

SECTION VII.

That The Palmetto Bank, Simpsonville, South Carolina, is hereby named, appointed and designated the Paying Agent for this bond issue. Said Paying Agent shall be furnished an authenticated copy of this Trust Indenture, including Exhibits A and B attached hereto and an authenticated copy of the First Mortgage of Real Estate (Exhibit C). Said Paying Agent shall evidence its acceptance of the duties and obligations of the Paying Agent hereunder in writing.

The Paying Agent shall create and establish in the name of the Issuer an Interest and Bond Payment Account, to which account the Paying Agent shall credit all deposits made by the Treasurer of the Issuer in accordance with Section V hereof and from which account the Paying Agent shall pay all bonds and all interest accrued thereon of this bond issue as the same shall come due and presented for payment. Other than as hereinafter provided to the contrary, the Paying Agent shall not pay out of such account or allow the withdrawal therefrom any sum or sums of money except for the payment of the bonds of this bond issue and servicing cost until all of said bonds shall have been paid.

After all of the bonds issued hereunder shall have matured, the Paying Agent shall retain in the Interest and Bond Payment Account a sum equal to the principal amount of all outstanding bonds of this bond issue together with accrued interest thereon at maturity. Such sums shall be retained in such account until all outstanding bonds of this bond issue shall have been paid or until the Statute of Limitations applicable in this State to such obligations shall have run against such outstanding bonds, at which time the remaining balance in such account shall be delivered to the Issuer, and the Paying Agent shall thereupon be relieved of all duties and obligations as Paying Agent thereunder.