

WHEREAS to obtain funds for such purposes Lessor will issue and sell Six Million Three Hundred Thousand Dollars (\$6,300,000) principal amount of its County Industrial Building Revenue Bonds, Series 1967 (Phillips), dated as of November 1, 1967 (herein sometimes referred to as the "Series 1967 Bonds"), to be secured by and to contain such terms and provisions as are set forth in that certain Indenture of Mortgage and Deed of Trust (the "Indenture") dated as of November 1, 1967, between Lessor and The South Carolina National Bank of Charleston, as Trustee (the "Trustee"), and the proceeds from the sale of the Bonds shall be deposited with the Trustee and disbursed in the manner and for the purposes set forth in the Indenture, all as more fully provided therein:

NOW, THEREFORE, Lessor for and in consideration of the payments herein stipulated to be made by Lessee, and the covenants and agreements herein contained to be kept and performed by Lessee, does by these presents demise, lease and let unto Lessee, for the term and upon the conditions herein stated, the premises described in Schedule A hereto, together with the industrial research and manufacturing building and other facilities located or to be constructed thereon and appurtenances thereto, including the machinery and equipment installed therein described in Schedule B hereto (provided, that in the performance of the agreements of Lessor herein contained, any obligation it may thereby incur for the payment of money shall not be a general debt on its part or a charge against its general credit or taxing power but shall be payable solely out of the proceeds derived from this agreement, the sale of the bonds referred to in Section 3.03 hereof and the insurance and condemnation awards as herein provided):

ARTICLE I

Definitions

Section 1.01. In addition to the words and terms elsewhere defined in this Lease, the following words and terms as used in this