31, 2003; THE EXECUTION OF FURTHER DOCUMENTS PROVIDING FOR THE SALE AND SECURING OF THE AFOREMENTIONED INDUSTRIAL REVENUE BONDS INCLUDING, WITHOUT LIMITATION, A BOND PURCHASE AGREEMENT, AN AMENDMENT TO LEASE AGREEMENT, AND AN AMENDMENT TO TRUST INDENTURE; AND OTHER MATTERS RELATING TO THE FOREGOING.

WHEREAS, Lancaster County, South Carolina (the "County") acting by and through the Lancaster County Council (the "County Council"), is authorized by Title 4, Chapter 29, Code of Laws of South Carolina, 1976, as amended (the "Bond Act"), to acquire, own, lease, and dispose of properties through which the industrial and commercial development of the State of South Carolina will be promoted and trade and commerce developed by inducing manufacturing and commercial enterprises to locate and/or expand existing facilities in the State of South Carolina, and thus utilize and employ the manpower and natural resources of the State of South Carolina; and

WHEREAS, pursuant to an Ordinance adopted by the County Council on November 25, 1996 (the "1996 Ordinance"), the County authorized the issuance of its Lancaster County, South Carolina Industrial Revenue Bonds, Series 1996, in an aggregate principal amount of \$125,000,000

(the "1996 Bonds") for the purpose of financing the cost of the acquisition, construction, installation, expansion, improvement, design and engineering of certain real properties and improvements thereto and the machinery, equipment, fixtures, office, production, distribution, research and development facilities and furnishings to be installed therein for the operation of such facilities related to the manufacture and distribution of textile and textile related products of Springs Industries, Inc. (the "Company") with respect to its manufacturing and distribution facilities in the County (the "Project"); and

WHEREAS, in connection with the issuance of the 1996 Bonds and as authorized by the 1996 Ordinance, the County has acquired or is acquiring title to the Project and has leased and is leasing the Project to the Company pursuant to the terms of a Lease Agreement dated as of December 1, 1996 between the County and the Company (the "Lease"); and

WHEREAS, the Company desires to expand the scope of the Project to include additional real properties, improvements, machinery, and other personal property which will enhance the Company's manufacturing processes and their flexibility and which will be located at the Company's existing facilities in the County which will result in increased capital investment in the County by the Company; and

WHEREAS, having determined in the 1996 Ordinance that the Project will provide public benefits incident to conducting industrial operations, and in order to implement the public purposes enumerated in the Bond Act and in furtherance thereof to assist the Company in expanding the Project within the County, the County has agreed to grant to the Company an extension of time in which to complete the Project, as expanded through December 31, 2003 as permitted under the Lease; and

WHEREAS, the County and the Company desire to amend the Lease in order to reflect the agreement of the Company and the County to an extension of time in which to complete the Project through December 31, 2003; and

WHEREAS, the County, subject to the approval of the State Budget and Control Board of South Carolina, is authorized by the Bond Act to issue Industrial Revenue Bonds for the purpose of defraying the cost of acquiring, by construction and purchase, and in connection with any such acquisition, to enlarge, improve and expand any project and to secure the payment of such bonds; and

WHEREAS, it has been determined that the expansions to the Project, including necessary expenses incidental thereto, could require expenditures up to \$50,000,000, but given the fact that these expansions may take several years to complete and that future inflation or currency fluctuations could impact the potential costs of these expansions, the County has determined that it is desirable to issue, in one or more series, not exceeding \$75,000,000 Lancaster County, South Carolina Industrial Revenue Bonds (the "2000 Bonds"); and

WHEREAS, the County Council has caused the following documents to be prepared and presented to this meeting which the County either proposes to execute and deliver or which constitute a part of this financing:

- (a) The form of the Bonds;
- (b) A form of a Bond Purchase Agreement between the County, as seller, the Purchasers and the Company (the "Bond Purchase Agreement");
- (c) A form of an Addendum to Lease Agreement containing an amendment to the Lease;

- (d) A form of an Addendum to Trust Indenture containing an amendment to the Trust Indenture dated as of December 1, 1996 by and among the County, the Company, and First Union National Bank (f/k/a First Union National Bank of South Carolina), as Trustee (the "Trustee"); and
- (e) Such other documents and certificates as may be deemed necessary or desirable to consummate the transactions contemplated by the foregoing documents.

WHEREAS, it appears that the foregoing documents are in appropriate form and substance for execution by the County.

NOW, THEREFORE, BE IT ORDAINED BY THE LANCASTER COUNTY COUNCIL IN MEETING DULY ASSEMBLED:

ARTICLE I

FINDINGS

Section 1.1. Pursuant to the Bond Act and particularly Section 4-29-60 thereof, the Lancaster County Council has made and hereby makes the following findings:

(a) By providing improved or expanded manufacturing, production, distribution and research and development capabilities which will enhance the productivity and general economic viability of the Project, as expanded, will subserve the purposes of the Act by promoting industrial development in the County and in the State of South Carolina.

(b) The Project as expanded constitutes a "project" within the meaning of the Act.

(c) Inasmuch as the Project, as expanded, could preserve employment by the Company in the County, the Project is anticipated to benefit the general public welfare of the County by providing employment and other public benefits not otherwise provided locally.

(d) Neither the Project, as expanded, nor the issuance of the 2000 Bonds to finance the cost of the Project, as expanded, will give rise to a pecuniary liability of the County or to any charge against its general credit or taxing power.

(e) It is anticipated that the cost of planning, designing, acquiring, constructing and completing the Project, as expanded, may require expenditures of up to \$75,000,000. Therefore, is desirable to authorize that the 2000 Bonds be issued in one or more series through December 31, 2003, in the aggregate principal amount not exceeding \$75,000,000.

(f) The amounts necessary to pay the principal, interest, and other amounts which may become due under the 2000 Bonds are the amounts which are to be paid by the Company as set out and provided for in the Lease Agreement.

(g) Because of the well-established credit position of the Company, no reserve funds are needed to be established in connection with the retirement of the 2000 Bonds or the maintenance of the Project as expanded.

(h) Under the terms of the Lease Agreement, all costs of maintaining, repairing, and insuring the Project as expanded will be borne by the Company.

(i) If the funds provided by the County from the proceeds of the sale of the Bonds are not sufficient to pay the entire cost of the Project as expanded, the Company, under the terms of the Lease Agreement, will provide such additional funds as are required to complete the Project.

(j) The 2000 Bonds will be issued as tax-exempt bonds pursuant to Section 4-29-130 of the Bond Act, but the interest thereon shall not be exempt from federal income taxation.

(k) Due to the nature and potential benefits of the Project as expanded, it is appropriate for the County to grant to the Company an extension of time in which to complete the Project as expanded until December 31, 2003, as permitted by the Lease.

ARTICLE II

ISSUANCE OF THE 2000 BONDS

Section 2.1. Authorization. The County Council hereby authorizes the issuance of the 2000 Bonds in one or more series as may be requested by the Company from time to time through December 31, 2003, in the aggregate principal amount of \$75,000,000. Each series of 2000 Bonds shall be executed in the name of Lancaster County with the manual, stamped or facsimile signature of the Chairman of County Council, with his signature attested to by the manual signature of the Clerk to County Council, shall have the seal of the County Council impressed or imprinted thereon and shall be authenticated by the endorsement of the Trustee.

Section 2.2. Denominations. Except as may be reasonably requested by a Holder, the 2000 Bonds shall be in denominations of \$10,000,000 each except that the last 2000 Bond in any Series may be in a denomination less than \$10,000,000. The 2000 Bonds within each Series shall be numbered consecutively and each 2000 Bond shall bear the indication that it is "R____" within such Series.

Section 2.3. Form of 2000 Bonds/Modification. The 2000 Bonds shall be in substantially the form attached hereto as **Exhibit A**. Upon the marketing or remarketing of the 2000 Bonds, the Company with the consent of all the Holders of the 2000 Bonds then outstanding may request the County to modify the 2000 Bonds to change the interest rate, accelerate the payment of interest or principal or both. The executing officers of the County shall approve such changes, provided the lease payments are simultaneously adjusted so that the lease payments coincide with the revised payment of principal and interest on the 2000 Bonds; provided further, that as a result of any such change the County will not incur any pecuniary liability, it being understood and agreed that the payments by the Company under the Lease Agreement shall always be fully sufficient to meet the

County's obligations under the 2000 Bonds. Execution by the officers of the County shall constitute conclusive evidence of the County's approval of any and all changes or revisions therein from the form of the Bonds now before this meeting.

As more fully provided in the Trust Indenture, certain modifications or alterations to the Trust Indenture, the Lease Agreement, and the 2000 Bonds may be made with the consent of the Company and the Holders of the 2000 Bonds. To the fullest extent permitted by law, such changes to the form of the 2000 Bonds, the Lease Agreement, and the Trust Indenture shall not require any further action by or approval of the County Council. However, to the extent any further action or approval is required, the County agrees to consider the adoption of such amendatory or supplemental ordinances or resolutions and to execute such further documents as may be necessary or desirable to effectuate any such changes thereto as shall not be adverse to the County and are consistent with the terms and the intent hereof.

SECTION 2.4. LIMITED OBLIGATIONS. THE 2000 BONDS SHALL BE LIMITED OBLIGATIONS OF THE COUNTY, PAYABLE SOLELY FROM THE REVENUES AND OTHER AMOUNTS DERIVED FROM THE PROJECT AND SHALL NOT UNDER ANY CIRCUMSTANCES BE DEEMED TO CONSTITUTE A GENERAL OBLIGATION OF THE COUNTY. THE 2000 BONDS DO 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 POWER.

Section 2.5. Disposition of Proceeds. The proceeds from the sale of the 2000 Bonds shall be deposited in a construction fund (the "Construction Fund") to be held by the Trustee and disbursed pursuant to requisitions in accordance with the requirements of the Lease Agreement and the Trust Indenture. Any monies in the Construction Fund shall be invested in accordance with the terms of the Trust Indenture.

ARTICLE III

AMENDMENT TO LEASE AGREEMENT

Section 3.1. Authorization. The County Council hereby authorizes the execution and delivery of the Addendum to Lease Agreement which contains an amendment to the Lease granting to the Company an extension of time in which to complete the Project as expanded until December 31, 2003, the form of such Addendum to Lease Agreement being attached hereto as Exhibit B.

ARTICLE IV

EXECUTION AND DELIVERY OF OTHER DOCUMENTS

Section 4.1 Documents. The Lancaster County Council hereby authorizes and directs the Chairman of County Council to execute and deliver the following documents, together with such changes from the form of such documents presented at this meeting as such executing officer may approve, its execution and delivery of such documents to constitute conclusive evidence of its approval of any such changes or revisions:

- (a) The 2000 Bonds;
- (b) The Bond Purchase Agreement;
- (c) The Addendum to Lease Agreement;
- (d) The Addendum to Trust Indenture; and

- (e) Such other documents and certificates as may be deemed necessary or desirable to consummate the transactions contemplated by the foregoing documents.

Each and every covenant made herein and in the foregoing documents 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 revenues and other amounts derived from the Project. Subject to the foregoing, the County covenants that it will promptly pay the principal of and interest on the 2000 Bonds at the place, on the dates, and in the manner provided herein and in the 2000 Bonds according to the true intent and meaning thereof.

Section 4.2. Instruments of Further Assurance. The County covenants that it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such further acts, instruments, and things as may be reasonably required for the better assuring, transferring, conveying, assigning, and confirming the assignment of the Trust Estate as contemplated hereby or as may reasonably be required to market or remarket the 2000 Bonds without limiting the generality of the foregoing, the County agrees to adopt such amendatory or supplemental ordinances or resolutions and to execute such mortgages, security agreements, pledges, and assignments as may be necessary or desirable in connection with the marketing or remarketing of the 2000 Bonds.

ARTICLE V

PAYMENTS AND PREPAYMENTS

Section 5.1. Payments on 2000 Bonds. Payment of principal and interest on the 2000 Bonds shall be made to the order of the Bondholders or their legal representatives at such address as the Bondholders or legal representatives may direct. The 2000 Bonds shall be payable as to

principal, interest, and premium, if any, in immediately available lawful money of the United States of America.

Section 5.2. Source of Payments. Amounts due under the 2000 Bonds shall be payable by the County solely out of (i) the proceeds of the sale of the 2000 Bonds, (ii) the rents and revenues derived from the Project, (iii) any proceeds accruing to the County on account of insurance of the Project, (iv) any monies accruing to the County on account of any taking or condemnation of title to all or part of the Project, and (v) any monies arising out of the investment or reinvestment of said proceeds, rents, revenues or monies.

Section 5.3. Direct Payments by Company. As provided in Section 4.4 of the Lease Agreement, the rental payments by the Company, which are required to be sufficient in amount to pay the principal of, interest on and all other sums due under the 2000 Bonds, are to be made directly to the Trustee.

Section 5.4. Prepayment of the 2000 Bonds. The 2000 Bonds shall be subject to prepayment, at the option of the Company, by the County prior to maturity, without prepayment penalty, premium or other charge, in whole or in part, at any time and from time to time, upon two (2) days written notice to the Trustee from the Company of the intention of the Company to prepay amounts due by them pursuant to the terms of the Lease Agreement. All prepayments shall be applied in payment of the Bonds in inverse order of maturity unless the Company directs otherwise pursuant to the terms of the Trust Indenture. Upon such proper prepayment, the Bonds, or portions thereof so prepaid, shall cease to bear interest and shall not be deemed to be outstanding under the provisions of this Bond Ordinance.

ARTICLE VI

MISCELLANEOUS

Section 6.1. State Approval. The approvals, authorizations, and directions contained in this Bond Ordinance are subject to approval by the State Budget and Control Board of South Carolina. Such approvals, authorizations, and directions shall become automatically and fully operable upon the receipt by the County of a resolution of the State Budget and Control Board responsive to the petition of the County Council authorized by the County Council and filed pursuant to Section 4-29-140 of the Bond Act.

Section 6.2. Severability. The provisions of this Bond Ordinance are hereby declared to be severable, and if any section, phrase, or provision shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereof.

Section 6.3. Transferal of Lancaster County's Rights and Duties. In the event of the dissolution of the County or the consolidation of any part of the County with any other political subdivision or the transfer of any rights of the County to any other such political subdivision, all of the covenants, stipulations, promises, and agreements of this Bond Ordinance shall bind and inure to the benefit of the successors of the County from time to time and any entity, officer, board, commission, agency, or instrumentality to whom or to which any power or duty of the County shall have been transferred.

Section 6.4. Ordinance Modification. The County agrees that this Bond Ordinance shall not be amended, rescinded, or modified after the delivery of the first series of 2000 Bonds except with the prior written consent of the Trustee and the holders of the 2000 Bonds.

Section 6.5. Effective Date of Bond Ordinance. This Bond Ordinance shall take effect immediately upon third reading of the County Council and shall supersede any inconsistent ordinances.

First reading: September 11, 2000

Second reading: September 25, 2000
Public hearing: November 27, 2000
Third reading: November 27, 2000

AND IT IS SO ORDAINED this 27th day of November, 2000.

LANCASTER COUNTY COUNCIL

Ray E. Gardner, Chairman

Polly C. Jackson, Secretary

Approved as to form and content:

W. Randall Sims, County Attorney

Attest:

Irene Plyler, Clerk to Lancaster County Council

STATE OF SOUTH CAROLINA

COUNTY OF LANCASTER

I, the undersigned Clerk to Lancaster County Council, State and County aforesaid, do hereby certify as follows:

1. The foregoing constitutes a true, correct, and verbatim copy of an Ordinance adopted upon third reading by the Lancaster County Council at a duly called and properly conducted meeting on November 27, 2000.

2. The reading schedule shown on the attached Ordinance is true and correct; all three readings were accomplished at duly called, properly advertised, and properly conducted meetings of the County Council; and the public hearing was properly advertised and properly conducted.

3. The original of the attached Ordinance is duly entered in the permanent records of minutes of meetings of the Lancaster County Council which are in my custody as Clerk.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of Lancaster County on this ___ day of _____, 2000.

Irene Plyler, Clerk
Lancaster County Council

[SEAL]

R_____

EXHIBIT A

(FORM OF INDUSTRIAL REVENUE BOND)

LANCASTER COUNTY, SOUTH CAROLINA

INDUSTRIAL REVENUE BOND

(SPRINGS INDUSTRIES, INC.)

SERIES 2000

U.S. \$ _____, 2000

THESE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR ANY STATE SECURITIES LAWS AND MAY NOT BE OFFERED OR SOLD UNLESS THE BONDS ARE REGISTERED PURSUANT TO THE SECURITIES ACT OF 1933 AND ANY APPLICABLE STATE SECURITIES LAWS OR UNLESS AN EXEMPTION FROM REGISTRATION UNDER SECTION 4 OF THE SECURITIES ACT OF 1933 AND ANY APPLICABLE STATE SECURITIES LAWS IS AVAILABLE. IN ACCEPTING RECEIPT OF THE BONDS, THE PURCHASER REPRESENTS THAT THE BONDS ARE BEING ACQUIRED FOR ITS OWN ACCOUNT FOR INVESTMENT AND NOT WITH A VIEW TO DISTRIBUTION. THERE IS NO RIGHT TO REQUIRE THE REGISTRATION OF THE BONDS UNDER THE SECURITIES ACT OF 1933 OR ANY STATE SECURITIES LAWS AND THE ISSUER OF THE BONDS IS UNDER NO OBLIGATION TO SUPPLY THE INFORMATION OR MAKE THE FILINGS NECESSARY TO EXEMPT THE BONDS FROM

SAID REGISTRATION. A PURCHASER OF THE BONDS MUST BE PREPARED TO BEAR THE FULL ECONOMIC RISK OF AN INVESTMENT IN THE BONDS FOR AN INDEFINITE PERIOD OF TIME.

FOR VALUE RECEIVED, LANCASTER COUNTY, SOUTH CAROLINA, ("LANCASTER COUNTY"), a body politic and corporate and a political subdivision of the State of South Carolina (the "County"), hereby promises to pay to the order of _____ [Bond Purchaser] _____, or its assigns (the "Holder"), at _____ [Bank name/address] _____ for the account of [Bond Purchaser] _____, ABA No. _____, Account No. _____, Attention: _____ (or at such other account as the Holder hereof may designate in writing from time to time) but solely from the sources as hereinafter provided and not otherwise, the following amounts in immediately available lawful money of the United States of America wire transferred to the Holder by First Union National Bank, f/k/a First Union National Bank of South Carolina, National Association as Trustee (the "Trustee") under that certain Trust Indenture (the "Trust Indenture") dated as of December 1, 1996 among the County, the Trustee and Spring Industries, Inc., a corporation duly qualified to transact business in the State of South Carolina (the "Company"):

(i) **Principal.** The principal sum of \$ _____ in a single installment by 1:00 p.m. on _____, ____.

(ii) **Interest.** Interest on the above-described outstanding principal amount at a fixed rate per annum equal to _____ percent (___%) calculated on the basis of an actual, 365-day year. Accrued interest on the outstanding principal amount for the period _____, 2000 to and including _____, ____ shall be payable by 1:00 p.m. on _____, _____. Thereafter, accrued interest on the outstanding principal amount for each _____ to _____ annual period shall be payable by 1:00 p.m. on the _____ immediately following said annual period, except that the final installment of accrued interest for the period _____, ____ to and including _____, ____ shall be payable by 1:00 p.m. on _____, ____.

This Bond (this "Series 2000 Bond") is one of a series of bonds to be issued pursuant to an Ordinance adopted on November 27, 2000 (the "2000 Bond Ordinance") by the County Council (the "County Council") pursuant to which the County agreed to issue its Lancaster County, South Carolina Industrial Revenue Bonds in an aggregate principal amount not exceeding \$75,000,000 in one or more series through December 31, 2003 (the "Bonds") for the purpose of financing the costs of an expansion to the Company's project (the "Project") in the County.

The 2000 Bond Ordinance relates to an Ordinance adopted by the County Council on December ____, 1996 (the "1996 Bond Ordinance"), which, among other things, authorized the issuance of bonds in one or more series through December 31, 2001, or through December 31, 2003, if an extension of time in which to complete the Project (as defined in the 1996 Bond Ordinance) is granted by the County pursuant to Section 4-29-67 of the Bond Act. The 1996 Bond Ordinance also authorized the County's entrance into a Lease Agreement with the Company (the "Lease Agreement"), a Bond Purchase Agreement with the Company and the Purchaser(s) of the Bonds (the "Bond Purchase Agreement"), and the Trust Indenture between the County, the Company, and the Trustee. The 2000 Bond Ordinance authorized the County's entrance into an Addendum to Lease Agreement relating to the Expanded Project (the "Addendum").

Pursuant to the terms of the Lease Agreement, the Addendum, and the Trust Indenture, the Company shall convey title to each Phase of the Project by appropriate Transfer Documents. Each such Phase shall thereby become part of the Project which is leased back to the Company pursuant to the Lease Agreement in return for rental payments that are exactly equal and fully sufficient to make the payments due hereunder by the County.

As security for the payment of the principal, accrued interest and all other amounts due or which might become due under the Bonds, the County has in the Trust Indenture assigned to the

Trustee all of its right, title and interest in and to the Lease Agreement and all of its right, title and interest in and to the contract rights, accounts, receivables and other items of value as more particularly described in the Trust Indenture (the "Trust Estate"). As provided in the Trust Indenture, other Bonds payable and secured equally and ratably with this Bond have been or may be issued thereunder, and such Bonds may vary in such manner as is provided and permitted in the Trust Indenture. Reference is hereby made to the Lease Agreement and to the Trust Indenture for the detailed provisions governing the rights, duties and obligations of the County, the Company and the Trustee and for the definition of terms used but not defined herein.

As is more fully set forth in the Trust Indenture, and subject to the conditions set forth therein, this Series 2000 Bond and the interest accrued hereon is subject to prepayment by the County prior to maturity, without prepayment penalty, premium or other charge, in whole or in part, at any time and from time to time upon two (2) days prior written notice to the Trustee from the Company of the intention of the Company to prepay amounts due by them pursuant to the terms of the Lease Agreement. All prepayments shall be applied in payment of the Bonds in inverse order of maturity unless the Company direct otherwise pursuant to the terms of the Trust Indenture. As more fully provided in the Trust Indenture, certain modifications or alterations to the Trust Indenture, the Lease Agreement and the Bonds may be made with the consent of the Company and the Holders of the Bonds.

The principal hereof and accrued interest hereon may be declared or may become due on the conditions and in the manner and at the time set forth in the Trust Indenture upon the occurrence of an Event of Default as described in the Trust Indenture and in the Lease Agreement.

This Series 2000 Bond is transferable by the Holder hereof by presentment for registration of transfer, at the _____ office of the Trustee in _____,

_____, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Trustee, duly executed by the Holder hereof or his attorney duly authorized in writing, but only in the manner and subject to the limitations provided in the Trust Indenture and upon surrender of this Bond. Upon such surrender, a new fully registered Bond or Bonds of the same series, interest rate and maturity and of authorized denomination(s) in the same aggregate principal amount as the Bond surrendered, will be issued to the transferee in exchange therefor.

If any payment to be made hereunder comes due and payable on a Saturday, Sunday or legal holiday under the laws of the State of South Carolina or the State of New York, the maturity thereof shall be extended to the next succeeding business day.

It is hereby certified that all approvals, conditions, actions and things required by the Constitution and laws of the State of South Carolina to be obtained, exist, be performed or happen precedent to or in the issuance of this Bond have been obtained, do exist, have been performed or have happened in due and legal form and manner.

THIS SERIES 2000 BOND IS A LIMITED OBLIGATION OF THE COUNTY, PAYABLE BY THE COUNTY SOLELY FROM THE REVENUES AND OTHER AMOUNTS DERIVED FROM THE PROJECT AND SHALL NOT UNDER ANY CIRCUMSTANCES BE DEEMED TO CONSTITUTE A GENERAL OBLIGATION OF THE COUNTY. THIS SERIES 2000 BOND IS NOT NOW AND SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE COUNTY WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION AND SHALL NEVER CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE COUNTY OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWERS.

IN WITNESS WHEREOF, Lancaster County, acting by and through the Lancaster County Council, has caused this Series 2000 Bond to be executed in its name and behalf by the Chairman of County Council, with his signature attested by the Clerk to Lancaster County Council and has caused the official corporate seal of Lancaster County to be impressed hereon all as of the 27th day of November, 2000 but with the intention that interest hereon shall begin to accrue as of _____, 2000.

WITNESS:

LANCASTER COUNTY, SOUTH CAROLINA

By: _____
Chairman of Lancaster County Council

Attest:

Clerk to Lancaster County Council