

- 2 -

WHEREAS, the execution and delivery of this Mortgage have been authorized by Resolutions duly adopted by the Greenville County Council and the County, in accordance with the requirements of the said Act, has submitted its Petition to the State Budget and Control Board of South Carolina and the said Board has duly approved the said undertaking and thereby authorized the Greenville County Council to proceed with the acquisition and financing of the same. Notice of such approval was duly published in newspapers having general circulation in Greenville County and, notwithstanding more than twenty (20) days have elapsed from the date of the publication of such notice, no challenge has been made to the validity of such approval as provided in the said Act. Furthermore, the Greenville County Council has filed its Supplemental Petition with the said State Board setting forth certain modifications in the undertaking as originally proposed which do not materially affect the original proposal, and subsequent thereto the State Budget and Control Board has reaffirmed its approval previously given; and

WHEREAS, it has been determined that the amount necessary to finance the cost of the said facilities, including the necessary expenses incidental thereto, will require the issuance, sale and delivery of a \$1,500,000 Greenville County First Mortgage Industrial Revenue Note, Series 1971 (American Hardware Supply Company - Lessee), which has been purchased by Pittsburgh National Bank, a National Banking Association; and

WHEREAS, the said Greenville County, in and by its \$1,500,000 First Mortgage Industrial Revenue Note, Series 1971 (American Hardware Supply Company - Lessee) is indebted to