STATE OF SOUTH CAROLINA

Application by South Carolina Generating Company, Inc. for Authority to Borrow Proceeds of Industrial Revenue Bonds

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET
NUMBER: 2008 - ____ - E

(Please type or print)

Submitted by: K. Chad Burgess
Address: SCANA Corp.
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Columbia, SC 29201

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NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition ☒ Request for item to be placed on Commission's Agenda expeditiously

☐ Other: _____

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)		
☒ Electric	☐ Affidavit	☐ Letter	☐ Request
☐ Electric/Gas	☐ Agreement	☐ Memorandum	☐ Request for Certification
☐ Electric/Telecommunications	☐ Answer	☐ Motion	☐ Request for Investigation
☐ Electric/Water	☐ Appellate Review	☐ Objection	☐ Resale Agreement
☐ Electric/Water/Telecom.	☒ Application	☐ Petition	☐ Resale Amendment
☐ Electric/Water/Sewer	☐ Brief	☐ Petition for Reconsideration	☐ Reservation Letter
☐ Gas	☐ Certificate	☐ Petition for Rulemaking	☐ Response
☐ Railroad	☐ Comments	☐ Petition for Rule to Show Cause	☐ Response to Discovery
☐ Sewer	☐ Complaint	☐ Petition to Intervene	☐ Return to Petition
☐ Telecommunications	☐ Consent Order	☐ Petition to Intervene Out of Time	☐ Stipulation
☐ Transportation	☐ Discovery	☐ Prefiled Testimony	☐ Subpoena
☐ Water	☐ Exhibit	☐ Promotion	☐ Tariff
☐ Water/Sewer	☐ Expedited Consideration	☐ Proposed Order	☐ Other:
☐ Administrative Matter	☐ Interconnection Agreement	☐ Protest	
☐ Other:	☐ Interconnection Amendment	☐ Publisher's Affidavit	
	☐ Late-Filed Exhibit	☐ Report	

K. Chad Burgess
Senior Counsel

chad.burgess@scana.com

SCANA®
POWER FOR LIVING

August 22, 2008

VIA ELECTRONIC FILING

The Honorable Charles Terreni
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29211

Re: Application by South Carolina Generating Company, Inc. for Authority to Borrow Proceeds of Industrial Revenue Bonds

Dear Mr. Terreni:

Enclosed for filing on behalf of South Carolina Generating Company, Inc. ("GENCO") is GENCO's Application for Authority to Borrow Proceeds of Industrial Revenue Bonds. Additionally, you will find enclosed a proposed order for your consideration.

GENCO respectfully requests that the Public Service Commission of South Carolina approve its Application and issue an order on or before September 19, 2008.

By copy of this letter, we are also serving the South Carolina Office of Regulatory Staff with a copy of the enclosed Application and attach a certificate of service to that effect.

Thank you for your consideration of this matter. If you have any questions, please advise.

Very truly yours,

K. Chad Burgess

KCB/kms
Enclosures

cc: Shannon Bowyer Hudson, Esquire
(via hand delivery w/enclosures)

BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 2008-____-E

IN RE:

Application by South Carolina Generating Company, Inc. for Authority to Borrow Proceeds of Industrial Revenue Bonds	)	**CERTIFICATE OF SERVICE**

This is the certify that I have caused to be served this day one (1) copy of South Carolina Electric & Gas Company's **Application** via U.S. mail to the persons named below at the address set forth:

Shannon Bowyer Hudson, Esquire
Office of Regulatory Staff
1441 Main Street, Suite 300
Columbia, SC 29201

Karen M. Scruggs

Columbia, South Carolina
This 21st day of August 2008

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2008-____-E

IN RE: APPLICATION BY SOUTH CAROLINA GENERATING COMPANY, INC. FOR AUTHORITY TO BORROW PROCEEDS OF INDUSTRIAL REVENUE BONDS	)))))	**APPLICATION FOR ENTERING INTO LOAN AGREEMENT FOR INDUSTRIAL REVENUE BONDS**

1. INTRODUCTION

South Carolina Generating Company, Inc. (the "Applicant"), a corporation organized under the laws of South Carolina, hereby makes application pursuant to §58-27-1710, S.C. Code of Laws (1976) as amended and 26 S.C. Code of Reg. 103-823 (1976) as amended, to the Public Service Commission of South Carolina (the "Commission") for power and authority to enter into a Loan Agreement, in substantially the form attached hereto as Exhibit A (the "Loan Agreement"), with respect to the issuance by the South Carolina Jobs-Economic Development Authority (the "Authority") of not exceeding Fifty Million Dollars ($50,000,000) principal amount of industrial revenue bonds (the "Bonds") to defray the costs of certain Pollution Control Facilities (defined herein) and to enter into transactions described in this Application.

2. CORRESPONDENCE

Correspondence with respect to this Application should be addressed to the following persons:

Mark R. Cannon *
RMO & Treasurer
SCANA Corporation
Columbia, South Carolina 29218
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mcannon@scana.com

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Senior Counsel
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Columbia, South Carolina 29218
(803) 217-8141
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* Persons for service.

3. BUSINESS

Applicant is a wholly-owned subsidiary of SCANA Corporation, a South Carolina corporation ("SCANA") and an affiliate of South Carolina Electric & Gas Company, a South Carolina corporation ("SCE&G"). SCE&G is an electric utility operating in the State of South Carolina, serving the central, southern and southwestern portions of the State with electric service and furnishing natural gas service throughout its service territory which encompasses all or part of 35 of the 46 counties in South Carolina and covers more than 23,000 square miles. Applicant owns and operates the Arthur M. Williams generating station (the "Plant"). Pursuant to a Unit Power Sales Agreement, SCE&G purchases from Applicant all of the power generated by the Plant.

4. AMOUNT AND CHARACTER OF SECURITIES TO BE ISSUED

A. Terms of Bonds

For the purposes hereinafter stated, the Applicant proposes to enter into the Loan Agreement with the Authority, pursuant to which the Authority will agree to issue and sell the Bonds pursuant to a Trust Indenture, in substantially the form attached hereto as Exhibit B (the "Indenture"), between the Authority and the Trustee, the terms for the Bonds generally described as follows:

Principal Amount:	$50,000,000 (maximum) in one or more series
Issue Date:	On or before December 23, 2008

Interest Rate:	Market, may be subject to periodic reset
Maturity Date:	40-year maximum
Call and Redemption Features:	Market
Sinking Fund:	Market, but none required
Estimated Initial Offering Price:	Between 97% and 115% of par
Underwriting Discount:	1% (maximum) (expected range .5% to .75%)
Redemption Price:	Market-estimated to be not in excess of 103% of principal amount
Credit Ratings:	Moody's – Baa1; S&P – BBB+

The interest rates on the Bonds may be reset daily, weekly, or for intermediate or extended periods, or may be fixed to maturity, all as selected from time to time by the Applicant. Interest paid on the Bonds will be excluded from gross income of the registered owners thereof for federal and South Carolina income tax purposes. Regardless of whether the Bonds are issued at a variable rate of interest or an interest rate fixed for an intermediate or extended period of time or to maturity, at the time of initial issuance it is expected that the interest rate on the Bonds will not exceed 7.0%.

The Applicant, at each interest rate reset, subject to the requirements of the Indenture, may elect to reset the interest rate based upon the existing interest determination method, select a different reset period and interest rate determination method or fix the interest rate on the Bonds to maturity. Once the election is made to fix the interest rate on the Bonds to maturity, there will be no future interest rate resets or opportunities to convert the Bonds to a different interest rate or interest determination method. With the variety of interest rates and terms allowable under the

Indenture, the Applicant will be in a position, if it does not select a fixed interest rate to maturity at the time of issuance of the Bonds, to manage, based upon market conditions, through the use of interest rate alternatives available, the interest cost of the borrowings until such time, if ever, when the Applicant determines market conditions are favorable to fix the interest rate on the Bonds to maturity.

Alternatively, the same economic effect may be accomplished through the use, from time to time, of interest rate swap instruments. The Applicant can take advantage of market conditions by entering into, modifying, amending, or terminating an interest rate swap to effectively change the stream of interest payments from fixed rate to floating rate or vice versa without effecting a conversion or refunding of the Bonds. The Bonds are expected to be sold in an underwritten public offering as described in an Official Statement, in substantially the form of the draft Preliminary Official Statement attached hereto as Exhibit C.

B. Security

The Bonds will be sold on the general credit of the Applicant as secured by a guaranty of SCANA in favor of the Authority or the Trustee for the benefit of the holders of the Bonds. A draft form of the SCANA Guaranty is attached as Exhibit D. The Bonds may also be secured by a bank letter of credit, in which event the SCANA Guaranty may also secure the Applicant's repayment obligation under the credit or reimbursement agreement under which the letter of credit is delivered.

5. APPLICATION OF PROCEEDS AND COMPLIANCE WITH PSC ORDER NO. 91-72

In compliance with the provisions of Order No. 91-72, dated January 18, 1991, Docket No. 91-032-E, Applicant submits the following required information.

A. Identify the effect on the income statement and balance sheet of the proposed financing.

See Exhibit E to Application with pro forma adjustments.

B. Identify specifically how the funds obtained through the proposed financing are to be used by the Applicant.

The net proceeds from the sale of the Bonds will be loaned by the Authority to the Applicant pursuant to the Loan Agreement for the purpose of financing a portion of the costs to construct the Pollution Control Facilities and to reimburse prior advances made by SCANA through the Utility Money Pool to the Applicant for such purposes. Federal and State air emissions standards necessitate the addition of certain other equipment at the Plant to include but not be limited to, desulfurization equipment (wet scrubber) (the "Pollution Control Facilities"). The Pollution Control Facilities will be capable of reducing sulfur dioxide ("SO_2") emissions at the Plant by at least 95%. As a result of the Clean Air Act Amendments of 1990 and subsequent legislation, regulations and rules, the Environmental Protection Agency and the South Carolina Department of Health and Environmental Control require reduction of SO_2 emissions from coal-fired generating facilities.

C. Provide information of the possible impact of the Company if the proposed financing is not approved or if approval is delayed.

This financing provides a portion of the funds to construct the required Pollution Control Facilities. If the financing is not approved the Applicant may have to seek alternative financing at a higher interest rate, which would have an adverse impact on its customer, SCE&G, and ultimately to SCE&G's customers. Similarly, if the approval is delayed the Applicant's access to available tax-exempt financing may be lost or delayed, which loss

or delay of the lower interest rates on such tax-exempt financing would adversely affect customers.

D. Specify the expected effective rate of interest of any debt financing (a range for the rate is appropriate). For common stock issues, provide information on the anticipated market price and book value per share at the time of issue.

The initial rate of interest for the Bonds is expected to not exceed 7.0%.

E. Provide information on the expected benefits (example – savings expected from early debt retirement) and costs (example – issuance expenses) of the proposed financing. Provide any studies that were developed to identify these costs and benefits and the net result. (This could incorporate present value analysis of the costs/benefits.)

Identify the basic assumptions of any analyses of costs/benefits.

Interest rates on tax-exempt financing are lower than on taxable forms of bond financing, therefore resulting in a savings benefit. See Exhibit E. The present value of debt service savings generated by issuing tax-exempt financing versus taxable financing for a 40-year period, assuming the current market differential between the two forms of fixed rate financing of approximately 90 basis points, is estimated to range between $6.3 million and $7.1 million. Also, attached as Exhibit F is a schedule of estimated expenditures for construction of the Pollution Control Facilities. Equipment and improvements qualifying for the tax-exempt financing represents only a portion of the total project cost.

The total expenses of the proposed financing, including the underwriter's fee, are estimated not to exceed 1.5% of the principal amount of the Bonds to be issued.

F. Identify the impact on the firm's capital structure of the proposed new financing.

See Exhibit E to the Application with pro forma adjustments.

6. TERMS OF ISSUANCE AND SALE AT MARKET

Applicant may offer and sell the Bonds from time to time when market conditions, in the judgment of Applicant, are favorable, in either of three ways:

A. Underwriters or Dealers. If underwriters are utilized with respect to the Bonds, Applicant proposes to sell such Bonds pursuant to a bond purchase agreement to any underwriter or to a group of underwriters to be selected at the time of each such sale.

B. Private Placement. Private placement to a limited number of purchasers or to a single purchaser, which will require a sales agreement with respect to such Bonds.

C. Through Agents. If Applicant offers any series of the Bonds in a private placement or through agents to a limited number of purchasers or to a single purchaser, a sales agreement will be utilized with respect to such Bonds.

Negotiations at market with the purchaser or purchasers, to be concluded shortly before the offering of the Bonds, will determine the interest rate to be borne by, the maturity date of, the initial offering price of, the price to be paid to the Applicant for, the call provisions of, any underwriting or purchase discount (i.e., the difference between the initial offering price and the price paid by the purchaser underwriter to Applicant) with respect to, and the redemption prices of, each series of the Bonds. In addition, the Bonds may be resold subject to the periodic reset of the interest rate therein for varying periods. Based on market conditions, Applicant believes that the initial offering price usually will not be less than 97% nor more than 115% of the principal amount of such series of Bonds, that any underwriting discount will not exceed 1% of the principal amount of such series of Bonds, and that the initial regular redemption price, if any, will not exceed 103% of the principal amount of such series of the Bonds. Applicant requests that it be authorized to negotiate, in its judgment, the most favorable interest rate or interest rate

determination method and terms obtainable on the date the Bonds are priced including, if appropriate, terms, prices and redemption provisions.

7. FINANCIAL CONDITION

Attached hereto as Exhibit G and made a part hereof are financial statements of the Applicant as of March 31, 2008.

When the Loan Agreement has been executed, a copy of the executed document will be filed with the Commission as a supplemental Exhibit in this proceeding.

WHEREFORE, Applicant prays that the Commission make such investigation as it may deem necessary in accordance with law and:

(1) Grant Applicant a Certificate of Authority stating (a) that the issuance of up to Fifty Million Dollars ($50,000,000) of Bonds is reasonably necessary to the financing of the construction herein describe and (b) that the value of the Pollution Control Facilities will be equal to or in excess of the amount of loan proceeds to be applied for that purpose;

(2) Authorize and approve the terms and conditions of and authorize Applicant to execute and deliver the Loan Agreement in connection therewith;

(3) Authorize the execution and delivery of a bond purchase or sales agreement with respect to the issuance of the Bonds;

(4) Authorize the negotiation and execution and delivery from time to time by Applicant of letter of credit reimbursement agreements with respect to the Bonds, providing for the delivery of bank letters of credit to enhance the marketability of the Bonds;

(5) Enter into, amend, modify and terminate, from time to time such interest rate swap transactions with respect to the Bonds as Applicant shall determine to be advisable;

(6) Periodically reset the interest rate term and determination method with respect to the Bonds pursuant to the terms of the Indenture;

(7) Authorize and empower Applicant to negotiate the terms of the transaction as described herein and to make such changes in the instruments filed as exhibits hereto and to negotiate and to enter into other related or supplemental agreements as are reasonably necessary, including, but not limited to, changes in the dates of the documents described herein, to consummate the transactions described herein or hereafter to maintain or preserve such transactions. Applicant proposes to file with the Commission conformed copies of the instruments in the final form in which they are executed; and

(8) Grant such other and further relief as may be appropriate in the circumstances.

SOUTH CAROLINA GENERATING
COMPANY, INC.

[SEAL]

By _____
Mark R. Cannon
Treasurer

ATTEST:

_____
Gina Champion
Secretary

Columbia, South Carolina
August 21, 2008

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

PERSONALLY APPEARED before me Mark R. Cannon, and Gina Champion, who on oath, say, each for himself or herself, that they are respectively Treasurer and Secretary of South Carolina Generating Company, Inc., Applicant herein, and make this verification on its behalf. That they have read the foregoing and attached Application and that the statements of fact therein are true of their own knowledge, and that as to the opinions expressed herein, they believe them to be true.

Mark R. Cannon

Gina Champion

SWORN TO before me this
21st day of August, 2008

Patricia K. Haltiwanger
Notary Public for South Carolina
My Commission expires March 22, 2016.

EXHIBITS

Exhibit A	Draft Loan Agreement
Exhibit B	Draft Trust Indenture
Exhibit C	Draft Preliminary Official Statement
Exhibit D	Draft SCANA Guaranty
Exhibit E	Applicant's Pro Forma Financial Statements
Exhibit F	Estimated Construction Expenditures
Exhibit G	Applicant's Financial Statements filed in FERC Form 1 for the quarter ended March 31, 2008

Exhibit A
Draft Loan Agreement

LOAN AGREEMENT

between

SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY

and

SOUTH CAROLINA GENERATING COMPANY, INC.

Dated as of _____ 1, 2008

Relating to
[50,000,000]
South Carolina Jobs-Economic Development Authority
Industrial Revenue Bonds
(South Carolina Generating Company, Inc. Project)
Series 2008

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LOAN AGREEMENT

This Loan Agreement, dated as of _____ 1, 2008, is by and between the **SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY**, a public body corporate and politic and an agency of the State of South Carolina (the "Issuer"), and **SOUTH CAROLINA GENERATING COMPANY, INC.**, a South Carolina corporation (together with its successors and assigns, the "Borrower").

PRELIMINARY STATEMENT

The Borrower proposes to finance the acquisition, by construction and purchase, of solid waste control facilities at its Williams Electric Generating Station, including but not limited to, the projects described in Exhibit A hereto (the "Project").

The Issuer is authorized under and pursuant to the provisions of Title 41, Chapter 43, Code of Laws of South Carolina 1976, as amended (the "Act"), to issue revenue bonds and to enter into agreements securing such bonds to provide funds for any program authorized under the Act and to loan the proceeds to eligible business enterprises to be used to acquire, by construction or purchase, land, buildings or other improvements thereon, machinery, equipment, office furnishings or other depreciable assets, or for research and design costs, legal and accounting fees, or other expenses in connection with the acquisition, construction and financing thereof.

In order to accomplish the foregoing, the Issuer proposes to issue its $[50,000,000] original principal amount Industrial Revenue Bonds (South Carolina Generating Company, Inc. Project), Series 2008 (the "Bonds"), the proceeds of which will be used, together with other available funds, to finance a portion of the cost of the Project and pay a portion of the costs of issuance of the Bonds.

Payment of the Bonds when due will be guaranteed when due by SCANA Corporation, a South Carolina corporation ("SCANA"), pursuant to a Guaranty dated of even date herewith (the "Guaranty").

The Issuer is issuing the Bonds pursuant to its powers under the provisions of the Act and in accordance with the provisions of a bond resolution adopted by the Board of Directors of the Issuer pursuant to the Act on _____, 2008 (the "Bond Resolution"). The Bonds will be issued under and secured by a Bond Trust Indenture dated of even date herewith (the "Bond Indenture"), from the Issuer to _____, as Bond Trustee (the "Bond Trustee"). Pursuant to the Bond Indenture the Issuer will assign its rights hereunder (other than Unassigned Rights (as such term is defined in the Bond Indenture)) as security for the Bonds. The Bonds will be payable by the Issuer solely out of the payments to be made by the Borrower under this Loan Agreement.

In consideration of the issuance of the Bonds by the Issuer and other valuable consideration, the receipt of which is hereby acknowledged, and in order to secure the payment of the principal of and interest on the Bonds and the performance of the covenants of the Borrower contained herein, the Issuer and the Borrower hereby covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. Unless otherwise required by the context, all terms used herein shall have the meanings assigned to such terms in Section 101 of the Trust Indenture, dated as of _____ 1, 2008, between the Issuer and _____, as Bond Trustee, either as originally executed or as amended or supplemented from time to time (the "Trust Indenture") or as set forth below:

"Act" means the South Carolina Jobs-Economic Development Fund Act, Title 41, Chapter 43 of the Code of Laws of South Carolina 1976, as amended, or any successor statute.

"Agreement" means this Loan Agreement, including any amendments or supplements hereto as herein permitted.

"Bond Fund" means the fund created and so designated by Section 501 of the Trust Indenture.

"Bonds" means South Carolina Jobs-Economic Development Authority Industrial Revenue Bonds (South Carolina Generating Company, Inc. Project) Series 2008 authorized to be issued pursuant to a resolution of the Board of Directors of the Issuer in the aggregate principal amount of [50,000,000], including such Bonds issued in exchange for other such Bonds pursuant to Section 211 of the Trust Indenture, or in replacement for mutilated, destroyed, lost or stolen Bonds pursuant to Section 212 of the Trust Indenture.

"Bond Trustee" means the Bond Trustee at the time serving as such under the Trust Indenture, whether original or successor.

"Bond Year" means the period commencing on _____ of each year and ending on _____ of the following year; provided, however, that the initial Bond Year shall commence on the Closing Date and end on _____.

"Borrower Representative" means the Chairman and Chief Executive Officer, President, Vice President, the Treasurer, the Controller, the Secretary and each other person at the time designated to act on behalf of the Borrower in a written certificate furnished to the Bond Trustee, which certificate shall contain the specimen signature(s) of such person(s) and shall be signed on behalf of the Borrower by the Secretary or other designated officer.

"Code" means the Internal Revenue Code of 1986, as amended.

"Completion Date" means the date of completion of the Project, as such date shall be certified pursuant to Section 4.05 hereof.

"Cost," as applied to the Project, means, without intending thereby to limit or restrict any proper definition of such word under the Act, all items of cost set forth in Section 403 of the Trust Indenture.

"Event of Default" means with respect to this Agreement each of those events set forth in Section 6.01 of this Agreement.

"Fiscal Year" means the fiscal year of the Borrower, which period commences on January 1 of each year and ends on December 31 of the following year, unless the Bond Trustee and the Issuer are notified in writing by the Borrower of a change in such period, in which case the Fiscal Year shall be the period set forth in such notice.

"Holder" means Holder as defined in Section 101 of the Trust Indenture.

"Issuer" means the South Carolina Jobs-Economic Development Authority, a public body corporate and politic and an agency of the State, and any successor thereto.

"Issuer Representative" means each of the persons at the time designated to act on behalf of the Issuer in a written certificate furnished to the Borrower and the Bond Trustee, which certificate shall contain the specimen signature(s) of such person(s) and shall be signed on behalf of the Issuer by the Chairman or Vice Chairman of its Board of Directors or its Executive Director and Chief Executive Officer.

"Interest Account" means the account in the Bond Fund created and so designated by Section 501 of the Trust Indenture.

"Interest Payment Date" means Interest Payment Date as defined in Section 101 of the Trust Indenture.

"Loan" means the loan of the proceeds of the Bonds made by the Issuer to the Borrower pursuant to Section 3.01 of this Agreement.

"Loan Repayments" means those payments designated by and set forth in Section 3.03 of this Agreement.

"Note" means the promissory note of the Borrower in substantially the form attached to this Agreement as Exhibit B, executed and delivered by the Borrower as consideration for the issuance of the Bonds and the making of the Loan.

"Officer's Certificate" means a certificate signed by an Issuer Representative or a Borrower Representative, as the case may be.

"Project" means the Project described in Exhibit A hereto, including any modifications thereof, substitutions therefore or additions thereto.

"Project Fund" means the fund created and so designated by Section 401 of the Trust Indenture.

"Required Payments under the Agreement" means the payments designated by and set forth in Section 3.04 of this Agreement.

"Remarketing Agent" means Remarketing Agent as defined in Section 101 of the Trust Indenture.

"State" means the State of South Carolina.

"Tender Agent" means Tender Agent as defined in Section 101 of the Trust Indenture.

"Total Required Payments" means the sum of Loan Repayments and Required Payments under the Agreement.

"Trust Indenture" means the Trust Indenture securing the Bonds, dated as of _____, 2008, between the Issuer and the Bond Trustee, including any trust indenture amendatory thereof or supplemental thereto.

Section 1.02 Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words "Bond," "owner," "Holder" and "person" shall include the plural as well as the singular number and the word "person" shall mean any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

ARTICLE II

REPRESENTATIONS

Section 2.01 Representations by the Issuer. The Issuer represents that:

(a) The Issuer was duly created and is validly existing under the laws of the State as a public body corporate and politic and an agency of the State.

(b) Under the provisions of the Act, the Issuer is duly authorized to enter into and to execute and deliver this Agreement and the Trust Indenture, to undertake the transactions contemplated by this Agreement and the Trust Indenture, and to carry out its obligations hereunder and thereunder.

(c) By duly adopted resolution, the Board of Directors of the Issuer has duly authorized the execution and delivery of this Agreement and the Trust Indenture and the issuance, sale, execution and delivery of the Bonds.

(d) The Issuer will lend the proceeds of the Bonds to the Borrower for the purpose of providing funds to (i) pay, and reimburse the Borrower for paying, a portion of the Cost of the Project and (ii) pay certain expenses incurred in connection with the authorization and issuance of the Bonds.

Section 2.02 Representations and Warranties of the Borrower. The Borrower represents that:

(a) The Borrower is a South Carolina corporation, is not in violation of any provisions of its Restated Articles of Incorporation and Bylaws, has the authority to enter into this Agreement and has duly authorized the execution and delivery of this Agreement by proper corporate action.

(b) Neither the execution and delivery of this Agreement or the Note the consummation of the transactions contemplated hereby nor the fulfillment of or compliance with the terms and conditions of this Agreement or the Note conflicts with or results in a breach of any material terms, conditions or provisions of any material restriction or any material agreement or instrument to which the Borrower is now a party or by which the Borrower is bound, or constitutes a default under any of the foregoing.

(c) There is no litigation or proceeding pending or, to the best of the knowledge of the Borrower, threatened against the Borrower or any other person materially adversely affecting in any manner whatsoever the right of the Borrower to execute this Agreement or the Note or the ability of the Borrower to make the payments required hereunder or to otherwise comply with the Borrower's obligations contained herein.

ARTICLE III

THE LOAN

Section 3.01 Issuance of the Bonds to Fund Loan; Making of the Loan. Simultaneously with the delivery of this Agreement, the Issuer shall issue and deliver the Bonds to provide it with funds to be loaned to the Borrower pursuant to this Agreement. The Bonds shall be issued in accordance with the Trust Indenture. The Borrower's approval of the terms of the Bonds and the Trust Indenture, including any obligations imposed on the Borrower by either of them, shall be conclusively established by its execution and delivery of this Agreement.

Upon the terms and conditions of this Agreement, the Issuer hereby makes a loan to the Borrower in the principal amount of [50,000,000], the same being the principal amount of the Bonds. The Loan shall be deemed to have been made when the proceeds of the sale of the Bonds are delivered to the Bond Trustee. The proceeds of the Loan shall be used, together with other available funds, to (i) pay, and reimburse the Borrower for paying, a portion of the Cost of the Project and (ii) pay certain expenses incurred in connection with the authorization and issuance of the Bonds. For the purposes of this Agreement, the amount of any underwriter's discount on the Bonds shall be deemed to have been loaned to the Borrower.

The Borrower hereby accepts the Loan and as evidence of its obligation to repay the same shall deliver to the Issuer herewith the Note. The Borrower shall repay the Loan in accordance with the provisions of the Note and this Agreement. The Borrower acknowledges that the proceeds of the Loan will be delivered to the Bond Trustee and applied on behalf of the Borrower in accordance with this Agreement and the Trust Indenture.

Section 3.02 Total Required Payments. The Borrower shall make Total Required Payments under this Agreement when due.

The Borrower's obligation to make the Total Required Payments and to satisfy any other financial liabilities incurred under this Agreement shall be a direct, general and unconditional obligation of the Borrower.

The Borrower shall make Loan Repayments directly to the Bond Trustee for deposit in the Bond Fund or the Redemption Fund, as the case may be. Required Payments under the Agreement pursuant to Section 3.04 shall be made by the Borrower directly to the persons, firms, governmental agencies and other entities entitled to such payments.

Neither the Issuer nor the Bond Trustee is required to give the Borrower notice of any date upon which any of the Total Required Payments is due. Nothing in this Section 3.02 shall require the Borrower to pay the costs and expenses set forth in Section 3.04, except the fees and expenses of the Issuer to the extent provided below, so long as the validity of such costs or expenses, or the reasonableness thereof, shall be contested in good faith and the Borrower shall have delivered to the Bond Trustee an Opinion of Counsel acceptable to the Bond Trustee to the effect that such contest does not jeopardize the interests of the Issuer, the Bond Trustee or the Holders; otherwise the Borrower shall pay such costs and expenses to the end that, in the opinion of such counsel, the interests of the Issuer, the Bond Trustee or the Holders are not jeopardized. If the Opinion of Counsel mentioned in the preceding sentence is not acceptable, the Bond

Trustee shall so notify the Issuer and the Borrower within five days of its receipt thereof, after which a subsequent Opinion of Counsel may be furnished. If the content of such subsequent Opinion of Counsel is not acceptable to the Bond Trustee, the Borrower shall pay such costs and expenses. Notwithstanding anything in this paragraph to the contrary, the Borrower agrees that it will continue to pay such fees and expenses of the Issuer pending the resolution of any contest with respect to the validity or the reasonableness thereof.

If, after giving effect to the credits specified in Section 502 of the Trust Indenture, any installment of Total Required Payments should be insufficient to enable the Bond Trustee to make the deposits specified in Section 502 of the Trust Indenture, the Borrower shall increase each future installment of the Total Required Payments as may be necessary to make up any previous deficiency.

All of the Total Required Payments shall be made in any coin or currency of the United States of America that is legal tender for the payment of public and private debts at the time each of the Total Required Payments is made.

Section 3.03 Loan Repayments. The Borrower shall repay the Loan in installments as provided in this Agreement. Each installment shall be deemed to be a Loan Repayment and shall be paid at the times and in the amounts set forth below. Loan Repayments shall be sufficient in the aggregate to repay the Loan, together with interest thereon and to pay in full, when due (whether by maturity, redemption, acceleration or otherwise), all Bonds, together with the total interest thereon. The obligation of the Borrower to make any payment hereunder shall be deemed satisfied and discharged to the extent of the corresponding payment made by the Bank under the Credit Facility.

The Loan Repayments shall be due and payable as follows:

(a) while the Bonds bear interest at a Daily Interest Rate, a Weekly Interest Rate or Bond Interest Term Rate, on each Interest Payment Date, and while the Bonds bear interest at a Long-Term Interest Rate, on the 25th day of the month preceding each Interest Payment Date, to the Bond Trustee, for deposit to the credit of the Interest Account, an amount equal to the interest due on the Outstanding Bonds on such Interest Payment Date, less any applicable credit under Section 502 of the Trust Indenture; provided, however, that if the interest rate on the Bonds is subject to adjustment pursuant to Section 205 of the Trust Indenture after the date of such required deposit, interest on the Bonds accruing from such adjustment date shall be assumed to accrue at the Ceiling Rate; and provided further, however, that if a Credit Facility is in effect, no payment shall be due under this paragraph until such Interest Payment Date;

(b) on _____, to the Bond Trustee for deposit in the Principal Account, the amount required to be paid at maturity of the Bonds on such _____;

(c) to the Bond Trustee, for deposit in the Interest Account, on or before the date(s) payment thereof is required to be made by the Bond Trustee, any amounts that may from time to time be required to enable the Bond Trustee to pay the accrued interest on Bonds purchased or redeemed from money in the Redemption Fund in accordance with Section 505 of the Trust Indenture; and

(d) to the Bond Trustee, for deposit in the Redemption Fund, on or before the date(s) payment thereof is required to be made by the Bond Trustee, any amount that may, from time to time, be required to enable the Bond Trustee to pay principal of the Bonds and any redemption premiums as and when Bonds are called for redemption.

Each Loan Repayment as set forth in this Section 3.03 shall be equal to the sum of the amounts specified above in paragraphs (a) to (d), inclusive.

On the Interest Payment Date following a date on which the Borrower shall have failed to pay to the Bond Trustee the amount due as a Loan Repayment or on which an investment loss shall have been charged to the Bond Fund or any account therein in accordance with Section 602 of the Trust Indenture, the Borrower shall pay, in addition to the Loan Repayment then due, an amount equal to the deficiency in payment or the amount of such loss. To the extent that the investment earnings are transferred or credited to the Bond Fund or any account therein in accordance with Articles V or VI of the Trust Indenture or amounts are transferred or credited to such Fund or accounts as a result of the application of Bond proceeds or a transfer of surplus funds from the Project Fund or otherwise, future Loan Repayments shall be proportionately reduced by the amount so credited unless such transfer is made to cure deficiencies in the fund or account to which the transfer is made.

The Borrower may prepay all or any part of the Loan at the times and in the manner provided in Article VII of this Agreement.

Section 3.04 Required Payments under the Agreement.

(a) The Borrower shall also pay, when due and payable, as Required Payments under the Agreement, certain costs and expenses, exclusive of costs and expenses payable from the proceeds of the Bonds and investment earnings thereon, as follows:

(i) to the Tender Agent, such amounts as shall be necessary to enable the Tender Agent to pay the purchase price of any Bonds tendered or deemed tendered for purchase on the date such Bonds are required to be purchased; provided, however, that the obligation of the Borrower to make any payment of purchase price of any Bonds tendered or deemed tendered for purchase shall be deemed to be satisfied and discharged to the extent of any moneys described in clauses (i) and (ii) of Section 1303(b) of the Trust Indenture that are furnished to the Tender Agent;

(ii) the fees and other costs payable to the Bond Trustee, the Tender Agent and the Remarketing Agent;

(iii) all costs incurred in connection with the purchase or redemption of Bonds to the extent money is not otherwise available therefor;

(iv) the fees and other costs incurred for services of such attorneys, management consultants, insurance consultants and accountants as are employed to make examinations, provide services, render opinions or prepare reports required under this Agreement, the Remarketing Agreement, the Trust Indenture, the Tender Agreement, a Liquidity Facility or a Credit Facility Provider Agreement;

(v) all costs incurred by the or the Bond Trustee in connection with the discontinuation of or withdrawal from any book-entry system for the Bonds or any transfer from one book-entry system to another including, without limitation, the printing and issuance of additional or substitute Bonds in connection with such withdrawal, discontinuance or transfer;

(vi) reasonable fees and other costs incurred by the Issuer in connection with its administration and enforcement and compliance with this Agreement or the Trust Indenture, including, but not limited to reasonable attorneys' fees;

(vii) fees and other costs incurred in connection with the remarketing of the Bonds;

(viii) the fees and other costs payable to the Bond Insurer; and

(ix) all amounts required to be paid to the Tender Agent pursuant to Section 205(a)(ii) of the Trust Indenture on the date of remarketing of Bank Bonds.

The Required Payments under the Agreement as set forth in this Section 3.04(a), if any, shall be equal to the sum of the amounts specified in clauses (i) to (ix), inclusive.

(b) The Borrower shall also cause to be paid the Rebate Requirement (as defined in the Tax Agreement) to the United States Government. The Borrower further agrees to pay all costs incurred by the Issuer in connection with the filing of Form 8038-T with respect to the Bonds. The obligation of the Borrower to make such payment shall survive the termination of this Agreement.

Section 3.05 Loan Payments as Trust Funds. All Loan Payments shall be and constitute trust funds, whether held by the Bond Trustee or any bank or trust company designated for such purpose, and shall continue to be impressed with a trust until such money is applied in the manner provided in the Trust Indenture.

The Borrower may at any time give to the Bond Trustee written or oral directions respecting the investment of any money held in any of the funds or accounts established under the Trust Indenture, subject, however, to the provisions of Article VI of the Trust Indenture. The Bond Trustee may request, orally or in writing, direction or authorization of the Borrower with respect to the proposed investment of money under the provisions of the Trust Indenture. Upon receipt of such request, accompanied by a memorandum setting forth the details of any proposed investment, the Borrower shall either approve such proposed investment or shall give written or oral directions to the Bond Trustee respecting the investment of such money.

Section 3.06 No Set-Off. The obligation of the Borrower to make the Loan Repayments, all Required Payments under the Agreement and all payments under the Note and to perform and observe the other agreements contained in this Agreement shall be absolute and unconditional. The Borrower will pay without abatement, diminution or deduction (whether for taxes or otherwise) all such amounts regardless of any cause or circumstance whatsoever including, without limitation, any defense, set-off, recoupment or counterclaim that the Borrower may have or assert against the Issuer or the Bond Trustee or any other person.

Section 3.07 Pledge and Assignment to Bond Trustee. Simultaneously with the delivery of this Agreement, the Issuer shall pledge and assign to the Bond Trustee as security for the Bonds all of the Issuer's right, title and interest in and to the Note and this Agreement (except for those certain rights under this Agreement that are set forth in the granting clauses of the Trust Indenture). The Borrower hereby consents to such pledge and assignment and agrees that the Bond Trustee may enforce any and all rights, privileges and remedies of the Issuer under or with respect to the Note and this Agreement, including those rights reserved by the Issuer.

ARTICLE IV

COVENANTS RESPECTING THE PROJECT

Section 4.01 Acquisition and Construction. The Borrower shall acquire, construct and equip, or cause to be acquired, constructed or equipped, the Project with all reasonable dispatch.

Section 4.02 Insurance. The Borrower covenants that it will maintain or cause to be maintained insurance on the Project of such type, against such risks and in such amounts, with insurance companies, captive insurance companies or by means of self-insurance, as are customarily carried by facilities of a nature similar to that of the Project, which insurance shall include property damage, fire and extended coverage, public liability, and property damage liability insurance.

Section 4.03 Revision of Project. The Borrower may revise the description of the Project in Exhibit A hereto from time to time; provided, however, that, in the case of any change that would render materially inaccurate the description of the Project in Exhibit A hereto, there shall be delivered to the Bond Trustee a revised Exhibit A containing a description of the Project that reflects such change, the accuracy of which shall have been certified by the Borrower Representative.

Section 4.04 Disbursements from Project Fund. The money in the Project Fund shall be applied by the Bond Trustee, upon receipt of a requisition of the Borrower signed by a Borrower Representative, to the payment of the Cost of the Project in accordance with Article IV of the Trust Indenture, and pending such application such money shall be invested and reinvested in accordance with Article VI of the Trust Indenture.

Section 4.05 Sale or Other Disposition of the Project. The Borrower agrees that any amounts received by it constituting (i) proceeds from the sale or other disposition of all or any part of the Project, (ii) insurance proceeds with respect to any casualty loss to all or any part of the Project or (iii) condemnation awards or payments in lieu thereof relating to all or any part of the Project shall be used (A) to make capital expenditures eligible to be financed under the Act, (B) to make capital expenditures approved by the Issuer or (C) to prepay the Note in accordance with its terms.

Section 4.06 Completion of Payment of the Cost of the Project. The Borrower shall complete the Project and pay that portion of the Cost of completing the Project as may be in excess of the money available therefor under the Trust Indenture.

Section 4.07 Establishment of Completion Date. The completion date for the Project shall be evidenced to the Bond Trustee and the Issuer by a certificate signed by a Borrower Representative (1) setting forth the Cost of the Project and stating that, except for amounts not then due and payable, or the liability for the payment of which is being contested or disputed in good faith by the Borrower, the acquisition, construction and equipping of the Project have been completed and the Cost of the Project has been paid or provision for such payment shall have been made by a surety bond or irrevocable bank letter of credit adequately securing such payment, (2) stating that it is given without prejudice to any rights against third parties that exist at the date of such certificate or which may subsequently come into being, and (3) specifying whether the Borrower met one of the spending exceptions to the Rebate Requirement (as defined in the Tax Agreement).

Section 4.08 No Warranty of Condition or Suitability. The Borrower acknowledges its full familiarity with the Project and that the Issuer has no responsibility for the Project Documents. The Issuer makes no representation or warranty, either express or implied, and offers no assurance that the proceeds of the Bonds will be sufficient to pay in full the Cost of the Project in accordance with the Project Documents or that the Project will be suitable for its intended purpose.

ARTICLE V

SPECIAL COVENANTS

Section 5.01 Further Assurances and Corrective Instruments. Subject to the provisions of Article XI of the Trust Indenture, the Issuer and the Borrower agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements and amendments hereto and such further instruments as may reasonably be required for carrying out the intention or facilitating the performance of this Agreement.

Section 5.02 Maintenance of Existence/Transfers of Assets. The Borrower shall maintain its existence as a corporation qualified to do business in South Carolina and shall not dissolve or dispose of all or substantially all of its assets, unless (a) the Borrower shall receive, as consideration for such disposition, services or property equal to the fair market value of such assets or (b) the transferee legal entity shall assume in writing the obligations of the Borrower under this Agreement, in which event the Issuer and the Bond Trustee shall release the Borrower in writing, concurrently with and contingent upon such assumption, from all liability hereunder.

Section 5.03 Arbitrage. The Issuer and the Borrower shall proceed with due diligence to spend the proceeds of the Bonds to pay the Cost of the Project. The Issuer and the Borrower shall not take any action or fail to take action, and shall not approve any action or failure to take action on the part of, or the making of any investment or use of the proceeds of the Bonds by, the Bond Trustee that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and the regulations thereunder as such may be applicable to the Bonds at the time of such action, investment or use.

Section 5.04 Tax Exemption Covenant. The Borrower covenants that it will not take any action which will, or fail to take any action which failure will, cause interest on the Bonds to become includable in the gross income of the Holders for federal income tax purposes pursuant to the provisions of the Code and regulations promulgated thereunder. The Borrower will comply with its obligations as provided in the Tax Agreement.

Section 5.05 Secondary Market Disclosure. The Borrower covenants, in the event the Bonds are adjusted to an Interest Rate Period that would make the Bonds subject to the requirements of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), to comply with the requirements of Rule 15c2-12 and will execute a continuing disclosure undertaking, for the benefit of the Beneficial Owners of the Bonds, to provide continuing information as required by Rule 15c2-12.

The Issuer covenants to comply with Section 11-1-85 of the Code of Laws of South Carolina 1976, as amended. The Borrower covenants to furnish all information requested by the Issuer to comply with such Section.

ARTICLE VI

EVENTS OF DEFAULT AND REMEDIES

Section 6.01 Events of Default Defined. The term "Event of Default" shall mean any one or more of the following events:

(a) The Borrower shall fail to pay, or cause to be paid, in full any payment required under the Note or this Agreement when due, whether at maturity, prepayment, acceleration or otherwise pursuant to the terms hereof or thereof; or

(b) The Borrower shall fail duly to perform, observe or comply with any covenant, condition or agreement on its part under this Agreement (other than a failure to make any payment under subsection (a) of this Section 6.01), and such failure continues for a period of 30 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Borrower by the Bond Trustee or the Bond Insurer, provided, however, that if such performance, observation or compliance requires work to be done, action to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such 30-day period, no Event of Default shall be deemed to have occurred or to exist if, and so long as, the Borrower shall commence such performance, observation or compliance within such period and shall diligently and continuously prosecute the same to completion; or

(c) An event of default shall occur under the Trust Indenture; or

(d) The entry by a court having jurisdiction in the premises of (i) a decree or order for relief in respect of the Borrower in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law or (ii) a decree or order adjudging the Borrower a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Borrower under any applicable federal or state law, or appointing a custodian, receiver, liquidator,

assignee, trustee, sequestrator or other similar official of the Borrower or of any substantial part of its property, or ordering the winding-up or liquidation of its affairs, and the continuance of any decree or order for relief or any such other decree or order unstayed and in effect for a period of 90 consecutive days; or

(e) The commencement by the Borrower of a voluntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by it to the entry of a decree or order for relief in respect of the Borrower in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable federal or state law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Borrower or of any substantial part of its property, or the making by it of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Borrower or of any substantial art of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the authorization of any such action by the Borrower's Board of Directors.

Section 6.02 Acceleration. Whenever an Event of Default shall have occurred and be continuing, the Issuer, by written notice to the Borrower may, and upon the direction of the Bond Insurer, shall, declare the entire outstanding principal balance of the Note, together with all interest accrued thereon to the date of such acceleration, to be immediately due and payable and such principal and interest shall thereupon become and be immediately due and payable.

Section 6.03 Remedies on Default. Whenever any Event of Default hereunder shall have happened and be continuing, the Issuer may, and upon the direction of the Bond Insurer, shall, take whatever action at law or in equity is necessary or desirable to collect the payments then due under the Note or the Agreement or to enforce the performance, observance or compliance by the Borrower with any covenant, condition or agreement by the Borrower under this Agreement.

Section 6.04 Application of Amounts Realized in Enforcement of Remedies. Any amounts collected pursuant to action taken under Section 6.03 hereof shall be paid to the Bond Trustee for application in accordance with the provisions of the Trust Indenture, or, if payment of the Bonds shall have been made, shall be applied according to the provisions of Section 10.04 hereof.

Section 6.05 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Issuer is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 6.06 Agreement to Pay Attorneys' Fees and Expenses. In any Event of Default, if the Issuer or the Bond Trustee employs attorneys or incurs other expenses for the collection of amounts payable hereunder or the enforcement of the performance or observance of any covenants or agreements on the part of the Borrower herein contained, whether or not suit is commenced, the Borrower agrees that it will on demand therefor pay to the Issuer or the Bond Trustee the reasonable fees of such attorneys (as limited by this Agreement) and such other reasonable expenses so incurred by the Issuer or the Bond Trustee.

Section 6.07 Issuer and Borrower to Give Notice of Default. The Issuer and the Borrower severally covenant that they will, at the expense of the Borrower, promptly give to the Bond Trustee written notice of any Event of Default under this Agreement of which they shall have actual knowledge or written notice, but the Issuer shall not be liable for failing to give such notice. The Borrower covenants that it will promptly give to Issuer written notice of any Event of Default of which it has actual knowledge or written notice.

Section 6.08 Correlative Waivers. If an event of default under Section 801 of the Trust Indenture shall be cured or waived and any remedial action by the Bond Trustee rescinded, any correlative default under this Agreement shall, ipso facto, be deemed to have been cured or waived, and any remedial action taken by the Issuer or the Bond Trustee hereunder as a result thereof shall be rescinded.

ARTICLE VII

PREPAYMENTS

Section 7.01 Optional Prepayment.

(a) The Borrower shall have the option to prepay, together with accrued interest, all or any portion of the unpaid aggregate amount of the Loan in accordance with the terms and provisions of the Trust Indenture. Said prepayment shall be made by the Borrower taking, or causing the Issuer to take, the actions required (i) for payment of the Bonds, whether by redemption or purchase prior to maturity or by payment at maturity, or (ii) to effect the purchase, redemption or payment at maturity of less than all of the Bonds according to their terms, or (iii) in order that all or any part of the Bonds shall be deemed not to be Outstanding as described in paragraph (2) of the definition of "Outstanding" in Article 101 of the Trust Indenture.

(b) To make a prepayment pursuant to this Section 7.01, the Borrower shall give written notice to the Issuer and the Bond Trustee which shall specify therein (i) the date of the intended prepayment of the Loan, which shall not be less than 35 nor more than 60 days from the date the notice is mailed, and (ii) the aggregate principal amount of the Bonds to be purchased, redeemed or paid at maturity and the date or dates on which the purchase, redemption or payment is to occur.

Section 7.02 Extraordinary Prepayment. The Borrower shall have the option to prepay (a) in whole or in part, from amounts received by the Borrower as insurance proceeds (except from a draw on the Credit Facility if a Credit Facility is in effect) with respect to any casualty loss or failure of title or condemnation awards, upon damage to or destruction of all or any part of the Project constituting land, buildings or equipment by fire or casualty or loss of

title to or use of all or any part of the Project as a result of the failure of title or as a result of eminent domain proceedings or proceedings in lieu thereof (if such damage, destruction, loss of title or loss of use causes such Project to be impracticable to operate for a period of at least six months); (b) in whole, upon changes in the Constitution of the United States of America or of the State or of legislative or administrative action, or failure of administrative action by the United States or the State or any agency or political subdivision of either, or by reason of any judicial decision to such extent that, in the opinion of the board of directors of the Borrower and an independent management consultant, (i) the Agreement is impossible to perform without unreasonable delay or (ii) unreasonable burdens or excessive liabilities not being imposed as of the date of the Agreement are imposed on the Borrower; or (c) in whole, in the event changes, which the Borrower cannot reasonably control, in the economic availability of materials, supplies, labor, equipment, or other properties or things necessary for the efficient operation of the Project shall have occurred, which in the judgment of the Borrower, render the continued operation of the Project uneconomical; or changes in circumstances, after issuance of the Bonds, including but not limited to changes in solid waste abatement, control and disposal requirements, shall have occurred such that the Borrower shall determine use of the Project is no longer required or desirable.

This Section 7.02 shall not be construed to prohibit the Borrower from applying insurance proceeds with respect to any casualty loss or condemnation awards or payments in lieu thereof in any manner permitted by Section 5.06 hereof, including to the optional prepayment of the Loan in accordance with the provisions of Section 7.01 of this Agreement.

Section 7.03 Notice and Right of Revocation.

(a) To make a prepayment pursuant to Section 7.01 or 7.02, the Borrower shall give written notice to the Bond Trustee which shall specify therein (i) the date of the intended prepayment of the Loan, which shall be not less than ten days (or such shorter number of days as may be acceptable to the Bond Trustee) from the date the notice is mailed, (ii) the aggregate principal amount of the Bonds to be purchased, redeemed or paid at maturity and the date or dates on which such purchase, redemption or payment is to occur, and which shall include such certificates or opinions as are required by paragraphs (a) or (b) of Section 7.02 and (iii) the maturity or maturities of the Bonds to be purchased, redeemed or paid.

(b) The Borrower shall have the right to condition any notice of prepayment pursuant to Section 7.01 or Section 7.02 that is given pursuant to this Section 7.03 in the same manner provided for redemption notices in Section 303(b) of the Trust Indenture. If a Conditional Redemption does not occur for either of the reasons permitted under Section 303(b) of the Trust Indenture, the corresponding notice of prepayment given pursuant to this Section 7.03 shall be deemed to be revoked.

ARTICLE VIII

INDEMNIFICATION AND NON-LIABILITY OF THE ISSUER AND THE BOND TRUSTEE

Section 8.01 General. The Borrower releases the Issuer, the Bond Trustee and their respective directors, members, officers, agents, and employees as such, past, present and future (collectively "officials and employees"), from, agrees that the Issuer, the Bond Trustee and their respective officials and employees will not be liable for, and agrees that it will at all times indemnify and hold harmless the Issuer, the Bond Trustee and their respective officials and employees against and pay all reasonable expenses of the Issuer, the Bond Trustee and their respective officials and employees relating to, claims made against the Issuer, or the Bond Trustee or any official or employee of the Issuer, or the Bond Trustee or resulting from, arising out of or in connection with (a) loss or damage to property or death or injury to any person, arising during the term of this Agreement that may be occasioned by any cause pertaining to the construction or use by the Borrower of the Project, and any liabilities or losses resulting from violations by the Borrower of conditions, agreements, and requirements of law affecting the Project or the ownership, occupancy or use thereof; (b) any breach or default on the part of the Borrower in the performance of any covenant or agreement of the Borrower under this Agreement, or arising from any act or failure to act by the Borrower or any of its agents, contractors, servants, employees or licensees; (c) the authorization, issuance and sale of the Bonds, or the execution and performance by the Borrower or the enforcement against the Borrower, the Issuer, the Bond Trustee or their respective employees and officials of this Agreement or the Indenture (unless as a result of the negligence or willful misconduct of the Issuer or the Bond Trustee and their respective officials and employee; (d) the provision of any information or certification by the Borrower furnished in connection therewith concerning the Bonds, the Project or the Borrower (including, without limitation, any information furnished by the Borrower) for inclusion in, or as a basis for preparation of, any material used in connection with the sale of the Bonds, including without limitation, the Tax Agreement, to assure the exclusion of the interest on the Bonds from the gross income of the holders for federal income tax purposes; or (e) any claim, action or proceeding brought against the Issuer, the Bond Trustee or their respective directors, officers or employees with respect to any matter set forth in clause (a), (b), (c) or (d) above.

In case any action shall be brought against the Issuer, or the Bond Trustee in respect of which indemnity may be sought against the Borrower, then the Issuer, or the Borrower, as the case may be, shall promptly notify the Borrower in writing. Failure to notify the Borrower shall not relieve it from any liability that it may have other than on account of this Agreement. The Borrower shall have the right to assume the investigation and defense of such action, including the employment of counsel, which counsel shall be satisfactory to the indemnified parties, and the payment of all expenses. The Issuer and shall have the right to employ separate counsel in any such action and participate in the investigation and defense thereof, and the reasonable fees and expenses (as limited by this Agreement) of such counsel shall be paid by the Borrower. The Bond Trustee shall have the right to employ separate counsel in any such action and participate in the investigation and defense thereof, but the fees and expenses of such counsel shall be paid by the Bond Trustee unless the employment of such counsel has been authorized by the Borrower or the Bond Trustee has reasonably objected to a joint defense by the Borrower on the

ground that there may be legal defenses available to it that are different from or in addition to those available to the Borrower, in which case the Bond Trustee shall have the right to designate and retain separate counsel in such action and the reasonable fees and expenses of such counsel shall be paid by the Borrower. If no reasonable objection is made and the Borrower assumes the defense of such action, the Borrower shall not be liable for the fees and expenses of any counsel for the Bond Trustee incurred thereafter in connection with such action. In no event shall the Borrower be liable for the fees and expenses of more than one counsel for the Bond Trustee in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, unless the retaining of additional counsel has been specifically authorized by the Borrower. Provisions referring to reasonable fees and compensation shall not necessarily mean statutory fees and compensation, but shall mean what is reasonable under the given circumstances.

The Issuer or the Bond Trustee, as the case may be, shall reimburse the Borrower for payments made by the Borrower pursuant to this Section 8.01 to the extent of any proceeds, net of all expenses of collection, actually received by the Issuer or the Bond Trustee from any insurance covering such claims with respect to the losses sustained. The Issuer and the Bond Trustee shall have the duty to claim any such insurance proceeds and the Issuer and the Bond Trustee shall assign their respective rights to such proceeds, to the extent of such required reimbursement, to the Borrower.

Notwithstanding anything in this Section 8.01 to the contrary, the Borrower shall not be liable for any losses or claims of the Bond Trustee resulting from the negligent act of or negligent failure to take action by the Bond Trustee.

Section 8.02 Payment of Costs upon Default. The Borrower shall pay, and shall indemnify the Issuer and the Bond Trustee against, all costs and charges, including reasonable counsel fees (as limited by this Agreement), lawfully and reasonably incurred in enforcing any covenant or agreement of the Borrower contained in this Agreement.

ARTICLE IX

TERMINATION OF AGREEMENT

Section 9.01 Termination of Agreement. When the Bond Trustee certifies to the Issuer that all Bonds have been paid or defeased in accordance with Section 1201 of the Trust Indenture and that all other obligations incurred by the Issuer and the Borrower under the Trust Indenture, this Agreement and the Note have been paid or that sufficient money or Defeasance Obligations, for such payment are held in trust by the Bond Trustee for such purposes, this Agreement shall terminate and the Bond Trustee shall contemporaneously cancel the Note and shall deliver the same to the Borrower.

ARTICLE X

MISCELLANEOUS

Section 10.01 No Recourse Against Officers and Employees of the Borrower. No recourse shall be had for the payment of the indebtedness hereunder, or for any claim based thereon or on this Agreement or any agreement supplemental hereto, against any member, officer, director, employee, agent or attorney, past, present or future, of the Borrower, any subsidiary or affiliate of the Borrower, or of any predecessor or successor corporation of any of them, as such, either directly, or through the Borrower, any subsidiary or affiliate of the Borrower, or any such predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitution, statute or otherwise, of members, officers, directors, employees, agents or attorneys of the Borrower as such, being released as a condition of and in consideration for the execution of this Agreement.

Section 10.02 Amendment of Agreement. The Issuer and the Borrower may from time to time and at any time enter into agreements supplemental hereto, without the consent of or notice to any Holder, to effect any one or more of the following:

(a) cure any ambiguity or defect or omission or correct or supplement any provision herein or any supplemental agreement hereto; or

(b) grant to or confer upon the Bond Trustee for the benefit of the Holders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Holders or the Bond Trustee, which are not contrary to or inconsistent with this Agreement or the Trust Indenture as then in effect; or

(c) add to the provisions of this Agreement other conditions, limitations and restrictions on the Borrower to be observed thereafter which are not contrary to or inconsistent with this Agreement or the Trust Indenture as then in effect; or

(d) make any other change that is determined by the Bond Trustee, who may rely upon an Opinion of Counsel, to be not materially adverse to the interest of the Holders.

Other than amendments referred to in the preceding paragraph of this Section and subject to the terms and provisions and limitations contained in Section 1102 of the Trust Indenture and not otherwise, the Holders of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained herein to the contrary notwithstanding, to consent to and approve the execution by the Borrower and the Issuer of such supplements and amendments hereto as shall be deemed necessary and desirable for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained herein; provided, however, nothing in this Section shall permit or be construed as permitting a supplement or amendment which would:

(i) Extend the stated maturity of or time for paying interest on the Note or reduce the principal amount of or rate of interest payable on the Note without the consent of the Holders of all Bonds then outstanding; or

(ii) Reduce the aggregate principal amount of Bonds then Outstanding the consent of the Holders of which is required to authorize such supplement or amendment without the consent of the Holders of all Bonds then Outstanding.

Section 10.03 Redemption of Bonds. Upon the request of the Borrower made in accordance with this Agreement, the Issuer shall take all steps that may be proper and necessary under the applicable redemption provisions of the Trust Indenture to effect the redemption of all or part of the then outstanding Bonds in such principal amount and on such redemption date as the Borrower shall direct. All expenses of such redemption shall be paid from money in the hands of the Bond Trustee or by the Borrower and not from funds of the Issuer.

Section 10.04 Surplus Funds. When all Bonds shall have been redeemed or retired and the Note and all other obligations incurred or to be incurred by the Issuer and the Bond Trustee under the Trust Indenture or this Agreement shall have been paid, or sufficient funds or Defeasance Obligations, or a combination of both, shall be held in trust pursuant to the Trust Indenture for the payment of all such obligations, any surplus funds remaining to the credit of any fund or account established under the Trust Indenture for the security of the Bonds shall be paid to the Borrower as an overpayment of the Total Required Payments.

Section 10.05 L imitation on the Issuer's Liability. All obligations of the Issuer under this Agreement shall be payable solely from the Total Required Payments and other revenues received and to be received from the Borrower. Neither the members, officers nor employees of the Issuer shall be personally liable for the payment of any sum or for the performance of any obligation under this Agreement.

Section 10.06 Borro wer's Remedies. In the event the Issuer should fail to perform any of its obligations under this Agreement, the Borrower may institute such action against the Issuer as the Borrower may deem necessary to compel performance; provided, however, that no such action shall seek to impose, or impose, any pecuniary liability upon the Issuer, or any personal or pecuniary liability upon any member, officer or employee thereof, except in the case of willful misconduct.

Section 10.07 Consents and Approvals. Whenever the written consent or approval of the Issuer, the Borrower, or the Bond Trustee shall be required under the provisions of this Agreement, such consent or approval shall not be unreasonably withheld or delayed. Unless otherwise specified herein, consents of the Issuer shall be executed and delivered on behalf of the Issuer by the Issuer Representative and consents of the Borrower shall be executed and delivered on behalf of the Borrower by the Borrower Representative.

Section 10.08 Extent of Covenants. All covenants, stipulations, obligations and agreements of the Issuer and the Borrower contained in this Agreement shall be effective to the extent authorized and permitted by applicable law.

Section 10.09 Notices, Demands, Requests. All notices, demands and requests to be given to or made hereunder by the Borrower, the Issuer, or the Bond Trustee shall be given or made in writing and shall be deemed to be properly given or made if sent by United States registered mail, return receipt requested, postage prepaid, addressed as follows:

(a) As to the Borrower—

South Carolina Generating Company, Inc.
1426 Main Street
Columbia, South Carolina 29218
Attention: Treasurer

(b) As to the Issuer--

South Carolina Jobs-Economic Development Authority
1201 Main Street, Suite 1600
Columbia, South Carolina 29201
Attention: Executive Director and Chief Executive Officer

(c) As to Moody's--

Moody's Investors Service, Inc.
Fully Supported Team
99 Church Street
New York, New York 10007

(d) As to S&P--

Standard & Poor's Ratings Services
Structured Finance/LOC 40th Floor
55 Water Street
New York, New York 10041-0003

(e) As to Fitch--

Fitch Ratings
Municipal Structured Finance
One State Street Plaza
New York, New York 10004

Any such notice, demand or request may also be transmitted to the appropriate above-mentioned party by telephone, facsimile or other electronic transmission and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

Any of such addresses or other information set forth above may be changed at any time upon written notice of such change sent by United States registered mail, postage prepaid, to the other parties by the party effecting the change.

Section 10.10 Multiple Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original constituting but one and the same instrument.

Section 10.11 Severability. If any one or more of the covenants, agreements or provisions of this Agreement shall be determined by a court of competent jurisdiction to be invalid, the invalidity of such covenants, agreements and provisions shall in no way affect the validity or effectiveness of the remainder of this Agreement, and this Agreement shall continue in force to the fullest extent permitted by law.

Section 10.12 State Law Controlling. This Agreement shall be construed and enforced in accordance with the laws of the State.

Section 10.13 Effective Date of This Agreement. Notwithstanding that this Agreement is dated as of the 1st day of _____, 2008, this Agreement shall take effect when it is fully executed and has been delivered to the parties hereto contemporaneously with the delivery of and payment for the Bonds, and none of the Total Required Payments shall be payable prior to or for any period prior to the effective date of this Agreement.

Section 10.14 Time, Days Other than Business Days. All references to times herein shall refer to New York City time.

(b) Any action required to be taken hereunder on a day other than a Business Day shall be deemed to be timely if such action is taken on the next succeeding Business Day.

Section 10.15 Notice of Amendment of Agreement. The Borrower shall provide notice to Moody's and S&P of any supplements or amendments to this Agreement made pursuant to Section 10.02 above.

Section 10.16 Confidential Information. Nothing contained in this Agreement will require the Borrower to disclose or permit the Issuer, the Bond Trustee or others to acquire any access to trade secrets of the Borrower or any other confidential processes, techniques or information.

Section 10.17. Extent of Covenants of the Issuer; No Personal Liability. To the extent permitted by law, no recourse shall be had for the enforcement of any obligation, promise or agreement of the Issuer contained herein or in the Bond Indenture, or for any claim based hereon or thereon or otherwise in respect hereof or thereof against the Issuer, any member, director, officer, agent, attorney or employee, as such, in his/her individual capacity, past, present or future, of the Issuer, or of any successor entity, either directly or through the Issuer, or any successor entity, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise. No personal liability whatsoever shall attach to, or be incurred by, any member, director, officer, agent, attorney or employee, as such, in his/her individual capacity, past, present or future, of the Issuer, or of any successor entity, either directly or

through the Issuer or any successor entity, under or by reason of any of the obligations, promises or agreements entered into between the Issuer and the Borrower, whether herein contained or to be implied herefrom as being supplemental hereto; and all personal liability of that character against every such member, director, officer, agent, attorney or employee is, by the execution of this Agreement and as a condition of, and as part of the consideration for, the execution of this Agreement, expressly waived and released.

Notwithstanding any other provision of this Agreement, the Issuer shall not be liable to the Borrower or the Bond Trustee or any other person for any failure of the Issuer to take action under this Agreement unless the Issuer (a) is requested in writing by an appropriate person to take such action, (b) is assured of payment of, or reimbursement for, any reasonable expenses in such action, and (c) is afforded, under the existing circumstances, a reasonable period to take such action. In acting under this Agreement, or in refraining from acting under this Agreement, the Issuer may conclusively rely on the advice of its counsel.

Section 10.18. No Liability of Issuer; No Charge Against Issuer's Credit. The Bonds shall be limited obligations of the Issuer, the principal, premium, if any, and interest on which shall be payable by the Issuer solely out of the revenues derived by the Issuer pursuant to this Agreement and other funds expressly pledged under the Bond Indenture, which revenues constitute an indebtedness payable only from a revenue-producing project or special source within the meaning of Article X, Section 13(9) of the Constitution of the State, which source does not include revenues from any tax or license. The Bonds, the purchase price thereof, and the interest and any premium thereon do not and shall never constitute a general obligation or indebtedness of the Issuer or of the State within the meaning of any state constitutional provision (other than Article X, Section 13(9) of the State Constitution authorizing indebtedness payable solely from a source of revenues derived other than from a tax or license) or statutory limitation and do not and shall never constitute or give rise to a pecuniary liability of the Issuer or State or a charge against the general credit of the Issuer or the State or against the taxing power of the State. The Issuer does not have taxing power. The principal premium, if any, and interest on the Bonds shall be secured by the Issuer solely by the aforesaid revenues; by the pledge to the Bond Trustee made under the Bond Indenture of said revenues and of certain accounts established under the Bond Indenture; and by the assignment by the Issuer of its rights under this Agreement, except for Unassigned Rights (as defined in the Bond Indenture).

No breach by the Issuer of this Agreement or the Bonds or of any provision or condition hereof or in the Bonds shall result in the imposition of any pecuniary liability upon the Issuer or the State or any charge upon the general credit of the Issuer or the State or upon the taxing power of the State. The liability of the Issuer under this Agreement and the Bonds, or any provision or condition hereof or thereof, shall be limited solely and exclusively to the revenues derived by the Issuer from the Borrower under this Agreement. The Issuer shall not be required to execute or perform any of its duties, obligations, powers, or covenants hereunder or under the Bonds except to the extent that revenues are available therefor. The Issuer may require, as a condition to the participation by it with the Borrower in obtaining any license, permit or other approvals, a deposit by the Borrower of such amount as determined by the Issuer to be reasonable to assure the reimbursement to the Issuer of the costs incurred by it in such participation, with any amount of such deposit in excess of such costs to be returned to the Borrower.

No covenant, agreement, or obligation contained in this Agreement or in the Bonds shall be deemed to be a covenant, agreement, or obligation of any present or future director, member, officer, employee, or agent of the Issuer in their individual capacity, and neither the members of the Issuer nor any officer thereof executing this Agreement or the Bonds shall be liable personally on the Bonds or under this Agreement or be subject to any personal liability or accountability by reason of the issuance, execution, or delivery of the Bonds. No officer, director, member, employee, or agent of the Issuer shall incur any personal liability with respect to any other action taken, or not taken, by them pursuant to Agreement, the Bond Indenture or the Act, provided they do not act with malicious intent.

The provisions of this Section 10.18 shall control every other provision of this Agreement, anything to the contrary notwithstanding.

IN WITNESS WHEREOF, the South Carolina Jobs-Economic Development Authority has caused these presents to be signed in its name and on its behalf by its _____ and South Carolina Generating Company, Inc. has caused these presents to be signed in its name and on its behalf by its _____ , all as of the date first above written.

SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY

By: _____

_____

(SEAL)

SOUTH CAROLINA GENERATING COMPANY, INC.

By: _____

_____

Exhibit A

DESCRIPTION OF THE PROJECT

The Project means the acquisition, by construction and purchase, of solid waste control facilities at the Borrower's Williams Electric Generating Station, including but not limited to, buildings and improvements to land, desulfurization systems, dewatering systems, conveyors and transportation systems, waste handling and disposal equipment, landfill improvements and equipment and other improvements and equipment functionally related and subordinate thereto, located in Berkeley County, South Carolina.

Exhibit B

PROMISSORY NOTE

Columbia, South Carolina
_____ 2008

FOR VALUE RECEIVED, South Carolina Generating Company, Inc., a corporation existing under and by virtue of the laws of the State of South Carolina (together with its successors and assigns, the "Borrower"), promises to pay the South Carolina Jobs-Economic Development Authority (the "Issuer"), or order, the principal sum of FIFTY MILLION DOLLARS ([50,000,000]) together with (a) interest thereon at such rate or rates as in the aggregate will produce an amount equal to the total of all interest becoming due and payable on the South Carolina Jobs-Economic Development Authority Industrial Revenue Bonds (South Carolina Generating Company, Inc. Project) Series 2008 (the "Bonds"), in the aggregate principal amount of [50,000,000] issued pursuant to a Trust Indenture, dated as of _____ 1, 2008, between the Issuer and _____, Bond Trustee (the "Trust Indenture"), which is incorporated herein by reference and made a part hereof, and (b) such other amounts as are required to be paid by the Borrower to the Issuer as part of the Loan Repayments as provided in the Loan Agreement, dated as of _____ 1, 2008, between the Borrower and the Issuer (the "Agreement"), which is incorporated herein by reference and made a part hereof.

The foregoing amounts shall be paid by means of the Loan Repayments which shall be due and payable as provided below. The respective Loan Repayments shall be in amounts equal to the sum of the following (less any credits to which the Borrower may be entitled under the Agreement):

(a) to the credit of the Interest Account, on each Interest Payment Date, at such time as will enable the Bond Trustee to make the payment of interest required by the Trust Indenture, that amount which shall be equal to the interest payable on the Bonds on such Interest Payment Date;

(b) to the credit of the Principal Account, on _____, the amount required to be paid at maturity of the Bonds on such _____;

(c) to the credit of the Interest Account, any amounts that may from time to time be required to enable the Bond Trustee to pay the accrued interest on Bonds purchased or redeemed from money in the Redemption Fund in accordance with Section 505 of the Trust Indenture.

This Note is due on _____ unless the term hereof is extended in accordance with the Agreement and the Trust Indenture.

The Borrower shall have the option to make advance payments of Loan Repayments from time to time, which advance payments shall be deposited by the Bond Trustee in the Redemption Fund established by the Trust Indenture and shall be used as provided in the Agreement and the Trust Indenture.

If the Borrower should default in the payment of any installment due under this Note or if any one or more of the events of default specified in the Agreement should occur, and if any such default is not remedied as provided in the Agreement, the Issuer then, or at any time thereafter, may give notice to the Borrower declaring all unpaid amounts of this Note then outstanding, together with all other unpaid amounts outstanding under the Agreement, to be immediately due and payable, and thereupon, without further notice or demand, all such amounts shall become and be immediately due and payable. Failure to exercise this option shall not constitute a waiver of the right to exercise the same at any time in the event of any continuing or subsequent default. In the event of default in the payment of this Note, the undersigned hereby agrees to pay all costs incurred in connection with the collection of the amounts then due thereon, including reasonable attorneys' fees (as determined pursuant to Section 10.12 of the Agreement).

The Borrower hereby waives presentment for payment, demand, protest, notice of protest and notice of dishonor.

This Note and all instruments securing the same are to be construed according to the laws of the State of South Carolina.

SOUTH CAROLINA GENERATING COMPANY, INC.

By: _____

_____

TRUST INDENTURE

between

SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY

and

_____, as Bond Trustee

Dated as of _____, 2008

Securing

[50,000,000]
South Carolina Jobs-Economic Development Authority
Industrial Revenue Bonds
(South Carolina Generating Company, Inc. Project)
Series 2008

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Exhibit A Form of Bond
Exhibit B Form of Requisition

THIS TRUST INDENTURE, dated for convenience of reference as of _____, 2008 (the "Trust Indenture"), is made and entered into by and between the **SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY**, a public body corporate and politic and an agency of the State of South Carolina (the "Issuer") and _____, a banking corporation duly organized and validly existing under the laws of the _____, which is authorized under such laws to exercise trust powers (the "Bond Trustee").

WITNESSETH:

WHEREAS, the Issuer is a public body corporate and politic and an agency of the State of South Carolina, and is authorized under the South Carolina Jobs-Economic Development Fund Act, Title 41, Chapter 43 of the Code of Laws of South Carolina 1976, as amended (the "Act"), to issue revenue bonds and to enter into agreements securing such bonds to provide funds for any program authorized under the Act and to loan the proceeds to eligible business enterprises to be used to acquire, by construction or purchase, land, buildings or other improvements thereon, machinery, equipment, office furnishings or other depreciable assets, or for research and design costs, legal and accounting fees, or other expenses in connection with the acquisition, construction and financing thereof; and

WHEREAS, the Issuer has determined to issue its revenue bonds in the aggregate principal amount of [50,000,000] (the "Bonds") and to lend the proceeds thereof to South Carolina Generating Company, Inc., a South Carolina corporation (the "Borrower") for the purpose of providing funds, together with other available funds, to (1) finance the Project (as detailed in the Agreement described below), and (2) pay a portion of certain expenses incurred in connection with the authorization and issuance of the Bonds; and

WHEREAS, simultaneously with the issuance of the Bonds, the Borrower and the Issuer will enter into a Loan Agreement, dated as of _____, 2008 (the "Agreement"), pursuant to which the Issuer will lend the proceeds of the Bonds to the Borrower and the Borrower will deliver its promissory note, dated the date of delivery of the Bonds (the "Note") as evidence of its obligation to repay the loan; and

WHEREAS, the payment of the Bonds when due will be guaranteed by SCANA Corporation, a South Carolina corporation ("SCANA"), pursuant to a Guaranty dated of even date herewith (the "Guaranty"); and

WHEREAS, the Issuer has determined that the Bonds and the certificates of authentication to be endorsed by the Bond Trustee on all Bonds as provided herein shall be, respectively, substantially in the form set forth in Exhibit A hereto, with such variations, omissions and insertions as are required or permitted by this Trust Indenture; and

WHEREAS, under the Constitution and laws of the State of South Carolina, including the Act, the Issuer is authorized to enter into this Trust Indenture, to issue the Bonds as hereinafter provided, to lend the proceeds of the Bonds to the Borrower for the purposes hereinabove stated, and to do or cause to be done all the acts and things herein provided or required to be done as hereinafter covenanted; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of South Carolina, including the Act, to happen, exist and be performed precedent to and in the execution and delivery of this Trust Indenture have happened, exist and have been performed as so required to make this Trust Indenture a valid and binding agreement securing the Bonds in accordance with its terms; and

WHEREAS, the Bond Trustee has accepted the trusts created by this Trust Indenture and in evidence thereof have joined in the execution hereof;

NOW, THEREFORE, THIS TRUST INDENTURE WITNESSETH: that in consideration of the premises, of the acceptance by the Bond Trustee of the trusts hereby created, and of the purchase and acceptance of Bonds by the Holders (as hereinafter defined) thereof, and also for and in consideration of the sum of One Dollar ($1.00) in hand paid by the Bond Trustee at or before the execution and delivery of this Trust Indenture, and for other good and valuable consideration, the receipt whereof is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which Bonds are to be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become Holders thereof, and to secure (1) the payment of the principal and purchase price of, redemption premium, if any, and interest on all Bonds at any time issued and outstanding under this Trust Indenture according to their tenor, purport and effect, and to secure the performance and observance of all the covenants, agreements and conditions, express or implied, therein and herein contained, (2) the payment of all amounts due and owing a Credit Facility Provider (as hereinafter defined) under a Credit Facility Provider Agreement (as hereinafter defined) and (3) the payment of all fees and expenses of the Bond Trustee, the Issuer has executed and delivered this Trust Indenture, and by this Trust Indenture has given, granted, bargained, aliened, remised, released, conveyed, transferred, assigned, confirmed, set over, and pledged, and does hereby give, grant, bargain, alien, remise, release, convey, transfer, assign, confirm, set over, and pledge unto the Bond Trustee and its successors in trust (the "Trust Estate"):

(A) All right, title and interest of the Issuer in and to the Note;

(B) All right, title and interest of the Issuer in and to the Agreement and the Guaranty (except for those certain rights that are set forth in the next sentence of this clause), it being the intent and purpose hereof that the assignment and transfer to the Bond Trustee of the payments and other sums due and to become due under the Agreement shall be effective and operative immediately and the Bond Trustee shall have the right to collect and receive said payments and other sums for application in accordance with the provisions hereof at all times during the period from and after the date of this Trust Indenture until the indebtedness hereby secured shall have been fully paid and discharged. The Issuer specifically reserves from this assignment the following rights (the "Unassigned Rights"): (a) to receive all notices, opinions, certificates, copies of documents, instruments, reports and correspondence, and evidence of certain actions by the Borrower required to be delivered to the Issuer und er the Agreement; (b) to grant approvals and consents and make determinations when required under the Agreement; (c) to make requests for information and inspections where allowed under the Agreement; (d) to receive payments under Sections 3.04(a)(vi) and 8.02 of the Agreement; (e) those exculpations from liability conferred upon the Issuer in Sections 10.01 and 10.05 of the Agreement; and (f) to be indemnified pursuant to Section 8.01 of the Agreement; provided that the reservation of the

aforementioned rights shall not prevent the Bond Trustee from enforcing the same on behalf of the Issuer and the Holders. The Issuer is to remain obligated to observe and perform all the conditions and covenants in the Agreement provided to be observed and performed by it;

(C) All moneys and securities in the Bond Fund and the Redemption Fund (all as defined herein) and, until applied in payment of the cost of the Project and the cost of issuing the Bonds, all moneys and securities in the Project Fund (as defined herein); and

(D) All moneys drawn by the Bond Trustee under a Credit Facility.

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended so to be, to the Bond Trustee and its successor or successors in trust and to them and their assigns forever, subject to the rights of the Borrower under the Agreement and to the exceptions, reservations and matters therein and herein recited.

IN TRUST, NEVERTHELESS, upon the terms and trusts herein set forth, for the benefit, security and protection of all and singular the present and future Holders of the Bonds issued or to be issued under and secured by this Trust Indenture, without preference, priority or distinction as to lien or otherwise, except as may otherwise be provided herein, of any one Bond over any other Bond by reason of priority in their issue, sale or otherwise, all as herein provided;

Provided, however, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, or provide for the payment, pursuant to the provisions of this Trust Indenture, of the principal of Bonds and the interest and any redemption premium due or to become due thereon, at the times and in the manner mentioned in the Bonds and this Trust Indenture, according to the true intent and meaning thereof and hereof, and shall cause the payments to be made into the Bond Fund as required under this Trust Indenture, and shall pay or cause to be paid to the Bond Trustee and the Bond Insurer all sums of money due or to become due to it in accordance with the terms and provisions hereof, and all obligations to any Bank secured hereby have been paid in accordance with the terms of the Credit Facility Provider Agreement or Liquidity Facility, as applicable, then upon such performance and payments this Trust Indenture and the pledge and assignment hereby granted shall cease, determine and be void, as provided in Article XIV hereof; otherwise this Trust Indenture to be and remain in full force and effect.

THIS TRUST INDENTURE FURTHER WITNESSETH and it is expressly declared that all Bonds issued and secured hereunder are to be issued, authenticated, delivered and dealt with, and all said property hereby given, granted, bargained, aliened, remised, released, conveyed, transferred, assigned, confirmed, set over and pledged is to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant, with the Bond Trustee and with the respective Holders, from time to time, of Bonds, or any part thereof, as follows:

ARTICLE I

DEFINITIONS; CONSTRUCTION

Section 101. Definitions. In addition to terms elsewhere defined in this Trust Indenture, the following words and terms as used in this Trust Indenture and the preambles hereto shall have the following meanings unless the context or use clearly indicates another or different meaning or intent:

"Act" means the South Carolina Jobs-Economic Development Fund Act, Title 41, Chapter 43 of the Code of Laws of South Carolina 1976, as amended, or any successor statute.

"Agreement" means the Loan Agreement, dated as of _____, 2008, between the Issuer and the Borrower, including all amendments and supplements thereto as therein permitted.

"Alternate Credit Facility" means a replacement irrevocable direct-pay letter of credit that is provided by an entity other than the Bond Trustee or any affiliate of the Bond Trustee, containing administrative provisions reasonably satisfactory to the Bond Trustee, issued and delivered to the Bond Trustee in accordance with Article XII of this Trust Indenture; provided, however, that any amendment, extension, renewal or substitution of the Credit Facility then in effect for the purpose of extending the expiration date of such Credit Facility or modifying such Credit Facility pursuant to its terms shall not be deemed to be an Alternate Credit Facility for purposes of this Trust Indenture.

"Authorized Denominations" means: (i) with respect to any Long-Term Interest Rate Period, $5,000 and any integral multiple thereof; and (ii) with respect to any Short-Term Interest Rate Period, Daily Interest Rate Period or Weekly Interest Rate Period, $100,000 and any integral multiple of $5,000 in excess of $100,000.

"Authorized Liquidity Termination" means a suspension or termination of the Liquidity Facility before its expiration date pursuant to provisions in the Liquidity Facility that allow the Bank to suspend or terminate its obligation to purchase Liquidity Enhanced Bonds immediately upon the occurrence of certain events set forth therein without giving any advance notice to the Issuer, the Borrower, the Bond Insurer, the Bond Trustee or Holders.

"Available Moneys" means, if a Credit Facility is in effect, (i) moneys drawn under the Credit Facility which at all times since their receipt by the Bond Trustee or the Tender Agent were held in a separate segregated account or accounts or subaccount or subaccounts in which no moneys (other than those drawn under the Credit Facility) were at any time held, (ii) moneys which have been paid to the Bond Trustee or the Tender Agent by the Borrower and have been on deposit with the Bond Trustee or the Tender Agent for at least [124] days during and prior to which no Event of Bankruptcy shall have occurred, (iii) any other moneys, if, in the opinion of nationally recognized counsel experienced in bankruptcy matters (which opinion shall be acceptable to each Rating Agency then rating the Bonds), the application of such moneys will not constitute a voidable preference in the event of the occurrence of an Event of Bankruptcy, and (iv) investment earnings on any of the moneys described in clauses (i), (ii) and (iii) of this definition; otherwise, "Available Moneys" means any moneys deposited with the Bond Trustee or the Tender Agent.

"Bank" means, if a Credit Facility or Liquidity Facility is then in effect with respect to the Bonds, the issuer of the Credit Facility or Liquidity Facility then in effect.

"Bank Bond Interest Differential Amount" means, as to any Bank Bond for any period for which interest on such Bank Bond has not been paid, the difference between the amount of accrued interest on such Bank Bond at the Bank Bond Interest Rate during such period and the amount of interest that would have accrued on such Bank Bond during such period if such Bank Bond had not been a Bank Bond during such period.

"Bank Bond Interest Rate" means the interest rate, if any, specified in the Credit Facility Provider Agreement or Liquidity Facility then in effect with respect to the Bonds as the rate at which Bank Bonds shall bear interest; provided, however, that if no such rate is specified in the Credit Facility Provider Agreement or Liquidity Facility then in effect, then Bank Bonds shall continue to bear interest and such interest shall accrue and be payable as specified in this Trust Indenture as if such Bank Bonds were not Bank Bonds. In no event shall the Bank Bond Interest Rate exceed 20% per annum without the prior written consent of the Issuer.

"Bank Bonds" means any Bonds purchased with moneys furnished by the Bank to the Tender Agent pursuant to the Credit Facility or Liquidity Facility then in effect until such Bonds are remarketed as provided in the Tender Agreement.

"Bankruptcy Code" means Title 11 of the United States Code, as amended, and any successor statute or statutes having substantially the same function.

"Beneficial Owner" means the Person in whose name a Bond is recorded as beneficial owner of such Bond by the Securities Depository or a Participant or an Indirect Participant on the records of such Securities Depository, Participant or Indirect Participant, as the case may be, or such Person's subrogee.

"Bond Counsel" means a firm of attorneys knowledgeable and experienced in the law relating to municipal securities and the law relating to federal and State taxation of interest thereon and approved by the Borrower.

"Bond Fund" means the fund of that name created and so designated by Section 501 hereof and consisting of the Principal Account and the Interest Account.

"Bond Insurance Policy" means any bond insurance policy that may be issued providing for payment on the Bonds.

"Bond Insurer" means the issuer of a Bond Insurance Policy.

"Bond Interest Term" means, with respect to any Bond, each period established in accordance with Section 205(i) hereof during which such Bond shall bear interest at a Bond Interest Term Rate.

"Bond Interest Term Rate" means, with respect to each Bond, a non-variable interest rate on such Bond established periodically in accordance with Section 205(i) hereof.

"Bond Purchase Fund" means the fund so designated which is established with the Tender Agent pursuant to Section 1301(b)(ii) hereof and the Tender Agreement.

"Bonds" means the Issuer's Industrial Revenue Bonds (South Carolina Generating Company Project) Series 2008 in the aggregate principal amount of [50,000,000].

"Bond Trustee" means the Bond Trustee at the time serving under this Trust Indenture, whether the original or a successor trustee.

"Bond Year" means the period commencing on _____ of each year and ending on _____ of the following year; provided, however, that the initial Bond Year shall commence on the Closing Date and end on _____.

"Book Entry Bonds" means Bonds for which a Securities Depository or its nominee is the Holder.

"Book-Entry System" means a book-entry system established and operated for the recordation of Beneficial Owners of the Bonds pursuant to Section 215 hereof.

"Borrower" means South Carolina Generating Company, Inc., a South Carolina corporation, and its successors and assigns.

"Borrower Account" means the account bearing such name which is created pursuant to the Tender Agreement.

"Borrower Representative" means Borrower Representative as defined in Section 1.01 of the Agreement.

"Business Day" means any day other than (i) a Saturday, a Sunday or any other day on which banks located in the cities in which the designated corporate trust offices of the Bond Trustee and the Tender Agent and the principal offices of the Bond Trustee, the Remarketing Agent, the Borrower or the Bank are located, or in which the office of the Bank from which payments are made pursuant to the Credit Facility or the Liquidity Facility is located, are authorized or required to remain closed or (ii) a day on which the New York Stock Exchange is closed.

"Ceiling Rate" means the lesser of (i) the highest interest rate that may be borne by the Bonds under applicable State law, (ii) while the Bonds bear interest at a Daily Interest Rate, Weekly Interest Rate or Bond Interest Term Rate, 12% per annum, (iii) while the Bonds bear interest at the Bank Bond Interest Rate, 20% per annum.

"Cessation of Operation" means Cessation of Operation as defined in Section 1.01 of the Agreement.

"Closing Date" means the date of the delivery of the Bonds against payment therefor.

"Code" means the Internal Revenue Code of 1986, as amended, and all regulations promulgated thereunder.

"Conditional Redemption" has the meaning given such term in Section 303(b) hereof.

"Credit Facility" means an irrevocable, direct-pay letter of credit issued with respect to the Bonds for the benefit of the Bond Trustee, together with all amendments, renewals and extensions thereof in accordance with its terms and, on the effectiveness of any Alternate Credit Facility, such Alternate Credit Facility.

"Credit Facility Account" means the account within the Bond Purchase Fund bearing such name which is created pursuant to the Tender Agreement.

"Credit Facility Provider" means the issuer of the Credit Facility then in effect and, upon the effectiveness of an Alternate Credit Facility, the issuer of such Alternate Credit Facility.

"Credit Facility Provider Agreement" means the agreement between the Borrower and/or any of its Affiliates and the Credit Facility Provider, pursuant to which the Credit Facility is issued by the Credit Facility Provider, as the same may be amended or supplemented, and any such other similar agreement or agreements as may be entered into from time to time between the Borrower and/or any of its Affiliates and the provider of any Alternate Credit Facility.

"Daily Interest Rate" means a variable interest rate on the Bonds established in accordance with Section 205(e) hereof.

"Daily Interest Rate Period" means each period during which a Daily Interest Rate is in effect.

"Defaulted Interest" means Defaulted Interest as defined in Section 203 hereof.

"Defeasance Obligations" means (i) noncallable Government Obligations, (ii) evidences of ownership of a proportionate interest in specified noncallable Government Obligations, which Government Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian, (iii) Defeased Municipal Obligations and (iv) evidences of ownership of a proportionate interest in specified Defeased Municipal Obligations, which Defeased Municipal Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity as custodian.

"Defeased Municipal Obligations" means obligations of state or local government municipal bond issuers which are rated in the highest rating category by S&P and Moody's, respectively, provision for the payment of the principal of and interest on which shall have been made by deposit with a trustee or escrow agent of (i) noncallable Government Obligations, (ii) evidences of ownership of a proportionate interest in specified noncallable Government Obligations, (iii) cash or (iv) any combination of such noncallable Government Obligations, evidences of ownership and cash, which Government Obligations or evidences of ownership, together with any cash, are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian, the maturing principal of and interest on such Government Obligations or evidences of ownership, when due and payable, being sufficient, together with any cash, to provide money to pay the

principal of, premium, if any, and interest on such obligations of such state or local government municipal bond issuers.

"Designated Corporate Trust Office" means, initially, the corporate trust office of the Bond Trustee located at _____, and thereafter any office designated by the Bond Trustee by notice to the Issuer, the Borrower, the Bond Insurer, the Tender Agent, the Remarketing Agent and the Bank given pursuant to Section 1504 hereof.

"Electronic Means" means telephone, telecopy, telegraph, telex, internet, facsimile transmission or any other similar means of electronic communication. Any communication by telephone as an Electronic Means shall be promptly confirmed in writing or by one of the other means of electronic communication authorized herein.

"Event of Bankruptcy" means any of the following events:

(i) the Borrower (or any other Person obligated, as guarantor or otherwise, to make payments on the Bonds or under the Agreement, the Note or a Credit Facility Provider Agreement, or an "affiliate" of the Borrower as defined in Bankruptcy Code § 101(2)) or the Issuer shall (a) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee, liquidator or the like of the Borrower (or such other Person) or the Issuer or of all or any substantial part of their respective property, (b) commence a voluntary case under the Bankruptcy Code, or (c) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts; or

(ii) a proceeding or case shall be commenced, without the application or consent of the Borrower (or any other Person obligated, as guarantor or otherwise, to make payments on the Bonds or under the Agreement, the Note or a Credit Facility Provider Agreement, or an "affiliate" of the Borrower as defined in Bankruptcy Code § 101(2)) or the Issuer in any court of competent jurisdiction, seeking (a) the liquidation, reorganization, dissolution, winding-up, or composition or adjustment of debts, of the Borrower (or any such other Person) or the Issuer, (b) the appointment of a trustee, receiver, custodian, liquidator or the like of the Borrower (or any such other Person) or the Issuer or of all or any substantial part of their respective property, or (c) similar relief in respect of the Borrower (or any such other Person) or the Issuer under any law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts.

"Event of Default" means any of the events specified in Section 801 hereof.

"Favorable Opinion of Bond Counsel" means an opinion of Bond Counsel, addressed to the Issuer, the Borrower, the Bond Trustee, the Bond Insurer, the Tender Agent, the Remarketing Agent and the Bank to the effect that the action proposed to be taken is authorized or permitted by the laws of the State and this Trust Indenture and will not adversely affect any exclusion from gross income for federal income tax purposes, or any exemption from State income taxes, of interest on the Bonds.

"Financing Documents" means the Agreement, the Note, this Trust Indenture, the Remarketing Agreement, the Tender Agreement and the Credit Facility Provider Agreement.

"Fitch" means Fitch Ratings, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Borrower, with the consent of the Remarketing Agent by notice to the Bond Trustee.

"Government Obligations" means direct obligations of, or obligations the full and timely payment of principal and interest on which is fully and unconditionally guaranteed by, the United States of America.

"Guaranty" means a Guaranty dated of even date herewith, of SCANA, guaranteeing the payment when due of the Bonds.

"Holder" means the Person who shall be the registered owner of any Bond.

"Indirect Participant" means a broker-dealer, bank or other financial institution for which the Securities Depository holds Bonds as a securities depository through a Participant.

"Insurer Default" means any of the following: (i) there shall occur a default in the payment of principal of or any interest on any Bond when required to be made by the Bond Insurance Policy; (ii) the Bond Insurance Policy shall have been declared null and void or unenforceable in a final non-appealable determination by a court of law; (iii) a proceeding shall have been instituted in a court having jurisdiction in the premises seeking a decree or order for relief in respect of the Bond Insurer in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect or for the appointment of a receiver, liquidator, assignee, custodian, trustee or sequestrator (or other similar official) of the Bond Insurer for any substantial part of its property or for the winding-up or liquidation of its affairs and such proceeding shall remain undismissed or unstayed and in effect for a period of 60 consecutive days or such court shall enter a decree or order granting the relief sought in such proceeding; or (iv) the Bond Insurer shall voluntarily suspend transaction of its business, shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, shall consent to the entry of an order for relief in an involuntary case under any such law or shall consent to appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian or sequestrator (or other similar official) of the Bond Insurer or for any substantial part of its property, or shall make a general assignment for the benefit of creditors.

"Interest Account" means the account in the Bond Fund created and so designated by Section 501 hereof.

"Interest Accrual Date" means (i) with respect to any Daily Interest Rate Period, the first day thereof and the first day of each succeeding calendar month during such Daily Interest Rate Period, (ii) with respect to any Weekly Interest Rate Period, the first day thereof and the first Business Day of each succeeding calendar month during such Weekly Interest Rate Period, (iii) with respect to any Long-Term Interest Rate Period, the first day thereof and, thereafter, each

Interest Payment Date in respect thereof, other than the last such Interest Payment Date during such Long-Term Interest Rate Period, (iv) with respect to each Bond Interest Term within any Short-Term Interest Rate Period, the first day thereof and (v) with respect to any Bank Bonds, except as otherwise set forth in the related Credit Facility Provider Agreement or Liquidity Facility, the Interest Accrual Date in effect at the time of purchase and thereafter, the first Business Day of each calendar month.

"Interest Payment Date" means:

(a) with respect to any Daily Interest Rate Period, the fifth Business Day of each calendar month;

(b) with respect to any Weekly Interest Rate Period, the first Business Day of each calendar month;

(c) with respect to any Long-Term Interest Rate Period, each _____ and _____;

(d) with respect to any Bond Interest Term within a Short-Term Interest Rate Period, the day next succeeding the last day of such Bond Interest Term;

(e) with respect to each Interest Rate Period, the day next succeeding the last day thereof; and

(f) with respect to Bank Bonds, the days on which interest is due pursuant to the Credit Facility Provider Agreement or the Liquidity Facility then in effect.

"Interest Rate Period" means any Daily Interest Rate Period, Weekly Interest Rate Period, Short-Term Interest Rate Period or Long-Term Interest Rate Period.

"Issuance Account" means the account created and so designated by Section 401 hereof.

"Issuance Costs" shall have the meaning set forth in Section 402 hereof.

"Issuer" means the South Carolina Jobs-Economic Development Authority, a public body corporate and public and an agency of the State, and any successor thereto.

"Issuer Representative" means Issuer Representative as defined in Section 1.01 of the Agreement.

"Letter of Representations" means, when all the Bonds are Book Entry Bonds, the Blanket Letter of Representations dated March ___, 1995, executed by the Issuer and delivered to DTC and any amendments thereto or successor blanket agreements between the Issuer and any successor Securities Depository, relating to a system of Book Entry Bonds to be maintained by such Securities Depository with respect to any bonds, notes or other obligations issued by the Issuer.

"Liquidity Enhanced Bonds" means, if a Liquidity Facility is in effect, Bonds in the Daily Interest Rate Period, Weekly Interest Rate Period or Short-Term Interest Rate Period (except a

Short-Term Interest Rate Period where all Bond Interest Terms end on the day prior to the maturity date of the Bonds).

"Liquidity Facility" means a liquidity facility meeting the requirements of Section 1205 of this Trust Indenture and, upon the effectiveness of any Substitute Liquidity Facility, such Substitute Liquidity Facility.

"Liquidity Provider Account" means the account bearing such name which is created pursuant to the Tender Agreement.

"Loan" means Loan as defined in Section 1.01 of the Agreement.

"Loan Repayments" means those payments designated by and set forth in Section 3.03 of the Agreement.

"Long-Term Interest Rate" means, with respect to each Bond, a term, non-variable interest rate on such Bond established in accordance with Section 205(h) hereof.

"Long-Term Interest Rate Period" means each period during which a Long-Term Interest Rate is in effect.

"Moody's" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Borrower, with the consent of the Remarketing Agent and the Issuer, by notice to the Bond Trustee.

"Opinion of Counsel" means an opinion in writing signed by an attorney or firm of attorneys acceptable to the Bond Trustee who may be counsel for the Issuer or the Borrower or other counsel.

"Outstanding" means, when used with reference to the Bonds at any date as of which the amount of outstanding Bonds is to be determined, all Bonds that have been authenticated and delivered by the Bond Trustee hereunder, except:

(i) Bonds cancelled or delivered for cancellation at or prior to such date;

(ii) Bonds deemed not to be Outstanding in accordance with Section 304 hereof;

(iii) Bonds in lieu of which other Bonds have been authenticated under Sections 212, 213 and 214 hereof; and

(iv) Undelivered Bonds;

provided, however, that Bonds owned or held by or for the account of the Borrower, any Affiliate or any subsidiary or controlled affiliate of the Borrower or any Affiliate shall not be

deemed Outstanding Bonds for the purpose of any consent or other action or any calculation of Outstanding Bonds provided for in Article VIII, Article XI and Article XIV hereof or Section 10.02 of the Agreement, and neither the Borrower or any Affiliate as registered owners of such Bonds shall be entitled to consent or take any other action provided for in Article VIII, Article XI and Article XIV hereof or Section 10.02 of the Agreement; provided, further, that if all of the Bonds are at any time held by or for the account of the Borrower or any Affiliate, then such Bonds shall be deemed to be Outstanding at such times for purposes of this paragraph.

"Participant" means a broker-dealer, bank or other financial institution for which the Securities Depository holds Bonds as a securities depository.

"Payment Default" means an Event of Default described in Section 801(a) or 801(b) hereof.

"Permitted Investments" means any investment to the extent from time to time permitted by applicable law.

"Person" means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Predecessor Bonds" of any particular Bond means every previous Bond evidencing all or a portion of the same debt as that evidenced by such particular Bond, and, for purposes of this definition, any Bond authenticated and delivered under Section 212 hereof in lieu of a lost, destroyed or stolen Bond shall be deemed to evidence the same debt as the lost, destroyed or stolen Bond.

"Principal Office" means, so long as _____ is serving as Bond Trustee hereunder, the Bond Trustee's principal office located at _____, and as to any successor Bond Trustee, its designated principal office.

"Project Fund" means the fund of that name created and so designated by Section 401 hereof.

"Rating Agency" means each of Fitch when the Bonds are rated by Fitch, Moody's when the Bonds are rated by Moody's, and S&P when the Bonds are rated by S&P.

"Redemption Fund" means the fund of that name created and so designated by Section 501 hereof.

"Redemption Price" means, with respect to any Bond or portion thereof, the principal amount of such Bond or portion thereof plus the applicable premium, if any, payable upon redemption thereof in the manner contemplated in accordance with this Trust Indenture.

"Register" means the register of the record owners of Bonds maintained by the Bond Trustee pursuant to Section 208 hereof.

"Regular Record Date" means (a) with respect to any Interest Payment Date in respect of any Daily Interest Rate Period, the last Business Day of the calendar month immediately preceding such Interest Payment Date or, in the case of the last Interest Payment Date in respect of a Daily Interest Rate Period, the Business Day immediately preceding such Interest Payment Date; (b) with respect to any Interest Payment Date in respect of any Weekly Interest Rate Period or any Short-Term Interest Rate Period, the Business Day immediately preceding such Interest Payment Date; (c) with respect to any Interest Payment Date in respect of any Long-Term Interest Rate Period, the fifteenth (15th) day of the month immediately preceding such Interest Payment Date (whether or not a Business Day) or, in the event that an Interest Payment Date shall occur less than 15 days after the first day of a Long-Term Interest Rate Period, such first day; and (d) with respect to any Interest Payment Date in respect of any Bank Bonds, the Business Day immediately preceding such Interest Payment Date.

"Remarketing Account" means the account bearing such name which is created in the Bond Purchase Fund pursuant to the Tender Agreement.

"Remarketing Agent" means the initial and any successor remarketing agent appointed in accordance with Section 1301 (a) hereof.

"Remarketing Agreement" means any agreement between the Borrower and the Remarketing Agent, as the same may be amended or supplemented from time to time, or any remarketing agreement entered into with a successor Remarketing Agent. The initial Remarketing Agent for the Bonds will be Banc of America Securities LLC.

"Replacement Bonds" means Bonds issued pursuant to Section 213 hereof.

"Required Payments under the Agreement" means the payments so designated by and set forth in Section 3.04 of the Agreement.

"Reserved Rights" means the rights of the Issuer reserved in item 2 of the granting clause in the preamble to this Trust Indenture.

"S&P" means Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Borrower, with the consent of the Remarketing Agent, by notice to the Bond Trustee.

"Securities Depository" means The Depository Trust Company, New York, New York, and any substitute for or successor to such securities depository that shall maintain a Book-Entry System with respect to the Bonds.

"Securities Depository Nominee" means the Securities Depository or the nominee of such Securities Depository in whose name there shall be registered on the Register the Bonds to be delivered to such Securities Depository during the continuation with such Securities Depository of participation in its Book-Entry System.

"Self Liquidity Arrangement" means a self liquidity arrangement meeting the requirements set forth in Section 1205 hereof.

"Short-Term Interest Rate Period" means each period, consisting of Bond Interest Terms, during which the Bonds bear interest at one or more Bond Interest Term Rates.

"SIFMA Index" means on any date, a rate determined on the basis of the seven-day high grade market index of tax-exempt variable rate demand obligations, as produced by Municipal Market Data, a Thomson Financial Services Company, and published or made available by the Securities Industry and Financial Markets Association, or its successor ("SIFMA"), or any person acting in cooperation with or under the sponsorship of SIFMA and acceptable to the Remarketing Agent and effective from such date.

"Special Record Date" means a date fixed by the Bond Trustee for the payment of any Defaulted Interest on the Bonds pursuant to Section 203 hereof.

"State" means the State of South Carolina.

"Substitute Liquidity Facility" means a liquidity facility meeting the requirements set forth in Section 1205 hereof.

"Tax Agreement" means Tax Agreement Compliance Agreement dated the date of delivery of the Bonds, between the Issuer and the Borrower.

"Tender Agent" means the initial and any successor tender agent appointed in accordance with Section 1301(b) hereof.

"Tender Agreement" means any agreement among the Tender Agent then serving hereunder, the Borrower and the Remarketing Agent, as the same may be amended or supplemented from time to time.

"Total Required Payments" means Total Required Payments as defined in Section 1.01 of the Agreement.

"Trust Estate" means the property described in the granting clauses to this Trust Indenture.

"Trust Indenture" means this Trust Indenture, including any Trust Indenture amendatory hereof or supplemental hereto.

"Undelivered Bonds" means any Bonds so designated in accordance with the provisions of Sections 206(f) or 206(g)(ii) hereof.

"Weekly Interest Rate" means a variable interest rate on the Bonds established in accordance with Section 205(f) hereof.

"Weekly Interest Rate Period" means each period during which a Weekly Interest Rate is in effect.

Section 102. Rules of Construction.

(a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words "Bond," "owner," "Holder" and "Person" shall include the plural as well as the singular number.

(b) Words importing the redemption or calling for redemption of the Bonds shall not be deemed to refer to or connote payment of Bonds at their stated maturity.

(c) The Table of Contents, captions and headings in this Trust Indenture are for convenience only and in no way limit the scope or intent of any provision or section of this Trust Indenture.

(d) All references herein to particular articles or sections are references to articles or sections of this Trust Indenture unless some other reference is indicated.

(e) All references herein to the Code or any particular provision or section thereof shall be deemed to refer to any successor, or successor provision or section, thereof, as the case may be.

(f) All references herein to a particular time of day shall be deemed to refer to New York City Time.

ARTICLE II

THE BONDS

Section 201. Limitation on Issuance of Bonds. No Bonds may be issued under the provisions of this Trust Indenture except in accordance with the provisions of this Article. The Bonds shall be limited to [50,000,000] in aggregate principal amount. No additional bonds or other indebtedness of the Issuer shall be issued under this Trust Indenture.

Section 202. Form and Numbering of Bonds. The Bonds are issuable in fully registered form in Authorized Denominations. The Bonds shall be substantially in the form set forth in Exhibit A hereto, with such appropriate variations, omissions and insertions as may be necessary or appropriate to conform to the provisions of this Trust Indenture and may be in typewritten, printed, engraved or lithographed form. All Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or of any securities exchange on which the Bonds may be listed or any usage or requirement of law with respect thereto, including the imposition of CUSIP or other identifying numbers.

Section 203. General Terms of the Bonds. The Bonds shall be dated the Closing Date, shall bear interest until their payment, such interest to the maturity thereof being payable on each Interest Payment Date, and shall be stated to mature (subject to the right of prior redemption), on _____. The Bonds shall be designated "South Carolina Jobs-Economic

Development Authority Industrial Revenue Bonds (South Carolina Generating Company, Inc. Project) Series 2008."

Each Bond shall bear interest from the Interest Payment Date immediately preceding the date of authentication thereof, or, if such date of authentication shall be an Interest Payment Date to which interest on the Bonds has been paid in full or duly provided for or the Closing Date, from such date of authentication; provided, however, that if, at the time of authentication of any Bond, interest on such Bond shall be in default, such Bond shall bear interest from the date to which interest has previously been paid or, if no interest has been paid, from the Closing Date.

The Bonds shall be executed with the manual or facsimile signature of the _____ of the Issuer with the seal of the Issuer impressed thereon.

In case any officer whose signature or a facsimile of whose signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if such person had remained in office until such delivery, and also any Bonds may bear the facsimile signatures of, or may be signed by, such persons as at the actual time of the execution of such Bonds shall be the proper officers to sign such Bonds although at the date of such Bonds such persons may not have been such officers.

The principal and purchase price of, redemption premium, if any, and the interest on the Bonds shall be payable in lawful money of the United States of America. Such payment of interest shall be payable in the manner provided for in Section 205(k) hereof. The principal of and any premium on all Bonds shall be payable at the Principal Office. Payment of the principal of and any premium on all Bonds shall be made upon the presentation and surrender of such Bonds as the same shall become due and payable. Such payment of principal and any premium will be by check; provided, however, that the principal and any premium with respect to the Bonds will be paid by wire transfer (to an account in the continental United States) of immediately available funds to any Holder of at least $1,000,000 in aggregate principal amount of Bonds Outstanding, at such Holder's option, in each case according to wire instructions given to the Bond Trustee in writing for such purpose.

Interest on any Bond which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Bond is registered at the close of business on the Regular Record Date.

While the Securities Depository Nominee is the Holder of the Bonds, notwithstanding the provisions hereinabove and hereinafter contained, payments of principal of, redemption premium, if any, and interest on the Bonds shall be made in accordance with existing arrangements between the Bond Trustee or its successors under this Trust Indenture and the Securities Depository.

Any interest on any Bond which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Holder on the relevant Regular Record Date solely by virtue of such Holder having been such Holder (except that if the Bond Insurer has paid the Holder for the Defaulted

Interest under the Bond Insurance Policy, then in such case the Defaulted Interest due hereunder shall be payable to the Bond Insurer and does not accrue to or for the benefit of the Holder); and such Defaulted Interest may be paid by the Issuer, at its election in each case, as provided in subsection A or B below:

A. The Issuer may elect to make payment of any Defaulted Interest on the Bonds to the Persons in whose names such Bonds (or their respective Predecessor Bonds) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Issuer shall notify the Bond Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be such as will enable the Bond Trustee to comply with the next sentence hereof), and at the same time the Issuer shall deposit or cause to be deposited with the Bond Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Bond Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as provided in this subsection. Thereupon the Bond Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than ten days prior to the date of the proposed payment and not less than ten days after the receipt by the Bond Trustee of the notice of the proposed payment. The Bond Trustee shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Borrower, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed first-class, postage prepaid, to each Holder of Bonds at his address as it appears in the Register maintained under Section 209 hereof not less than ten days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names the Bonds (or their respective Predecessor Bonds) are registered on such Special Record Date and shall no longer be payable pursuant to the following subsection B.

B. The Issuer may make payment of any Defaulted Interest on the Bonds in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Bonds may be listed and upon such notice as may be required by such exchange, if, after notice given by the Issuer to the Bond Trustee of the proposed payment pursuant to this subsection, such payment shall be deemed practicable by the Bond Trustee.

Subject to the foregoing provisions of this Section, each Bond delivered under this Trust Indenture upon transfer of or in exchange for or in lieu of any other Bonds shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond and each such Bond shall bear interest from such date, so that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

Section 204. Authentication of Bonds. Only such Bonds as shall have endorsed thereon a certificate of authentication substantially in the form set forth in Exhibit A hereto, duly executed by the Bond Trustee, shall be entitled to any benefit or security under this Trust Indenture. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication on the Bond shall have been duly executed by the Bond Trustee, and such certificate of the Bond Trustee upon any such Bond shall be conclusive evidence that such Bond

has been duly authenticated and delivered under this Trust Indenture. The Bond Trustee's certificate of authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer of the Bond Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time.

Section 205. Interest on the Bonds.

(a) Except as provided in this subsection (d) hereof with respect to Bank Bonds, the interest rate on and Interest Rate Period for the Bonds may be adjusted as set forth in this Section 205. Except while the Bonds bear interest at Bond Interest Term Rates, all Bonds shall bear the same rate for the same Interest Rate Period.

For any Daily Interest Rate Period, interest on the Bonds shall be payable on each Interest Payment Date for the period commencing on the Interest Accrual Date preceding the prior Interest Payment Date (or, in the case of the first Interest Payment Date during any Daily Interest Rate Period, the Interest Accrual Date preceding such Interest Payment Date) and ending on the last day of the month in which such Interest Accrual Date occurs or, if sooner, the last day of the Daily Interest Rate Period. For any Weekly Interest Rate Period, interest on the Bonds shall be payable on each Interest Payment Date for the period commencing on the immediately preceding Interest Accrual Date and ending on and including the day immediately preceding the Interest Payment Date (or, if sooner, the last day of the Weekly Interest Rate Period). For any Short-Term Interest Rate Period or Long-Term Interest Rate Period, interest on the Bonds shall be payable on each Interest Payment Date for the period commencing on the immediately preceding Interest Accrual Date and ending on the day immediately preceding such Interest Payment Date. In any event, interest on the Bonds shall be payable for the final Interest Rate Period to the date on which the Bonds shall have been paid in full.

(b) Interest on the Bonds shall be computed (i) in the case of a Long-Term Interest Rate Period, on the basis of a 360-day year consisting of twelve 30-day months and (ii) in the case of a Daily Interest Rate Period, a Weekly Interest Rate Period or a Short-Term Interest Rate Period, on the basis of a 365 or 366-day year, as appropriate, for the actual number of days elapsed.

(c) In the manner hereinafter provided, the term of the Bonds shall be divided into consecutive Interest Rate Periods during each of which the Bonds shall bear interest at a Daily Interest Rate, a Weekly Interest Rate, Bond Interest Term Rates or a Long-Term Interest Rate; provided, however, that at any time, all Bonds shall bear interest at a Daily Rate, a Weekly Interest Rate, a Long-Term Interest Rate or Bond Interest Term Rates. No Bond shall bear interest at a rate higher than the Ceiling Rate. The first Interest Rate Period for the Bonds shall commence on the Closing Date and shall be a Weekly Interest Rate Period. On or prior to the Closing Date, the initial Weekly Interest Rate borne by the Bonds shall be determined in the manner provided in this Section 205 by the Remarketing Agent.

(d) Notwithstanding anything in this Trust Indenture to the contrary, Bank Bonds shall bear interest at the Bank Bond Interest Rate for the period commencing from the date that the Bank shall have purchased (or shall have deemed to have purchased) such Bond and

continuing until such Bank Bond shall have been paid and retired or until such Bank (or a participant thereof) shall have resold such Bank Bonds pursuant to a remarketing by the Remarketing Agent pursuant to this Trust Indenture or shall have elected (to the extent permitted thereunder) not to sell and thus retain Bank Bonds otherwise to be remarketed by the Remarketing Agent; and such interest shall accrue and be payable on any Interest Payment Date for Bank Bonds while held as such in accordance with the day count basis applicable to Bank Bonds. On each Interest Payment Date as well as on any applicable payment or redemption date for Bank Bonds, and except as otherwise provided in the Credit Facility Provider Agreement or Liquidity Facility, as applicable, (1) interest shall be payable on Bank Bonds for the period commencing on the immediately preceding Interest Accrual Date and ending on the Interest Payment Date, and (2) the Bank shall provide written notice to the Corporation and the Bond Trustee of the Bank Rate and the interest that is then due and payable on the Bank Bonds, upon which the Bond Trustee shall conclusively rely. Notwithstanding anything herein to the contrary, in no event shall the interest rate paid by the Corporation on Bank Bonds exceed the Ceiling Rate.

Notwithstanding anything in this Trust Indenture to the contrary, if some, but less than all of the Bonds are Bank Bonds, such Bank Bonds shall be remarketed at a purchase price equal to the principal of such Bank Bonds plus accrued interest at the rate that would have accrued on such Bank Bond if such Bank Bond had not been a Bank Bond. As soon as practicable, but in any event by no later than 12:15 p.m. on the date any such Bank Bond is to be remarketed, the Remarketing Agent shall inform the Tender Agent, the Bond Trustee and the Bank by Electronic Means of the principal amount of the Bank Bond to be remarketed. Upon receipt of such notice from the Remarketing Agent, the Bond Trustee shall promptly, but not later than 12:45 p.m. on such remarketing date, notify the Bank, the Tender Agent and the Remarketing Agent by Electronic Means of the amount of interest that would have accrued on such Bank Bond if such Bank Bond had not been a Bank Bond. Upon receipt of such notices from the Remarketing Agent and the Bond Trustee, the Bank shall promptly, but not later than 1:00 p.m. on such remarketing date, notify the Bond Trustee and the Borrower by Electronic Means of the Bank Bond Interest Differential Amount. Upon receipt of such notice from the Bank, the Borrower shall immediately, and in no event later than 1:15 p.m. on such remarketing date, pay the Bank Bond Interest Differential Amount to the Tender Agent in immediately available funds for deposit into the Borrower Account. Notwithstanding anything in this Trust Indenture to the contrary, if all of the Bonds are Bank Bonds, the Bank Bonds shall be remarketed at a purchase price equal to the principal of such Bank Bonds, without accrued interest, and on the remarketing date the Borrower shall pay to the Tender Agent all accrued interest on such Bank Bonds at the Bank Bond Interest Rate.

(e) (i) Determination of Daily Interest Rate. During each Daily Interest Rate Period, the Bonds shall bear interest at the Daily Interest Rate, which shall be determined by the Remarketing Agent by 9:30 a.m. on each Business Day during such Daily Interest Rate Period. The Daily Interest Rate shall be the rate of interest per annum determined by the Remarketing Agent (based on the examination of tax-exempt obligations comparable, in the judgment of the Remarketing Agent, to the Bonds and known by the Remarketing Agent to have been priced or traded under then prevailing market conditions) to be the minimum interest rate which, if borne by the Bonds, would enable the Remarketing Agent to sell the Bonds on such date of determination at a price (without regard to accrued interest) equal to the principal amount

thereof. In the event that the Remarketing Agent fails to establish a Daily Interest Rate for any day, then the Daily Interest Rate for such day shall be the same as the Daily Interest Rate for the immediately preceding day and such rate shall continue until the earlier of (A) the date on which the Remarketing Agent determines a new Daily Interest Rate for the Bonds or (B) the seventh day succeeding the first such day on which such Daily Interest Rate is not determined by the Remarketing Agent. In the event that the Remarketing Agent fails to determine a new Daily Interest Rate for a period of seven (7) days as described in clause (B) of the immediately preceding sentence, or in the event that the Daily Interest Rate determined by the Remarketing Agent shall be held to be invalid or unenforceable by a court of law, then the interest rate applicable to the Bonds shall be equal to 110% of the SIFMA Index made available for the week preceding the date of determination, or if such index is no longer available, or no such index was so made available for the week preceding the date of determination, 75% of the interest rate on 30-day high grade unsecured commercial paper notes sold through dealers by major corporations as reported in The Wall Street Journal for each Business Day (and for the next preceding Business Day for each day which is not a Business Day) until such Daily Interest Rate is again validly determined by the Remarketing Agent.

(ii) Adjustment to Daily Interest Rate. At any time, the Borrower, by written direction in accordance with Section 205(1) hereof to the Issuer, the Bond Trustee, the Tender Agent, the Remarketing Agent, each Rating Agency then rating the Bonds and the Bank (if a Credit Facility or Liquidity Facility is in effect), may elect, subject to Sections 205(m), 205(n), 205(o) and 205(p) hereof, that the Bonds shall bear interest at a Daily Interest Rate. Such direction of the Borrower shall specify the proposed effective date of such adjustment to a Daily Interest Rate, which shall be (1) a Business Day not earlier than the 30th day following the seventh Business Day after receipt by the Bond Trustee of such direction, (2) in the case of an adjustment from a Long-Term Interest Rate Period, the day immediately following the last day of the then current Long-Term Interest Rate Period or a day on which the Bonds would otherwise be subject to optional redemption pursuant to Section 301(a)(iii) if such adjustment did not occur, and (3) in the case of an adjustment from a Short-Term Interest Rate Period, the day immediately following the last day of the Short-Term Interest Rate Period, and shall be accompanied by a Favorable Opinion of Bond Counsel. During each Daily Interest Rate Period commencing on a date so specified and ending on the day immediately preceding the effective date of the next succeeding Interest Rate Period or the maturity date of the Bonds, the interest rate borne by the Bonds shall be a Daily Interest Rate.

(iii) Notice of Adjustment to Daily Interest Rate. The Bond Trustee shall give notice by first-class mail of an adjustment to a Daily Interest Rate Period to the Holders not less than 30 days prior to the proposed effective date of such Daily Interest Rate Period. Such notice shall state (A) that the interest rate on the Bonds will be adjusted to a Daily Interest Rate unless Bond Counsel fails to deliver a Favorable Opinion of Bond Counsel as to such adjustment on the effective date of such adjustment in the Interest Rate Period, in which case (1) if the Bonds are being adjusted from a Weekly Interest Rate Period or a Short-Term Interest Rate Period, the Bonds shall continue to bear interest at the Weekly Interest Rate or Bond Interest Term Rates as in effect immediately prior to such proposed adjustment in the Interest Rate Period, or (2) if the Bonds are being adjusted from a Long-Term Interest Rate Period, the Bonds shall be adjusted to

bear interest at a Weekly Interest Rate, (B) the proposed effective date of such Daily Interest Rate Period, and (C) that the Bonds shall be subject to mandatory tender for purchase on such proposed effective date and shall set forth the applicable purchase price.

(f) (i) Determination of Weekly Interest Rate. During each Weekly Interest Rate Period, the Bonds shall bear interest at a Weekly Interest Rate, which shall be determined by the Remarketing Agent by 4:30 p.m. on Wednesday of each week during such Weekly Interest Rate Period, or if such day shall not be a Business Day, then on the immediately preceding Business Day. The first Weekly Interest Rate determined for each Weekly Interest Rate Period shall be determined on or prior to the first day of such Weekly Interest Rate Period and shall apply to the period commencing on the first day of such Weekly Interest Rate Period and ending on and including the next succeeding Wednesday. Thereafter, each Weekly Interest Rate shall apply to the period commencing on and including Thursday and ending on and including the next succeeding Wednesday, unless such Weekly Interest Rate Period shall end on a day other than Wednesday, in which event the last Weekly Interest Rate for such Weekly Interest Rate Period shall apply to the period commencing on the Thursday preceding the last day of such Weekly Interest Rate Period and ending on and including the last day of such Weekly Interest Rate Period. The Weekly Interest Rate shall be the rate of interest per annum determined by the Remarketing Agent (based on the examination of tax-exempt obligations comparable, in the judgment of the Remarketing Agent, to the Bonds and known by the Remarketing Agent to have been priced or traded under then prevailing market conditions) to be the minimum interest rate which, if borne by the Bonds, would enable the Remarketing Agent to sell the Bonds on such date of determination at a price (without regard to accrued interest) equal to the principal amount thereof. In the event that the Remarketing Agent fails to establish a Weekly Interest Rate for any week, then the Weekly Interest Rate for such week shall be the same as the Weekly Interest Rate for the immediately preceding week if the Weekly Interest Rate for such preceding week was determined by the Remarketing Agent. In the event that the Weekly Interest Rate for the immediately preceding week was not determined by the Remarketing Agent, or in the event that the Weekly Interest Rate determined by the Remarketing Agent shall be held to be invalid or unenforceable by a court of law, then the interest rate for such week shall be equal to 110% of the SIFMA Index made available for the week preceding the date of determination, or if the SIFMA Index is no longer available, or no such index was so made available for the week preceding the date of determination, 75% of the interest rate on 30-day high grade unsecured commercial paper notes sold through dealers by major corporations as reported in The Wall Street Journal on the day the Weekly Interest Rate would otherwise be determined as provided herein for such Weekly Interest Rate Period.

(ii) Adjustment to Weekly Interest Rate. At any time, the Borrower, by written direction in accordance with Section 205(1) hereof to the Issuer, the Bond Trustee, the Tender Agent, the Remarketing Agent, each Rating Agency then rating the Bonds and the Bank (if a Credit Facility or Liquidity Facility is in effect), may elect, subject to Sections 205(m), 205(n), 205(o) and 205(p) hereof, that the Bonds shall bear interest at a Weekly Interest Rate. Such direction of the Borrower shall specify the proposed effective date of such adjustment to a Weekly Interest Rate, which shall be (1) a Business Day not earlier than the 30th day following the seventh Business Day after receipt by the Bond Trustee of such direction, (2) in the case of an adjustment from a Long-Term Interest Rate Period, the day immediately following the last day of the then

current Long-Term Interest Rate Period or a day on which the Bonds would otherwise be subject to optional redemption pursuant to Section 301(a)(iii) hereof if such adjustment did not occur, and (3) in the case of an adjustment from a Short-Term Interest Rate Period, the day immediately following the last day of the Short-Term Interest Rate Period, and shall be accompanied by a Favorable Opinion of Bond Counsel. During each Weekly Interest Rate Period commencing on a date so specified and ending on the day immediately preceding the effective date of the next succeeding Interest Rate Period, the interest rate borne by the Bonds shall be a Weekly Interest Rate.

(iii) Notice of Adjustment to Weekly Interest Rate. The Bond Trustee shall give notice by first-class mail of an adjustment to a Weekly Interest Rate Period to the Holders not less than 30 days prior to the effective date of such Weekly Interest Rate Period. Such notice shall state (A) that the interest rate on the Bonds will be adjusted to a Weekly Interest Rate unless Bond Counsel fails to deliver a Favorable Opinion of Bond Counsel as to such adjustment on the effective date of such adjustment in the Interest Rate Period, in which case (1) if the Bonds are being adjusted from a Daily Interest Rate Period or a Short-Term Interest Period, the Bonds shall bear interest at the Daily Interest Rate or Bond Interest Term Rates as in effect immediately prior to such proposed adjustment in the Interest Rate Period, or (2) if the Bonds are being adjusted from a Long-Term Interest Rate Period, the Bonds shall be adjusted to bear interest at a Weekly Interest Rate, (B) the proposed effective date of such Weekly Interest Rate Period, and (C) that the Bonds shall be subject to mandatory tender for purchase on such proposed effective date and shall set forth the applicable purchase price.

(g) [Reserved.]

(h) (i) Determination of Long-Term Interest Rate. During each Long-Term Interest Rate Period, the Bonds shall bear interest at the Long-Term Interest Rate. The Long-Term Interest Rate shall be determined by the Remarketing Agent on a Business Day no earlier than two (2) weeks before the effective date of such Long-Term Interest Rate Period and no later than 10:00 a.m. on the effective date of such Long-Term Interest Rate Period. The Long-Term Interest Rate shall be the rate of interest per annum determined by the Remarketing Agent (based on an examination of tax-exempt obligations comparable, in the judgment of the Remarketing Agent, to the Bonds and known by the Remarketing Agent to have been priced or traded under then prevailing market conditions) to be the minimum interest rate which, if borne by the Bonds, would enable the Remarketing Agent to sell the Bonds on such effective date at a price (without regard to accrued interest) equal to the principal amount thereof. If, for any reason, the Long-Term Interest Rate is not so determined for any Long-Term Interest Period by the Remarketing Agent on or prior to the first day of such Long-Term Interest Rate Period, then the Bonds shall bear interest at the Weekly Interest Rate as provided in Section 205(f) hereof, and shall continue to bear interest at a Weekly Interest Rate determined in accordance with Section 205(f) hereof until such time as the interest rate on the Bonds is adjusted to a Daily Interest Rate, a Long-Term Interest Rate or Bond Interest Term Rates as provided herein, and the Bonds shall be subject to purchase upon notice from the Holders thereof as described in Section 206(a) hereof.

(ii) Adjustment to or Continuation of Long-Term Interest Rate.

(A) At any time, the Borrower, by written direction in accordance with Section 205(1) hereof to the Issuer, the Bond Trustee, the Tender Agent, the Remarketing Agent, each Rating Agency then rating the Bonds and the Bank (if a Credit Facility or Liquidity Facility is in effect), may elect, subject to Sections 205(m), 205(n), 205(o) and 205(p) hereof, that the Bonds shall bear, or continue to bear, interest at a Long-Term Interest Rate. The direction of the Borrower required by the first sentence of this paragraph (A), (1) shall specify the duration of the Long-Term Interest Rate Period during which the Bonds shall bear interest at a Long-Term Interest Rate; (2) shall specify the proposed effective date of such Long-Term Interest Rate Period, which date shall be (aa) a Business Day not earlier than the 30th day following the seventh Business Day after receipt by the Bond Trustee of such direction, (bb) in the case of an adjustment from a Long-Term Interest Rate Period to another Long-Term Interest Rate Period, the day immediately following the last day of the then current Long-Term Interest Rate Period or a day on which the Bonds would otherwise be subject to optional redemption pursuant to Section 301(a)(iv) hereof if such adjustment did not occur, and (cc) in the case of an adjustment from a Short-Term Interest Rate Period, the day immediately following the last day of the Short-Term Interest Rate Period; (3) shall specify the proposed last day of such Long-Term Interest Rate Period (which last day shall be either the day immediately prior to the maturity date of the Bonds, or a day which both immediately precedes a Business Day and is at least 271 days after the effective date thereof); and (4) with respect to any such Long-Term Interest Rate Period, may specify different Redemption Prices, and different Long-Term Rate Periods for which such Redemption Prices are applicable, than those set forth in Section 301(a)(iv) hereof, if approved by Bond Counsel as provided in Section 205(h)(ii)(B) hereof.

(B) Such direction of the Borrower shall be accompanied by a Favorable Opinion of Bond Counsel.

(C) If, by the fifth Business Day preceding the 30th day prior to the last day of any Long-Term Interest Rate Period, the Bond Trustee shall not have received written notice of the Borrower's election that, during the next succeeding Interest Rate Period, the Bonds shall bear interest at a Daily Interest Rate, a Weekly Interest Rate, another Long-Term Interest Rate or at Bond Interest Term Rates, the next succeeding Interest Rate Period shall be a Weekly Interest Rate Period until such time as the interest rate on the Bonds shall be adjusted to a Daily Interest Rate, a Long-Term Interest Rate or Bond Interest Term Rates as provided in this Section 205, and the Bonds shall be subject to mandatory purchase as provided in Section 206(c) hereof on the first day of such Weekly Interest Rate Period.

(iii) Notice of Adjustment to or Continuation of Long-Term Interest Rate. The Bond Trustee shall give notice by first-class mail of an adjustment to a (or the establishment of another) Long-Term Interest Rate Period to the Holders not less than

thirty (30) days prior to the effective date of such Long-Term Interest Rate Period. Such notice shall state: (A) that the interest rate on the Bonds shall be adjusted to, or continue to be, a Long-Term Interest Rate unless Bond Counsel fails to deliver a Favorable Opinion of Bond Counsel as to such adjustment in the Interest Rate Period on the effective date of such adjustment, in which case (1) if the Bonds are being adjusted from a Daily Interest Rate Period, a Weekly Interest Rate Period or a Short-Term Interest Rate Period, the Bonds shall continue to bear interest at a Daily Interest Rate, a Weekly Interest Rate or Bond Interest Term Rates as in effect immediately prior to such proposed adjustment in the Interest Rate Period or (2) if the Bonds are being adjusted from a Long-Term Interest Rate Period, the Bonds shall be adjusted to bear interest at a Weekly Interest Rate, (B) the proposed effective date and the proposed last day of such Long-Term Interest Rate Period and (C) that the Bonds shall be subject to mandatory tender for purchase on such proposed effective date and shall set forth the applicable purchase price.

(iv) Adjustment from Long-Term Interest Rate Period. In addition to an adjustment from a Long-Term Interest Rate Period on the day immediately following the last day of the Long-Term Interest Rate Period, at any time during a Long-Term Interest Rate Period (subject to the provisions set forth in this paragraph (iv)), the Borrower may elect, subject to Sections 205(m), 205(n), 205(o) and 205(p) hereof, that the Bonds no longer shall bear interest at a Long-Term Interest Rate and shall instead bear interest at a Daily Interest Rate, a Weekly Interest Rate, a new Long-Term Interest Rate or Bond Interest Term Rates, as specified in such election. In the written notice of such election, the Borrower shall also specify the effective date of the new Interest Rate Period, which date shall be (A) a Business Day no earlier than the 30th day after the fifth Business Day following the date of receipt by the Bond Trustee of the notice of election from the Borrower and (B) a day on which the Bonds shall be subject to optional redemption in accordance with Section 301(a)(iii) hereof. The Bonds shall be subject to mandatory tender for purchase on the effective date of the new Interest Rate Period thereof in accordance with Section 206(c) hereof, at a purchase price equal to the optional Redemption Price set forth in Section 301(a)(iii) hereof which would be applicable on that date.

(i) (i) Determination of Bond Interest Terms and Bond Interest Term Rates.

(A) During each Short-Term Interest Rate Period, each Bond shall bear interest during each Bond Interest Term for such Bond at the Bond Interest Term Rate for such Bond. The Bond Interest Term and the Bond Interest Term Rate for each Bond need not be the same for any two Bonds, even if determined on the same date. Each of such Bond Interest Terms and Bond Interest Term Rates for each Bond shall be determined by the Remarketing Agent no later than 12:00 noon on the first day of each Bond Interest Term. Except for any Bond purchased by the Bank or the Borrower and remaining unsold by the Remarketing Agent at the close of business on the first day of the Bond Interest Term, each Bond Interest Term shall be for a period of days within the range or ranges announced as possible Bond Interest Terms no later than 9:00 a.m. on the first day of each Bond Interest Term by the Remarketing Agent. Each Bond Interest Term for each Bond shall be a period of not less than one day and not more than 270 days,

determined by the Remarketing Agent to be the period which, together with all other Bond Interest Terms for all Bonds then Outstanding, will result in the lowest overall interest expense on the Bonds over the next succeeding 270 days. Any Bond purchased by the Bank or the Borrower and remaining unsold by the Remarketing Agent as of the close of business on the first day of the Bond Interest Term for that Bond shall have a Bond Interest Term of one day or, if that Bond Interest Term would not end on a day immediately preceding a Business Day, a Bond Interest Term ending on the day immediately preceding the next Business Day. Each Bond Interest Term shall end either on a day which immediately precedes a Business Day or on the day immediately preceding the maturity date of the Bonds. If for any reason a Bond Interest Term for any Bond cannot be so determined by the Remarketing Agent, or if the determination of such Bond Interest Term is held by a court of law to be invalid or unenforceable, then such Bond Interest Term shall be 30 days, but if the last day so determined shall not be a day immediately preceding a Business Day, shall end on the first day immediately preceding the Business Day next succeeding such last day, or if such last day would be after the day immediately preceding the maturity date of the Bonds, shall end on the day immediately preceding the maturity date. In determining the number of days in each Bond Interest Term, the Remarketing Agent shall take into account the following factors: (I) existing short-term tax-exempt market rates and indices of such short-term rates, (II) the existing market supply and demand for short-term tax-exempt securities, (III) existing yield curves for short-term and long-term tax-exempt securities for obligations of credit quality comparable to the Bonds, (IV) general economic conditions, (V) economic and financial conditions that may affect or be relevant to the Bonds, (VI) the Bond Interest Terms of other Bonds and (VII) such other facts, circumstances and conditions pertaining to financial markets as the Remarketing Agent, in its sole discretion, shall determine to be relevant. The last day of any Bond Interest Term shall be no later than the date the Bonds are subject to mandatory tender for purchase pursuant to Section 206(d) hereof as a result of the expiration or termination of the Liquidity Facility other than on account of an Authorized Liquidity Termination.

(B) The Bond Interest Term Rate for each Bond Interest Term for each Bond shall be the rate of interest per annum determined by the Remarketing Agent (based on the examination of tax-exempt obligations comparable, in the judgment of the Remarketing Agent, to the Bonds and known by the Remarketing Agent to have been priced or traded under then prevailing market conditions) to be the minimum interest rate which, if borne by such Bond, would enable the Remarketing Agent to sell such Bond on the date and at the time of such determination at a price equal to the principal amount thereof. If for any reason a Bond Interest Term Rate for any Bond is not so established by the Remarketing Agent for any Bond Interest Term, or such Bond Interest Term Rate is determined by a court of law to be invalid or unenforceable, then the Bond Interest Term Rate for such Bond Interest Term shall be the rate per annum equal to 75% of the interest rate on high grade unsecured commercial paper notes sold through dealers by major corporations as reported by The Wall Street Journal on the first day of

such Bond Interest Term and which maturity most nearly equals the Bond Interest Term for which a Bond Interest Term Rate is being calculated.

(ii) Adjustment to Bond Interest Term Rates. At any time, the Borrower, by written direction in accordance with Section 205(1) hereof to the Issuer, the Bond Trustee, the Tender Agent, the Remarketing Agent, each Rating Agency then rating the Bonds and the Bank (if a Credit Facility or Liquidity Facility is in effect), subject to Sections 205(m), 205(n), 205(o) and 205(p) hereof, that the Bonds shall bear interest at Bond Interest Term Rates. Such direction of the Borrower shall specify the proposed effective date of the Short-Term Interest Rate Period (during which the Bonds shall bear interest at Bond Interest Term Rates), which shall be (1) a Business Day not earlier than the 30th day following the seventh Business Day after receipt by the Bond Trustee of such direction, (2) in the case of an adjustment from a Long-Term Interest Rate Period, the day immediately following the last day of such Long-Term Interest Rate Period or a day on which the Bonds would otherwise be subject to optional redemption pursuant to Section 301(a)(iii) hereof if such adjustment did not occur; provided that, if prior to the Borrower's making such election any Bonds shall have been called for redemption and such redemption shall not have theretofore been effected, the effective date of such Short-Term Interest Rate Period shall not precede such redemption date, and (3) in the case of an adjustment from a Daily Interest Rate Period, the day immediately following the last day of such Interest Rate Period, and shall be accompanied by a Favorable Opinion of Bond Counsel. During each Short-Term Interest Rate Period commencing on the date so specified and ending, with respect to each Bond, on the day immediately preceding the effective date of the next succeeding Interest Rate Period with respect to such Bond, each Bond shall bear interest at a Bond Interest Term Rate during each Bond Interest Term for such Bond.

(iii) Notice of Adjustment to Bond Interest Term Rates. The Bond Trustee shall give notice by first-class mail of an adjustment to a Short-Term Interest Rate Period to the Holders not less than 30 days prior to the effective date of such Short-Term Interest Rate Period. Such notice shall state (A) that the Bonds shall bear interest at Bond Interest Term Rates and that, during such Short-Term Interest Rate Period, each Bond will have one or more consecutive Bond Interest Terms during each of which such Bond will bear a Bond Interest Term Rate unless Bond Counsel fails to deliver a Favorable Opinion of Bond Counsel as to such adjustment on the effective date of such adjustment in the Interest Rate Period, in which case (1) if the Bonds are being adjusted from a Daily Interest Rate Period or a Weekly Interest Rate Period, the Bonds shall continue to bear interest at a Daily Interest Rate or a Weekly Interest Rate as in effect immediately prior to such proposed adjustment in the Interest Rate Period, or (2) if the Bonds are being adjusted from a Long-Term Interest Rate Period, the Bonds shall be adjusted to bear interest at a Weekly Interest Rate, (B) the proposed effective date of such Short-Term Interest Rate Period, (C) that the Bonds shall be subject to mandatory tender for purchase on such proposed effective date and shall set forth the applicable purchase price and (D) that a Bond Interest Term and a Bond Interest Term Rate for each Bond will be determined not later than the first day of such Bond Interest Term.

(iv) Adjustment from Short-Term Interest Rate Period. At any time during a Short-Term Interest Rate Period, the Borrower may elect, pursuant to Section 205(e)(ii), 205(f)(ii), 205(g)(ii) or 205(h)(ii) hereof, but subject to Sections 205(m), 205(n), 205(o) and 205(p) hereof, that the Bonds no longer shall bear interest at Bond Interest Term Rates and shall instead bear interest at a Daily Interest Rate, a Weekly Interest Rate, or a Long-Term Interest Rate, as specified in such election.

The date on which all Bond Interest Terms determined shall end shall be the last day of the then current Short-Term Interest Rate Period and the day next succeeding such date shall be the effective date of the Daily Interest Rate Period, Weekly Interest Rate Period, or Long-Term Interest Rate Period elected by the Borrower.

(j) Determinations of Remarketing Agent Binding. The determination of the Daily Interest Rate, Weekly Interest Rate, Long-Term Interest Rate and each Bond Interest Term and Bond Interest Term Rate by the Remarketing Agent, shall be conclusive and binding upon the Bond Trustee, the Tender Agent, the Issuer, the Borrower, the Bank and the Holders, as applicable.

(k) Manner of Payment. Interest on the Bonds shall be payable on each Interest Payment Date by the Bond Trustee during any Daily Interest Rate Period, Weekly Interest Rate Period or Long-Term Interest Rate Period, by check mailed first-class, postage prepaid, on the date on which interest is due to the Holders at the close of business on the Regular Record Date in respect of such Interest Payment Date at the addresses of Holders as they shall appear on the Register. In the case of (i) Bonds bearing interest at a Bond Interest Term Rate, or (ii) any Holder of Bonds bearing interest at other than a Bond Interest Term Rate in an aggregate principal amount in excess of $1,000,000 as shown on the Register who, prior to the Regular Record Date next preceding any Interest Payment Date, shall have provided, or through the Remarketing Agent shall have caused to be provided, the Bond Trustee with wire transfer instructions, interest payable on such Bonds shall be paid in accordance with the wire transfer instructions provided by the Holder of such Bonds (or by the Remarketing Agent on behalf of such Holder); provided, however, that during any Short-Term Interest Rate Period, interest on any Bond shall, subject to Section 216 hereof, be payable only upon presentation and surrender of such Bond to the Tender Agent at its designated corporate trust office.

(l) Notice of Adjustment in Interest Rate. In the event that the Borrower shall elect to convert the interest rate on the Bonds to a Daily Rate, Weekly Interest Rate, Long-Term Interest Rate or Bond Interest Term Rates as provided in Sections 205(e)(ii), 205(f)(ii), 205(g)(ii), 205(h)(ii) and 205(i)(ii) hereof, then the written direction furnished by the Borrower to the Issuer, the Bond Trustee, the Bank (if a Credit Facility or Liquidity Facility is in effect), the Tender Agent and the Remarketing Agent, as required by such Sections shall be made by registered or certified mail, or by Electronic Means, confirmed by registered or certified mail. Any such direction of the Borrower shall specify whether the Bonds are to bear interest at the Daily Interest Rate, Weekly Interest Rate, Bond Interest Term Rates or a Long-Term Interest Rate.

(m) Requirement of Favorable Opinion of Bond Counsel. Notwithstanding anything in this Section 205 to the contrary, in connection with any adjustment of the Interest Rate Period

on the Bonds, the Borrower shall cause to be provided to the Issuer, the Bond Trustee, the Tender Agent, the Remarketing Agent and the Bank, a Favorable Opinion of Bond Counsel on the effective date of such adjustment. In the event that Bond Counsel fails to deliver a Favorable Opinion of Bond Counsel on any such date, then the Interest Rate Period on the Bonds shall not be adjusted, and the Bonds shall continue to bear interest at a Daily Interest Rate, a Weekly Interest Rate or Bond Interest Term Rates, as the case may be, as in effect immediately prior to such proposed adjustment in the Interest Rate Period; provided, however, that in the event that the Bonds are being adjusted from a Long-Term Interest Rate Period, and Bond Counsel fails to deliver such Favorable Opinion of Bond Counsel on the effective date of such adjustment, then the Bonds nevertheless shall be adjusted to bear interest at a Weekly Interest Rate as provided in Section 205(f) hereof; In any event, if notice of such adjustment has been mailed to the Holders as provided herein and Bond Counsel fails to deliver a Favorable Opinion of Bond Counsel on the effective date as herein described, the Bonds shall continue to be subject to mandatory purchase on the date which would have been the effective date of such adjustment as provided in Section 206 hereof.

(n) Delivery of Available Moneys to Pay Premium. Notwithstanding anything in this Section 205 to the contrary, in connection with the adjustment of any Interest Rate Period which would require the mandatory tender for purchase of Bonds at a purchase price, exclusive of accrued interest, greater than the principal amount thereof as provided in Section 206(c) hereof, the Borrower, as a condition to exercising its option to cause an adjustment in the Interest Rate Period applicable to the Bonds, shall deliver to the Bond Trustee, prior to the Bond Trustee mailing notice of such adjustment in the Interest Rate Period, Available Moneys for the purpose of paying such premium, unless the Credit Facility or Liquidity Facility then in effect with respect to the Bonds provides for the payment of such premium.

(o) Rescission of Election. Notwithstanding anything to the contrary in this Section 205, in connection with any adjustment of the Interest Rate Period for the Bonds, the Borrower shall have the right to deliver to the Issuer, the Bond Trustee, the Tender Agent, the Remarketing Agent, each Rating Agency then rating the Bonds and the Bank (if a Credit Facility or Liquidity Facility is then in effect), at or prior to 10:00 a.m. on the effective date of any such adjustment in the case of Bonds being adjusted to a Long-Term Interest Rate Period, at or prior to 10:00 a.m. on the date that the interest rate for such Long-Term Interest Rate Period is determined), a written notice to the effect that the Borrower elects to rescind its election to make such adjustment. If the Borrower rescinds its election to make such adjustment, then the Interest Rate Period shall not be adjusted and the Bonds shall continue to bear interest at the Daily Interest Rate, Weekly Interest Rate or Bond Interest Term Rates, as the case may be, as in effect immediately prior to such proposed adjustment; provided, however, that if the Bonds were to be adjusted from a Long-Term Interest Rate, then the Bonds shall bear interest at a Weekly Interest Rate for the period commencing on the date which would have been the effective date of such Long-Term Interest Rate Period. In any event, if notice of an adjustment has been mailed to the Holders as provided herein and the Borrower rescinds its election to make such adjustment, then the Bonds shall continue to be subject to mandatory tender for purchase on the date which would have been the effective date of the adjustment as provided in Section 206(c).

(p) Certain Additional Conditions. In addition to the other requirements set forth in this Section 205, no adjustment from one Interest Rate Period to another shall take effect

hereunder unless each of the following conditions, to the extent applicable, shall have been satisfied:

(i) In the case of any adjustment with respect to which there shall be no Credit Facility or Liquidity Facility in effect to provide funds for the purchase of Bonds on the effective date, the remarketing proceeds available on the adjustment date shall not be less than the amount required to purchase all of the Bonds at a price equal to the principal amount of the Bonds.

(ii) [Reserved.]

(iii) [Reserved.]

(iv) [Reserved.]

Section 206. Purchase of Bonds.

(a) Optional Tender for Purchase During Daily Interest Rate Period or Weekly Interest Rate Period.

(i) During any Daily Interest Rate Period when a Book-Entry System is in effect, a Beneficial Owner (through its Participant) may tender its interest in a Bond for purchase on any Business Day at a purchase price equal to the principal amount thereof plus accrued interest, if any, from and including the Interest Payment Date immediately preceding the date of purchase through and including the day immediately preceding the date of purchase, unless the date of purchase shall be an Interest Payment Date, in which case at a purchase price equal to the principal amount thereof, payable in immediately available funds, upon delivery to the Tender Agent and the Remarketing Agent at their respective principal offices for delivery of notices, by no later than 11:00 a.m. on such Business Day, of an irrevocable written notice or telephonic notice, promptly confirmed in writing, which states the principal amount of such Bond and the date on which the same shall be purchased, which date shall be the date of the delivery of such notice to the Tender Agent and the Remarketing Agent. Any notice delivered to the Tender Agent and the Remarketing Agent after 11:00 a.m. shall be deemed to have been received on the next succeeding Business Day.

(ii) During any Weekly Interest Rate Period when a Book-Entry System is in effect, a Beneficial Owner (through its Participant) may tender its interest in a Bond for purchase on any Business Day at a purchase price equal to the principal amount thereof plus accrued interest, if any, from and including the Interest Payment Date immediately preceding the date of purchase through and including the day immediately preceding the date of purchase, unless the date of purchase shall be an Interest Payment Date, in which case at a purchase price equal to the principal amount thereof, payable in immediately available funds, upon delivery to the Tender Agent and the Remarketing Agent at their respective principal offices for delivery of notices, by no later than 4:00 p.m. on such Business Day, of an irrevocable written notice, which states the principal amount of such Bond and the date on which the same shall be purchased, which date shall be a Business Day not prior to the seventh day next succeeding the date of the delivery of such notice to

the Tender Agent and the Remarketing Agent. Any notice delivered to the Tender Agent and the Remarketing Agent after 4:00 p.m. shall be deemed to have been received on the next succeeding Business Day.

The Tender Agent shall promptly send a copy of any notice delivered to it pursuant to this Section 206(a) by telephone, confirmed by telecopy to the Bank. On the date for purchase specified in the notice, the Beneficial Owner shall effect delivery of such Bonds by causing the Participant through which such Beneficial Owner owns such Bonds to transfer an interest in such Bonds equal to such Beneficial Owner's interest on the records of the Securities Depository to the participant account of the Tender Agent with the Securities Depository.

During any Daily Interest Rate Period or Weekly Interest Rate Period when a Book-Entry System is not in effect, a Holder may tender his Bond by delivery to the Tender Agent of the notice described above by the time set forth above and shall also deliver the Bond to the Tender Agent at its principal office for delivery of Bonds on the date specified for purchase accompanied by an instrument of transfer thereof, in form satisfactory to the Tender Agent, executed in blank by the Holder thereof or his duly authorized attorney, with such signature guaranteed by a member of the New York Stock Exchange's Medallion Program or the New York Stock Exchange, Inc. Signature Program in accordance with the provisions of Securities and Exchange Commission Rule 17Ad-15.

(b) Mandatory Tender for Purchase on Day Next Succeeding the Last Day of Each Bond Interest Term. On the day next succeeding the last day of each Bond Interest Term for a Bond, unless such day is the first day of a new Interest Rate Period (in which event such Bond shall be subject to mandatory purchase pursuant to Section 206(c) hereof), such Bond shall be subject to mandatory tender for purchase from its Holder at a purchase price equal to the principal amount thereof payable in immediately available funds.

(c) Mandatory Tender for Purchase on First Day of Each Interest Rate Period in Event of Conversion to New Interest Rate Period. The Bonds shall be subject to mandatory tender for purchase on the first day of each Interest Rate Period, or on the day which would have been the first day of an Interest Rate Period had one of the events specified in Sections 205(m) or 205(o) hereof not occurred which resulted in the interest rate on such Bonds not being adjusted, in the event of a conversion from one Interest Rate Period to another Interest Rate Period and on the first day of each new Long-Term Interest Rate Period, at a purchase price, payable in immediately available funds, equal to the principal amount of the Bonds or, in the case of a purchase on the first day of an Interest Rate Period which shall be preceded by a Long-Term Interest Rate Period and which shall commence prior to the day originally established as the last day of such preceding Long-Term Interest Rate Period, at a purchase price equal to the optional redemption price set forth in Section 301(a)(iii) hereof which would have been applicable to the Bonds on such mandatory purchase date if such preceding Long-Term Interest Rate Period had continued to the day originally established as its last day, plus accrued interest, if any.

(d) Mandatory Tender for Purchase upon Expiration, Termination or Replacement of Credit Facility or Liquidity Facility.

(i) The Bonds shall be subject to mandatory tender for purchase at a purchase price equal to the principal amount thereof, plus accrued interest, if any, to the date of purchase:

(A) on the fifth Business Day next preceding the date on which a Credit Facility then in effect is stated to expire or terminate (unless extended); and

(B) if the Credit Facility then in effect will terminate prior to its stated expiration date on account of delivery of an Alternate Credit Facility or a Substitute Liquidity Facility or implementation of a Self Liquidity Arrangement, on the proposed effective date of the Alternate Credit Facility, Substitute Liquidity Facility or Self Liquidity Arrangement.

(ii) Liquidity Enhanced Bonds shall be subject to mandatory tender for purchase at a purchase price equal to the principal amount thereof, plus accrued interest, if any, to the date of purchase:

(A) on the fifth Business Day next preceding the date on which a Liquidity Facility then in effect is stated to expire or terminate (unless extended), other than a termination of a Liquidity Facility on account of an Authorized Liquidity Termination; and

(B) if the Liquidity Facility then in effect will terminate prior to its stated expiration date on account of delivery of a Credit Facility or a Substitute Liquidity Facility or implementation of a Self Liquidity Arrangement, on the proposed effective date of the Credit Facility, Substitute Liquidity Facility or Self Liquidity Arrangement.

(e) Mandatory Tender for Purchase at the Direction of the Borrower. During any Daily Interest Rate Period or Weekly Interest Rate Period, the Bonds are subject to mandatory tender for purchase on any Business Day designated by the Borrower, with the consent of the Remarketing Agent and the Bank, at a purchase price equal to the principal amount thereof, plus accrued interest, if any, to the date of purchase. Such purchase date shall be a Business Day not earlier than the 30th day following the fifth Business Day after receipt by the Bond Trustee of such designation.

(f) Notice of Mandatory Tender for Purchase; Delivery of Bonds to be Purchased; Notice of Authorized Liquidity Termination.

(i) In connection with any mandatory tender for purchase of Bonds in accordance with Sections 206(c) or 206(d) hereof, the Bond Trustee shall give notice of a mandatory tender for purchase as a part of the notice given pursuant to Section 205(e)(iii), 205(f)(iii), 205(g)(iii), 205(h)(iii), 205(i)(iii), 1201 or 1205. In connection with any mandatory tender for purchase of Bonds in accordance with Section 206(e) hereof, the Bond Trustee shall give notice of a mandatory tender for purchase by first-

class mail to the Holders not less than 30 days prior to the purchase date. Any notice of mandatory tender for purchase shall state (A) in the case of a mandatory tender for purchase pursuant to Section 206(c) hereof, the type of Interest Rate Period to commence on such mandatory purchase date; (B) in the case of a mandatory tender for purchase pursuant to Sections 206(d)(i) and 1201 hereof, that the Credit Facility will expire, be cancelled, be substituted for or terminate and that the principal and purchase price of and interest on the Bonds will no longer be paid from moneys provided pursuant to the Credit Facility then in effect and that any rating applicable thereto may be reduced or withdrawn; (C) in the case of a mandatory tender for purchase pursuant to Sections 206(d)(ii) and 1205 hereof, that the Liquidity Facility will expire, be cancelled, be substituted for or terminate and that the Liquidity Enhanced Bonds will no longer be subject to purchase from moneys provided pursuant to the Liquidity Facility then in effect or that the coverage thereof with respect to the Liquidity Enhanced Bonds will be reduced and that any rating applicable thereto may be reduced or withdrawn; (D) that the purchase price of any Bond so subject to mandatory purchase shall be payable only upon (1) if a Book-Entry System is not in effect, surrender of such Bond by 10:00 a.m. on the mandatory purchase date to the Tender Agent at its principal office for delivery of Bonds, accompanied by an instrument of transfer thereof, in form satisfactory to the Tender Agent, executed in blank by the Holder thereof or his duly authorized attorney, with such signature guaranteed by a member of the New York Stock Exchange's Medallion Program or the New York Stock Exchange, Inc. Signature Program in accordance with the provisions of Securities and Exchange Commission Rule 17Ad-15 or (2) if a Book-Entry System is in effect, registration of the ownership rights in such Bond to the Tender Agent on the records of the Securities Depository by 10:00 a.m. on the mandatory purchase date; (E) that all Bonds so subject to mandatory tender for purchase shall be purchased on the mandatory purchase date, and that if any Holder of a Bond subject to mandatory tender for purchase shall not surrender such Bond to the Tender Agent for purchase or if a Book Entry System is in effect, effect the transfer of ownership rights to the Tender Agent on the records of the Securities Depository on such mandatory purchase date, then such Bond shall be deemed to be an Undelivered Bond, and that no interest shall accrue thereon on and after such mandatory purchase date and that the Holder thereof shall have no rights under this Trust Indenture other than to receive payment of the purchase price thereof.

(ii) For payment of the purchase price of any Bond required to be purchased pursuant to Section 206 hereof on the purchase date, such Bond must be delivered, at or prior to 10:00 a.m. on the mandatory purchase date, (1) if a Book-Entry System is not in effect, to the Tender Agent at its principal office for delivery of Bonds, accompanied by an instrument of transfer thereof, in form satisfactory to the Tender Agent, executed in blank by the Holder thereof or his duly authorized attorney, with such signature guaranteed by a member of the New York Stock Exchange's Medallion Program or the New York Stock Exchange, Inc. Signature Program in accordance with the provisions of Securities and Exchange Commission Rule 17Ad-15 or (2) if a BookEntry System is in effect, by registration of the ownership rights in such Bond to the Tender Agent on the records of the Securities Depository. In the event any such Bond is delivered after 10:00 a.m. on such date, payment of the purchase price of such Bond need not be made until the Business Day following the date of delivery of such Bond, but such Bond shall

nonetheless be deemed to be an Undelivered Bond and to have been purchased on the mandatory purchase date and no interest shall accrue thereon after such date.

(iii) Liquidity Enhanced Bonds shall not be subject to mandatory tender for purchase upon the occurrence of an Authorized Liquidity Termination. If the Tender Agent shall receive notice of the occurrence of an Authorized Liquidity Termination, it shall cause the Bond Trustee to notify the Holders that an Authorized Liquidity Termination has occurred within one Business Day following its receipt of such notice.

(g) Irrevocable Notice Deemed to be Tender of Bond; Undelivered Bonds.

(i) The giving of notice by a Beneficial Owner or Holder of a Bond as provided in Section 206(a) hereof shall constitute the irrevocable tender for purchase of each such Bond with respect to which such notice shall have been given, regardless of whether such Bond is delivered to the Tender Agent for purchase on the relevant purchase date as provided in Section 206 hereof.

(ii) The Tender Agent may refuse to accept delivery of any Bonds for which a proper instrument of transfer has not been provided; such refusal, however, shall not affect the validity of the purchase of such Bond as herein described. If any Beneficial Owner or Holder of a Bond who shall have given notice of tender of purchase pursuant to Section 206(a) hereof shall fail to deliver such Bond to the Tender Agent at the place and on the applicable date and at the time specified, or shall fail to deliver such Bond properly endorsed, such Bond shall constitute an Undelivered Bond. If funds in the amount of the purchase price of the Undelivered Bonds (including the Undelivered Bonds referred to in Section 206(f)(ii) hereof) are available for payment to the Holder thereof on the date and at the time specified, from and after the date and time of that required delivery, (1) each Undelivered Bond shall be deemed to be purchased and shall no longer be deemed to be Outstanding under this Trust Indenture; (2) interest shall no longer accrue thereon; and (3) funds in the amount of the purchase price of each such Undelivered Bond shall be held by the Tender Agent for the benefit of the Holder thereof (provided that the Holder shall have no right to any investment proceeds derived from such funds), to be paid on delivery (and proper endorsement) of such Undelivered Bond to the Tender Agent at its principal office for delivery of Bonds. Any funds held by the Tender Agent as described in clause (3) of the preceding sentence shall be held uninvested and not commingled.

(h) Book-Entry Tender and Delivery Procedures. Notwithstanding anything to the contrary contained in this Trust Indenture, so long as a Securities Depository Nominee is the sole Holder of the Bonds, all tenders for purchase and deliveries of Bonds tendered for purchase or subject to mandatory tender under the provisions of this Trust Indenture shall be made pursuant to the Securities Depository's procedures as in effect from time to time and neither the Issuer, the Borrower, the Tender Agent, the Bond Trustee nor the Remarketing Agent shall have any responsibility for or liability with respect to the implementation of such procedures.

Section 207. Exchange of Bonds. Bonds, upon surrender thereof at the Principal Office, together with an assignment duly executed by the Holder or such Holder's attorney or

legal representative in such form as shall be satisfactory to the Bond Trustee, may, at the option of the Holder thereof, be exchanged for an equal aggregate principal amount of Bonds of any Authorized Denomination, bearing interest at the same rate, and in the same form as the Bonds surrendered for exchange.

The Issuer shall make provision for the exchange of the Bonds at the Principal Office.

Section 208. Negotiability, Registration and Transfer of Bonds. The Bond Trustee shall keep the Register for the registration and registration of transfer of Bonds as provided in this Trust Indenture. The Register shall be available at all reasonable times for inspection by the Issuer and its agents and representatives, and the Bond Trustee shall provide to the Issuer, upon its written request, an accurate copy of the names and addresses of the Holders set forth in the Register.

The transfer of any Bond may be registered only upon the Register upon surrender thereof to the Bond Trustee together with an assignment duly executed by the registered owner or such owner's attorney or legal representative in such form as shall be satisfactory to the Bond Trustee. Upon any such registration of transfer the Issuer shall execute and the Bond Trustee shall authenticate and deliver in exchange for such Bond a new registered Bond or Bonds, registered in the name of the transferee, of any Authorized Denomination or Denominations authorized by this Trust Indenture in the aggregate principal amount equal to the principal amount of such Bond surrendered or exchanged and bearing interest at the same rate.

In all cases in which Bonds shall be exchanged or the transfer of Bonds shall be registered hereunder, the Issuer shall execute and the Bond Trustee shall authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of this Trust Indenture. All Bonds surrendered in any such exchange or registration of transfer shall forthwith be cancelled by the Bond Trustee. Registrations of transfer or exchanges of Bonds shall be without charge to the Holders of such Bonds, but any taxes or other governmental charges required to be paid with respect to the same shall be paid by the Holder of the Bond requesting such registration of transfer or exchange as a condition precedent to the exercise of such privilege. Neither the Issuer nor the Bond Trustee shall be required (i) to issue, transfer or exchange Bonds during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Bonds pursuant to Section 303 hereof and ending at the close of business on the day of such mailing or (ii) to transfer or exchange any Bond so selected for redemption in whole or in part.

Notwithstanding the foregoing, for so long as the Bonds are held under a Book-Entry System, transfers of beneficial ownership will be effected pursuant to rules and procedures established by the Securities Depository.

Section 209. Ownership of Bonds. The Issuer, the Bond Trustee and any agent of the Issuer or the Bond Trustee may treat the Person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of and premium, if any, and interest on, such Bond, and for all other purposes whatsoever, whether or not such Bond be overdue, and, to the extent permitted by law, neither the Issuer, the Bond Trustee nor any such agent shall be affected by notice to the contrary.

Section 210. Authorization of Bonds. There shall be issued under and secured by this Trust Indenture Bonds in the aggregate principal amount of [FIFTY MILLION] DOLLARS ([50,000,000]) for the purpose of providing funds, together with other available funds, to (1) finance the costs of the Project and (2) pay certain expenses incurred in connection with the authorization and issuance of the Bonds.

The Bonds shall be executed substantially in the form and in the manner set forth in Exhibit A hereto and shall be deposited with the Bond Trustee for authentication, but before the Bonds shall be delivered by the Bond Trustee, there shall be filed or deposited with the Bond Trustee the following:

(a) an originally executed or certified copy of the resolution of the Board of Directors of the Issuer approving the issuance of the Bonds;

(b) a fully executed counterpart of this Trust Indenture;

(c) a fully executed counterpart of the Agreement;

(d) an originally executed or certified copy of the Note, which shall either be accompanied by an assignment thereof to the Bond Trustee without recourse, or bear evidence that it has been otherwise transferred to the Bond Trustee;

(e) an order or request of the Issuer Representative to authenticate the Bonds and deliver them to the purchasers thereof, upon payment to the Bond Trustee of the purchase price of the Bonds, all as may be specified therein;

(f) fully executed counterparts of the Guaranty, the Remarketing Agreement, the Tender Agreement, the initial Credit Facility, and the initial Credit Facility Provider Agreement;

(g) opinions of counsel to the Borrower and the Credit Facility Provider satisfactory to Bond Counsel and the Bond Trustee;

(h) an opinion of Bond Counsel to the Issuer in substantially the form attached as Appendix D to the Official Statement pertaining to the Bonds; and

(i) such other documents, certificates and opinions as Bond Counsel, the Bond Trustee or the Issuer may reasonably require.

When the documents mentioned in paragraphs (a) to (i), inclusive, of this Section shall have been filed with the Bond Trustee and when the Bonds shall have been executed and authenticated as required by this Trust Indenture, the Bond Trustee shall deliver the Bonds at one time to or upon the order of the purchasers named in the order or request to authenticate mentioned in subparagraph (e) of this Section.

Simultaneously with the delivery of the Bonds, the proceeds of the Bonds (exclusive of the underwriter's discount in the amount of $_____) shall be applied by the Bond Trustee as follows:

(i) to the credit of the Issuance Account, _____; and

(ii) to the credit of the Project Account, the balance ($_____).

Section 211. Temporary Bonds. Until definitive Bonds are ready for delivery, there may be executed, and upon request of the Issuer, the Bond Trustee shall authenticate and deliver in lieu of definitive Bonds and subject to the same limitations and conditions, typewritten, printed, engraved or lithographed temporary Bonds, in the form of fully registered Bonds in Authorized Denominations, substantially of the tenor of the Bonds set forth in this Trust Indenture and with such appropriate omissions, insertions and variations as may be required.

Until definitive Bonds are ready for delivery, any temporary Bond may, if so provided by the Issuer by resolution, be exchanged at the Principal Office, without charge to the Holder thereof, for an equal aggregate principal amount of temporary fully registered Bonds in Authorized Denominations, of like tenor and bearing interest at the same rate.

If temporary Bonds shall be issued, the Issuer shall cause the definitive Bonds to be prepared and to be executed and delivered to the Bond Trustee, and the Bond Trustee, upon presentation to it at its Principal Office of any temporary Bond, shall cancel the same and authenticate and deliver in exchange therefor at the place designated by the Holder, without charge to the Holder thereof, a definitive Bond or Bonds of an equal aggregate principal amount, of the same maturity and bearing interest at the same rate as the temporary Bond surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefit and security of this Trust Indenture as the definitive Bonds to be issued and authenticated hereunder.

Section 212. Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond secured hereby shall become mutilated or be destroyed, stolen or lost, the Issuer shall cause to be executed, and the Bond Trustee shall authenticate and deliver, a new Bond of like date and tenor in exchange and substitution for and upon the cancellation of such mutilated Bond or in lieu of and in substitution for such Bond destroyed, stolen or lost, and the Holder shall pay the reasonable expenses and charges of the Issuer and the Bond Trustee in connection therewith and, in case of a Bond destroyed or lost, the Holder shall file with the Bond Trustee evidence satisfactory to it and to the Issuer that such Bond was destroyed or lost, and of such Holder's ownership thereof, and shall furnish the Issuer and the Bond Trustee indemnity satisfactory to them.

Every Bond issued pursuant to the provisions of this Section in exchange or substitution for any Bond which is mutilated, destroyed, lost or stolen shall constitute an additional contractual obligation of the Issuer, whether or not the destroyed, lost or stolen Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits hereof equally and proportionately with any and all other Bonds duly issued under this Trust Indenture. All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and shall preclude any and all other rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

Section 213. Replacement Bonds. Except when the Bonds are held in the Book-Entry System, the Issuer shall execute and the Bond Trustee shall authenticate and deliver Replacement Bonds to replace Undelivered Bonds. Any such Replacement Bonds shall be executed and authenticated as provided in this Trust Indenture. The Borrower shall bear all expenses in connection with the preparation and delivery of the Replacement Bonds.

Section 214. Ratably Secured. All Bonds issued hereunder are and are to be, to the extent provided in this Trust Indenture, equally and ratably secured by this Trust Indenture without preference, priority or distinction on account of the actual time or times of the authentication, delivery or maturity of the Bonds so that subject as aforesaid, all Bonds at any time Outstanding shall have the same right, lien and preference under and by virtue of this Trust Indenture and shall all be equally and ratably secured hereby with like effect as if they had all been executed, authenticated and delivered simultaneously on the date hereof, whether the same, or any of them, shall actually be disposed of at such date, or whether they, or any of them, shall be disposed of at some future date. Notwithstanding the foregoing, any Bond that is registered in the name of the Borrower or any Affiliate or is a Bank Bond shall not be entitled to the benefit of the Credit Facility or the Liquidity Facility, if any.

Section 215. Book-Entry System. Initially all Bonds shall be Book Entry Bonds. All Book Entry Bonds shall initially be registered in the name of Cede & Co, as nominee of The Depository Trust Company ("DTC"). The Issuer acknowledges that it has executed and delivered a Letter of Representations to DTC. All payments of principal and purchase price of, redemption premium, if any, and interest on the Book Entry Bonds and all notices with respect thereto, including notices of full or partial redemption, shall be made and given at the times and in the manner set out in the Letter of Representations. The terms and provisions of the Letter of Representations shall govern in the event of any inconsistency between provisions of this Trust Indenture and the Letter of Representations. The Letter of Representations may be amended without the consent of Holders.

The book-entry registration system for all of the Book Entry Bonds may be terminated and certificated Bonds delivered to and registered in the name of the Beneficial Owners, under either of the following circumstances:

(a) DTC notifies the Issuer, the Borrower and the Bond Trustee that it is no longer willing or able to act as Securities Depository for the Book Entry Bonds and a successor Securities Depository for the Book Entry Bonds is not appointed by the Issuer, at the direction of the Borrower, prior to the effective date of such discontinuation; or

(b) The Issuer and the Borrower determine that continuation of the book-entry system through DTC (or a successor Securities Depository) is not in the best interest of the Borrower.

In the event a successor Securities Depository is appointed by the Issuer, at the direction of the Borrower, the Book Entry Bonds will be registered in the name of such successor Securities Depository or its nominee. In the event certificated Bonds are required to be issued to Beneficial Owners, the Bond Trustee, the Borrower and the Issuer shall be fully protected in relying upon a certificate of DTC or any DTC participant as to the identity and principal amount of Book Entry Bonds held by such Beneficial Owners.

The Beneficial Owners of Bonds will not receive physical delivery of certificates except as provided herein. For so long as there is a Securities Depository for Bonds, all of such Bonds shall be registered in the name of the Securities Depository Nominee, all transfers of beneficial ownership interests in such Bonds will be made in accordance with the rules of the Securities Depository, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of such Bonds is to receive, hold or deliver any certificated Bond. The Issuer, the Bond Trustee, the Tender Agent and the Borrower shall have no responsibility or liability for transfers of beneficial ownership interests in such Bonds.

The Issuer, the Borrower, the Bond Trustee and the Tender Agent will recognize the Securities Depository or its nominee as the Holder of Book Entry Bonds for all purposes, including receipt of payments, notices and voting; provided, the Bond Trustee may recognize votes by or on behalf of Beneficial Owners as if such votes were made by Holders of a related portion of the Bonds when such votes are received in compliance with an omnibus proxy of the Securities Depository or otherwise pursuant to the rules of the Securities Depository or the provisions of the Letters of Representation or other comparable evidence delivered to the Bond Trustee by the Holders.

With respect to Book Entry Bonds, the Issuer, the Borrower, the Bond Trustee and the Tender Agent shall be entitled to treat the person in whose name such Bond is registered as the absolute owner of such Bond for all purposes of this Trust Indenture, and none of the Issuer, the Borrower, the Bond Trustee or the Tender Agent shall have any responsibility or obligation to any Beneficial Owner of such Book Entry Bond. Without limiting the immediately preceding sentence, none of the Issuer, the Borrower or the Bond Trustee shall have any responsibility or obligation with respect to (a) the accuracy of the records of any Securities Depository or any other person with respect to any ownership in Book Entry Bonds, (b) the delivery to any person, other than a Holder, of any notice with respect to Book Entry Bonds, including any notice of redemption or refunding, (c) the selection of the particular Bonds or portions thereof to be redeemed or refunded in the event of a partial redemption or refunding of part of the Bonds Outstanding or (d) the payment to any person, other than a Holder, of any amount with respect to the principal and purchase price of, redemption premium, if any, or interest on Book Entry Bonds.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption Dates and Prices. The Bonds may not be called for redemption by the Issuer except as provided below. If the Borrower exercises its option to prepay the Loan in accordance with Section 7.01, 7.02 or 7.03 of the Agreement, the Bonds will be subject to optional redemption as set forth in Sections 301 (a) or (b) hereof, as the case may be.

(a) Optional Redemption.

(i) On any Business Day during a Daily Interest Rate Period or a Weekly Interest Rate Period, the Bonds shall be subject to optional redemption at the direction of the Borrower Representative, in whole or in part, at a Redemption Price equal to 100% of

the principal amount of the Bonds to be redeemed, plus accrued interest, if any, to the redemption date.

(ii) [Reserved.]

(iii) On the day succeeding the last day of any Bond Interest Term with respect to any Bond bearing interest at a Bond Interest Term Rate, such Bond shall be subject to optional redemption at the direction of the Borrower Representative, in whole or in part, at a Redemption Price equal to 100% of the principal amount of the Bond to be redeemed.

(iv) During any Long-Term Interest Rate Period, the Bonds shall be subject to optional redemption at the direction of the Borrower Representative, (A) on the first day thereof, in whole or in part, at a Redemption Price equal to 100% of the principal amount of the Bonds to be redeemed, and (B) thereafter, during the periods specified below or, if approved by Bond Counsel as provided in Section 205(h)(ii) hereof, during the periods specified in the direction of the Borrower pursuant to Section 205(h)(ii)(A) hereof, in whole or in part at any time, at the Redemption Prices (expressed as a percentage of principal amount) hereinafter indicated or specified in the direction of the Borrower pursuant to Section 205(h)(ii)(A) hereof, plus accrued interest, if any, to the redemption date:

Length of Long-Term Interest Rate Period (expressed in years)	Redemption Prices
Greater than 10	After 7 years at 101 %, declining by 1 every year to 100%
Less than or equal to 10 and greater than 7	After 5 years at 101%, declining by 1 every year to 100%
Less than or equal to 7 and greater than 4	After 3 years at 101%, declining by 1 every year to 100%
Less than or equal to 4	After 2 years at 100%

(b) Extraordinary Optional Redemption. If the Borrower exercises its option to prepay the Loan in full or in part as provided in Section 7.02 of the Agreement, the Bonds are required to be redeemed in whole if the Loan is prepaid in full, or in part if the Loan is prepaid in part, on any date, by the Issuer at the direction of the Borrower Representative, and in either event at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof, without premium, plus accrued interest to the redemption date.

(c) Reserved.

(d) Reserved.

Section 302. Selection of Bonds to be Redeemed. The Bonds shall be redeemed only in Authorized Denominations. The Bond Trustee shall select the Bonds to be redeemed in accordance with the terms and provisions of this Trust Indenture.

If less than all of the Bonds are to be called for redemption, the Bond Trustee shall first select and call Bank Bonds for redemption before any other Bonds are selected and called for redemption. If, following such selection, additional Bonds must be selected and called for redemption, the Bond Trustee shall select, or arrange for the selection of, in such manner as it shall deem fair and equitable, the Bonds, in portions thereof equal to Authorized Denominations; provided that for so long as the only Holder is a Securities Depository Nominee, such selection shall be made by the Securities Depository. If there shall be called for redemption less than the principal amount of a Bond, the Issuer shall execute and the Bond Trustee shall authenticate and deliver, upon surrender of such Bond, without charge to the Holder thereof in exchange for the unredeemed principal amount of such Bond at the option of such Holder, Bonds in any of the Authorized Denominations or, if the Bonds are held in the Book-Entry System, the Securities Depository shall, acting pursuant to its rules and procedures, reflect in the Book-Entry System the partial redemption and the Bond Trustee shall (i) either exchange the Bond or Bonds held by the Securities Depository for a new Bond or Bonds in the appropriate principal amount, if such Bond is presented to the Bond Trustee by the Securities Depository, or (ii) obtain from the Securities Depository a written confirmation of the reduction in the principal amount of the Bonds held by such Securities Depository.

Section 303. Notice of Redemption.

(a) Not less than 30 days but not more than 60 days before the redemption date of any Bonds, whether such redemption be in whole or in part, the Bond Trustee shall cause a notice of any such redemption to be mailed, first-class postage prepaid, to all Holders of Bonds to be redeemed in whole or in part. Each such notice shall set forth the CUSIP numbers and bond certificate numbers of the Bonds to be redeemed, the issue date of the Bonds to be redeemed, the date fixed for redemption, the Redemption Price to be paid, the maturity of the Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed, the address and phone number of the Bond Trustee, the date of the redemption notice and that on the redemption date the Bonds are called for redemption will be payable at the Principal Office, that from that date interest will cease to accrue and be payable and that no representation is made as to the accuracy or correctness of the CUSIP numbers printed therein or on the Bonds. If any Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such Bond, a new Bond in principal amount equal to the unredeemed portion of such Bond will be issued. Notwithstanding anything in this Section to the contrary, if a Credit Facility is in effect, then unless the Credit Facility Provider has failed to honor a proper drawing under the Credit Facility (and such failure remains uncured), no notice of optional redemption shall be given by the Bond Trustee until (i) the Borrower has deposited with the Bond Trustee moneys in an amount sufficient to reimburse the Credit Facility Provider in accordance with the terms of the Credit Facility Provider Agreement then in effect for the amount of any draw which is permitted to be made, if any, on the Credit Facility in connection with such redemption, or (ii) the Bond Trustee has received written consent from the Credit Facility Provider to such optional redemption and, if not otherwise permitted under the Credit Facility, to draw on the Credit Facility in connection with such redemption.

(b) In the case of an optional redemption under Sections 301 (a) or 301 (b) hereof, the redemption notice may state that (a) it is conditioned upon the deposit of Available Moneys, or

Defeasance Obligations purchased with Available Moneys, or a combination of both, in an amount equal to the amount necessary to effect the redemption, with the Bond Trustee no later than the scheduled redemption date or (b) the Borrower retains the right to rescind such notice on or prior to the scheduled redemption date (in either case, a "Conditional Redemption"), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described in this Section. In the case of a Conditional Redemption subject to the deposit of Available Moneys or Defeasance Obligations, the failure of the Borrower or any other Person to make such Available Moneys or Defeasance Obligations available in part or in whole on or before the scheduled redemption date shall not constitute an Event of Default hereunder and any Bonds subject to such Conditional Redemption shall remain Outstanding. Any Conditional Redemption subject to rescission may be rescinded in whole or in part at any time on or prior to the scheduled redemption date if a Borrower Representative instructs the Bond Trustee in writing to rescind the redemption notice. Any Bonds subject to Conditional Redemption where redemption has been rescinded shall remain Outstanding, and the rescission shall not constitute an Event of Default hereunder. If a Conditional Redemption for which notice has been sent to Holders pursuant to Sections 301(a) or 301(b) hereof will not occur, either because Available Moneys or Defeasance Obligations to effect such redemption are not available on or before the scheduled redemption date or the Borrower has rescinded such notice in accordance with this Section, the Bond Trustee shall immediately give notice by Electronic Means to the Securities Depository if all of the Bonds are Book Entry Bonds or the affected Holders of any Bonds that are not Book Entry Bonds that the redemption did not occur and that the Bonds called for redemption and not so paid remain Outstanding.

(c) The Bond Trustee shall also take the following actions with respect to such notice of redemption:

(i) Not less than 30 days prior to the date of redemption, the Bond Trustee shall give notice of such redemption by (A) registered or certified mail, postage prepaid, (B) telephonically confirmed facsimile transmission or (C) overnight delivery service to the following securities depository at the address and transmission numbers given, or such other address or transmission number as may have been delivered in writing to the Bond Trustee for such purpose not later than the close of business on the day before such notice is given:

The Depository Trust Company
55 Water Street
New York, New York 10041
Facsimile transmission: (212) 855-7232
(212) 855-7235

(ii) Not less than 30 days prior to the date of redemption, the Bond Trustee shall give notice of such redemption by (A) first class mail, postage prepaid, or (B) overnight delivery service to at least one of the following services selected by the Bond Trustee:

(A) Financial Information, Inc.'s Financial Daily Called Bond Service;

(B) FIS-Mergent Called Bond Record; or

(C) Standard & Poor's J.J. Kenny Called Bond Record.

(d) Failure by the Bond Trustee to give notice pursuant to subparagraph (i) or (ii) of paragraph (c) above to any one or more of the securities depositories or information services named therein shall not affect the sufficiency of the proceedings for redemption. Failure of the Bond Trustee to give notice to a Holder or any defect in such notice shall not affect the validity of the proceedings for redemption of the Bonds of any Holder to whom notice shall have been properly given.

(e) Each check or other transfer of funds issued by the Bond Trustee for the purpose of redeeming Bonds shall bear, to the extent practicable, the CUSIP number identifying the Bonds being redeemed with the proceeds of such check or other transfer.

(f) Notice of redemption of Bonds shall be given by the Bond Trustee, at the expense of the Borrower, for and on behalf of the Issuer.

Section 304. Effect of Calling for Redemption. On or before the date fixed for redemption, Available Moneys, Defeasance Obligations or a combination of both shall be deposited with the Bond Trustee to pay the principal of and the premium, if any, and interest accruing thereon to the redemption date of the Bonds called for redemption.

On the date fixed for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Bonds or portions thereof called for redemption shall be due and payable at the Redemption Price provided therefor, plus accrued interest to such date. If on the date fixed for redemption Available Moneys, Defeasance Obligations or a combination of both, sufficient to pay the Redemption Price of the Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption, are held by the Bond Trustee in trust for the Holders of Bonds to be redeemed, interest on the Bonds called for redemption shall cease to accrue; such Bonds shall cease to be entitled to any benefits or security under this Trust Indenture or to be deemed Outstanding; and the Holders of such Bonds shall have no rights in respect thereof except to receive payment of the Redemption Price thereof, plus accrued interest to the date fixed for redemption. Bonds and portions of Bonds for which irrevocable instructions to pay on one or more specified dates or to call for redemption on a specified redemption date have been given to the Bond Trustee in form satisfactory to it shall not thereafter be deemed to be Outstanding under this Trust Indenture and shall cease to be entitled to the security of or any rights under this Trust Indenture, other than rights to receive payment of the Redemption Price thereof and accrued interest thereon to the date fixed for redemption, to be given notice of redemption in the manner provided in Section 303 hereof, and, to the extent hereinafter provided, to receive Bonds for any unredeemed portions of Bonds if Available Moneys or Defeasance Obligations, or a combination of both, sufficient to pay the Redemption Price of such Bonds or portions thereof, together with accrued interest thereon to the date upon which such Bonds are to be paid or redeemed, are held in separate accounts by the Bond Trustee in trust for the Holders of such Bonds.

Section 305. Redemption of Portion of Bonds. If a portion of an Outstanding Bond shall be selected for redemption, the Holder thereof or his attorney or legal representative shall

present and surrender such Bond to the Bond Trustee for payment of the principal amount thereof so called for redemption and the redemption premium, if any, on such principal amount, and the Issuer shall execute and the Bond Trustee shall authenticate and deliver to or upon the order of such Holder or his legal representative, without charge therefor, for the unredeemed portion of the principal amount of the Bonds so surrendered, a Bond of the same maturity and bearing interest at the same rate.

Section 306. Cancellation. Bonds so redeemed, presented and surrendered shall be cancelled upon the surrender thereof.

Section 307. Use of Defeasance Obligations to Redeem Bonds. For purposes of all Sections in this Article, Defeasance Obligations shall be deemed to be sufficient to pay or redeem Bonds on a specified date if the principal of and the interest on such Defeasance Obligations, when due, will be sufficient to pay on such date the maturing principal or Redemption Price of, and the interest accruing on, such Bonds to such date.

ARTICLE IV

PROJECT FUND

Section 401. Project Fund. A special fund is hereby established with the Bond Trustee and designated the "Project Fund" in which there are established a Project Account and an Issuance Account. The Bond Trustee shall make the deposits to the Project Fund required by the provisions of Section 210 hereof.

The money in the Project Fund shall be held by the Bond Trustee in trust and, subject to the provisions of Section 403 hereof, shall be applied to the payment of costs of issuance of the Bonds or to the cost of the Project and, pending such application, shall be subject to a lien and charge in favor of the Holders of the Bonds and for the further security of such Holders until paid out or transferred as provided in this Article IV.

Section 402. Payments from Project Fund. Payment of the issuance costs and costs of the Project shall be made from the Project Fund. All payments from the Project Fund shall be subject to the provisions and restrictions set forth in this Article, and the Issuer covenants that it will not cause or permit to be paid from the Project Fund any sums except in accordance with such provisions and restrictions.

(a) All issuance costs, within the meaning of Section 147(g) of the Code, incurred in connection with the Bonds to be paid from the initial proceeds of the Bonds shall be paid only from the Issuance Account (collectively, "Issuance Costs"). All money received by the Issuer from any source for Issuance Costs shall be deposited immediately upon its receipt to the credit of the Issuance Account. Examples of such Issuance Costs include, but are not limited to, the following:

(i) counsel fees (including bond counsel, underwriter's counsel, issuer's counsel, counsel to the Borrower, counsel to the Bank, counsel to the Bond Trustee, and any other specialized counsel fees incurred in connection with the issuance of the Bonds);

(ii) financial advisor fees incurred in connection with the borrowing;

(iii) rating agency fees;

(iv) depository fees incurred in connection with the issuance of the Bonds;

(v) Bond Trustee fees related to issuance of the Bonds;

(vi) accountant's fees related to issuance of the Bonds;

(vii) printing costs (for the Bonds and of preliminary and final offering materials);

(viii) costs incurred in connection with the required public approval process (e.g., publication costs for public notices generally and costs of the public hearing); and

(ix) costs of engineering and feasibility studies necessary to the issuance of the Bonds.

(b) Moneys on deposit in the Project Account may be transferred to the Issuance Account and applied to pay Issuance Costs; provided, however, that the aggregate amount of such transfers, when combined with the amount originally deposited in the Issuance Account pursuant to Section 210 of this Trust Indenture, may not exceed $_____.

Section 403. Cost of the Project. For the purpose of this Trust Indenture, the Cost of the Project shall embrace such costs as are eligible costs within the purview of the Act and, without intending thereby to limit or restrict any proper definition of such Cost, shall include the following:

(a) the cost of all labor, materials and services, the cost of all lands, property, rights, rights of way, easements, franchises and other interests as may be deemed necessary or convenient by the Borrower Representative for such acquisition, construction and equipping, the cost of all machinery and equipment, financing charges, engineering and legal expenses, costs of plans, specifications, surveys, other expenses necessary or incident to determining the feasibility or practicality of such acquisition, construction and equipping, administrative expenses, and such other expenses as may be necessary or incident to the financing, construction and equipping of the Project and the placing of the Project in operation;

(b) Issuance Costs;

(c) the cost of borings and other preliminary investigations to determine foundation or other conditions, expenses necessary or incident to determining the feasibility or practicability of constructing the Project and fees and expenses of engineers, architects, management consultants and hospital consultants for making studies, surveys and estimates of expenses of engineers and architects for preparing plans and specifications and supervising construction as well as for the performance of all other duties of engineers and architects set forth herein in relation to the acquisition and construction of the Project;

(d) all other items of expense not elsewhere in this Section specified incident to the acquisition of the Project and the financing thereof, including operating reserves, moving expenses, the acquisition of lands, property rights, rights of way, easements, franchises and interests in or relating to lands, including title insurance, cost of surveys and other expenses in connection with such acquisition, and expenses of administration, all properly chargeable, in the opinion of the Borrower Representative, to the acquisition of the Project;

(e) interest accruing on the Bonds prior to the completion of the Project; and

(f) any obligation or expense heretofore or hereafter incurred or paid by the Issuer or the Borrower for any of the foregoing purposes.

Section 404. Requisitions from Project Fund. Payments from the Project Fund shall be made in accordance with the provisions of this Section. Before any such payment shall be made, there shall be filed with the Bond Trustee:

(a) a requisition, accompanied by copies of the invoices, payment of which is sought, signed by the Borrower Representative, in substantially the form attached hereto as Exhibit B, stating:

(i) the item number of each such payment,

(ii) the name of the person, firm or corporation to whom each such payment has been (together with applicable receipts) or should be made,

(iii) the respective amounts paid or to be paid, excluding any applicable sales tax, and

(iv) that obligations in the stated amounts have been incurred by the Borrower and are presently due and payable and that each item thereof is a proper charge against either the Issuance Account or the Project Account of the Project Fund, and has not been paid.

Upon receipt of each requisition, the Bond Trustee shall pay the obligations set forth in such requisition out of money in the Issuance Account or Project Account of the Project Fund, as applicable, and each such obligation shall be paid by check signed by one or more officers or employees of the Bond Trustee designated for such purpose by the Bond Trustee or in accordance with wire instructions provided to the Bond Trustee. In making such payments the Bond Trustee may rely conclusively upon such requisitions. If for any reason the Borrower should decide prior to the payment of any item in a requisition not to pay such item, it shall give written notice of such decision to the Bond Trustee, and thereupon the Bond Trustee shall not make such payment.

Section 405. Reliance upon Requisitions. All requisitions and opinions received by the Bond Trustee as conditions of payment from the Project Fund may be relied upon by the Bond Trustee and shall be retained by the Bond Trustee, subject at all reasonable times upon reasonable notice to the Bond Trustee to examination by the Issuer, and the Borrower.

Section 406. Disposition of Project Fund. When all Issuance Costs and Costs of the Project have been paid, which fact shall be evidenced to the Bond Trustee by an Officer's Certificate of the Borrower Representative delivered to the Bond Trustee and the Issuer, the balance in the Project Fund shall be applied by the Bond Trustee, at the direction of the Borrower and subject to Section 604 hereof, for any purpose, including the payment of principal of the Bonds, permitted by the Act which, in the opinion of Bond Counsel, will not cause interest on the Bonds to become includable in the gross income of the Holders thereof for federal income tax purposes pursuant to the provisions of the Code. In the event such opinion is not delivered to the Bond Trustee, the balance in the Project Fund shall be transferred by the Bond Trustee to the Redemption Fund and shall be used to redeem Bonds on the earliest practicable redemption date.

ARTICLE V

REVENUES AND APPLICATION THEREOF

Section 501. Establishment of Funds. In addition to the Project Fund established by Article IV hereof, there are hereby established the following funds with the Bond Trustee:

(a) the "Bond Fund" in which there are established a Principal Account and an Interest Account; and

(b) the "Redemption Fund".

The money and securities in each of said funds and accounts shall be held in trust by the Bond Trustee and applied as hereinafter provided and, pending such application, the money and securities in each of said funds and accounts shall be subject to a lien and charge in favor of the Holders and for the further security of such Holders.

Section 502. Deposit of Funds Received; Application of Funds.

(a) The Bond Trustee shall deposit all amounts received as Loan Repayments in the following order, subject to credits as provided in this Article V:

(i) to the credit of the Interest Account, while the Bonds bear interest at a Daily Interest Rate, a Weekly Interest Rate, or Bond Interest Term Rates, on the Business Day immediately preceding each Interest Payment Date, and, while the Bonds bear interest at a Long-Term Interest Rate, on the 25th day of the month preceding each Interest Payment Date, an amount equal to the interest payable on the Bonds on such Interest Payment Date, less any applicable credit under this Section 502; provided, however, that if the interest rate on the Bonds is subject to adjustment pursuant to Section 205 hereof after the date of such required deposit, interest accruing on the Bonds from such adjustment date shall be assumed to accrue at the Ceiling Rate; provided, further, that if a Credit Facility is in effect, no deposit shall be required to be made until such Interest Payment Date;

(ii) into the Principal Account, on _____, the amount required to be paid at maturity on such _____;

(iii) to the credit of the Interest Account, any amounts that may from time to time be required to enable the Bond Trustee to pay the accrued interest on Bonds purchased or redeemed from money in the Redemption Fund in accordance with Section 505 hereof; and

(iv) to the credit of the Redemption Fund, any amounts that may from time to time be required to enable the Bond Trustee to pay principal of the Bonds and any redemption premiums as and when the Bonds are called for redemption.

If, after giving effect to the credits specified below, any installment of Loan Repayments is insufficient to enable the Bond Trustee to make the deposits required above, the Bond Trustee shall so notify the Borrower and request that each future installment of the Loan Repayments be increased as may be necessary to make up any previous deficiency in any of the required payments and to make up any deficiency or loss in any of the above-mentioned funds and accounts.

To the extent that principal of, redemption premium, if any, or interest on the Bonds is to be paid from amounts drawn under a Credit Facility and deposited in the Interest Account or the Redemption Fund, as appropriate, deposits then due to be made into such funds and accounts and future deposits to such funds and accounts shall be reduced by the amount so deposited, and the Loan Repayments due on or following the date such amounts are deposited will be reduced by the amounts so deposited.

To the extent that investment earnings are credited to the Interest Account or that amounts are credited thereto as a result of a transfer of investment earnings on any other fund or account held by the Bond Trustee, or otherwise, future deposits to such accounts shall be reduced by the amount so credited, and the Loan Repayments due following the date upon which such amounts are credited shall be reduced by the amounts so credited.

All amounts received by the Bond Trustee as principal of or interest accruing on the Bonds to be redeemed as a result of a prepayment of the Note shall be deposited in the Redemption Fund and the Interest Account, respectively, when received. All amounts received by the Bond Trustee as redemption premiums shall be deposited in the Redemption Fund when received.

While a Credit Facility is in effect, each deposit into the Bond Fund or the Redemption Fund not constituting Available Moneys shall be placed in a separate subaccount within the Interest Account or the Redemption Fund, as appropriate, and may not be commingled with other money in any such subaccount until such money becomes Available Moneys.

(b) The Issuer hereby authorizes and directs the Bond Trustee, and the Bond Trustee hereby agrees, to withdraw from the Interest Account or the Redemption Fund, as applicable, and make available at the Principal Office of the Bond Trustee sufficient funds (to the extent available) to pay the principal of, redemption premium, if any, and interest on the Bonds as the same become due and payable, whether due on an Interest Payment Date, by maturity, acceleration, redemption or otherwise, only in the following order of priority:

FIRST: Amounts drawn by the Bond Trustee under a Credit Facility.

SECOND: Available Moneys on deposit in such funds or accounts, other than amounts received by the Bond Trustee in respect of drawings under a Credit Facility.

THIRD: Any other amounts in such funds or accounts, including but not limited to moneys obtained from the Borrower.

(c) After provision is made for the payment of the principal of, redemption premium, if any, or interest on any Bonds on a given payment date and to the extent that the Credit Facility Provider has not been reimbursed by the Borrower, the Bond Trustee shall pay the Credit Facility Provider, on its request (as specified in such request), the amount necessary to reimburse the Credit Facility Provider for money owed to it under the Credit Facility Provider Agreement from amounts on deposit in the Interest Account or the Redemption Fund, as appropriate.

Section 503. Application of Money in Interest Account. If the Bonds are not in a Book-Entry System, not later than 1:00 P.M. on each Interest Payment Date, or date for the payment of Defaulted Interest, or date upon which Bonds are to be redeemed, the Bond Trustee shall withdraw from the Interest Account and remit by mail, or, to the extent permitted by Section 205(k) hereof, by wire transfer, to each Holder which is not a Securities Depository Nominee the amount required for paying interest on such Bonds when due and payable.

If the Bonds are in a Book-Entry System, at such time as to enable the Bond Trustee to make payments of interest on the Bonds in accordance with any existing agreement between the Bond Trustee and any Securities Depository, the Bond Trustee shall withdraw from the Interest Account and remit by wire transfer, in Federal Reserve or other immediately available funds, the amounts required to pay to any Holder which is a Securities Depository Nominee interest on the Bonds on the next succeeding Interest Payment Date; provided, however, that in no event shall the Bond Trustee be required to make such wire transfer prior to the Business Day next preceding each Interest Payment Date, and provided further that such wire transfer shall be made not later than 1:00 P.M. on each Interest Payment Date.

If a Credit Facility is in effect and the Credit Facility Provider fails to pay a conforming draw in immediately available funds by 1:00 p.m. on an Interest Payment Date, the Bond Trustee shall immediately notify the Borrower of the amount of the deficiency. Upon notification, the Borrower shall immediately deliver to the Bond Trustee an amount sufficient to cure the same.

If no Credit Facility is in effect, then in the event the balance in the Interest Account on (i) the Business Day next preceding an Interest Payment Date, or date on which Bonds are to be redeemed, while the Bonds bear interest at a Daily Interest Rate, a Weekly Interest Rate, or Bond Interest Term Rates, or (ii) on the 26th day of the month next preceding an Interest Payment Date or date upon which Bonds are to be redeemed, while the Bonds bear interest at a Long-Term Rate, is insufficient for the payment of interest becoming due on the Bonds on such Interest Payment Date or date upon which Bonds are to be redeemed, the Bond Trustee shall notify the Borrower of the amount of the deficiency. Upon notification, the Borrower shall immediately deliver to the Bond Trustee an amount sufficient to cure the same.

Section 504. Reserved.

Section 505. Application of Money in Redemption Fund. Money held for the credit of the Redemption Fund shall be applied to the purchase or redemption of Bonds, as follows:

(a) At the direction of the Borrower Representative, the Bond Trustee shall attempt to purchase and cancel Bonds or portions thereof, whether or not such Bonds or portions thereof shall then be subject to redemption, at the market price obtainable with reasonable diligence, such price not to exceed the Redemption Price that would be payable on the next redemption date to the Holder of such Bonds under the provisions of Article III hereof if such Bonds or portions thereof should be called for redemption on such date from the money in the Redemption Fund. The Bond Trustee shall pay the interest accrued on such Bonds or portions thereof to the date of settlement therefor from the Interest Account and from other funds provided by or on behalf of the Borrower and the purchase price from the Redemption Fund, but no such purchase shall be made by the Bond Trustee from money in the Redemption Fund within the period of 45 days immediately preceding any date on which such Bonds are subject to redemption; and

(b) The Bond Trustee shall call for redemption on the redemption date specified by the Issuer at the direction of the Borrower Representative such amount of Bonds or portions thereof as, with the redemption premium, if any, will exhaust the money then held for the credit of the Redemption Fund as nearly as may be practicable; provided, however, that, not less than Fifty Thousand Dollars ($50,000) principal amount of Bonds shall be called for redemption at any one time. Such redemption shall be made pursuant to the provisions of Article III hereof. On the redemption date the Bond Trustee shall withdraw from the Interest Account and from the Redemption Fund and, not later than 10:00 A.M. on such date, set aside the respective amounts required for paying the interest on and the Redemption Price of the Bonds or portions thereof so called for redemption.

Upon the retirement of any Bonds by purchase or redemption pursuant to the provisions of this Section, the Bond Trustee shall file with the Issuer and the Borrower a statement identifying such Bonds and setting forth the date of purchase or redemption, the amount of the purchase price or the Redemption Price of such Bonds and the amount paid as interest thereon. The expenses in connection with the purchase or redemption of any such Bonds are required to be paid by the Borrower as part of the Required Payments under the Agreement.

Section 506. Money Held in Trust. All money that the Bond Trustee shall have withdrawn from the Bond Fund or shall have received from any other source and set aside for the purpose of paying any of the Bonds hereby secured, either at the maturity thereof or by purchase or call for redemption or for the purpose of paying any interest on the Bonds hereby secured, shall be held in trust for the respective Holders. Any money that is so set aside or transferred and that remains unclaimed by the Holders for a period of two years (or, if less, one day before such money would escheat to the State under then applicable South Carolina law) after the date on which such Bonds have become payable shall be paid to the Borrower, and thereafter the Holders shall look only to the Borrower for payment, as an unsecured general creditor, and then only to the extent of the amounts so received, without any interest thereon, and the Bond Trustee and the Issuer shall have no responsibility with respect to such money.

Section 507. Cancellation of Bonds. All Bonds paid, redeemed or purchased, either at or before maturity, shall be delivered to the Bond Trustee when such payment, redemption or

purchase is made, and such Bonds shall be cancelled. The Bond Trustee shall certify to the Issuer and the Borrower the details of all Bonds so cancelled. All Bonds cancelled under any of the provisions of this Trust Indenture shall, as directed in writing by the Issuer Representative, be either delivered to the Issuer or destroyed by the Bond Trustee, which shall, in such event, execute a certificate in duplicate describing the Bonds so destroyed, and one executed certificate shall be filed with the Issuer and one executed certificate shall be retained by the Bond Trustee.

Section 508. Disposition of Funds Balances. After provision shall be made for the payment of all Outstanding Bonds issued under this Trust Indenture, including the interest thereon, and for the payment of all other obligations, expenses and charges required to be paid under or in connection with this Trust Indenture and the Agreement and, assuming the existence of no other indentures or other agreements imposing a continuing lien on the balances hereinafter mentioned, the Bond Trustee shall pay, as an overpayment of Total Required Payments, all amounts in any fund or account then held by it under this Trust Indenture to the Borrower; provided, however, that if a continuing lien has been imposed on any such balance by another, indenture or agreement as to which the Bond Trustee has received actual notice, the Bond Trustee shall pay such balance to such person as such, indenture or agreement shall provide.

ARTICLE VI

DEPOSIT OF MONEYS; INVESTMENT OF FUNDS

Section 601. Security for Deposits. Any and all money received by the Issuer under the provisions of this Trust Indenture shall be deposited as received by the Issuer with the Bond Trustee and shall be trust funds under the terms hereof and shall not be subject to any lien or attachment by any creditor of the Issuer or the Borrower. Such money shall be held in trust and applied in accordance with the provisions of this Trust Indenture.

All money deposited with the Bond Trustee hereunder in excess of the amount guaranteed by the Federal Deposit Insurance Corporation or other federal agency shall be continuously secured, for the benefit of the Issuer and the Holders, either (a) by lodging with a bank or trust company chosen by the Bond Trustee or custodian or, if then permitted by law, by setting aside under control of the trust department of the bank holding such deposit, as collateral security, Government Obligations or other marketable securities eligible as security for the deposit of trust funds under regulations of the Comptroller of the Currency of the United States or applicable State law or regulations, having a market value (exclusive of accrued interest) not less than the amount of such deposit, or (b) if the furnishing of security as provided in clause (a) above is not permitted by applicable law, then in such other manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds; provided, however, that it shall not be necessary for the Bond Trustee to give security for the deposit of any money with it for the payment of the principal of or the redemption premium or the interest on any Bonds, or for the Bond Trustee to give security for any money that shall be represented by obligations purchased under the provisions of this Article as an investment of such money.

All money deposited with the Bond Trustee shall be credited to the particular fund or account to which such money belongs.

Section 602. Investment of Money. Money held for the credit of all funds and accounts created under this Trust Indenture and held by the Bond Trustee shall be continuously invested and reinvested by the Bond Trustee in Permitted Investments to the extent practicable in accordance with the instructions of the Borrower as provided herein. Any such Permitted Investments shall mature not later than the respective dates when the money held for the credit of such funds or accounts will be required for the purposes intended.

No Permitted Investments in any fund or account may mature beyond the latest maturity date of any Bonds Outstanding at the time such Permitted Investments are deposited unless irrevocable instructions shall have been given to redeem such Permitted Investments on a date or dates not later than the latest maturity date of any Bonds Outstanding. For the purposes of this Section, the maturity date of repurchase agreements for Government Obligations or other obligations is the maturity date of such repurchase agreements and not the maturity date of the underlying Government Obligations or other obligations.

The Borrower shall give to the Bond Trustee written directions or telephonic instructions that are confirmed immediately in writing respecting the investment of any money required to be invested hereunder, subject, however, to the provisions of this Article, and the Bond Trustee shall then invest such money under this Section as so directed by the Borrower. The Bond Trustee may request, in writing, direction or authorization of the Borrower with respect to the proposed investment of money under the provisions of this Trust Indenture. Upon receipt of such request, accompanied by a memorandum setting forth the details of any proposed investment, the Borrower will either approve in writing such proposed investment or will give written directions to the Bond Trustee respecting the investment of such money and, in the case of such directions, the Bond Trustee shall then, subject to the provisions of this Article, invest such money in accordance with such directions. With respect to all investments, the Bond Trustee shall keep all records required under the Tax Agreement.

Permitted Investments credited to any fund or account established under this Trust Indenture shall be held by or under the control of the Bond Trustee and while so held shall be deemed at all times to be part of such fund or account in which such money was originally held, and the interest accruing thereon and any profit or loss realized upon the disposition or maturity of such investment shall be credited to or charged against such fund or account. The Bond Trustee shall sell at the market price available or reduce to cash a sufficient amount of such Permitted Investments whenever it shall be necessary so to do in order to provide moneys to make any payment or transfer of moneys from any such fund or account. Neither the Bond Trustee nor the Issuer shall be liable or responsible for any loss resulting from any investment or the sale of any investment made in accordance with the provisions of this Section or for the tax consequences thereof. The Bond Trustee may make any and all investments permitted by this Section through its own bond or investment department, unless otherwise directed in writing by the Borrower Representative.

Whenever a payment or transfer of money between two or more of the funds or accounts established pursuant to Article V hereof is permitted or required, such payment or transfer may be made in whole or in part by transfer of one or more Permitted Investments at a value determined in accordance with this Article VI, provided that the Permitted Investments

transferred are those in which moneys of the receiving fund or account could be invested at the date of such transfer.

Section 603. Valuation. For the purpose of determining the amount on deposit in any fund or account, Permitted Investments in which money in such fund or account is invested shall be valued at the market value thereof.

The Bond Trustee shall value the Permitted Investments in the funds and accounts established under this Trust Indenture and held by the Bond Trustee on the last Business Day of each _____ and at such other times, as specifically requested by the Borrower in writing, as shall be required in order for the Borrower to comply with the Tax Agreement. In addition, the Permitted Investments shall be valued by the Bond Trustee at any time requested by the Issuer Representative or the Borrower Representative on reasonable notice to the Bond Trustee (which period of notice may be waived or reduced by the Bond Trustee); provided, however, that the Bond Trustee shall not be required to value the Permitted Investments more than once in any calendar month other than as provided herein.

Section 604. Covenant as to Arbitrage. The Issuer and the Bond Trustee agree that money on deposit in any fund or account maintained in connection with the Bonds, whether or not such money was derived from the proceeds of the sale of the Bonds or from any other sources, and whether or not the Bonds are Outstanding hereunder, (i) will not be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and (ii) will be used in a manner that will cause the Bonds not to be "arbitrage bonds" within the meaning of Section 148 of the Code; provided, however, that neither the Issuer nor the Bond Trustee shall have an obligation to pay any amounts necessary to comply with this covenant other than from money received by the Issuer or the Bond Trustee from the Borrower. The Issuer and the Bond Trustee shall observe and not violate the requirements of Section 148 of the Code. The Bond Trustee shall be fully protected in relying upon any written investment instruction given by the Borrower. In the event the Issuer is of the opinion that it is necessary to restrict or limit the yield on the investment of money held by the Bond Trustee pursuant to this Trust Indenture, or to use such money in certain manners, in order to avoid the Bonds being considered "arbitrage bonds" within the meaning of Section 148 of the Code as such may be applicable to the Bonds at such time, the Issuer may issue to the Bond Trustee a written certificate to such effect and appropriate instructions, in which event the Bond Trustee shall take such action as is set forth in such certificate and instructions, irrespective of whether the Bond Trustee shares such opinion.

ARTICLE VII

PARTICULAR COVENANTS AND PROVISIONS

Section 701. Covenant to Pay Bonds; Bonds Limited Obligations of the Issuer. The Issuer shall cause to be paid when due the principal of (whether at maturity, by acceleration, by call for redemption or otherwise), the premium, if any, and interest on and the purchase price of the Bonds at the places, on the dates and in the manner provided herein and in said Bonds according to the true intent and meaning thereof; provided, that it is understood that such obligations are not general obligations of the Issuer. The Bonds are limited obligations of the

Issuer. The principal of, and premium, if any, and interest thereon are payable solely out of the revenues derived by the Issuer under the Agreement and otherwise out of the Trust Estate pledged hereunder and any other security therefore. The Bonds do not constitute an indebtedness of the State or the Issuer within the meaning of any state constitutional provision or statutory limitation (other than Article X, Section 13(9) of the State Constitution permitting indebtedness payable solely from a source of revenues derived other than from a tax or license). The Bonds do not constitute nor give rise to a pecuniary liability of the State or the Issuer or a charge against the general credit of the Issuer or the State or the taxing powers of the State. The Issuer has no taxing powers. No owner of any Bond shall have the right to demand payment of the principal of or premium, if any, or interest on any Bonds from any funds raised by taxation.

Section 702. Covenants to Perform Obligations under this Trust Indenture. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Trust Indenture, in the Bonds executed and delivered hereunder and in all proceedings of the Issuer pertaining thereto and will faithfully observe and perform at all times any and all covenants, undertakings, stipulations and provisions of the Agreement on its part to be observed or performed. The Issuer covenants that it is duly authorized under the Constitution and laws of the State, including particularly and without limitation the Act, to issue the Bonds authorized hereby and to execute this Trust Indenture, to assign the Agreement and the Note and to pledge the revenues, receipts, proceeds and funds derived in respect thereof, in the manner and to the extent herein set forth as security for the Bonds; and that all action on its part for the issuance of the Bonds issued hereunder and the execution and delivery of this Trust Indenture has been duly and effectively taken; and that the Bonds in the hands of the Holders thereof are and will be the valid and binding obligations of the Issuer a ccording to their terms, subject to bankruptcy, insolvency and other laws affecting creditors' rights generally and usual equitable principles.

Section 703. Covenant as to the Agreement. The Issuer covenants that it will fulfill its obligations and that it will require the Borrower to perform its duties and obligations under the Note and the Agreement. The Issuer shall promptly notify the Bond Trustee and the Borrower of any actual or alleged Event of Default of which it has knowledge and shall not execute or agree to any change, amendment, modification or supplement of or to this Trust Indenture and the Agreement, except as is provided in the Agreement and this Trust Indenture. The Issuer shall administer the Agreement in accordance with its terms and shall not agree to any reduction, abrogation, waiver, diminution or other modification in any manner and to any extent whatsoever of the obligation of the Borrower to make the Total Required Payments as provided in the Agreement.

Section 704. Enforcement of the Agreement and the Note. The Bond Trustee may enforce all rights of the Issuer and all obligations of the Borrower under the Agreement and the Note for and on behalf of the Holders, whether or not the Issuer is in default hereunder.

Section 705. Further Instruments and Actions. At the request of the Borrower Representative or the Bond Trustee, the Issuer shall execute and deliver such further instruments or take such further actions as may be required to carry out the purposes of this Trust Indenture and the Agreement.

Section 706. Exclusion From Gross Income Covenant. The Issuer covenants that it will not knowingly take any action which will, or fail to take any action which failure will, cause interest on the Bonds to become includable in the gross income of the owners thereof for federal income tax purposes pursuant to the provisions of the Code; provided, however, that the Issuer shall have no obligation to pay any amounts necessary to comply with this covenant other than from money received by the Issuer from the Borrower.

ARTICLE VIII

DEFAULT PROVISIONS AND REMEDIES

Section 801. Events of Default. Any one of the following shall constitute an Event of Default hereunder:

(a) payment of any installment of interest on any Bond shall not be made when the same shall become due and payable;

(b) payment of the principal or the redemption premium, if any, of any Bond shall not be made when the same shall become due and payable, whether at maturity or by proceedings for redemption, acceleration, or otherwise;

(c) payment of the purchase price of any Bonds tendered or deemed tendered for purchase on any purchase date shall not be made when the same shall become due and payable;

(d) default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in this Trust Indenture or any agreement supplemental hereto or thereto and such default shall continue for 30 days or such further time as the Bond Trustee in its sole discretion deems to be in the best interests of the Holders as may be granted in writing by the Bond Trustee after receipt by the Issuer of a written notice from the Bond Trustee specifying such default and requiring the same to be remedied; provided, however, if prior to the expiration of such 30-day period the Issuer institutes action reasonably designed to cure such default, no Event of Default shall be deemed to have occurred upon the expiration of such 30-day period for so long as the Issuer pursues such curative action with reasonable diligence and provided that such curative action can be completed within a reasonable time;

(e) an "Event of Default" shall have occurred under the Agreement, and such "Event of Default" shall not have been remedied or waived;

(f) if a Credit Facility is in effect, the Bond Trustee shall have received written notice from the Credit Facility Provider that an "Event of Default" has occurred under the Credit Facility Provider Agreement, and such "Event of Default" has not been remedied or waived; or

(g) if a Credit Facility is in effect that does not provide for automatic reinstatement of drawings to pay interest on the Bonds, the Bond Trustee shall have received, within the period specified in the Credit Facility for delivery of a notice that the amount of an interest drawing will not be reinstated, written notice from the Credit Facility Provider that it has not been reimbursed for the amount of an interest drawing together with interest, if any, due pursuant to the Credit

Facility Provider Agreement and that the amount of such drawing will not be reinstated as provided in the Credit Facility.

Section 802. Acceleration. Upon the happening and continuance of any Event of Default, the Bond Trustee may, with the prior written consent of the Bond Insurer, if any, or the Credit Facility Provider, if any, and upon (i) the direction of the Bond Insurer, if any, or the Credit Facility Provider, if any, or Holders of not less than 25 in aggregate principal amount of Bonds then Outstanding, with the prior written consent of the Bond Insurer, if any, or the Credit Facility Provider, if any, or (ii) the occurrence of an Event of Default under (a), (b), (c), (f) or (g) of Section 801 hereof, the Bond Trustee immediately shall, by notice in writing to the Issuer, the Borrower, the Bond Insurer, if any, and the Credit Facility Provider, if any, declare the principal of all Bonds then Outstanding (if not then due and payable) to be due and payable immediately, and upon such declaration the same shall become and be immediately due and payable, anything contained in the Bonds or in this Trust Indenture to the contrary notwithstanding; provided, however, that if at any time after the principal of Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Trust Indenture, money shall have accumulated in or shall have been paid into the Bond Fund sufficient to pay the principal of all matured Bonds and all arrears of interest, if any, upon all Bonds then Outstanding (except the principal of any Bond not then due and payable by its terms and the interest accrued on such since the last Interest Payment Date), and the charges, compensations, expenses, disbursements, advances and liabilities of the Bond Trustee and all other amounts then payable by the Issuer hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with the Bond Trustee, and every other default known to the Bond Trustee in the observance or performance of any covenant, condition or agreement contained in the Bonds or in this Trust Indenture (other than a default in the payment of the principal of such Bonds then due only because of a declaration under this Section) shall have been remedied to the satisfaction of the Bond Trustee, then and in every such case the Bond Trustee may, with the prior written consent of the Bond Insurer or upon the written request of the Holders of not less than 25 percent in aggregate principal amount of Bonds not then due and payable by their terms (Bonds then due and payable only because of a declaration under this Section shall not be deemed to be due and payable by their terms) and then Outstanding, with the prior written request of the Bond Insurer, shall, by written notice to the Issuer, and the Borrower, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

Notwithstanding the provisions of the foregoing paragraph, the prior written consent of the Credit Facility Provider to any declaration of acceleration must be obtained by the Bond Trustee in the case of any Event of Default under (d) or (e) of Section 801 hereof. If a Credit Facility is in effect upon any declaration of acceleration hereunder, the Bond Trustee shall immediately draw upon such Credit Facility as provided in Section 1201 (b) hereof. If the Credit Facility Provider honors the drawing under the Credit Facility upon a declaration of acceleration of the Bonds, interest on the Bonds shall accrue only to the date of such declaration and the Bond Trustee shall pay the principal of and interest on the Bonds to the Holders immediately following the receipt of funds from such drawing. If no Credit Facility is in effect or the Credit Facility Provider fails to honor the drawing under the Credit Facility upon a declaration of acceleration of

the Bonds, interest on the Bonds shall cease to accrue as provided in Section 804 hereof. Immediately following any declaration of acceleration, the Bond Trustee shall cause to be mailed notice of such declaration by first class mail, postage prepaid, to each Holder of a Bond at his last address appearing on the Register. Any defect in or failure to give such notice of such declaration shall not affect the validity of such declaration.

In the event the maturity date of the Bonds is accelerated, the Bond Insurer may elect, in its sole discretion, to pay accelerated principal and interest on such principal to the date of acceleration, and the Bond Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest to the date of acceleration, the Bond Insurer's obligations under the Bond Insurance Policy shall be discharged with respect to such Bonds so paid.

Section 803. Enforcement of Remedies. Upon the happening and continuance of any Event of Default, then and in every such case the Bond Trustee may, with the prior written consent of the Bond Insurer and shall upon (i) the direction of the Bond Insurer or (ii) the direction of the Holders of not less than 25 percent in aggregate principal amount of Bonds then Outstanding and the prior written consent of the Bond Insurer, proceed, subject to the provisions of Section 902 hereof, to protect and enforce its rights and the rights of the Holders under the laws of the State or under this Trust Indenture or the Guaranty by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as the Bond Trustee, being advised by counsel chosen by the Bond Trustee, shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy under this Trust Indenture, the Bond Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any Event of Default becoming and remaining due from the Issuer for principal, interest or otherwise under any of the provisions of this Trust Indenture, of the Bonds or the Guaranty, together with interest on overdue payments of principal at the rate or rates of interest payable on any Bonds Outstanding and all costs and expenses of collection and of all proceedings hereunder, without prejudice to any other right or remedy of the Bond Trustee or of the Holders and to recover and enforce any judgment or decree against the Issuer, but solely as provided herein, for any portion of such amounts remaining unpaid and interest, costs and expenses as above provided, and to collect (but solely from money available for such purposes), in any manner provided by law, the money adjudged or decreed to be payable.

Notwithstanding the provisions of this Section, the prior written consent of the Credit Facility Provider to any enforcement of remedies must be obtained by the Bond Trustee in the case of any Event of Default under (d) or (e) of Section 801 hereof.

Section 804. Pro-Rata Application of Funds. Anything in this Trust Indenture to the contrary notwithstanding, if at any time the money in the Bond Fund shall not be sufficient to pay the interest on or the principal of Bonds as the same shall become due and payable (either by their terms or by acceleration of maturities under the provisions of Section 802 hereof), such money, together with any money then available or thereafter becoming available for such

purpose, whether through the exercise of the remedies provided for in this Article or otherwise, shall be applied as follows:

(a) to the payment of the cost and expenses of any proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Bond Trustee, including reasonable attorneys' fees, and all other outstanding fees and expenses of the Bond Trustee, and thereafter any fees, expenses, liabilities and advances due to, or incurred or made by, the Tender Agent and the Remarketing Agent;

(b) to the payment of any sums due to the Issuer under the Loan Agreement (other than Loan Repayments);

(c) if the principal of all Bonds shall not have become or shall not have been declared due and payable, all such money in the Bond Fund shall be applied:

first: to the payment to the persons entitled thereto of all installments of interest on Bonds then due and payable in the order in which such installments became due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment, ratably according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in such Bonds;

second: to the payment to the persons entitled thereto of the unpaid principal of any Bonds that shall have become due and payable (other than Bonds called for redemption for the payment of which money is held pursuant to the provisions of this Trust Indenture), in the order of their due dates, and, if the amount available shall not be sufficient to pay in full the principal of Bonds due and payable on any particular date, then to the payment ratably according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference; and

third: to the payment of the interest on and the principal of Bonds, to the purchase and retirement of Bonds, and to the redemption of Bonds, all in accordance with the provisions of Article III hereof.

(d) If the principal of all Bonds shall have become or shall have been declared due and payable, all such money shall be applied to the payment of principal and interest then due upon the Bonds without preference to the persons entitled thereto without preference or priority of principal over interest or interest over principal, or of any installment of interest over any other installment of interest or any Bond over any other Bond ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto, without any discrimination or preference.

(e) If the principal of all Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled under the provisions of Section 802 hereof, then, subject to the provisions of paragraph (b) of this Section in the event that the principal of all Bonds shall later become due and payable or be declared due and payable, the money then remaining in and thereafter accruing to the Bond Fund shall be applied in accordance with the provisions of paragraph (a) of this Section.

Whenever money is to be applied by the Bond Trustee pursuant to the provisions of this Section, such money shall be applied by the Bond Trustee at such times and from time to time, as the Bond Trustee in its sole discretion shall determine, having due regard for the amount of such money available for such application and the likelihood of additional money becoming available for such application in the future; the setting aside of such money, in trust for the proper purpose, shall constitute proper application by the Bond Trustee, and the Bond Trustee shall incur no liability whatsoever to the Issuer, to any Holder or to any other person for any delay in applying any such money so long as the Bond Trustee acts with reasonable diligence, having due regard for the circumstances, and ultimately applies the same in accordance with such provisions of this Trust Indenture as may be applicable at the time of application by the Bond Trustee. Whenever the Bond Trustee shall exercise such discretion in applying such money, it shall fix the date (which shall be an Interest Payment Date unless the Bond Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Bond Trustee shall give notice by first class mail, postage prepaid, to all Holders of the fixing of any such date, and shall not be required to make payment to the Holder of any Bonds until such Bonds shall be surrendered to the Bond Trustee for cancellation if fully paid.

Notwithstanding the provisions of this Section, if a Credit Facility is in effect, (i) no amounts shall be paid pursuant to (a) and (b) of this Section from money derived from a drawing under the Credit Facility, proceeds from remarketing of Bonds or money held for the payment of Undelivered Bonds, and (ii) unless the Credit Facility permits drawings to pay redemption premium with respect to the Bonds, no money derived from a drawing under the Credit Facility shall be used to pay redemption premium with respect to the Bonds.

Section 805. Effect of Discontinuance of Proceedings. If any proceeding taken by the Bond Trustee or Holders on account of any Event of Default shall have been discontinued or abandoned for any reason, then and in every such case, the Issuer, the Bond Trustee and the Holders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Bond Trustee shall continue as though no proceeding had been taken.

Section 806. Control of Proceedings. The Holders of a majority in aggregate principal amount of Bonds then Outstanding, with the prior written consent of the Bond Insurer, shall have the right, subject to the provisions of Section 902 hereof, by an instrument or concurrent instruments in writing executed and delivered to the Bond Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Bond Trustee hereunder, provided that such direction shall be in accordance with law and the provisions of this Trust Indenture. Notwithstanding the foregoing provisions of this Section, if a Credit Facility is in effect, the Credit Facility Provider, not the Holders, shall have the right, subject to the provisions of Section 902 hereof, by an instrument in writing executed and delivered to the Bond Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Bond Trustee hereunder, provided that such direction shall be in accordance with law and the provisions of this Trust Indenture.

Section 807. Restrictions upon Actions by Individual Holders. Except as provided in Section 812 hereof, no Holder shall have any right to institute any suit, action or proceeding in

equity or at law on any Bond or for the execution of any trust hereunder or for any other remedy hereunder unless such Holder previously shall have given to the Bond Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted, and unless also the Holders of not less than 25 percent in aggregate principal amount of Bonds then Outstanding shall have made a written request of the Bond Trustee after the right to exercise such powers or right of action as the case may be, shall have accrued, and shall have afforded the Bond Trustee a reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit or proceedings in its or their name, unless the Bond Insurer has consented to such suit, action or proceeding and unless, also, there shall have been offered to the Bond Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Bond Trustee shall have refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Bond Trustee, to be conditions precedent to the execution of the powers and trusts of this Trust Indenture or to any other remedy hereunder. Notwithstanding the foregoing provisions of this Section and without complying therewith, the Holders of not less than 25 percent in aggregate principal amount of Bonds then Outstanding may institute any such suit, action or proceeding in their own names for the benefit of all Holders hereunder. It is understood and intended that, except as otherwise above provided, no one or more Holders shall have any right in any manner whatsoever by his or their action to affect, disturb or prejudice the security of this Trust Indenture, or to enforce any right hereunder except in the manner provided, that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all Holders and that any individual rights of action or other right given to one or more of such Holders by law are restricted by this Trust Indenture to the rights and remedies herein provided.

Section 808. Enforcement of Rights of Action. All rights of action (including the right to file proof of claim) under this Trust Indenture or under any Bonds or the Guaranty may be enforced by the Bond Trustee without the possession of any Bonds or the production thereof in any proceedings relating thereto, and any such suit or proceedings instituted by the Bond Trustee shall be brought in its name as Bond Trustee, without the necessity of joining as plaintiffs or defendants any Holders hereby secured, and any recovery of judgment shall be for the equal benefit of the Holders.

Section 809. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Bond Trustee or the Holders is intended to be exclusive of any other remedy or remedies herein provided, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

Section 810. Waivers. No delay or omission by the Bond Trustee, the Bond Insurer or any Holder in the exercise of any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or any acquiescence therein; and every power or remedy given by this Trust Indenture to the Bond Trustee, the Bond Insurer or the Holders may be exercised from time to time and as often as may be deemed expedient.

The Bond Trustee may, with the prior written consent of the Bond Insurer, and shall upon the written request of the Bond Insurer or the written request of the Holders of not less than a

majority in principal amount of the Bonds then Outstanding, with the prior written consent of the Bond Insurer, waive any Event of Default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Trust Indenture or before the completion of the enforcement of any rights of the Bond Trustee hereunder, but such waiver shall not waive any subsequent Event of Default or impair any rights or remedies consequent thereon.

Notwithstanding the foregoing provisions of this Section, if a Credit Facility is in effect, the Bond Trustee shall, upon the written request of the Credit Facility Provider, waive any Event of Default hereunder; provided, however, the Bond Trustee shall not waive any Event of Default unless all principal and purchase price of, redemption premium, and interest on the Bonds then in arrears and all fees and expenses of the Bond Trustee then due are paid in full or provided for and the Bond Trustee has received notice in writing from the Credit Facility Provider that the amount available to be drawn under the Credit Facility in respect of the principal and purchase price of, redemption premium, if applicable, and interest on the Bonds has been reinstated in full and has received written rescission from the Credit Facility Provider of any Event of Default specified in Section 801(f).

Section 811. Notice of Default. The Bond Trustee shall, upon notice of an Event of Default, immediately notify the Issuer, the Bond Insurer, the Bank and the Borrower of such Event of Default by Electronic Means. The Bond Trustee shall mail to all Holders at their addresses as they appear on the Register written notice of the occurrence of any Event of Default within 30 days after the Bond Trustee shall have notice of the same, pursuant to the provisions of Section 908 hereof, that any such Event of Default shall have occurred; provided that, except upon the happening of an Event of Default specified in clause (a) or (c) of Section 6.01 of the Agreement and clause (a) or (b) of Section 801 hereof, the Bond Trustee may withhold such notice to the Holders if, in its opinion, such withholding is in the interest of the Holders; and provided further that the Bond Trustee shall not be subject to any liability to any Holder by reason of its failure to mail any such notice.

Section 812. Right to Enforce Payment of Bonds Unimpaired. Nothing in this Article shall affect or impair the right of any Holder to enforce the payment of the principal of and interest on his Bond or the obligation of the Issuer to pay the principal of and interest on each Bond to the Holder thereof at the time and place in said Bond expressed.

Section 813. Rights of Credit Facility Provider. All rights of a Credit Facility Provider under this Trust Indenture to consent to declarations of acceleration, to consent to enforcement of remedies, to direct proceedings, to compel waivers, to consent to amendments and to give any other consents or to vote hereunder shall be suspended (i) for so long as the Credit Facility Provider wrongfully dishonors any draft (or other appropriate form of demand) presented in strict conformity with the requirements of the Credit Facility and has not honored a subsequent draft (or other appropriate form of demand), if any, thereunder or (ii) if no Credit Facility is in effect or any Credit Facility terminates in accordance with its terms and all amounts due under the Credit Facility Provider Agreement have been paid in full.

ARTICLE IX

THE BOND TRUSTEE

Section 901. Acceptance of Duties. The Bond Trustee by execution hereof accepts and agrees to fulfill the trusts imposed upon it by this Trust Indenture, but only upon the terms and conditions set forth in this Article and subject to the provisions of this Trust Indenture, to all of which the Issuer and the respective Holders agree. Prior to the occurrence of any Event of Default and after the curing of all such Events of Default that may have occurred, the Bond Trustee shall perform such duties and only such duties of the Bond Trustee as are specifically set forth in this Trust Indenture. During the existence of any such Event of Default that has not been cured the Bond Trustee shall exercise any of the rights and powers vested in it by this Trust Indenture. At all times the Bond Trustee shall use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

No provision of this Trust Indenture, any Bond or the Agreement shall be construed to relieve the Bond Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(a) prior to any such Event of Default hereunder, and after the curing of any other Events of Default that may have occurred:

(i) the duties and obligations of the Bond Trustee shall be determined solely by the express provisions of this Trust Indenture and the Agreement and the Bond Trustee shall not be liable except for the performance of such duties and obligations of the Bond Trustee as are specifically set forth in this Trust Indenture and the Agreement, and no implied covenants or obligations shall be read into this Trust Indenture or the Agreement against the Bond Trustee, and

(ii) in the absence of bad faith on its part, the Bond Trustee may conclusively rely, as to the accuracy of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to it conforming to the requirements of this Trust Indenture and the Agreement, but in the case of any such certificate or opinion by which any provision hereof is specifically required to be furnished to the Bond Trustee, the Bond Trustee shall be under a duty to examine the same to determine whether or not it conforms to the requirements of this Trust Indenture and the Agreement; and

(b) at all times, regardless of whether or not any such Event of Default shall exist:

(i) the Bond Trustee shall not be liable for any error of judgment, made in good faith by a responsible officer or officers of the Bond Trustee unless it shall be proved that the Bond Trustee was negligent in ascertaining the pertinent facts, and

(ii) the Bond Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction (to the extent such direction is otherwise permitted pursuant to Article VIII hereof) of the Holders of not less than 25 percent or

a majority, with the prior written consent of the Bond Insurer, as this Trust Indenture shall require, in aggregate principal amount of Bonds then Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Bond Trustee, or exercising any power conferred upon the Bond Trustee under this Trust Indenture and the Agreement.

None of the provisions contained in this Trust Indenture or the Agreement shall require the Bond Trustee to expend or risk its own funds or otherwise incur individual financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

Section 902. Indemnification of Bond Trustee as Condition for Remedial Action. Except for accelerating the Bonds as required under Section 802 hereof, for taking action to draw on the Credit Facility as required by Section 1201 and paying principal of, and premium, if any, and interest on, Bonds from money in its possession under the provisions of this Trust Indenture, the Bond Trustee shall be under no obligation to institute any suit or to take any remedial proceeding (including, but not limited to, the appointment of a receiver) under this Trust Indenture or the Agreement or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of any of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability. The Bond Trustee nevertheless may begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as such Bond Trustee, without indemnity, and in such case the Borrower shall reimburse the Bond Trustee for all costs, expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith.

Section 903. Limitations on Obligations and Responsibilities of Bond Trustee. The Bond Trustee shall be under no obligation to effect or maintain insurance or to renew any policies of insurance or to inquire as to the sufficiency of any policies of insurance carried by the Issuer or the Borrower, or to report, or make or file claims or proof of loss for, any loss or damage insured against or that may occur, or to keep itself informed or advised as to the payment of any taxes or assessments, or to require any such payment to be made. Except as to the acceptance of the trusts by its execution of this Trust Indenture, the Bond Trustee shall have no responsibility in respect of the validity, sufficiency, due execution or acknowledgment of this Trust Indenture, or in respect of the validity of Bonds or the due execution or issuance thereof. The Bond Trustee shall be under no obligation to see that any duties herein imposed upon the Issuer or any party other than itself, or any covenants herein contained on the part of any party other than itself to be performed, shall be done or performed, and the Bond Trustee shall be under no obligation for failure to see that any such duties or covenants are so done or performed. The Bond Trustee shall not be responsible for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby. The Bond Trustee shall have no obligation to perform any of the duties of the Issuer under the Agreement. The Bond Trustee shall not be liable to the Issuer, the Borrower, any Holder, any Beneficial Owner or any other Person for any loss suffered in connection with any investment of funds made by it in accordance with Section 602 hereof. The Bond Trustee shall not be liable to the Borrower for any loss suffered in connection with any investment of funds made by the Bond Trustee in good faith as instructed by a Borrower Representative; provided, the Bond Trustee was not negligent in taking such action.

The Bond Trustee shall have no duty or responsibility to examine or review and shall have no liability for the contents of any documents submitted to or delivered to any Holder in the nature of a preliminary or final placement memorandum, official statement, offering circular or similar disclosure document. The Bond Trustee shall not be required to give any bond or surety in respect of the execution of the said trust and powers or otherwise in respect of the premises. No permissive right of the Bond Trustee hereunder shall be construed as a duty and the Bond Trustee shall be under no obligation to take any such action or exercise any such right.

Section 904. Bond Trustee Not Liable for Failure of the Issuer to Act. The Bond Trustee shall not be liable or responsible because of the failure of the Issuer or of any of its employees or agents to make any collections or deposits or to perform any act herein required of the Issuer or because of the loss of any money arising through the insolvency or the act or default or omission of any depositary other than the Bond Trustee in which such money shall have been deposited under the provisions of this Trust Indenture. The Bond Trustee shall not be responsible for the application of any of the proceeds of Bonds or any other money deposited with it and paid out, withdrawn or transferred hereunder if such application, payment, withdrawal or transfer shall be made in accordance with the provisions of this Trust Indenture. The immunities and exemptions from liability of the Bond Trustee hereunder shall extend to its directors, officers, employees and agents.

Section 905. Compensation of Bond Trustee. Subject to the provisions of any contract between the Issuer or the Borrower and the Bond Trustee relating to the compensation of the Bond Trustee, the Issuer (but only to the extent permitted by applicable law) shall pay or cause the Borrower to pay to the Bond Trustee reasonable compensation for all services performed by it hereunder.

Section 906. Monthly Statements from Bond Trustee. It shall be the duty of the Bond Trustee, on or before the 15th day of each month, to file with the Borrower a statement setting forth in respect of the preceding calendar month:

(a) the amount withdrawn or transferred by it and the amount deposited with it on account of each fund or account held by it under the provisions of this Trust Indenture,

(b) the amount on deposit with it at the end of such month in each such fund or account,

(c) a brief description of all obligations held by it as an investment of money in each such fund or account,

(d) the amount applied to the purchase or redemption of Bonds under the provisions of Article III hereof and a description of the Bonds or portions thereof so purchased or redeemed, and

(e) any other information that the Issuer or the Borrower may reasonably request.

It shall also be the duty of the Bond Trustee to file with the Issuer and the Borrower an annual statement covering the matters set forth in clauses (a) through (e) of the preceding paragraph on a basis coinciding with the Borrower's fiscal year as well as a statement of the cost

and most recent valuation of all Permitted Investments in all funds and accounts established hereunder. The annual statement shall include the initial purchase price and the market price as of the date of such report of every investment in each such fund or account. The annual statement shall be filed simultaneously with the monthly statement for the last month of each fiscal year of the Borrower.

All records and files pertaining to Bonds and the Borrower in the custody of the Bond Trustee shall be open at all reasonable times to the inspection of the Issuer, the Borrower and their respective agents and representatives; provided, however, that the Borrower and its agents and representatives shall not have access to any list of the Holders.

Pursuant to the requirements of the Issuer, the Bond Trustee shall, no later than August 1 of each year, provide the Issuer with information disclosing the principal balance of the Bonds Outstanding, as of the preceding June 30.

Section 907. Bond Trustee May Rely on Certificates. If at any time it shall be necessary or desirable for the Bond Trustee to make any investigation respecting any fact preparatory to taking or not taking any action or doing or not doing anything as Bond Trustee, and in any case in which this Trust Indenture provides for permitting or taking any action, the Bond Trustee may rely upon any certificate required or permitted to be filed with it under the provisions of this Trust Indenture, and any such certificate shall be evidence of such fact or protect the Bond Trustee in any action that may or may not take or in respect of anything it may or may not do, in good faith, by reason of the supposed existence of such fact. Except as otherwise provided in this Trust Indenture, any request, notice, certificate or other instrument from the Issuer to the Bond Trustee shall be deemed to have been signed by the proper party or parties if signed by any Issuer Representative, and the Bond Trustee may accept and rely upon a certificate signed by any Issuer Representative as to any action taken by the Issuer.

Section 908. Notice of Default. Except upon the happening of any Event of Default specified in clauses (a) and (c) of Section 6.01 of the Agreement and clauses (a) and (b) of Section 801 hereof, the Bond Trustee shall not be obliged to take notice or be deemed to have notice of any Event of Default under this Trust Indenture or the Agreement, unless specifically notified in writing of such Event of Default by the Issuer or the Holders of not less than 25 percent in aggregate principal amount of Bonds then Outstanding.

Section 909. Bond Trustee Not Responsible for Recitals. The recitals, statements and representations contained herein and in the Bonds shall be taken and construed as made by and on the part of the Issuer and not by the Bond Trustee, and the Bond Trustee assumes and shall be under no responsibility for the correctness of the same.

Section 910. Bond Trustee Protected in Relying on Certain Documents. The Bond Trustee shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Trust Indenture, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document that it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Trust Indenture, or

upon the written opinion of any attorney, engineer or accountant believed by the Bond Trustee to be qualified in relation to the subject matter, and the Bond Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument. The Bond Trustee shall not be under any obligation to see to the recording or filing of this Trust Indenture, the Agreement or otherwise to the giving to any person of notice of the provisions hereof.

Section 911. Bond Trustee May Pay Taxes and Assessments. In case the Issuer or the Borrower shall fail to pay or cause to be paid any tax, assessment or governmental or other charge upon any part of the Borrower to the extent, if any, that the Issuer or the Borrower may be deemed by the Bond Trustee liable for same, the Bond Trustee shall pay such tax, assessment or governmental charge, without prejudice, however, to any rights of the Bond Trustee or the Holders hereunder arising in consequence of such failure; and any amount at any time so paid under this Section shall be repaid upon demand by the Bond Trustee by the Issuer from funds made available by the Borrower, but the Bond Trustee shall be under no obligation to make any such payment from sources provided in this Trust Indenture unless it shall have available or be provided with adequate funds for the purpose of such payment.

Section 912. Resignation and Removal of Bond Trustee Subject to Appointment of Successor. No resignation or removal of the Bond Trustee and no appointment of a successor Bond Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Bond Trustee under Section 915 hereof and the Credit Facility (if a Credit Facility is then in effect) is transferred to the successor Bond Trustee.

Section 913. Resignation of Bond Trustee. Subject to the provisions of Section 912 hereof, the Bond Trustee may resign and thereby become discharged from the trusts hereby created, by notice in writing given to the Issuer and the Borrower, and mailed, postage prepaid, at the Bond Trustee's expense, to each Holder, not less than 60 days before such resignation is to take effect, but such resignation shall take effect immediately upon the appointment of a new Bond Trustee hereunder if such new Bond Trustee shall be appointed before the time set forth in such notice and shall then accept the trusts hereof and the Credit Facility (if a Credit Facility is then in effect) is transferred to the successor Bond Trustee.

Section 914. Removal of Bond Trustee. The Bond Trustee may be removed (a) at any time by an instrument or concurrent instruments in writing, executed by the Holders of not less than a majority in aggregate principal amount of Bonds then Outstanding and filed with the Issuer, or (b) so long as no Event of Default shall have occurred and be continuing, by an instrument in writing executed by the Borrower Representative, subject to the prior written consent of the Issuer, and filed with the Issuer not less than 60 days before such removal is to take effect as stated in said instrument or instruments. A photographic copy of any instrument or instruments filed with the Issuer under the provisions of this paragraph, duly certified by the Secretary or any Assistant Secretary of the Issuer as having been received by the Issuer, shall be delivered promptly by the Secretary or any Assistant Secretary of the Issuer to the Bond Trustee.

The Bond Trustee may also be removed at any time for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provisions of this Trust Indenture with respect to the duties and obligations of the Bond Trustee by any court of competent jurisdiction

upon the application of the Issuer or the Holders of not less than 25 percent in aggregate principal amount of Bonds then Outstanding.

Section 915. Appointment of Successor Bond Trustee. If at any time hereafter the Bond Trustee shall resign, be removed, be dissolved or otherwise become incapable of acting, or the bank or trust company acting as Bond Trustee shall be taken over by any governmental official, Issuer, department or board, the position of Bond Trustee shall thereupon become vacant. If the position of Bond Trustee shall become vacant for any reason, the Borrower shall recommend and the Issuer shall appoint (subject to the approval of the State Treasurer, if then required pursuant to applicable law), a Bond Trustee to fill such vacancy. A successor Bond Trustee shall not be required if the Bond Trustee shall sell or assign substantially all of its trust business and the vendee or assignee shall continue in the trust business, or if a transfer of the trust department of the Bond Trustee is required by operation of law, provided that such vendee, assignee or transferee (i) is a trust company or bank having the powers of a trust company as to trusts, qualified to do or doing trust business in one or more states of the United States of America, (ii) has good standing, (iii) has a combined capital, surplus and undivided profits aggregating not less than $100,000,000 and (iv) is approved by the Issuer and the Borrower (subject to the approval of the State Treasurer, if then required pursuant to applicable law). The Issuer shall mail notice of any such appointment made by it, postage prepaid, to all Holders.

At any time within one year after any such vacancy shall have occurred, the Holders of not less than 25 percent in principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing, executed by such Holders and filed with the Issuer, may nominate a successor Bond Trustee, which the Issuer shall appoint and which shall supersede any Bond Trustee theretofore appointed by the Issuer. Photographic copies, duly certified by the Secretary or any Assistant Secretary of the Issuer as having been received by the Issuer, of each such instrument shall be delivered promptly by the Issuer to the predecessor Bond Trustee and to the Bond Trustee so appointed by the Holders.

If no appointment of a successor Bond Trustee shall be made pursuant to the foregoing provisions of this Section, any Holder hereunder or any retiring Bond Trustee may apply to any court of competent jurisdiction to appoint a successor Bond Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Bond Trustee.

Any successor Bond Trustee hereafter appointed shall (i) be a trust company or bank having the powers of a trust company as to trusts, qualified to do or doing trust business in one or more states of the United States of America, (ii) be of good standing, (iii) have a combined capital, surplus and undivided profits aggregating not less than $100,000,000 and (iv) be approved by the Issuer and the Borrower (subject to the approval of the State Treasurer, if then required pursuant to applicable law).

The Bond Trustee shall furnish the Credit Facility Provider with written notice of the resignation or removal of the Bond Trustee and the appointment of any successor thereto.
Section 916. Vesting of Duties in Successor Bond Trustee. Every successor Bond Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor, and also to the Issuer, an instrument in writing accepting such appointment hereunder, and thereupon such

successor Bond Trustee, without any further act, shall become fully vested with all the rights, immunities and powers, and subject to all the duties and obligations, of its predecessor; but such predecessor shall nevertheless, on the written request of its successor or of the Issuer and upon payment of the expenses, charges and other disbursements of such predecessor that are payable pursuant to the provisions of Section 905 hereof, execute and deliver an instrument transferring to such successor Bond Trustee all the rights, immunities and powers of such predecessor hereunder; and every predecessor Bond Trustee shall deliver all property and money held by it hereunder to its successor. Should any instrument in writing from the Issuer be required by any successor Bond Trustee for more fully and certainly vesting in such Bond Trustee the rights, immunities, powers and trusts hereby vested or intended to be vested in the predecessor Bond Trustee, any such instrument in writing shall and will, on request, be executed, acknowledged and delivered by the Issuer. Upon the vesting of duties in a successor Bond Trustee, the predecessor Bond Trustee shall be discharged from the trusts hereby created.

Section 917. Notices to Rating Agencies. The Bond Trustee shall send a copy of each notice that it is required to deliver to the Holders hereunder to each Rating Agency.

Section 918. Effect of Bond Insurance Policy in Determining Adverse Effect on the Holders. Notwithstanding any other provisions of this Trust Indenture, in determining whether the rights of the Holders will be adversely affected in any action taken pursuant to the terms and provisions of this Trust Indenture, the Bond Trustee shall consider the effect on the Holders as if there were no Bond Insurance Policy.

ARTICLE X

EXECUTION OF INSTRUMENTS BY HOLDERS AND PROOF OF OWNERSHIP OF BONDS; BOND INSURER DEEMED HOLDER OF BONDS

Section 1001. Execution of Instruments by Holders and Proof of Ownership of Bonds. Any request, direction, consent or other instrument in writing required or permitted by this Trust Indenture to be signed or executed by a Holder may be signed or executed by the Holder or its attorneys or legal representatives. Proof of the execution of any such instrument and of the ownership of the Bonds shall be sufficient for any purpose of this Trust Indenture and shall be conclusive in favor of the Bond Trustee with regard to any action taken by it under such instrument if made in the following manner:

The fact and date of the execution by any person of any such instrument may be proved by the verification of any officer in any jurisdiction who, by the laws thereof, has power to take affidavits within such jurisdiction, to the effect that such instrument was subscribed and sworn to before him, or by an affidavit of a witness to such execution, and where such execution is by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such verification or affidavit shall also constitute sufficient proof of his authority.

Nothing contained in this Section shall be construed as limiting the Bond Trustee to such proof, it being intended that the Bond Trustee may accept any other evidence of the matters

herein stated which may be sufficient. Any request or consent of a Holder shall bind every future Holder of the Bonds to which such request or consent pertains or any Bonds issued in lieu thereof in respect of anything done by the Bond Trustee pursuant to such request or consent.

Notwithstanding any of the foregoing provisions of this Section, the Bond Trustee shall not be required to recognize any person as a Holder of Bonds or to take any action at his request unless the Bonds shall be deposited with it.

Section 1002. Preservation of Information.

(a) The Bond Trustee shall preserve in the Register, in as current a form as is reasonably practicable, the name and address of each Holder.

(b) If three or more Holders (hereinafter referred to as "applicants") apply in writing to the Bond Trustee and furnish reasonable proof that each such applicant has owned a Bond for a period of at least six months preceding the date of such application, and such application states that the applicants desire to communicate with other Holders with respect to their rights under this Trust Indenture or under the Bonds and is accompanied by a copy of the form of communication which such applicants propose to transmit, then the Bond Trustee shall, within five Business Days after the receipt of such application, at its election, either

(i) afford such applicants access to the information preserved at the time by the Bond Trustee in accordance with subsection (a) of this Section, or

(ii) inform such applicants as to the approximate number of Holders whose names and addresses appear in the information preserved at the time by the Bond Trustee in accordance with subsection (a) of this Section, and as to the approximate cost of mailing to such Holders the form of communication, if any, specified in such application.

If the Bond Trustee shall elect not to afford such applicants access to such information, the Bond Trustee shall, upon the written request of such applicants, mail to each Holder whose name and address appears in the information preserved at the time by the Bond Trustee in accordance with subsection (a) of this Section a copy of the form of communication which is specified in such request, with reasonable promptness after a tender to the Bond Trustee of the material to be mailed and of payment, or provision for the payment, of the reasonable expenses of mailing.

(c) Every Holder, by receiving and holding one or more Bonds, agrees with the Issuer and the Bond Trustee that neither the Issuer nor the Bond Trustee shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Holders in accordance with subsection (b) of this Section, regardless of the source from which such information was derived, and that the Bond Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under such subsection..

Section 1003. Credit Facility Provider Deemed Holder of Bonds. For purposes of giving any consents or directions contemplated under this Trust Indenture, or exercising any voting rights given to Holders under this Trust Indenture, for so long as a Credit Facility is in effect and

subject to Section 808 hereof, the Credit Facility Provider shall be deemed to be the Holder of the Bonds.

Section 1004. Bond Insurer Deemed Holder of Bonds. For purposes of giving any consents required hereunder or in the Agreement or exercising any voting rights given to Holders hereunder or in the Agreement or giving any direction or taking any other action permitted to be taken by or on behalf of the Holders hereunder or under the Agreement, so long as no Insurer Default has occurred and is continuing, the Bond Insurer shall be deemed to be the sole Holder of Bonds then Outstanding.

ARTICLE XI

AMENDMENTS AND SUPPLEMENTS

Section 1101. Supplemental Trust Indentures without Consent of Holders. The Issuer and the Bond Trustee may from time to time and at any time enter into agreements supplemental hereto, without the consent of or notice to any Holder, to effect any one or more of the following:

(a) cure any ambiguity or defect or omission or correct or supplement any provision herein or any supplemental trust indenture hereto;

(b) grant to or confer upon the Bond Trustee for the benefit of the Holders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Holders or the Bond Trustee which are not contrary to or inconsistent with this Trust Indenture as then in effect or to subject to the pledge and lien of this Trust Indenture additional revenues, properties or collateral, including Defeasance Obligations;

(c) add to the provisions of this Trust Indenture other conditions, limitations and restrictions thereafter to be observed which are not contrary to or inconsistent with this Trust Indenture as then in effect;

(d) add to the covenants and agreements of the Issuer in this Trust Indenture other covenants and agreements thereafter to be observed by the Issuer or to surrender any right or power herein reserved to or conferred upon the Issuer which are not contrary to or inconsistent with this Trust Indenture as then in effect;

(e) permit the qualification of this Trust Indenture under any federal statute now or hereafter in effect or under any state Blue Sky law, and, in connection therewith, if the Issuer so determines, to add to this Trust Indenture or any supplemental trust indenture such other terms, conditions and provisions as may be permitted or required by such federal statute or Blue Sky law;

(f) make any other change that is determined by the Bond Trustee, who may rely upon an Opinion of Counsel, to be not materially adverse to the interests of the Holders;

(g) if all of the Bonds are Book Entry Bonds, amend, modify, alter or replace the Letter of Representations as provided in Section 2.16 hereof or other provisions relating to Book Entry Bonds;

(h) facilitate the issuance and delivery of certificated Bonds to Beneficial Owners if the book-entry system for the Bonds is discontinued;

(i) make any change to the administrative provisions hereof, to accommodate the provisions of a Credit Facility, a Substitute Liquidity Facility, a Self Liquidity Arrangement or a bond insurance policy;

(j) add to the provisions of this Trust Indenture other conditions, limitations and restrictions thereafter to be observed.

When requested by the Issuer, and if all conditions precedent under this Trust Indenture have been met, the Bond Trustee shall join the Issuer in the execution of any such supplemental trust indenture unless it imposes additional obligations on the Bond Trustee or affects the Bond Trustee's rights and immunities under this Trust Indenture or otherwise. A copy of all such supplemental trust indentures shall be promptly furnished to the Bank and the Remarketing Agent shall be promptly advised of any modifications of its rights, duties and obligations hereunder.

The Bond Trustee shall file copies of all such supplemental trust indentures with the Borrower and, if the Bonds are rated by a Rating Agency, shall forward copies of all such supplemental trust indentures to such Rating Agency.

Section 1102. Amendments to Trust Indenture; Consent of Holders and Borrower. Exclusive of supplemental trust indentures covered by Section 1101 hereof and subject to the terms and provisions contained in this Section, and not otherwise, the Holders of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in this Trust Indenture to the contrary notwithstanding, to consent to the execution by the Bond Trustee of such other trust indenture or trust indentures supplemental hereto as shall be consented to by the Issuer in its sole discretion for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Trust Indenture or in any supplemental trust indenture; provided, however, that nothing in this Section shall permit, or be construed as permitting (a) an extension of the maturity of the principal of, or the mandatory redemption date of, or interest on, any Bond without the consent of the Holder of such Bond, (b) a reduction in the principal amount of, or the premium or the rate of interest on, any Bond without the consent of the Holder of such Bond, (c) the creation of a pledge of receipts and revenues to be received by the Issuer under the Agreement superior to the pledge created by this Trust Indenture without the consent of the Holders of all Bonds Outstanding, (d) a preference or priority of any Bond or Bonds over any other Bond or Bonds without the consent of the Holders of all Bonds Outstanding, or (e) a reduction in the aggregate principal amount of the Bonds required for any consent to any supplemental trust indenture without the consent of the Holders of all Bonds Outstanding. The giving of notice to and consent of the Holders to any such proposed supplemental trust indenture shall be obtained pursuant to Section 1103 hereof.

Anything herein to the contrary notwithstanding, a supplemental trust indenture, amendment or other document described under this Article XI that affects any rights or obligations of the Borrower shall not become effective unless and until the Borrower shall have

consented to the execution of such supplemental trust indenture, amendment or other document. The Bond Trustee shall file copies of all such supplemental trust indentures with the Borrower and, if the Bonds are rated by a Rating Agency, shall furnish copies of all such supplemental trust indentures to such Rating Agency.

Section 1103. Notice to and Consent of Holders. If consent of the Holders is required under the terms of this Trust Indenture for the amendment of this Trust Indenture or for any other similar purpose, the Bond Trustee shall cause notice of the proposed execution of the amendment or supplemental trust indenture to be given by first-class mail, postage prepaid, to the Holders of the Outstanding Bonds then shown on the Register. Such notice shall briefly set forth the nature of the proposed amendment, supplemental trust indenture or other action and shall state that copies of any such amendment, supplemental trust indenture or other document are on file at the Designated Corporate Trust Office for inspection by all Holders. If, within three years or such longer period as shall be prescribed by the Bond Trustee following the mailing of such notice, the Holders of a majority or all, as the case may be, of the principal amount of the Bonds Outstanding by instruments filed with the Bond Trustee shall have consented to the amendment, supplemental trust indenture or other proposed action, then the Bond Trustee may execute such amendment, supplemental trust indenture or other document or take such proposed action and the consent of the Holders shall thereby be conclusively presumed.

Section 1104. Responsibili ties of the Issuer and the Bond Trustee. The Issuer and, except as otherwise provided in Section 1102 hereof, the Bond Trustee shall be entitled to exercise their discretion in determining whether or not any proposed supplement to this Trust Indenture or any term or provision therein contained is desirable, after considering the purposes of such instrument, the needs of the Issuer, the rights and interests of the Holders, and the rights, obligations and interests of the Bond Trustee, and the Bond Trustee shall not be under any responsibility or liability to the Issuer or to any Holder or to anyone whomsoever for its refusal in good faith to execute any such supplemental agreement or amendment if such trust indenture is deemed by it to be contrary to the provisions of this Article. The Bond Trustee shall be entitled to receive, and shall be fully protected in relying upon, the opinion of any counsel approved by them, who may be counsel for the Issuer, as conclusive evidence that any such proposed supplement to this Trust Indenture does or does not comply with the provisions of this Trust Indenture, and that it is or is not proper for it, under the provisions of this Article, to accept such supplemental trust indenture or amendment.

Section 1105. No Amendments Without Consent of Credit Facility Provider. Anything herein to the contrary notwithstanding, a supplemental trust indenture, amendment or other document described under this Article XI shall not become effective unless and until the Credit Facility Provider shall have consented to the execution of such supplemental trust indenture, amendment or other document. The Bond Trustee shall provide the Credit Facility Provider without charge a full transcript of all proceedings relating to the execution of any such supplemental trust indenture, amendment or other document.

ARTICLE XII

CREDIT FACILITIES; LIQUIDITY FACILITIES

Section 1201. Credit Facilit y for the Bonds.

(a) If a Credit Facility for the Bonds is in effect, the Bond Trustee is hereby directed, on or before each Interest Payment Date, to make a drawing under such Credit Facility, in accordance with the terms of the Credit Facility, no later than the time provided in such Credit Facility for presentations of drafts in order to receive payment in immediately available funds by 1:00 p.m. on such date, equal to the interest on Bonds then payable from such Credit Facility due on such Interest Payment Date (other than such interest representing a portion of the purchase price of any Bonds required to be purchased on such date and other than any interest due on Bank Bonds) and to use such drawing to pay such interest due on the Bonds on such Interest Payment Date. The proceeds of such drawing shall be deposited in the Interest Account in a separate account or subaccount separate and apart from any moneys not received pursuant to a draw on a Credit Facility and held uninvested pending application to the payment of interest on such Bonds. In determining the amount of any such interest then due, the Bond Trustee shall not take into consideration any interest due on any Bond for any period when such Bond is a Bank Bond or for any Bonds owned by the Borrower or any Affiliate, and no drawings under such Credit Facility shall be made, or be used, to pay interest on any Bond for any period when such Bond is a Bank Bond or for any Bonds owned by the Borrower or any Affiliate.

(b) If a Credit Facility for the Bonds is in effect, on or before each date on which a payment of principal or redemption premium (if covered by such Credit Facility) is due either at maturity or as a result of any mandatory or optional redemption of such Bonds or any acceleration of the maturity of such Bonds or otherwise (in each case, other than an amount representing the principal portion of the purchase price of any such Bonds required to be purchased on such date and other than any principal due on Bank Bonds), the Bond Trustee is hereby directed to make a drawing under such Credit Facility, in accordance with the terms of the Credit Facility, no later than the time provided in such Credit Facility for presentations of drafts in order to receive payment in immediately available funds by 1:00 p.m. on the date such principal or redemption premium (if covered by such Credit Facility) is payable, equal to the amount of such principal or redemption premium payment and to use such drawing to make such payment. The proceeds of such drawing shall be deposited in the Principal Account or in the Redemption Fund, as appropriate, in a separate account or subaccount separate and apart from any moneys not received pursuant to a draw on a Credit Facility and held uninvested pending application to the payment of the principal of and redemption premium (if covered by such Credit Facility) on such Bonds. In determining the amount of such principal and redemption premium then due, the Bond Trustee shall not take into consideration any principal or redemption premium required on Bank Bonds or for any Bonds owned by the Borrower or any Affiliate, and no drawings under such Credit Facility shall be made or be used to pay any principal of or redemption premium on Bank Bonds or for any Bonds owned by the Borrower or any Affiliate.

(c) If a Credit Facility for the Bonds is in effect, on or before each day on which Bonds are tendered for purchase or required to be purchased pursuant to Section 206 hereof, the

Bond Trustee is hereby directed to make a drawing under such Credit Facility, in accordance with the terms of the Credit Facility, no later than the time provided in such Credit Facility for presentations of drafts in order to receive payment in immediately available funds by 2:45 p.m. on said date, an amount equal to the purchase price of Bonds to be paid on such date, less the amount of moneys described in clause (i) of Section 1303(b) of this Trust Indenture available to pay such purchase price, and to use such drawing to make such payment. The proceeds of such drawing may be paid directly to the Tender Agent or, if such proceeds are received by the Bond Trustee, shall be transferred immediately by the Bond Trustee to the Tender Agent, for deposit in the Bond Purchase Fund established under Section 1301(b)(ii) hereof, in a separate account or subaccount separate and apart from any moneys not received pursuant to a draw on a Credit Facility, and held uninvested pending application to the payment of the purchase price of such Bonds; provided, however, that no drawings under such Credit Facility shall be made or be used to pay the purchase price of any Bank Bonds or of any Bonds owned by the Borrower or any Affiliate.

(d) In connection with any expiration, termination or proposed replacement of the Credit Facility requiring mandatory purchase of the Bonds as provided in Section 206(d)(i) hereof, the Bond Trustee shall give notice by first-class mail to the Holders of the Bonds on or before the 20th day preceding the expiration or termination of the Credit Facility in accordance with its terms or the proposed effective date of any Alternate Credit Facility, which notice shall, to the extent applicable, (1) state the date of such expiration or termination or proposed effective date of the Alternate Credit Facility, (2) describe generally the Alternate Credit Facility to be in effect upon such expiration, termination or replacement, if any, (3) specify the ratings to be applicable to the Bonds after such expiration, termination or replacement of the Credit Facility, and (4) state (A) that the Bonds will be purchased pursuant to Section 206(d)(i) hereof and (B) the date of such purchase, which date shall be a Business Day that is not less than ten days after the giving of such notice.

(e) The Borrower has covenanted in the Agreement that, so long as the interest rate on the Bonds shall not have been adjusted to a Long-Term Interest Rate or a Short-Term Interest Rate Period where all Bond Interest Terms end on the day prior to the maturity date of the Bonds, the Borrower shall cause a Credit Facility, a Liquidity Facility or a Self Liquidity Arrangement to be in effect.

Section 1202. Alte rnate Credit Facility for Bonds; Delivery of Credit Facility following Liquidity Facility, Substitute Liquidity Facility or Self Liquidity Arrangement.

If there is delivered to the Bond Trustee (i) an Alternate Credit Facility covering the Bonds, (ii) a Favorable Opinion of Bond Counsel, (iii) either (A) written evidence from each Rating Agency then rating the Bonds, in each case to the effect that such Rating Agency has reviewed the proposed Alternate Credit Facility and the ratings of the Bonds after substitution of such Alternate Credit Facility will not result in a rating of below "A" from such Rating Agency or (B) written evidence that the long-term debt of the provider of the proposed Alternate Credit Facility is rated "A" or better by Moody's, S&P or Fitch, (iv) if such Alternate Credit Facility is other than a letter of credit issued by a domestic commercial bank, an opinion of Counsel that no registration of the Bonds or such Alternate Credit Facility is required under the Securities Act of 1933, as amended, (v) an Opinion of Counsel satisfactory to the Bond Trustee to the effect that

such Alternate Credit Facility is a valid and enforceable obligation of the issuer or provider thereof, and (vi) if the Credit Facility then in effect with respect to the Bonds does not cover premiums due on the Bonds, and the Bonds would be subject to mandatory tender for purchase at a purchase price in excess of the principal amount thereof plus accrued and unpaid interest thereon to but not including the date of purchase under Section 206, Available Moneys in an amount sufficient to pay the premium due on the Bonds under Section 206, then the Bond Trustee shall accept such Alternate Credit Facility and, after the Bond Trustee has received sufficient funds to pay the purchase price of the Bonds on the date of the mandatory tender for purchase established under Section 206 hereof (by drawing on the Credit Facility if necessary), promptly surrender the Credit Facility then in effect to the Credit Facility Provider which issued the Credit Facility in accordance with its terms for cancellation or deliver any document necessary to reduce the coverage of the Credit Facility permanently.

If a Liquidity Facility or Self Liquidity Arrangement is in effect with respect to the Bonds, a Credit Facility covering the Bonds may be delivered to the Bond Trustee if all of the conditions set forth in the immediately preceding paragraph and Section 1201(d) regarding the delivery of an Alternate Credit Facility for the Bonds and notice thereof are satisfied. After the Bond Trustee accepts such Credit Facility, the Tender Agent shall enforce payment of any amounts due under an existing Liquidity Facility to the extent required by this Trust Indenture and promptly surrender such existing Liquidity Facility to the issuer thereof.

Section 1203. Rights and Duties Under Credit Facility Relating to Bonds. If a Credit Facility is in effect, the Bond Trustee is hereby instructed, without further direction, to draw amounts under the Credit Facility in accordance with the terms and conditions set forth herein at the times, in the manner and for the purposes set forth in this Trust Indenture. If the Bond Trustee makes a drawing under the Credit Facility relating to the Bonds after the principal of the Bonds has been declared immediately due and payable following the occurrence of an Event of Default with respect to the Bonds, the proceeds of such drawing shall be applied by the Bond Trustee immediately to the payment of the Bonds entitled to be paid therefrom. So long as the Credit Facility remains in effect with respect to any Bonds, the Bond Trustee may not waive an Event of Default with respect to the Bonds if a drawing has been made under the Credit Facility, all or any portion of which is subject to reinstatement as provided in the Credit Facility relating thereto, and such reinstatement has not yet occurred. The Issuer agrees that the Bond Trustee in its name or in the name of the Issuer may enforce all rights of the Bond Trustee and of the Issuer and all obligations of the Credit Facility Provider (including the obligation of the Credit Facility Provider to honor drafts duly presented in accordance with the terms and conditions of the Credit Facility) under and pursuant to the Credit Facility, for the benefit of the Holders of the Bonds. The Bond Trustee agrees to assume and perform the duties and obligations contemplated under the Credit Facility to be assumed and performed by the Bond Trustee.

Section 1204. Notice by Bond Trustee to Reduce Credit Facility. If the Bonds are redeemed in whole or in part, the Bond Trustee shall give notice to the Credit Facility Provider in the manner required by the Credit Facility to reflect such reduction in the principal amount of the Bonds as a result of such redemption.

Section 1205. Liquidity Facility; Substitute Liquidity Facility; Self Liquidity Arrangement; Delivery following Credit Facility.

(a) A Liquidity Facility and any Substitute Liquidity Facility shall be an obligation of the Bank to pay, subject to the conditions set forth in the Liquidity Facility, to the Tender Agent upon request made with respect to the Liquidity Enhanced Bonds and in accordance with the terms thereof

(i) an amount not less than the aggregate principal amount of such Liquidity Enhanced Bonds to pay the portion of the purchase price of such Liquidity Enhanced Bonds equal to the principal amount of such Liquidity Enhanced Bonds delivered or required to be delivered to the Tender Agent for purchase; and

(ii) while the Bonds bear interest at a Daily Rate or a Weekly Rate, an amount equal to the interest on the Bonds for 35 days computed at the rate of 12% per annum, to pay the portion of the purchase price of such Bonds equal to interest on such Bonds delivered or required to be delivered to the Tender Agent for purchase and, if the Bonds are converted to bear interest at Bond Interest Term Rates, an amount as shall be determined to be necessary to provide for the payment pursuant to the applicable Liquidity Facility of such interest portion of such purchase price in order to obtain a rating on the Bonds in the highest short-term rating category (without giving effect to any gradations within such category) from at least one of S&P, Moody's or Fitch and from all of them that are then rating the Bonds.

(b) A Liquidity Facility shall expire or may be terminated in accordance with its terms. If at any time the Borrower shall deliver to the Tender Agent (i) a Substitute Liquidity Facility that allows the Bonds to be rated in the highest short-term rating category (without giving effect to any gradations within such category) by at least one of S&P, Moody's or Fitch and by all of them that are then rating the Bonds, (ii) an Opinion of Counsel stating that the delivery of such Substitute Liquidity Facility is authorized under this Trust Indenture and complies with the terms hereof, (iii) a Favorable Opinion of Bond Counsel, (iv) one or more Opinions of Counsel, addressed to the Tender Agent, to the effect, singly or together, that the Substitute Liquidity Facility is a legal, valid and binding obligation of the Bank, enforceable against the Bank in accordance with its terms, except as limited by applicable reorganization, insolvency, liquidation, readjustment of debt, moratorium or other similar laws affecting the enforcement of the rights of creditors generally as such laws may be applied in the event of a reorganization, insolvency, liquidation, readjustment of debt or other similar proceeding of or moratorium applicable to the Bank and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), and (v) written evidence that notice of mandatory tender as required by Sections 206(f) and 1205(f) hereof has been sent to the Holders prior to such substitution, then the Tender Agent shall, so long as such Substitute Liquidity Facility shall contain administrative procedures which are acceptable to the Tender Agent in its reasonable discretion, accept such Substitute Liquidity Facility, enforce payment of any amounts due under the existing Liquidity Facility or Self Liquidity Arrangement to the extent required by this Trust Indenture and promptly surrender the existing Liquidity Facility to the issuer thereof.

(c) Any Substitute Liquidity Facility shall be a purchase agreement, letter of credit, other liquidity facility, or any combination thereof, issued by one or more commercial banks or savings and loan associations, or other financial institutions, the terms of which shall in all respects material to the interests of the Holders be the same as those contained in the then existing Liquidity Facility, except that the amount available under such Substitute Liquidity Facility to pay the interest portion of the purchase price of the Bonds pursuant to such Substitute Liquidity Facility may change in accordance with Section 1205(a) hereof and that the expiration date of such Substitute Liquidity Facility may be before or after the expiration date for the existing Liquidity Facility.

(d) If a Liquidity Facility is in effect, the Tender Agent shall present all drafts, demands, certificates and other documents required by such Liquidity Facility (in the manner therein permitted and by the time required thereby) for the payment of funds thereunder (after taking into account funds from remarketing as herein provided then held by the Tender Agent) sufficient to pay, on each purchase date, the purchase price for any Liquidity Enhanced Bonds tendered.

(e) If at any time the Borrower shall deliver to the Tender Agent (i) any agreements supplemental hereto that allow the Bonds to be rated in the highest short-term rating category (without giving effect to any gradations within such category) by at least one of S&P, Moody's or Fitch and by each of them that is then rating the Bonds if no Credit Facility or Liquidity Facility will be in effect (a "Self Liquidity Arrangement"), (ii) an Opinion of Counsel stating that the implementation of such Self Liquidity Arrangement is authorized under this Trust Indenture and complies with the terms hereof, (iii) a Favorable Opinion of Bond Counsel, and (iv) written evidence that notice of mandatory tender as required by Sections 206(f) and 1205(f) hereof has been sent to the Holders prior to such substitution, then such Self Liquidity Arrangement shall be implemented and the Tender Agent shall enforce payment of any amounts due under the existing Liquidity Facility to the extent required by this Trust Indenture and promptly surrender the existing Liquidity Facility to the issuer thereof.

(f) In connection with any expiration, termination or proposed replacement of the Liquidity Facility requiring mandatory purchase of Liquidity Enhanced Bonds as provided in Section 206(d)(ii) hereof, the Bond Trustee shall give notice by first-class mail to the Holders of the Liquidity Enhanced Bonds on or before the 20th day preceding the expiration or termination of the Liquidity Facility in accordance with its terms or the proposed effective date of any Substitute Liquidity Facility or Self Liquidity Arrangement which will replace the Liquidity Facility and cause the Liquidity Enhanced Bonds to cease to be subject to purchase from the Liquidity Facility (except upon the occurrence of an Authorized Liquidity Termination in which case notice will be given as described in Section 206(f)(iii) hereof), which notice shall, to the extent applicable, (1) state the date of such expiration or termination or proposed effective date of the replacement of the Liquidity Facility, (2) describe generally the Substitute Liquidity Facility or Self Liquidity Arrangement in effect or to be in effect upon such expiration, termination or replacement, if any, (3) specify the ratings to be applicable to the Liquidity Enhanced Bonds after such expiration, termination or replacement of the Liquidity Facility, and (4) state (A) that the Liquidity Enhanced Bonds will be purchased pursuant to Section 206(d)(ii) hereof and (B) the date of such purchase, which date shall be a Business Day that is not less than ten days after the giving of such notice.

(g) If a Credit Facility is in effect with respect to the Bonds, a Liquidity Facility covering the Bonds may be delivered to the Bond Trustee if all of the conditions set forth in this Section 1205 for the delivery of a Substitute Liquidity Facility for the Bonds are satisfied. If a Credit Facility is in effect with respect to the Bonds, a Self Liquidity Arrangement covering the Bonds may be implemented if all of the conditions set forth in this Section 1205 for the implementation of a Self Liquidity Arrangement for the Bonds are satisfied. After the Bond Trustee accepts such Liquidity Facility or has implemented such Self Liquidity Arrangement and, after the Bond Trustee has received sufficient funds to pay the purchase price of the Bonds on the date of the mandatory tender for purchase established under Section 206 hereof (by drawing on the Credit Facility if necessary), the Bond Trustee shall promptly surrender the Credit Facility then in effect to the Credit Facility Provider which issued the Credit Facility in accordance with its terms for cancellation or deliver any document necessary to reduce the coverage of the Credit Facility permanently.

ARTICLE XIII

REMARKETING AGENT, TENDER AGENT, PURCHASE AND REMARKETING OF BONDS

Section 1301. Remarketin g Agent and Tender Agent for Bonds.

(a) The Borrower shall appoint a Remarketing Agent for the Bonds, subject to the conditions set forth in Section 1302(a) hereof and the approval of the Issuer and the Bank. Each Remarketing Agent shall designate its principal office (other than the initial Remarketing Agent whose principal office is listed in Section 1504 hereof) and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Issuer, the Borrower and the Bank under which the Remarketing Agent will agree, particularly, to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the Issuer, the Borrower and the Bank at all reasonable times and upon reasonable notice.

(b) The Issuer, at the direction of the Borrower, shall appoint any successor Tender Agent for the Bonds, subject to the conditions set forth in Section 1302(b) hereof. Each Tender Agent shall designate its corporate trust office for delivery of notices and delivery of Bonds (except for the designated corporate trust office of the initial Tender Agent which is listed in Section 1504 hereof) and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Bond Trustee, the Issuer, the Borrower and the Remarketing Agent. By acceptance of its appointment hereunder, the Tender Agent agrees:

(i) to hold all Bonds delivered to it pursuant to Section 206 hereof, as agent and bailee of, and in escrow for the benefit of, the respective Holders which shall have so delivered such Bonds until moneys representing the purchase price of such Bonds shall have been delivered to or for the account of or to the order of such Holders;

(ii) to establish and maintain a separate segregated trust fund designated as the "Bond Purchase Fund" until such time as it has been discharged from its duties as Tender Agent hereunder;

(iii) to hold all moneys (without investment thereof) delivered to it hereunder in the Bond Purchase Fund for the purchase of Bonds pursuant to Section 206 hereof, as agent and bailee of, and in escrow for the benefit of, the person or entity which shall have so delivered such moneys until the Bonds purchased with such moneys shall have been delivered to or for the account of such person or entity;

(iv) to hold all moneys delivered to it by the Borrower for the purchase of Bonds pursuant to Section 206 hereof, as agent and bailee of, and in escrow for the benefit of, the Holders or former Holders who shall deliver Bonds to it for purchase until the Bonds purchased with such moneys shall have been delivered to or for the account of the Borrower;

(v) to hold all Bonds registered in the name of the new Holders thereof which have been delivered to it by the Bond Trustee for delivery to the Remarketing Agent in accordance with the Tender Agreement;

(vi) to hold Bonds for the account of the Borrower as contemplated by Section 1305(c) hereof; and

(vii) to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the Borrower, the Bond Trustee, the Bank and the Remarketing Agent at all reasonable times.

The Issuer and the Borrower shall cooperate with the Bond Trustee to cause the necessary arrangements to be made and to be thereafter continued to enable the Tender Agent to perform its duties and obligations hereunder.

Section 1302. Qualifications of Remarketing Agent and Tender Agent; Resignation; Removal.

(a) The Remarketing Agent shall be a member of the National Association of Securities Dealers, having a combined capital stock, surplus and undivided profits of at least $75,000,000 and authorized by law to perform all the duties imposed upon it by this Trust Indenture. The Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Trust Indenture by giving notice to the Issuer, the Borrower, the Bond Trustee, the Tender Agent and the Bank. Such resignation shall take effect on the 20th day after the receipt by the Issuer, the Borrower and the Bond Trustee of the notice of resignation. The Remarketing Agent may be removed at any time on 15 days' prior written notice, by an instrument signed by the Borrower and filed with the Remarketing Agent, the Issuer, the Bond Trustee, the Tender Agent and the Bank. No resignation or removal shall become effective unless a successor Remarketing Agent has been appointed and accepted such appointment pursuant to Section 1301 (a) hereof.

(b) The Tender Agent shall be a bank with trust powers or a trust company duly organized under the laws of the United States of America or any state or territory thereof, and having a combined capital stock, surplus and undivided profits of at least $100,000,000 and authorized by law to perform all the duties imposed upon it by this Trust Indenture and the Tender Agreement. The Tender Agent may at any time resign and be discharged of the duties and obligations created by this Trust Indenture by giving at least 60 days' notice to the Bond Trustee, the Issuer, the Borrower, the Bank and the Remarketing Agent. The Tender Agent may be removed at any time by an instrument signed by the Borrower, filed with the Tender Agent, the Issuer, the Bond Trustee, the Bank and the Remarketing Agent. Such resignation or removal shall take effect on the day a successor Tender Agent shall have been appointed by the Issuer and shall have accepted such appointment. Upon the effective date of resignation or removal of the Tender Agent, the Tender Agent shall deliver any Bonds and moneys held by it in such capacity to its successor and shall assign all of its rights under any Liquidity Facility then in effect to its successor.

Section 1303. Notice of Bonds Delivered for Purchase; Purchase of Bonds.

(a) The Tender Agent shall determine timely and proper delivery of Bonds pursuant to this Trust Indenture and the proper endorsement of such Bonds. Such determination shall be binding on the Holders, the Issuer, the Borrower, the Remarketing Agent, the Bank and the Bond Trustee absent manifest error. In accordance with the provisions of the Tender Agreement, the Tender Agent shall give notice by telephone, telecopy or telex promptly confirmed by a written notice, to the Bond Trustee, the Remarketing Agent and the Bank specifying the principal amount of Bonds, if any, as to which it has received notice of tender for purchase in accordance with Section 206(a) hereof.

(b) Bonds required to be purchased in accordance with Section 206 hereof shall be purchased from the Holders thereof, on the date and at the purchase price at which such Bonds are required to be purchased. Payment of such purchase price shall be made in immediately available funds by 3:00 p.m., on such purchase date. Funds for the payment of such purchase price shall be derived from the following sources in the order of priority indicated:

(i) proceeds of the sale of such Bonds remarketed to any person (except the Issuer, any guarantor of the Bonds, the Borrower, any "insider" of the Borrower, or an "affiliate" of the Borrower as defined in Bankruptcy Code § 101(2) if a Credit Facility is in effect or if such remarketing is prohibited in the Tax Agreement), pursuant to Section 1304 hereof and furnished to the Tender Agent by the Remarketing Agent for deposit into the Remarketing Account of the Bond Purchase Fund;

(ii) moneys furnished by the Bank and remitted to the Tender Agent pursuant to the Credit Facility or Liquidity Facility then in effect for deposit into the Credit Provider Account or Liquidity Provider Account, respectively, of the Bond Purchase Fund; and

(iii) moneys furnished to the Tender Agent by the Borrower pursuant to a Self Liquidity Arrangement or otherwise for deposit into the Borrower Account of the Bond Purchase Fund.

In the event that a premium is required to be paid upon the purchase of any Bond as provided in Section 206 hereof, and the Credit Facility or the Liquidity Facility then in effect with respect to the Bonds shall not provide for the payment of a premium upon the purchase of a Bond, then moneys provided under the Credit Facility or the Liquidity Facility shall be applied solely to the payment of principal and interest on the Bonds and not to the payment of any such premium.

The Tender Agent may establish separate accounts or subaccounts within the Bond Purchase Fund for such purposes as the Tender Agent may deem appropriate.

(c) (i) The Bond Trustee shall authenticate a new Bond or Bonds in an aggregate principal amount equal to the principal amount of Bonds purchased in accordance with Section 1303(b) hereof, whether or not the Bonds so purchased are presented by the Holders thereof, bearing a number or numbers not contemporaneously outstanding. Every Bond authenticated and delivered as provided in this Section 1303 shall be entitled to all the benefits of this Trust Indenture equally and proportionately with any and all other Bonds duly issued hereunder.

(ii) In the event any Bonds purchased as provided in this Section 1303 shall not be presented to the Tender Agent, the Tender Agent shall segregate and hold the moneys for the purchase price of such Bonds in trust for the benefit of the former Holders of such Bonds, who shall, except as provided in the following sentence, thereafter be restricted exclusively to such moneys for the satisfaction of any claim for the purchase price of such Bonds. Any money that is so set aside and that remains unclaimed by the Holders for a period of two years (or, if less, one day before such money would escheat to the State under then applicable South Carolina law) after the date on which such Bonds have become payable shall be paid to the Borrower, and thereafter the Holders shall look only to the Borrower for payment, or an unsecured general creditor, and then only to the extent of the amounts so received, without any interest thereon, and the Bond Trustee and the Issuer shall have no responsibility with respect to such money.

Section 1304. Re marketing of Bonds; Notice of Interest Rates.

(a) Upon notice of the tender for purchase of Bonds, the Remarketing Agent shall offer for sale and use its best efforts to sell such Bonds, any such sale to be made on the date of such purchase in accordance with Section 206 hereof at a price equal to the principal amount thereof plus accrued interest, if any; provided, however, that no Bonds shall be remarketed to the Issuer, any guarantor of the Bonds, the Borrower, any "insider" of the Borrower or any "affiliate" of the Borrower as defined in Bankruptcy Code § 101(2) if a Credit Facility is in effect or if such remarketing is prohibited in the Tax Agreement. Any Bond which is tendered for purchase pursuant to Section 206(a) hereof after such Bond has become subject to mandatory tender for purchase pursuant to Sections 206(c), 206(d) or 206(e) hereof shall be sold by the Remarketing Agent only to a purchaser who agrees to (i) refrain from selling that Bond other than under the terms of this Trust Indenture or (ii) hold that Bond only to the date of mandatory purchase. In addition, the Remarketing Agent shall offer for sale and use its best efforts to sell any Bonds that are Bank Bonds or held by the Tender Agent for the account of the Borrower. The Remarketing Agent has no duty to remarket the Bonds if an Event of Default has occurred and is continuing.

(b) The Remarketing Agent shall determine the rate of interest to be borne by the Bonds bearing interest at a Daily Interest Rate, a Weekly Interest Rate or a Long-Term Interest Rate during each Daily Interest Rate Period, Weekly Interest Rate Period and Long-Term Interest Rate Period and by each Bond during each Bond Interest Term for such Bond and the Bond Interest Terms for each Bond during each Short-Term Interest Rate Period as provided in Section 205 hereof and shall furnish to the Issuer, the Borrower, the Bond Trustee and the Tender Agent (i) on each Friday and the end of each month, notice of the Daily Interest Rates for that week or that month, as the case may be, (ii) by no later than the Business Day next succeeding the date of determination, notice of the Weekly Interest Rate, (iii) on the date of determination thereof, notice of each Bond Interest Term Rate and Bond Interest Term, and (iv) on the Business Day next succeeding the date of determination, notice of each Long-Term Interest Rate, by telex, telephone or telecopy, promptly confirmed in writing, or shall make such information available to such parties by readily accessible Electronic Means.

(c) The Remarketing Agent shall give telephonic or telegraphic notice, promptly confirmed by a written notice, to the Bond Trustee and the Tender Agent on each date on which Bonds shall have been purchased pursuant to Section 1303(b) hereof, specifying the principal amount of Bonds, if any, sold by it pursuant to Section 1304(a) hereof along with a list of such purchasers showing the names and denominations in which such Bonds shall be registered, and the addresses and social security or taxpayer identification numbers of such purchasers.

Section 1305. Deliver y of Bonds.

(a) Bonds purchased with moneys described in clause (i) of Section 1303(b) hereof shall be made available by the Bond Trustee to the Remarketing Agent for delivery to the purchasers thereof against payment therefor in accordance with the Tender Agreement.

(b) Bonds (or portions thereof) purchased with moneys described in clause (ii) of Section 1303(b) hereof shall be held by the Tender Agent as Bank Bonds pursuant to the Tender Agreement.

(c) Bonds purchased with moneys described in clause (iii) of Section 1303(b) hereof shall be held by the Tender Agent for the account of the Borrower.

(d) Bonds delivered as provided in this Section 1305 shall be registered in the manner directed by the recipient thereof or in the Tender Agreement.

(e) Notwithstanding anything herein to the contrary, so long as the Bonds are held under the Book-Entry System, Bonds will not be delivered as set forth in paragraphs (a) through (c) above; rather, transfers of beneficial ownership of the Bonds to the Persons indicated above will be effected on the books of the Securities Depository and its Participants pursuant to the Securities Depository's rules and procedures.

Section 1306. Deliver y of Proceeds of Sale. The proceeds of the sale by the Remarketing Agent of any Bonds delivered to it by, or held by it for the account of, the Bond Trustee or the Borrower, or delivered to it by any other Holder, shall be turned over to the Tender Agent as provided in the Tender Agreement.

Section 1307. Requests for Funds Under Liquidity Facility to Pay Purchase Price of Bonds. If a Liquidity Facility is in effect, the Tender Agent, on each day on which Bonds are tendered for purchase or required to be purchased pursuant to Section 206 hereof, is hereby directed to request funds under the Liquidity Facility to the extent available, by such times and in such manner as shall be required in order for it to receive immediately available funds on such date to pay the purchase price, plus accrued interest, if any, of Bonds then subject to purchase under the Liquidity Facility which are tendered for purchase or required to be purchased pursuant to the provisions of this Trust Indenture, at the times, on the dates, to the extent, and in the manner herein and in the Tender Agreement provided and to deposit such funds, or cause such funds to be deposited, in the Liquidity Provider Account of the Bond Purchase Fund pending application of such moneys to the payment of the purchase price of the Bonds. In determining the amount of any such purchase price then due, the Tender Agent shall not take into consideration any purchase price due on Bank Bonds or Bonds held by the Borrower or any Affiliate and no funds provided under the Liquidity Facility shall be made or be used to pay the purchase price of any Bank Bonds or Bonds held by the Borrower or any Affiliate.

ARTICLE XIV

DEFEASANCE

Section 1401. Definition. When (a) if the Bonds secured hereby have become due and payable in accordance with their terms or otherwise as provided in this Trust Indenture, the whole amount of the principal and the interest and premium, if any, so due and payable on all Bonds is paid, or (b) if the Bonds have not become due and payable in accordance with their terms, provision for payment thereof has been made in accordance with Section 1402 hereof, then and in that case the right, title and interest of the Bond Trustee in the funds and accounts mentioned in this Trust Indenture shall then cease, determine and become void and, on demand of the Issuer and on being furnished with an Opinion of Counsel, in form and substance satisfactory to the Bond Trustee, to the effect that all conditions precedent to the release of this Trust Indenture have been satisfied, the Bond Trustee shall release this Trust Indenture and shall execute such documents to evidence such release as may be reasonably required by the Issuer and shall transfer to the Borrower any surplus in, and all balances remaining in, all funds and accounts, other than money held for the redemption or payment of Bonds. The Bond Trustee shall nevertheless retain such rights, powers and privileges under this Trust Indenture as may be necessary and convenient in respect of the Bonds for the payment of the principal, interest and any premium for which such provision for payment has been made in accordance with Section 1402 hereof, and (b) the Bond Trustee shall retain such rights, powers and privileges under this Trust Indenture as may be necessary and convenient for the registration, transfer and exchange of Bonds.

All money and Defeasance Obligations held by the Bond Trustee under this Section shall be held in trust and applied to the payment, when due, of the obligations payable therewith. Any provision of this Trust Indenture to the contrary notwithstanding, amounts paid by the Credit Facility Provider under the Credit Facility shall not be deemed to be payments of obligations hereunder, and the obligations hereunder shall continue to be due and owing until paid by the Issuer in accordance with this Trust Indenture.

Section 1402. Provision for Payment of Bonds. Bonds shall be deemed to have been paid within the meaning of Section 1401 if

(a) there shall have been irrevocably deposited in the Bond Fund:

(i) if the Bonds do not bear interest at a Long-Term Interest Rate to the maturity date of the Bonds, sufficient Available Moneys, or

(ii) if the Bonds bear interest at a Long-Term Interest Rate to the maturity date of the Bonds, either (i) sufficient Available Moneys or (ii) Defeasance Obligations purchased with Available Moneys of such maturities and interest payment dates and bearing such interest as will, in the opinion of a nationally recognized firm of certified public accountants or such other verification agent as shall be acceptable to the Issuer and Bond Trustee, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon (said earnings also to be held in trust), be sufficient together with any other moneys,

for the payment at their respective maturities or redemption or tender dates prior to maturity of the principal thereof and the redemption premium, if any, and interest to accrue thereon at such maturity or redemption or tender dates, as the case may be (assuming that the Bonds bear interest at the Ceiling Rate during any period during which the interest rate on the Bonds may change);

(b) there shall have been paid or provision duly made for the payment of all fees and expenses of the Issuer, the Bond Trustee, the Tender Agent and the Remarketing Agent due or to become due; and

(c) if any Bonds are to be redeemed on any date prior to their maturity, the Bond Trustee shall have received in form satisfactory to it irrevocable instructions from a Borrower Representative to redeem such Bonds on such date and either evidence satisfactory to the Bond Trustee that all redemption notices required by this Trust Indenture have been given or irrevocable power authorizing the Bond Trustee to give such redemption notices has been granted to the Bond Trustee.

Limitations set forth elsewhere in this Trust Indenture regarding the investment of moneys held by the Bond Trustee in the Bond Fund shall not be construed to prevent the depositing and holding in the Bond Fund of the obligations described in paragraph (a)(ii) of this Section 1402 for the purpose of defeasing the lien of this Trust Indenture as to Bonds which have not yet become due and payable. Notwithstanding any other provision of this Trust Indenture to the contrary, all Available Moneys deposited with the Bond Trustee as provided in this Section 1402 may be invested and reinvested, at the direction of the Borrower, in Defeasance Obligations (or, in the case of a deposit under paragraph (a)(i) of this section, in a money market fund that invests solely in Government Obligations and is rated in the highest category by one of Fitch, Moody's or S&P and, if more than one of such rating agencies then rates such money market fund, is rated no less than the highest rating category by each of such rating agencies then rating such money market fund) maturing in the amounts and times as hereinbefore set forth, and all income from all Defeasance Obligations (or money market fund) in the hands of the Bond Trustee pursuant to this Section 1402 which is not required for the payment of the Bonds and

interest and redemption premium, if any, thereon with respect to which such moneys shall have been so deposited shall be deposited in the Bond Fund as and when realized and collected for use and application as are other moneys deposited in the Bond Fund. Notwithstanding the foregoing provisions of this paragraph, if the Bonds are rated by S&P at the time a deposit is made under paragraph (a)(i) of this section, such Available Moneys may be invested solely in Government Obligations maturing or to be available to be withdrawn at par no later than the earlier of the maturity date, a mandatory purchase date, redemption date or the next possible optional tender date.

Notwithstanding any other provision of this Trust Indenture to the contrary, if a Bond has been deemed to be paid under this Section 1402 and the Beneficial Owner or holder of such Bond delivers an optional tender notice with respect to such Bond that would result in a purchase of such Bond pursuant to Section 206(a) of this Trust Indenture prior to its maturity or redemption date: (1) the Remarketing Agent shall not remarket such Bond; (2) the Tender Agent shall notify the Bond Trustee by the third Business Day prior to such purchase date for such Bond that it has received an optional tender notice with respect to such Bond; (3) the Bond Trustee shall transfer to the Tender Agent, not later than 9:30 a.m. on such purchase date for such Bond, Available Moneys from the deposit made into the Bond Fund under paragraph (a)(i) of this Section 1402 sufficient to pay the purchase price of such Bond; (4) the Tender Agent shall purchase such Bond on the purchase date applicable to such Bond; and (5) such Bond shall be delivered to the Bond Trustee for cancellation and shall be cancelled.

Notwithstanding any other provision of this Trust Indenture to the contrary, if all Bonds have been deemed to be paid because a deposit has been made under paragraph (a)(i) of this Section 1402, and the Bonds are rated by S&P at the time such deposit is made, then (i) if such deposit is made with proceeds of one or more drawings under the Credit Facility, then any excess funds remaining in the Bond Fund after payment of all of the Bonds at their respective maturities or redemption or purchase dates shall be returned to the Credit Facility Provider, or (ii) if such deposit is made with Available Moneys as described in clause (i) of that definition, then there shall be delivered a written Opinion of Counsel experienced in bankruptcy law matters, in form satisfactory to S&P, that the portion of such deposit needed to pay principal of, interest on and purchase price of the Bonds when due will not be subject to the automatic stay under Section 362 of the Bankruptcy Code in the event of an Event of Bankruptcy.

Notwithstanding any other provision of this Trust Indenture to the contrary, if all Bonds have been deemed to be paid because a deposit has been made under paragraph (a)(i) of this Section 1402, the Interest Rate Period may not thereafter be converted to another Interest Rate Period by the Borrower.

Notwithstanding any other provision of this Trust Indenture to the contrary, if all Bonds have been deemed to be paid because a deposit has been made under paragraphs (a)(i) or (a)(ii) of this Section 1402 with proceeds of one or more drawings under the Credit Facility, then the surrender by the Bond Trustee of the Credit Facility to the Credit Facility Provider for cancellation prior to the maturity or redemption date of the Bonds shall not cause the Bonds to be subject to purchase under Section 206 of this Trust Indenture.

If the Bonds bear interest at a Long-Term Interest Rate to the maturity date of the Bonds and are to be rated by a Rating Agency at or prior to the time provision for payment shall be made there shall be delivered to the Rating Agency the opinion of nationally recognized certified public accountants or other verification agent referred to in paragraph (a)(ii) above and a written Opinion of Counsel experienced in bankruptcy law matters and in form satisfactory to the Rating Agency that the deposit and use of such moneys will not constitute an avoidable preferential payment pursuant to Section 547 of the Bankruptcy Code, or an avoidable post-petition transfer pursuant to Section 549 of the Bankruptcy Code, recoverable from Holders of the Bonds pursuant to Section 550 of the Bankruptcy Code in the event of an Event of Bankruptcy.

Section 1403. Effect of Payment by the Bond Insurer. Notwithstanding anything in this Trust Indenture to the contrary, in the event that the principal or interest due on any Bond shall be paid by the Bond Insurer pursuant to the Bond Insurance Policy, such Bond shall remain Outstanding for all purposes, and shall not be defeased or otherwise satisfied and the Bond Trustee's right, title and interest in the funds and accounts held by the Bond Trustee pursuant to this Trust Indenture and all covenants, agreements and other obligations of the Issuer to the Holders of the Bonds shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such Holders until the Bond Insurer is paid in full.

ARTICLE XV

MISCELLANEOUS

Section 1501. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Trust Indenture or the Bonds is intended or shall be construed to give to any Person other than the parties hereto, the Holders, the Bond Insurer, the Bank, the Remarketing Agent, the Tender Agent and the Borrower any legal or equitable right, remedy or claim under or in respect to this Trust Indenture or any covenants, conditions and provisions herein contained; this Trust Indenture and all of the covenants, conditions and provisions herein being intended to be and being for the sole and exclusive benefit of the parties hereto, the Holders, the Bond Insurer, the Bank, the Remarketing Agent, the Tender Agent and the Borrower as herein provided.

Section 1502. Effect of Dissolution of the Issuer. In the event the Issuer for any reason shall be dissolved or its legal existence shall otherwise be terminated, all of the covenants, stipulations, obligations and agreements contained in this Trust Indenture by or on behalf of or for the benefit of the Issuer shall bind or inure to the benefit of the successor or successors of the Issuer from time to time and any officer, board, commission, authority, Issuer or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law, and the term "Issuer" as used in this Trust Indenture shall include such successor or successors.

Section 1503. Severability. In case any one or more of the provisions of this Trust Indenture, the Agreement or the Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Trust Indenture, the Agreement or the Bonds, but this Trust Indenture, the Agreement and the Bonds shall be construed and

enforced as if such illegal or invalid provisions had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in the Bonds, this Trust Indenture or the Agreement shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Issuer or the Borrower to the full extent permitted by law.

Section 1504. Notices. Except as otherwise provided herein, it shall be sufficient service or giving of any notice, request, complaint, demand or other paper if the same shall be duly mailed by registered mail, return receipt requested, postage prepaid, addressed as set forth below to the Issuer, the Bond Trustee, the Borrower, the Bond Insurer, S&P, if the Bonds are rated by S&P, Moody's, if the Bonds are rated by Moody's, Fitch, if the Bonds are rated by Fitch, or to any other Person set forth therein as follows:

To the Issuer:	South Carolina Jobs-Economic Development Authority 1201 Main Street, Suite 1600 Columbia, South Carolina 29201 Attention: Executive Director and Chief Executive Officer
To the Bond Trustee and Tender Agent:	_____
To the Borrower:	South Carolina Generating Company, Inc. 1426 Main Street Columbia, South Carolina 29218 Attention: Treasurer
To the Credit Facility Provider:	
	Telephone: Facsimile:
To the Remarketing Agent:	[Banc of America Securities LLC NCI-027-14-01 Hearst Tower 14th Floor 214 North Tryon Street

	Charlotte, North Carolina 28255 Attention: Short-Term Municipal Trading and Underwriting Telephone: (704) 386-9028 Facsimile: (704) 388-0393
With a copy to:	Banc of America Securities LLC NY1-633-29-07 1633 Broadway, 29th Floor New York, New York 10019 Attention: Public Finance - Corporate Tax-Exempt Finance Telephone: (212) 497-3827 Facsimile: (212) 497-3835
To S&P:	Standard & Poor's Ratings Services Structured Finance/LOC 40th Floor 55 Water Street New York, New York 10041-0003
To Moody's:	Moody's Investors Service, Inc. Fully Supported Team 99 Church Street New York, New York 10007
To Fitch:	Fitch Ratings Municipal Structured Finance One State Street Plaza New York, New York 10004

Any such notice, demand or request may also be transmitted to the appropriate above-mentioned party by telegram or telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

Any of such addresses may be changed at any time upon written notice of such change sent by United States registered mail, postage prepaid, to the other parties by the party effecting the change.

All documents received by the Bond Trustee under the provisions of this Trust Indenture, or photographic or electronic copies thereof, shall be retained in its possession until the Trust Indenture shall be released under the provisions of Article XII hereof, subject at all reasonable times to the inspection of the Issuer, the Borrower and any Holder and the respective agents and representatives thereof.

Section 1505. Substitute Mailing. If, because of the temporary or permanent suspension of postal service, the Issuer, the Bond Trustee shall be unable to mail any notice required to be

given by the provisions of this Trust Indenture, the Issuer or the Bond Trustee shall give notice in such other manner or in the judgment of the Issuer or the Bond Trustee shall most effectively approximate mailing, and the giving of notice in such manner shall for all purposes of this Trust Indenture be deemed to be in compliance with the requirement for the mailing thereof.

Section 1506. Parties, Bond Insurer, Bank and Holders Alone Have Rights under Trust Indenture. Except as herein otherwise expressly provided, nothing in this Trust Indenture is intended or shall be construed to confer upon any Person, other than the Bond Trustee, the Bond Insurer, the Issuer, the Bank and the Holders, any right, remedy or claim, legal or equitable, under or by reason of this Trust Indenture or any provision being intended to be and being for the sole and exclusive benefit of the Bond Trustee, the Bond Insurer, the Issuer, the Bank and the Holders.

Section 1507. Effect of Covenants. All covenants, stipulations, obligations and agreements of the Issuer contained in this Trust Indenture shall be deemed to be covenants, stipulations, obligations and agreements of the Issuer to the full extent permitted by the Constitution and laws of the State. This Trust Indenture is adopted with the intent that the laws of the State shall govern its construction.

Section 1508. No Recourse Against Members, Officers of the Issuer. No recourse shall be had for the payment of the principal of or premium, if any, or interest on any of the bonds or for any claim based thereon or upon any obligation, covenant or agreement in this Trust Indenture contained, against any past, present or future officer, director, attorney, employee or agent of the Issuer, as such, either directly or through any successor entity under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officer, director, attorney, employee or agent is hereby expressly waived and released as a condition of, and in consideration for the execution of this Trust Indenture and the issuance of any of the Bonds.

Section 1509. Expenses Payable under Trust Indenture. All expenses incurred in carrying out this Trust Indenture, except those expenses incurred by the Bond Trustee in mailing its resignation notices, shall be payable solely from funds derived by the Issuer from its loan of the proceeds of the Bonds to the Borrower. Anything in this Trust Indenture to the contrary notwithstanding, the performance by the Issuer of all duties and obligations imposed upon it hereby, the exercise by it of all powers granted to it hereunder, the carrying out of all covenants, agreements and promises made by it hereunder, and the liability of the Issuer for all warranties and other covenants herein shall be limited solely to the money and revenues received from the payments by the Borrower in respect of the Note and under the Agreement, and from money attributable to the proceeds of Bonds, or the income from the investment thereof, and, to the extent herein or in the Agreement provided, the proceeds of insurance, sale and condemnation awards and the Issuer shall not be required to effectuate any of its duties, obligations, powers or covenants except from, and to the extent of, such moneys, revenues, proceeds and payments.

Section 1510. Dealin g in Bonds. The Bond Trustee and its directors, officers, employees or agents, and any officer, employee or agent of the Issuer, may in good faith, buy, sell, own, hold and deal in any bonds issued under the provisions of this Trust Indenture and may join in any action which any Holder may be entitled to take with like effects as if such Bond Trustee

were not a Bond Trustee under this Trust Indenture or as if such officer, employee or agent of the Issuer did not serve in such capacity.

Section 1511. Consents and Approvals. Whenever the written consent or approval of the Issuer, the Borrower or the Bond Trustee shall be required under the provisions of this Agreement, such consent or approval shall not be unreasonably withheld or delayed. Unless otherwise specified herein, consents of the Issuer shall be executed and delivered on behalf of the Issuer by the Issuer Representative, and consents of the Borrower shall be executed and delivered on behalf of the Borrower by the Borrower Representative.

Section 1512. Multiple Counterparts. This Trust Indenture may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original, and such counterparts shall constitute but one and the same instrument.

Section 1513. Headin gs. Any heading preceding the text of the several articles hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Trust Indenture, nor shall they affect its meaning, construction or effect.

Section 1514. Further Authority. The officers of the Issuer, attorneys, engineers and other agents or employees of the commission are hereby authorized to do all acts and things required of them by this Trust Indenture and the Agreement for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Bonds, the Agreement and this Trust Indenture.

Section 1515. Pa yments Due on Non-Business Days. In any case where the date of maturity of interest on or premium, if any, or principal of the Bonds or the date fixed for redemption of any Bonds shall not be a Business Day, then payment of such interest, premium or principal need not be made on such date but shall be made on the next succeeding Business Day, with the same force and effect as if made on the date of maturity or the date fixed for redemption, and, in the case of such payment, no interest shall accrue with respect to such payment for the period from and after such date.

Section 1516. Governin g Law. This Trust Indenture shall be governed by and interpreted in accordance with the laws of the State.

Section 1517. Notices to Rating Agency. If the Bonds are rated by a Rating Agency, written notice shall be provided to such Rating Agency with respect to (i) the appointment of any successor Bond Trustee, Tender Agent or Remarketing Agent hereunder, (ii) the appointment of any agent by the Bond Trustee or Tender Agent to perform any material duties of the Bond Trustee or the Tender Agent under this Trust Indenture or the Tender Agreement, (iii) the expiration, termination, reduction or extension of any Credit Facility or Liquidity Facility or delivery of an Alternate Credit Facility or a Substitute Liquidity Facility or implementation of a Self Liquidity Arrangement, (iv) any adjustment of the Interest Rate Period for the Bonds, (v) any mandatory purchase of Bonds, (vi) any material amendment or supplement to any of the Financing Documents, and (vii) the payment in full of all of the Bonds (whether at stated

maturity or upon redemption, acceleration or defeasance). Failure of the Bond Trustee to provide any such notice shall not have any effect on the occurrence of such event.

Section 1518. Consequences of Insurer Default. If an Insurer Default shall occur and shall not have been waived or cured, the provisions of this Trust Indenture (i) requiring the consent of the Bond Insurer, (ii) allowing the Bond Insurer to direct proceedings and (iii) requiring that notices and other information be sent to the Bond Insurer shall be suspended and the Bond Insurer shall no longer have such rights; provided, however, that any rights of the Bond Insurer arising as a result of payments made pursuant to the Bond Insurance Policy shall continue to exist and be unaffected by any limitations on such rights set forth in this Section 1518.

Section 1519. Ongoing Disclosure. In compliance with Section 11-1-85 of the Code of Laws of South Carolina 1976, as amended, the Issuer covenants that it will file or cause to be filed with a central repository for availability in the secondary bond market when requested: (a) an annual independent audit, within 30 days of the Issuer's receipt of the audit, and (b) event specific information, within 30 days of an event adversely affecting more than five percent of the Issuer's revenue; provided that failure of the Issuer to comply with the provisions of this paragraph shall not constitute or give rise to a Default or Event of Default.

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IN WITNESS WHEREOF, the South Carolina Jobs-Economic Development Authority has caused these presents to be signed in its name and on its behalf by its Secretary-Treasurer and the Bond Trustee has caused these presents to be signed in its name and on its behalf by a duly authorized officer, all as of the date first written above.

SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY

By: _____

_____,
as Bond Trustee

By: _____
Vice President

[Signature Page for Trust Indenture dated as of _____, 2008
relating to South Carolina Jobs-Economic Development Authority
Industrial Revenue Bonds
(South Carolina Generating Company, Inc. Project) Series 2008]

EXHIBIT A

[Form of Bond]

SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL REVENUE BONDS
(SOUTH CAROLINA GENERATING COMPANY, INC. PROJECT)
SERIES 2008

No. R-___ [50,000,000]

MATURITY DATE	ORIGINAL ISSUANCE DATE	CUSIP

For Long-Term Interest Rate Period Only

Type of Interest Rate Period:	Interest Rate for Long-Term Interest Rate Period Only:	Mandatory Tender Date for Long-Term Interest Rate Period:

For Short-Term Interest Rate Period Only

Interest Rate (%):	First Day of Bond Interest Term and Interest Accrual Date:	First Day of Next Bond Interest Term and Interest Payment Date:	Interest Due on Next Interest Payment Date:	Number of Days in Bond Interest Term:

FOR VALUE RECEIVED, the South Carolina Jobs-Economic Development Authority (the "Issuer"), a public body corporate and politic and an agency of the State of South Carolina, promises to pay, but solely from the sources and in the manner hereinafter provided, to Cede & Co., or registered assigns, Fifty Million Dollars ([50,000,000]) on the Maturity Date set forth above (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the principal office of the Bond Trustee in _____ hereinafter mentioned. The Issuer also promises to pay, solely from such sources, interest on this Bond from the Interest Payment Date immediately preceding the date on which it is authenticated or, if such date of authentication shall be an Interest Payment Date to which interest on the Bonds has been paid in full or duly provided for or the Original Issuance Date, from such date of authentication; provided, however, that if, at the time of authentication of any Bond, interest on such Bond shall be in default, such Bond shall bear interest from the date to which interest has previously been paid or, if no interest has been paid, from the Original Issuance Date set forth above, payable on each Interest Payment Date at the rates per annum determined as described herein and in the Trust Indenture hereinafter mentioned until the principal sum hereof is paid; provided, however, that Bank Bonds (as defined in the Trust Indenture hereinafter mentioned) shall bear interest at the Bank Bond Interest Rate (as defined in the Credit Facility Provider Agreement or Liquidity Facility, whichever is applicable, hereinafter mentioned), which interest shall be payable at the times set forth in the Credit Facility Provider Agreement or Liquidity Facility, as applicable. The interest so payable and punctually paid or duly provided for on any Interest Payment Date will be paid to the person in whose name this Bond is registered at the close of business on the Regular Record Date for such interest, which shall be, (i) in the case of a Daily Interest Rate Period, the last Business Day of the calendar month immediately preceding such Interest Payment Date or, in the case of the last Interest Payment Date in respect of a Daily Interest Rate Period, the Business Day immediately preceding such Interest Payment Date, (ii) in the case of a Weekly Interest Rate Period or a Short-Term Interest Rate Period, the Business Day immediately preceding such Interest Payment Date, and (iii) in the case of a Long-Term Interest Rate Period, the 15th day of the month immediately preceding such Interest Payment Date, or, in the event that an Interest Payment Date shall occur less than 15 days after the first day of a Long-Term Interest Rate Period, such first day. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Regular Record Date, and may be paid to the person in whose name this Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Bond Trustee, notice whereof being given to the registered owners not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Bonds may be listed and upon such notice as may be required by such exchange, or as more fully provided in the Trust Indenture. All such payments shall be made in lawful money of the United States of America. The principal of and any premium on this Bond are payable at the principal office of the Bond Trustee in New York, New York. Such payment of principal and premium will be by check; provided, however, that the principal of and any premium on the Bonds will be paid by wire transfer (to an account within the continental United States) of immediately available funds to any registered owner of at least $1,000,000 in aggregate principal amount of the Bonds Outstanding, at such registered owner's option, in each case according to wire instructions given to the Bond Trustee in writing for such purpose. Interest on this Bond is payable by (i) check mailed first-class postage prepaid on the date on which it is due to the registered owner hereof at the address of such registered

owner shown on the registration books kept by the Bond Trustee, as of the close of business on the Regular Record Date in respect of such interest, or (ii) in the case of Bonds bearing interest at Bond Interest Term Rates or Bonds (bearing interest at other than a Bond Interest Term Rate) owned by a person who is the registered owner of Bonds in an aggregate principal amount of at least $1,000,000 and who, prior to the Regular Record Date next preceding any Interest Payment Date, shall have provided, or through the Remarketing Agent shall have caused to be provided, the Bond Trustee with wire transfer instructions in writing, by wire transfer; provided that while the Bonds bear interest at Bond Interest Term Rates, interest payable hereon is payable only upon presentation and surrender hereof to the Tender Agent hereinafter mentioned at its designated corporate trust office for the delivery of Bonds.

[Bonds issued pursuant to a book-entry system shall contain the following paragraph: The Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Trust Indenture. One bond certificate with respect to the date on which the Bonds are stated to mature, registered in the name of the Securities Depository Nominee (as defined in the Trust Indenture), is being issued and required to be deposited with the Securities Depository (as defined in the Trust Indenture) and immobilized in its custody. The book-entry system will evidence positions held in the Bonds by the Securities Depository's participants, beneficial ownership of the Bonds in Authorized Denominations being evidenced in the records of such participants. Transfers of ownership shall be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its participants. The Issuer and the Bond Trustee will recognize the Securities Depository Nominee, while the registered owner of this Bond, as the owner of this Bond for all purposes, including (1) payments of principal of, and redemption premium, if any, and interest on this Bond, (2) notices and (3) voting. Transfer of principal, interest and any redemption premium payments to participants of the Securities Depository, and transfer of principal, interest and any redemption premium payments to beneficial owners of the Bonds by participants of the Securities Depository will be the responsibility of such participants and other nominees of such beneficial owners. The Issuer will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository Nominee, its participants or persons acting through such participants. While the Securities Depository Nominee is the owner of this Bond, notwithstanding the provisions hereinabove contained, payments of principal of, redemption premium, if any, and interest on this Bond shall be made in accordance with existing arrangements between the Bond Trustee or its successors under the Trust Indenture and the Securities Depository.]

This Bond is one of a duly authorized series of revenue bonds of the Issuer, designated "South Carolina Jobs-Economic Development Authority Industrial Revenue Bonds (South Carolina Generating Company, Inc. Project) Series 2008" (the "Bonds"), issued under a Trust Indenture, dated as of _____, 2008 (said Trust Indenture, together with all supplements thereto, being herein referred to as the "Trust Indenture"), between the Issuer and _____, as Bond Trustee (the "Bond Trustee"). The Bonds are being issued for the purpose of providing funds, together with other available funds, to (1) finance the Project (as defined in the Agreement) and (2) pay a portion of certain expenses incurred in connection with the authorization and issuance of the Bonds.

[This Bond is a limited obligation of the Issuer. The Issuer is not obligated to pay the principal of, the premium, if any, or the interest on this Bond except from the revenues and funds assigned to the Bond Trustee or otherwise pledged therefor, and neither the faith and credit nor the taxing power of the State of South Carolina or of any political subdivision thereof is pledged as security for the payment of the principal of, premium, if any, or the interest on this Bond. Neither the members or officers of the Issuer, nor any person executing this Bond is liable personally hereon or subject to any personal liability or accountability by reason of issuance hereof.]

The Issuer has entered into a Loan Agreement, dated as of _____, 2008 (together with all amendments thereto, the "Agreement"), with the Borrower, pursuant to which the Issuer has agreed to lend to the Borrower the proceeds of the Bonds and in consideration and, as evidence of the loan, the Borrower has agreed to make payments to the Bond Trustee (the "Loan Repayments") in such amounts and at such times as are required to provide for timely payment of the principal of, premium, if any, and interest on the Bonds. As evidence of its indebtedness under the Agreement, the Borrower will execute a promissory note in favor of the Issuer (the "Note").

Pursuant to the Trust Indenture the Issuer has, for the benefit of the owners of the Bonds, assigned the Note, the Issuer's rights under the Agreement, including all its rights, title and interest to receive the Loan Repayments (subject to the reservation of certain rights of the Issuer, including its rights to notices, payment of certain expenses and indemnity), all moneys and securities in the Bond Fund and, until applied in payment of the cost of issuing the Bonds, all moneys and securities in the Project Fund, to the Bond Trustee in trust.

Reference is made to the Agreement and the Trust Indenture for a more complete statement of the provisions thereof and of the rights of the Issuer, the Bond Trustee, the Borrower, the Bank and the registered owners of the Bonds. Copies of the Agreement and the Trust Indenture are on file and may be inspected at the corporate trust office of the Bond Trustee located, as of the Original Issuance Date, at _____. By the purchase and acceptance of this Bond, the registered owner hereof signifies assent to all of the provisions of the aforementioned documents.

This Bond is issued, and the Trust Indenture and the Agreement were made and entered into, under and pursuant to the Constitution and laws of the State of South Carolina, and particularly in conformity with the provisions, restrictions and limitations of Title 41, Chapter 43 Code of Laws of South Carolina 1976, as amended (the "Act").

The Bonds are issuable as fully registered Bonds in the following denominations: (i) with respect to any Long-Term Interest Rate Period (as defined herein), $5,000 and any integral multiple thereof; and (ii) with respect to any Short-Term Interest Rate Period, Daily Interest Rate Period or Weekly Interest Rate Period (each as defined herein), $100,000 and any integral multiple of $5,000 in excess of $100,000 (the "Authorized Denominations"). Bonds may be exchanged at the principal office of the Bond Trustee located at _____, in the manner and subject to the limitations and conditions provided in the Trust Indenture, for an equal aggregate principal amount of Bonds of any Authorized Denominations and bearing interest at the same rate.

The transfer of this Bond is registrable by the registered owner hereof in person or by his attorney or legal representative at the principal office of the Bond Trustee listed above, but only in the manner and subject to the limitations and conditions provided in the Trust Indenture and upon surrender and cancellation of this Bond. Upon any such registration of transfer, the Issuer shall execute and the Bond Trustee shall authenticate and deliver in exchange for this Bond a new Bond or Bonds, registered in the name of the transferee, of Authorized Denominations, in an aggregate principal amount equal to the principal amount of this Bond and bearing interest at the same rate.

The term of the Bonds will be divided into consecutive Interest Rate Periods during each of which the Bonds shall bear interest at a Daily Interest Rate (a "Daily Interest Rate Period"), a Weekly Interest Rate (a "Weekly Interest Rate Period"), a Long-Term Interest Rate (a "Long-Term Interest Rate Period"), or Bond Interest Term Rates for one or more consecutive Bond Interest Terms (a "Short-Term Interest Rate Period"). In no event shall the Interest Rate exceed the lesser of (i) the highest interest rate which may be borne by the Bonds under applicable State law, (ii) while the Bonds bear interest at a Daily Interest Rate, Weekly Interest Rate or Bond Interest Rate, 12% per annum, and (iii) while the Bonds bear interest at the Bank Bond Interest Rate, 20% per annum (collectively, the "Ceiling Rate").

The initial Interest Rate Period shall be a [Weekly Interest Rate Period.] The interest rate on the Bonds may be adjusted from time to time to a Daily Interest Rate, Bond Interest Term Rates or a Long-Term Interest Rate and thereafter again adjusted as described in the Trust Indenture. As hereinafter described, the Bonds are subject to mandatory tender for purchase on the first day of any Interest Rate Period.

For any Daily Interest Rate Period, interest on the Bonds shall be payable on each Interest Payment Date for the period commencing on the Interest Accrual Date (as hereinafter defined) preceding the prior Interest Payment Date (or, in the case of the first Interest Payment Date during any Daily Interest Rate Period, the Interest Accrual Date preceding such Interest Payment Date) and ending on the last day of the month in which such Interest Accrual Date occurs or, if sooner, the last day of the Daily Interest Rate Period. For any Weekly Interest Rate Period, interest on the Bonds shall be payable on each Interest Payment Date for the period commencing on the immediately preceding Interest Accrual Date and ending on and including the day immediately preceding the Interest Payment Date (or, if sooner, the last day of the Weekly Interest Rate Period). For any Short-Term Interest Rate Period or Long-Term Interest Rate Period, interest on this Bond shall be payable on each Interest Payment Date for the period commencing on the immediately preceding Interest Accrual Date and ending on the day immediately preceding such Interest Payment Date. In any event, interest on the Bonds shall be payable for the final Interest Rate Period to the date on which the Bonds shall have been paid in full. Interest shall be computed (i) in the case of a Long-Term Interest Rate Period, on the basis of a 360-day year consisting of twelve 30-day months, and (ii) in the case of a Daily Interest Rate Period, a Weekly Interest Rate Period or a Short-Term Interest Rate Period, on the basis of a 365 or 366-day year, as the case may be, for the actual number of days elapsed.

The term "Interest Accrual Date" means (i) with respect to any Daily Interest Rate Period, the first day thereof and the first day of each succeeding calendar month during such Daily Interest Rate Period, (ii) with respect to any Weekly Interest Rate Period, the first day thereof

and the first Business Day of each succeeding month during such Weekly Interest Rate Period, (iii) with respect to any Long-Term Interest Rate Period, the first day thereof and, thereafter, each Interest Payment Date in respect thereof, other than the last such Interest Payment Date during such Long-Term Interest Rate Period, and (iv) with respect to each Bond Interest Term within any Short-Term Interest Rate Period, the first day thereof.

The term "Interest Payment Date" means (a) with respect to any Daily Interest Rate Period, the fifth Business Day of each calendar month, (b) with respect to any Weekly Interest Rate Period, the first Business Day of each calendar month, (c) with respect to any Long-Term Interest Rate Period, each April 1 and October 1, (d) with respect to any Bond Interest Term within a Short-Term Interest Rate Period, the day next succeeding the last day of such Bond Interest Term, (e) with respect to each Interest Rate Period, the day next succeeding the last day thereof and (f) with respect to Bank Bonds, the days on which interest is due pursuant to the Liquidity Facility.

The term "Business Day" means any day other than (i) a Saturday, a Sunday or any other day on which banks located in the cities in which the designated corporate trust offices of the Bond Trustee and the Tender Agent and the principal offices of the Bond Trustee, the Remarketing Agent, the Borrower or the Bank are located, or in which the office of the Bank from which payments are made pursuant to the Liquidity Facility is located, are authorized or required to remain closed or (ii) a day on which the New York Stock Exchange is closed.

The interest rate on the Bonds shall be determined as follows:

1. Daily Interest Rate. During each Daily Interest Rate Period, this Bond shall bear interest at the Daily Interest Rate, which shall be determined by the Remarketing Agent by 9:30 a.m., New York City time, on each Business Day during such Daily Interest Rate Period. The Daily Interest Rate shall be the rate of interest per annum determined by the Remarketing Agent (based on the examination of tax-exempt obligations comparable, in the judgment of the Remarketing Agent, to the Bonds and known by the Remarketing Agent to have been priced or traded under then prevailing market conditions) to be the minimum interest rate which, if borne by the Bonds, would enable the Remarketing Agent to sell the Bonds on such date of determination at a price (without regard to accrued interest) equal to the principal amount thereof. In the event that the Remarketing Agent fails to establish a Daily Interest Rate for any day, then the Daily Interest Rate for such day shall be the same as the Daily Interest Rate for the immediately preceding day and such rate shall continue until the earlier of (A) the date on which the Remarketing Agent determines a new Daily Interest Rate for the Bonds or (B) the seventh day succeeding the first such day on which such Daily Interest Rate is not determined by the Remarketing Agent. In the event that the Remarketing Agent fails to determine a new Daily Interest Rate for a period of seven days as described in clause (B) of the immediately preceding sentence, or in the event that the Daily Interest Rate determined by the Remarketing Agent shall be held to be invalid or unenforceable by a court of law, then the interest rate applicable to the Bonds shall be equal to 110% of the SIFMA Index (as defined in the Trust Indenture) made available for the week preceding the date of determination, or if such index is no longer available, or no such index was so made available for the week preceding the date of determination, 75% of the interest rate

on 30-day high grade unsecured commercial paper notes sold through dealers by major corporations as reported in The Wall Street Journal for each Business Day (and for the next preceding Business Day for each day which is not a Business Day) until such Daily Interest Rate is again validly determined by the Remarketing Agent.

2. Weekly Interest Rate. During each Weekly Interest Rate Period, this Bond shall bear interest at a Weekly Interest Rate, which shall be determined by the Remarketing Agent by 4:30 p.m., New York City time, on Wednesday of each week during such Weekly Interest Rate Period, or if such day shall not be a Business Day, then on the immediately preceding Business Day. The first Weekly Interest Rate determined for each Weekly Interest Rate Period shall be determined on or prior to the first day of such Weekly Interest Rate Period and shall apply to the period commencing on the first day of such Weekly Interest Rate Period and ending on and including the next succeeding Wednesday. Thereafter, each Weekly Interest Rate shall apply to the period commencing on and including Thursday and ending on and including the next succeeding Wednesday, unless such Weekly Interest Rate Period shall end on a day other than a Wednesday, in which event the last Weekly Interest Rate for such Weekly Interest Rate Period shall apply to the period commencing on the Thursday preceding the last day of such Weekly Interest Rate Period and ending on and including the last day of such Weekly Interest Rate Period. The Weekly Interest Rate shall be the rate of interest per annum determined by the Remarketing Agent (based on the examination of tax-exempt obligations comparable, in the judgment of the Remarketing Agent, to the Bonds and known by the Remarketing Agent to have been priced or traded under then prevailing market conditions) to be the minimum interest rate which, if borne by the Bonds, would enable the Remarketing Agent to sell the Bonds on such date of determination at a price (without regard to accrued interest) equal to the principal amount thereof. In the event that the Remarketing Agent fails to establish a Weekly Interest Rate for any week, then the Weekly Interest Rate for such week shall be the same as the Weekly Interest Rate for the immediately preceding week if the Weekly Interest Rate for such preceding week was determined by the Remarketing Agent. In the event that the Weekly Interest Rate for the immediately preceding week was not determined by the Remarketing Agent, or in the event that the Weekly Interest Rate determined by the Remarketing Agent shall be held to be invalid or unenforceable by a court of law, then the interest rate for such week shall be equal to 110% of the SIFMA Index made available for the week preceding the date of determination, or if the SIFMA Index is no longer available, or no such index was so made available for the week preceding the date of determination, 75% of the interest rate on 30day high grade unsecured commercial paper notes sold through dealers by major corporation as reported in The Wall Street Journal on the day the Weekly Interest Rate would otherwise be determined as provided herein for such Weekly Interest Rate Period.

3. Long-Term Interest Rate. During each Long-Term Interest Rate Period, this Bond shall bear interest at the Long-Term Interest Rate. The Long-Term Interest Rate for the Bonds shall be determined by the Remarketing Agent on a Business Day no earlier than two (2) weeks before the effective date of such Long-Term Interest Rate Period and no later than 10:00 a.m., New York City time, on the effective date of such Long-Term Interest Rate Period. The Long-Term Interest Rate shall be the rate of interest per annum determined by the Remarketing Agent (based on an examination of tax-

exempt obligations comparable, in the judgment of the Remarketing Agent, to the Bonds and known by the Remarketing Agent to have been priced or traded under then-prevailing market conditions) to be the minimum interest rate which, if borne by the Bonds, would enable the Remarketing Agent to sell the Bonds on such effective date at a price (without regard to accrued interest) equal to the principal amount thereof.

4. Bond Interest Terms and Bond Interest Term Rates. During each Short-Term Interest Rate Period, this Bond shall bear interest during each Bond Interest Term for this Bond at the Bond Interest Term Rate for this Bond. The Bond Interest Term and Bond Interest Term Rate for this Bond shall be determined by the Remarketing Agent no later than 12:00 noon, New York City time, on the first day of each Bond Interest Term. The Bond Interest Term and the Bond Interest Term Rate need not be the same for any two Bonds, even if determined on the same date. The Bond Interest Term for each Bond shall be a period of not less than one day and not more than 270 days, determined by the Remarketing Agent to be the period which, together with all other Bond Interest Terms for all Bonds then outstanding under the Trust Indenture, will result in the lowest overall interest expense on the Bonds over the next succeeding 270 days, taking into account certain factors set forth in the Trust Indenture. Any Bond purchased by the Bank or the Borrower and remaining unsold by the Remarketing Agent as of the close of business on the first day of the Bond Interest Term for that Bond shall have a Bond Interest Term of one day or, if that Bond Interest Term does not end on a day immediately preceding a Business Day, a Bond Interest Term ending on the day immediately preceding the next Business Day. Each Bond Interest Term shall end either on a day which immediately precedes a Business Day or on the day immediately preceding the Maturity Date. If for any reason a Bond Interest Term for any Bond cannot be so determined by the Remarketing Agent, or if the determination of such Bond Interest Term is held by a court of law to be invalid or unenforceable, then such Bond Interest Term shall be 30 days, but if the last day so determined shall not be a day immediately preceding a Business Day, shall end on the first day immediately preceding the Business Day next succeeding such last day, or if such last day would be after the day immediately preceding the Maturity Date, shall end on the day immediately preceding the Maturity Date.

As provided in and subject to the terms and conditions of the Trust Indenture, the Bonds may, from time to time, be adjusted from one Interest Rate Period to a different Interest Rate Period or from one Long-Term Interest Rate Period to a different Long-Term Interest Rate Period. Any election to adjust Interest Rate Periods is subject to rescission by the Borrower as provided in the Trust Indenture.

Optional Tender for Purchase During Daily Interest Period or Weekly Interest Rate Period.

(i) During any Daily Interest Rate Period when a book-entry system is in effect, a Beneficial Owner (through its Participant) may tender its interest in a Bond for purchase on any Business Day at a purchase price equal to the principal amount thereof plus accrued interest, if any, from and including the Interest Payment Date immediately preceding the date of purchase through and including the day immediately preceding the date of purchase, unless the date of purchase shall be an Interest Payment Date, in which

case at a purchase price equal to the principal amount thereof, payable in immediately available funds, upon delivery to the Tender Agent and the Remarketing Agent at their respective principal offices for delivery of notices, by no later than 11:00 a.m., New York City time, on such Business Day, of an irrevocable written notice or telephonic notice, promptly confirmed in writing, which states the principal amount of such Bond and the date on which the same shall be purchased, which date shall be the date of the delivery of such notice to the Tender Agent and the Remarketing Agent. Any notice delivered to the Tender Agent and the Remarketing Agent after 11:00 a.m., New York City time, shall be deemed to have been received on the next succeeding Business Day.

(ii) During any Weekly Interest Rate Period when a book-entry system is in effect, a Beneficial Owner (through its Participant) may tender its interest in a Bond for purchase on any Business Day at a purchase price equal to the principal amount thereof plus accrued interest, if any, from and including the Interest Payment Date immediately preceding the date of purchase through and including the day immediately preceding the date of purchase, unless the date of purchase shall be an Interest Payment Date, in which case at a purchase price equal to the principal amount thereof, payable in immediately available funds, upon delivery to the Tender Agent and the Remarketing Agent at their respective principal offices for delivery of notices, by no later than 4:00 p.m., New York City time, on such Business Day, of an irrevocable written notice, which states the principal amount of such Bond and the date on which the same shall be purchased, which date shall be a Business Day not prior to the seventh day next succeeding the date of the delivery of such notice to the Tender Agent and the Remarketing Agent. Any notice delivered to the Tender Agent and the Remarketing Agent after 4:00 p.m., New York City time, shall be deemed to have been received on the next succeeding Business Day.

On the date for purchase specified in the notice, the Beneficial Owner shall effect delivery of such Bonds by causing the Participant through which such Beneficial Owner owns such Bonds to transfer an interest in such Bonds equal to such Beneficial Owner's interest on the records of the Securities Depository to the participant account of the Tender Agent with the Securities Depository.

During any Daily Interest Rate Period or Weekly Interest Rate Period when a book-entry system is not in effect, a registered owner may tender his Bond by delivery to the Tender Agent of the notice described above by the time set forth above and shall also deliver the Bond to the Tender Agent on the date specified for purchase.

Mandatory Tender for Purchase On Day Next Succeeding Last Day of Each Bond Interest Term. On the day next succeeding the last day of each Bond Interest Term for this Bond, this Bond shall be purchased from its registered owner at a purchase price equal to the principal amount hereof, payable in immediately available funds. The purchase price of any Bond so purchased shall be payable only upon (1) if a Book-Entry System is not in effect, surrender of such Bond to the Tender Agent at its principal office for delivery of Bonds, accompanied by an instrument of transfer thereof, in form satisfactory to the Tender Agent, executed in blank by the Holder thereof or his duly authorized attorney, with such signature guaranteed by a member of the New York Stock Exchange's Medallion Program or the New York Stock Exchange, Inc. Signature Program in accordance with the provisions of Securities

and Exchange Commission Rule 17Ad-15 or (2) if a Book-Entry System is in effect, registration of the ownership rights in such Bond to the Tender Agent on the records of the Securities Depository.

Mandatory Tender for Purchase on First Day of Each Interest Rate Period in Event of Conversion to New Interest Rate Period. This Bond shall be subject to mandatory tender for purchase on the first day of each Interest Rate Period, or on the day which would have been the first day of an Interest Rate Period in the event that one of the conditions precedent to the adjustment to a new Interest Rate Period shall not be met as described in the Trust Indenture, in the event of a conversion from one Interest Rate Period to another Interest Rate Period and on the first day of each new Long-Term Interest Rate Period, at a purchase price, payable in immediately available funds, equal to the principal amount hereof, or in the case of a purchase on the first day of an Interest Rate Period which shall be preceded by a Long-Term Interest Rate Period and which shall commence prior to the day originally established as the last day of such preceding Long-Term Interest Rate Period, at a purchase price equal to the optional redemption price then applicable to this Bond on such purchase date.

Mandatory Tender for Purchase upon Expiration, Termination or Replacement of Credit Facility or Liquidity Facility.

(i) The Bonds shall be subject to mandatory tender for purchase at a purchase price equal to the principal amount thereof, plus accrued interest, if any, to the date of purchase:

(A) on the fifth Business Day next preceding the date on which a Credit Facility then in effect is stated to expire or terminate (unless extended); and

(B) if the Credit Facility then in effect will terminate prior to its stated expiration date on account of delivery of an Alternate Credit Facility or a Substitute Liquidity Facility or implementation of a Self Liquidity Arrangement, on the proposed effective date of the Alternate Credit Facility, Substitute Liquidity Facility or Self Liquidity Facility.

(ii) Liquidity Enhanced Bonds (as defined in the Trust Indenture) shall be subject to mandatory tender for purchase at a purchase price equal to the principal amount thereof, plus accrued interest, if any, to the date of purchase:

(A) on the fifth Business Day next preceding the date on which a Liquidity Facility then in effect is stated to expire or terminate (unless extended), other than a termination of a Liquidity Facility on account of an Authorized Liquidity Termination; and

(B) if the Liquidity Facility then in effect will terminate prior to its stated expiration date on account of delivery of a Credit Facility or a Substitute Liquidity Facility or implementation of a Self Liquidity Arrangement, on the proposed effective date of the Credit Facility, Substitute Liquidity Facility or Self Liquidity Arrangement.

Mandatory Tender for Purchase at the Direction of the Borrower. During any Daily Interest Rate Period or Weekly Interest Rate Period, the Bonds are subject to mandatory tender for purchase on any Business Day designated by the Borrower, with the consent of the Remarketing Agent and the Bank.

Optional Redemption. On any Business Day during a Daily Interest Rate Period or a Weekly Interest Rate Period, the Bonds shall be subject to optional redemption at the direction of the Borrower Representative, in whole or in part, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed.

On the day succeeding the last day of any Bond Interest Term with respect to any Bond bearing interest at a Bond Interest Term Rate, such Bond shall be subject to optional redemption at the direction of the Borrower Representative, in whole or in part, at a redemption price equal to 100% of the principal amount of the Bond to be redeemed.

During any Long-Term Interest Rate Period, the Bonds shall be subject to optional redemption at the direction of the Borrower Representative, (A) on the first day thereof, in whole or in part, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, and (B) thereafter, during the periods specified below or, if approved by Bond Counsel as provided in the Trust Indenture, during the periods specified in the notice of the Borrower to the Bond Trustee pursuant to the Trust Indenture, in whole or in part at any time, at the redemption prices (expressed as a percentage of principal amount) hereinafter indicated or specified in the notice of the Borrower to the Bond Trustee pursuant to the Trust Indenture, plus accrued interest, if any, to the redemption date:

Length of Long-Term Interest Rate Period (expressed in years)	Redemption Prices
Greater than 10	After 7 years at 101%, declining by 1 every year to 100%
Less than or equal to 10 and greater than 7	After 5 years at 101%, declining by 1 every year to 100%
Less than or equal to 7 and greater than 4	After 3 years at 101%, declining by 1 every year to 100%
Less than or equal to 4	After 2 years at 100%

Extraordinary Optional Redemption. The Bonds are also subject to redemption by the Issuer, upon the direction of the Borrower Representative, on any date at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed plus accrued interest to the redemption date (a) in whole or in part (pro rata from each maturity of the Bonds), from amounts received by the Borrower as insurance proceeds (except from a draw on the Credit Facility if a Credit Facility is in effect) with respect to any casualty loss or failure of title or condemnation awards, upon damage to or destruction of all or any part of the Project constituting land, buildings or equipment by fire or casualty or loss of title to or use of all or any part of the Project as a result of the failure of title or as a result of eminent domain proceedings or proceedings in lieu thereof (if such damage, destruction, loss of title or loss of use causes such Project to be

impracticable to operate for a period of at least six months); (b) in whole, upon changes in the Constitution of the United States of America or of the State of South Carolina or of legislative or administrative action, or failure of administrative action by the United States or the State of South Carolina or any Issuer or political subdivision of either, or by reason of any judicial decision to such extent that, in the opinion of the board of directors of the Borrower and an independent management consultant, (i) the Agreement is impossible to perform without unreasonable delay or (ii) unreasonable burdens or excessive liabilities not being imposed as of the date of the Agreement are imposed on the Borrower, or (c) in whole, in the event changes, which the Borrower cannot reasonably control, in the economic availability of materials, supplies, labor, equipment, or other properties or things necessary for the efficient operation of the Project shall have occurred, which in the judgment of the Borrower, render the continued operation of the Project uneconomical; or changes in circumstances, after issuance of the Bonds, including but not limited to changes in solid waste abatement, control and disposal requirements, shall have occurred such that the Borrower shall determine use of the Project is no longer required or desirable.

The registered owner of this Bond shall have no right to enforce the provisions of the Trust Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Trust Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Trust Indenture and except that any registered owner may institute action to enforce the payment of the principal of or the interest on such registered owner's Bond.

Upon the occurrence of certain events, and on the conditions, in the manner and with the effect set forth in the Trust Indenture, the Bonds may become or may be declared due and payable before the stated maturity thereof, together with the interest accrued thereon.

Modifications or alterations of the Trust Indenture or any Trust Indenture supplemental thereto, the Agreement or any agreement supplemental thereto, may be made only to the extent and in the circumstances permitted by the Trust Indenture and the Agreement.

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this Bond and the execution of the Trust Indenture and the Agreement have happened, exist and have been performed as so required.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Trust Indenture until it shall have been authenticated by the execution by the Bond Trustee of the certificate of authentication hereon.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the South Carolina Jobs-Economic Development Authority has caused this Bond to be executed with the signature of its Secretary-Treasurer, and this Bond to be dated the Original Issuance Date set forth above.

SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY

By: _____

CERTIFICATE OF AUTHENTICATION

This Bond is a Bond issued under the provisions of the within-mentioned Trust Indenture.

_____,
Bond Trustee

By: _____
Vice President

Date of authentication:

_____

[FORM OF ASSIGNMENT]

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

_____

_____

[Please Print or Typewrite Name and Address of Transferee]

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____ _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

EXHIBIT B

SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY
INDUSTRIAL REVENUE BONDS
(SOUTH CAROLINA GENERATING COMPANY, INC. PROJECT)
SERIES 2008

REQUISITION NUMBER: _____ DATED: _____ NUMBER: _____
BORROWER/PROJECT NAME: SOUTH CAROLINA GENERATING COMPANY PROJECT

TO: _____, Bond Trustee

1. It is hereby certified in accordance with the Trust Indenture that the following is/are due payment in the amount(s) indicated for:

PAYEE	PURPOSE	AMOUNT DUE
Total Amount of this Requisition		$_____

2. The amount stated above has been incurred, is due, and is a proper charge against the Project Fund. Further, the stated amount herein does not contain any sales or use taxes.

You are authorized and directed to pay the above sum (sums) to the party (parties) named in paragraph 1 from money in the [Issuance Account/Project Account] of the Project Fund held under the terms of the Trust Indenture.

APPROVED:

QUESTIONS REGARDING THIS REQUISITION SHOULD BE DIRECTED TO:

_____ Borrower Rep.

_____ Date

_____ (type or print name)

_____ Date

_____ FAX number

_____ Telephone number

EXHIBIT C

K&S Draft 07/30/08

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2008

New Issue – Book-Entry Only

S&P's: [_____]*

(See "RATING" herein)

In the opinion of McNair Law Firm, P.A., Bond Counsel, assuming the accuracy of certain representations and compliance with covenants as described herein, under existing statutes, rulings and court decisions, and under applicable regulations and proposed regulations, interest on the Bonds is not includable in gross income of the owners thereof for federal income tax purposes, except for interest on any Bonds for any period during which the Bonds are held by a person who is a "substantial user" of the facilities financed or refinanced by the Bonds or a "related person" within the meaning of Section 147(a) of the Code. Interest on the Bonds is an item of tax preference for purposes of calculating the alternative minimum tax imposed on individuals and corporations. In the opinion of Bond Counsel, under existing law, interest on the Bonds is exempt from present State of South Carolina income taxation as described herein. See "TAX EXEMPTION" herein.

$[50,000,000]*
South Carolina Jobs-Economic Development Authority
Industrial Revenue Bonds
(South Carolina Generating Company, Inc. Project)
Series 2008

Dated: Date of Delivery

Due: _____

The Bonds (the "Bonds") are being issued by the South Carolina Jobs-Economic Development Authority (the "Authority"), pursuant to a Trust Indenture, dated as of _____ 1, 2008 (the "Trust Indenture"), by and between the Authority and _____, as bond trustee (the "Bond Trustee"). The Authority will loan the proceeds of the Bonds to South Carolina Generating Company, Inc., a South Carolina corporation (the "Borrower") pursuant to a Loan Agreement, dated as of _____ 1, 2008 (the "Loan Agreement"), by and between the Authority and the Borrower. The Borrower's obligations under the Loan Agreement will be evidenced by a Promissory Note, dated _____, 2008 (the "Note"), issued by the Borrower to the Authority and assigned by the Authority to Bond Trustee. The Bonds are limited obligations of the Authority payable by the Authority from and secured by, the "Trust Estate" described herein, including without limitation, (i) all right, title and interest of the Authority in and to the Note, (ii) all right, title and interest of the Authority in and to the Loan Agreement and the Guaranty, except for certain unassigned rights, (iii) all moneys and securities in the Bond Fund and the Redemption Fund and, until applied in payment of the cost of the Project and the cost of issuing the Bonds, all moneys and securities in the Project Fund, and (iv) all moneys drawn by the Bond Trustee under a Credit Facility. The Trust Estate is pledged to the payment of the Bonds under the Trust Indenture. See "SECURITY FOR AND SOURCES OF PAYMENT FOR THE BONDS" herein. Under the terms of a Guaranty, dated as of _____, 2008 (the "Guaranty"), of

SCANA Corporation

("SCANA"), in favor of the Authority and the Bond Trustee, SCANA will guarantee the payment of the principal and interest on the Bonds when and as the same are due and payable. See "SECURITY FOR AND SOURCES OF PAYMENT FOR THE BONDS" herein.

The payment of the principal of and interest on the Bonds will also be secured by an irrevocable, direct-pay letter of credit (initially, the "Credit Facility") issued by

_____

(initially, the "Credit Facility Provider") pursuant to which the Bond Trustee will be permitted to draw (a) an amount equal to the aggregate principal amount of the Bonds outstanding for the payment of the principal of the Bonds or the principal component of the purchase price of the Bonds, plus (b) an amount equal to 35 days' interest on the Bonds outstanding (computed at a rate of 12% per annum) for the payment of interest on the Bonds or the interest component of the purchase price of the Bonds, all as further described herein. The initial Credit Facility will expire on _____, unless extended or terminated prior to such date as described herein. See "SECURITY FOR AND SOURCES OF PAYMENT FOR THE BONDS" herein.

The Borrower will use the proceeds of the Bonds for the purpose of providing funds, together with other available funds, to (1) finance the acquisition, by construction and purchase, of solid waste control facilities at the Borrower's Arthur M. Williams Electric Generating Station, including but not limited to, buildings and improvements to land, desulphurization systems, dewatering systems, conveyors and transportation systems, dewatering systems, waste handling and disposal equipment, landfill improvements and equipment and other improvements and equipment functionally related and subordinate thereto located in Berkeley County, South Carolina (the "Project") and (2) pay a portion of certain expenses incurred in connection with the authorization and issuance of the Bonds.

The Bonds will be delivered as fully registered bonds and will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. Individual purchases of the Bonds may be made in book-entry form only, in denominations of $100,000 and integral multiples of $5,000 in excess thereof while bearing interest in a Weekly Interest Rate Period (as such term is defined herein). See "THE BONDS – Book-Entry-Only System" herein.

The Bonds are being initially delivered bearing interest in a Weekly Interest Rate Period. The Weekly Interest Rate on the Bonds will be adjusted each week by Banc of America Securities LLC, the initial Remarketing Agent for the Bonds, as more fully described herein. The Bonds are subject to conversion to a Daily Interest Rate Period, a Short-Term Interest Rate Period or a Long-Term Interest Rate Period subject to certain conditions contained in the Trust Indenture. In the event of any conversion from a Weekly Interest Rate Period, the Bonds will be subject to mandatory tender for purchase on the first day of each Interest Rate Period (as defined herein) and on the first day of each new Long-Term Interest Rate Period (as defined herein) at a purchase price, payable in immediately available funds, equal to the principal amount thereof, plus accrued interest. Interest on the Bonds is payable on the first Business Day of each calendar month, commencing _____, 2008 (an "Interest Payment Date").

Price ____%

This Preliminary Official Statement and the information contained herein are subject to change, completion or amendment without notice. The Bonds may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstance s will this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor will there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

This Official Statement generally describes the Bonds only while bearing interest at a Weekly Interest Rate. Prospective purchasers of the Bonds bearing interest at rates other than a Weekly Interest Rate should not rely on this Official Statement.

The Bonds are subject to optional and extraordinary optional redemption and optional and mandatory tender for purchase prior to maturity in the manner and at the times described herein.

The Bonds are limited obligations of the Authority payable solely out of the revenues derived by the Authority under the Loan Agreement and otherwise out of the Trust Estate pledged under the Trust Indenture and any other security therefor. The Bonds do not constitute nor give rise to a pecuniary liability of the State of South Carolina (the "State") or of any political subdivision thereof, including the Authority, or a charge against the general credit of the State or of any political subdivision thereof, including the Authority, or the taxing powers of the State. The Authority has no taxing powers, and no owner of any Bond will have the right to demand payment of the principal of or premium, if any, or interest on any Bonds from any funds raised by taxation.

The Bonds are offered subject to prior sale, when, as and if issued by the Authority and received by the Underwriter, subject to the approval of their validity by McNair Law Firm, P.A., Columbia, South Carolina, Bond Counsel. Certain legal matters will be passed upon by King & Spalding, Atlanta, Georgia, counsel to the Underwriter, by _____, counsel to the Credit Facility Provider, by Francis P. Mood, Jr., Esquire, Columbia, South Carolina, and McNair Law Firm, P.A., Columbia, South Carolina, counsel to the Borrower and by _____, counsel to the Authority. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about _____, 2008.

Banc of America Securities LLC

Underwriter and Remarketing Agent

for the Bonds

_____, 2008

*** Preliminary, subject to change.**

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No dealer, broker, salesman or other person has been authorized to give any information or to make any representation other than those contained in this Official Statement in connection with the offering described herein, and, if given or made, such other information or representation must not be relied upon as having been authorized by the Authority, the Borrower or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy any securities other than the Bonds offered hereby, nor will there be any offer or solicitation of such offer or sale of the Bonds in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

THE UNDERWRITER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT: THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

All quotations from and summaries and explanations of laws and documents herein do not purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Bonds will under the circumstances create any implication that there has been no change in the affairs of the Authority or the Borrower since the date hereof.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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$[50,000,000]*
South Carolina Jobs-Economic Development Authority
Industrial Revenue Bonds
(South Carolina Generating Company, Inc. Project)
Series 2008

INTRODUCTION

This Official Statement is provided to furnish certain information in connection with the original issuance and sale by the South Carolina Jobs-Economic Development Authority (the "Authority") of $[50,000,000]* aggregate principal amount of its South Carolina Jobs-Economic Development Authority Industrial Revenue Bonds (South Carolina Generating Company, Inc. Project), Series 2008 (the "Bonds"). The Bonds are being issued under a Trust Indenture, dated as of _____ 1, 2008 (the "Trust Indenture"), and by and between the Authority and _____, as bond trustee (the "Bond Trustee").

Concurrently with the issuance of the Bonds, the Authority will enter into a Loan Agreement, dated as of _____ 1, 2008 (the "Loan Agreement"), and by and between the Authority and South Carolina Generating Company, Inc., a South Carolina corporation (the "Borrower"). Pursuant to the Loan Agreement, the Authority will lend the proceeds of the Bonds to the Borrower for the purpose of providing funds, together with other available funds, to (1) finance the acquisition, by construction and purchase, of solid waste control facilities at the Borrower's Arthur M. Williams Electric Generating Station, including but not limited to, buildings and improvements to land, desulphurization systems, dewatering systems, conveyors and transportation systems, dewatering systems, waste handling and disposal equipment, landfill improvements and equipment and other improvements and equipment functionally related and subordinate thereto, located in Berkeley County, South Carolina (the "Project") and (2) pay a portion of certain expenses incurred in connection with the authorization and issuance of the Bonds. The Borrower's obligations under the Loan Agreement will be evidenced by a Promissory Note, dated the date of the delivery of the Bonds (the "Note"), issued by the Borrower to the Authority and assigned by the Authority to the Bond Trustee.

The Bonds are limited obligations of the Authority payable only from the revenues derived by the Authority under the Loan Agreement and otherwise out of the Trust Estate (as defined herein) pledged under the Trust Indenture and any other security therefor. The Bonds do not constitute nor give rise to a pecuniary liability of the State of South Carolina (the "State") or of any political subdivision thereof, including the Authority, or a charge against the general credit of the State or of any political subdivision thereof, including the Authority, or the taxing powers of the State. The Authority has no taxing powers, and no owner of any Bond will have the right to demand payment of the principal of or premium, if any, or interest on any Bonds from any funds raised by taxation.

The payment of the principal and purchase price of and interest on the Bonds will be secured by an irrevocable, direct-pay letter of credit (initially, the "Credit Facility"). The initial Credit Facility will be issued by _____, (initially, the "Credit Facility Provider"), pursuant to a Credit Facility Provider Agreement dated as of _____ 1, 2008, between the Borrower and the Credit Facility Provider (the "Credit Facility Provider Agreement").

[Under the Credit Facility, the Bond Trustee will be permitted to draw up to (a) an amount equal to the aggregate principal amount of the Bonds outstanding for payment of the principal of the Bonds or the principal component of the purchase price of the Bonds, plus (b) an amount equal to 35 days' interest on the Bonds outstanding (computed at a rate of 12% per annum) for the payment of interest on the Bonds or the interest component of the purchase price of the Bonds, all as further described herein. The Credit Facility will expire on _____, unless terminated as provided earlier therein and as described herein.] The Trust Indenture requires the Bond Trustee to give Holders at least 20 days prior written notice of the expiration or termination of the Credit Facility or the proposed effective date of any Substitute Liquidity Facility or Self Liquidity Arrangement. See "SECURITY FOR AND SOURCES OF PAYMENTS FOR THE BONDS -- The Credit Facility" and "SUMMARY OF CERTAIN PROVISIONS OF THE CREDIT FACILITY PROVIDER AGREEMENT".

WHILE CERTAIN INFORMATION RELATING TO THE BORROWER IS INCLUDED AND INCORPORATED WITHIN, THE BONDS ARE BEING MARKETED SOLELY ON THE BASIS OF THE CREDIT FACILITY AND THE FINANCIAL STRENGTH OF THE CREDIT FACILITY PROVIDER AND ARE NOT BEING MARKETED ON THE BASIS OF THE FINANCIAL STRENGTH OF THE AUTHORITY, THE

BORROWER OR ANY OTHER SECURITY. THIS OFFICIAL STATEMENT DOES NOT DESCRIBE THE FINANCIAL CONDITION OF THE BORROWER AND NO REPRESENTATION IS MADE CONCERNING THE FINANCIAL STATUS OR PROSPECTS OF THE BORROWER OR THE VALUE OR FINANCIAL VIABILITY OF THE PROJECT. PROSPECTIVE PURCHASERS OF THE BONDS ARE ADVISED TO RELY SOLELY UPON THE CREDIT FACILITY FOR PAYMENT OF PRINCIPAL AND PURCHASE PRICE OF AND INTEREST ON THE BONDS. AN EVENT OF DEFAULT UNDER THE CREDIT AGREEMENT, INCLUDING, AMONG OTHER THINGS, THE BORROWER'S FAILURE TO PAY ITS REIMBURSEMENT OBLIGATIONS OR COMPLY WITH ITS COVENANTS THEREUNDER, WILL PERMIT THE CREDIT FACILITY PROVIDER TO PROVIDE NOTICE TO THE BOND TRUSTEE TO DECLARE AN EVENT OF DEFAULT UNDER THE TRUST INDENTURE, WHICH WOULD REQUIRE THE TRUSTEE TO DECLARE THE BONDS TO BE IMMEDIATELY DUE AND PAYABLE. See "SUMMARY OF CERTAIN PROVISIONS OF THE CREDIT FACILITY PROVIDER AGREEMENT".

Certain information relating to the Credit Facility Provider, including certain financial information, is set forth in Appendix B hereto. Such descriptions and information do not purport to be comprehensive or definitive.

Unless otherwise defined herein, capitalized terms used in this Official Statement have the meanings ascribed to them in Appendix A under the heading "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE AND LOAN AGREEMENT - Definitions."

THE AUTHORITY

The Authority is a public body corporate and politic and an agency of the State of South Carolina, duly authorized under and pursuant to the provisions of Title 41, Chapter 43, Code of Laws of South Carolina 1976, as amended (the "Act"), to issue revenue bonds and to enter into agreements securing such bonds to provide funds for any program authorized under the Act and to loan the proceeds to eligible business enterprises to be used to acquire, by construction or purchase, land, buildings or other improvements thereon, machinery, equipment, office furnishings or other depreciable assets, or for research and design costs, legal and accounting fees, or other expenses in connection with the acquisition, construction and financing thereof.

THE PROJECT AND USE OF BOND PROCEEDS

The Project

The Borrower will use the proceeds of the Bonds for the purpose of providing funds, together with other available funds, to finance the acquisition, by construction and purchase, of solid waste control facilities at the Borrower's Arthur M. Williams Electric Generating Station, including but not limited to, buildings and improvements to land, desulphurization systems, dewatering systems, conveyors and transportation systems, dewatering systems, waste handling and disposal equipment, landfill improvements and equipment and other improvements and equipment functionally related and subordinate thereto, located in Berkeley County, South Carolina (the "Project").

Use of Bond Proceeds

All of the proceeds of the Bonds, together with other available funds, will be used to finance a portion of the cost of the Project described above and pay a portion of the costs of issuance of the Bonds.

THE BONDS

General

This Official Statement, in general, only describes the Bonds while bearing interest in a Weekly Interest Rate Period. Prospective purchasers of the Bonds bearing interest at rates other than a Weekly Interest Rate should not rely on this Official Statement.

The Bonds will be dated the date of their initial delivery and will mature, subject to prior redemption as described below, on _____ 1, 20__. Interest on the Bonds will be computed on the basis of a 365 or 366-day year, as appropriate, for the actual number of days elapsed during the Weekly Interest Rate Period.

The Bonds will be issued as fully-registered bonds in book-entry form only and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). See "THE BONDS -- Book-Entry System" herein for information concerning DTC and the book-entry-only system for the Bonds.

While the Bonds bear interest at a Weekly Interest Rate, individual purchases of the Bonds by the beneficial owners will be only in denominations of $100,000 and integral multiples of $5,000 in excess of $100,000 (an "Authorized Denomination").

The Bonds will initially bear interest at a Weekly Interest Rate. The interest rate may be changed from time to time to a Daily Interest Rate, Bond Interest Term Rate or Long-Term Interest Rate as described below under the subheading "Interest Rates". While the Bonds bear interest at a Weekly Interest Rate, interest will be payable monthly in arrears on the first Business Day of the month, commencing _____, 2008.

Payment of the principal or redemption price of the Bonds is payable upon presentation and surrender thereof at the principal office of the Bond Trustee. For information as to payment of principal of, premium, if any, and interest on such Bonds to the Beneficial Owners of the Bonds when the Bonds are subject to the Book-Entry System, see "THE BONDS -- Book-Entry System" herein. If the Book-Entry System is ever discontinued for the Bonds, payment of interest on any Interest Payment Date will be made by check or draft mailed by first-class postage prepaid on the date on which it is due to the person whose name appears on the register of record owners of the Bonds maintained by the Bond Trustee (the "Register") as the registered owner thereof as of the close of business on the Regular Record Date. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder as of such Regular Record Date and will be paid to the person in whose name the Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest or in any other lawful manner as determined by the Authority in accordance with the Trust Indenture.

Interest Rates

General

The Bonds will initially bear interest at a Weekly Interest Rate until the interest rate on the Bonds is adjusted to a Daily Interest Rate, Bond Interest Term Rate or Long-Term Interest Rate; provided, however, that all Bonds must be adjusted to a new interest rate mode if any are changed.

Interest on the Bonds will be payable on each Interest Payment Date for the period commencing on the immediately preceding Interest Accrual Date and ending on and including the day immediately preceding the Interest Payment Date (or, if sooner, the last day of the Weekly Interest Rate Period). In any event, interest on the Bonds will be payable for the final Interest Rate Period to the date on which the Bonds have been paid in full.

The term of the Bonds will be divided into consecutive Interest Rate Periods during which the Bonds will bear interest at a Weekly Interest Rate; provided, however, that at no time will any Bond bear interest in excess of 12% per annum, except Bank Bonds. The first Interest Rate Period will commence the date of issuance of the Bonds and will be a Weekly Interest Rate Period.

Weekly Interest Rate

The Bonds will bear interest at the Weekly Interest Rate, which will be determined by the Remarketing Agent by 4:30 p.m. on Wednesday of each week during such Weekly Interest Rate Period, or if such day is not a Business Day, then on the immediately preceding Business Day. The first Weekly Interest Rate determined for each Weekly Interest Rate Period will apply to the period determined on or prior to the first day of such Weekly Interest Rate Period and will apply to the period commencing on the first day of such Weekly Interest Rate Period and ending on and including the next succeeding Wednesday. Thereafter, each Weekly Interest Rate will apply to the period commencing on and including Thursday and ending on and including the next succeeding Wednesday, unless such Weekly Interest Rate Period will end on a day other than Wednesday, in which event the last Weekly Interest Rate for such Weekly Interest Rate Period will apply to the period commencing on the Thursday preceding the last day of such Weekly Interest Rate Period and ending on and including the last day of such Weekly Interest Rate Period.

The Weekly Interest Rate will be the rate of interest per annum determined by the Remarketing Agent (based on the examination of tax-exempt obligations comparable, in the judgment of the Remarketing Agent, to the Bonds and known by the Remarketing Agent to have been priced or traded under then prevailing market conditions)

to be the minimum interest rate which, if borne by the Bonds, would enable the Remarketing Agent to sell the Bonds on such date of determination at a price (without regard to accrued interest) equal to the principal amount thereof.

In the event that the Remarketing Agent fails to establish a Weekly Interest Rate for any week, then the Weekly Interest Rate for such week will be the same as the Weekly Interest Rate for the immediately preceding week if the Weekly Interest Rate for such preceding week was determined by the Remarketing Agent. In the event that the Weekly Interest Rate for the immediately preceding week was not determined by the Remarketing Agent, or in the event that the Weekly Interest Rate determined by the Remarketing Agent is held to be invalid or unenforceable by a court of law, then the interest rate for such week will be equal to 110% of the SIFMA Index made available for the week preceding the date of determination, or if the SIFMA Index is no longer available, or no such index was so made available for the week preceding the date of determination, 75% of the interest rate on 30-day high grade unsecured commercial paper notes sold through dealers by major corporations as reported in The Wall Street Journal on the day the Weekly Interest Rate would otherwise be determined as provided in the Trust Indenture for such Weekly Interest Rate Period.

Adjustment of Interest Rates

Conversion from Weekly Interest Rate

The Borrower, at any time, by written direction to the Bond Trustee and with copies to the Authority, the Tender Agent, the Remarketing Agent, each Rating Agency then rating the Bonds, the Credit Facility Provider (if a Credit Facility or Liquidity Facility is in effect), may elect, subject to the terms of the Trust Indenture, that the Bonds shall bear interest at a Daily Interest Rate, a Short-Term Interest Rate or a Long-Term Interest Rate.

If the Interest Rate Period for the Bonds is to be converted from the Weekly Interest Rate Period, then such Bonds shall be subject to mandatory tender for purchase on the first day of each Interest Rate Period and on the first day of each new Long-Term Interest Rate Period at a purchase price, payable in immediately available funds, equal to the principal amount thereof, plus accrued interest.

Additional Conditions to Adjustment of Interest Rates

In addition to the other requirements set forth in "Conversion from Weekly Interest Rate" above and in the provisions of the Trust Indenture, no adjustment from a Weekly Interest Rate Period to another will take effect unless in the case of any adjustment with respect to which there will be no Credit Facility or Liquidity Facility in effect to provide funds for the purchase of the Bonds on the effective date, the remarketing proceeds available on the adjustment date are not less than the amount required to purchase all of the Bonds at a price equal to the principal amount of the Bonds.

Tender and Purchase of Bonds

THE TRUST INDENTURE PROVIDES THAT SO LONG AS CEDE & CO. IS THE SOLE REGISTERED OWNER OF THE BONDS, ALL TENDERS AND DELIVERIES OF THE BONDS UNDER THE PROVISIONS OF THE TRUST INDENTURE WILL BE MADE PURSUANT TO DTC'S PROCEDURES IN EFFECT FROM TIME TO TIME, AND NEITHER THE AUTHORITY, THE BORROWER, THE TENDER AGENT, THE BOND TRUSTEE NOR THE REMARKETING AGENT WILL HAVE ANY RESPONSIBILITY FOR OR LIABILITY WITH RESPECT TO THE IMPLEMENTATION OF SUCH PROCEDURES.

Tender for Purchase Upon Election of Holder During Weekly Interest Rate Period

When a Book-Entry System is in effect, a Beneficial Owner (through its Participant) may tender its interest in a Bond for purchase on any Business Day at a purchase price equal to the principal amount thereof plus accrued interest, if any, from and including the Interest Payment Date immediately preceding the date of purchase through and including the day immediately preceding the date of purchase, unless the date of purchase is an Interest Payment Date, in which case at a purchase price equal to the principal amount thereof, payable in immediately available funds, upon delivery to the Tender Agent and the Remarketing Agent at their respective principal offices for delivery of notices, by no later than 4:00 p.m. on such Business Day, of an irrevocable written notice, which states the principal amount of such Bond and the date on which the same will be purchased, which date will be a Business Day not prior to the seventh day next succeeding the date of the delivery of such notice to the Tender Agent and the Remarketing Agent. Any notice delivered to the Tender Agent and the Remarketing Agent after 4:00 p.m. will be deemed to have been received on the next succeeding Business Day.

The Tender Agent will promptly send a copy of any notice delivered to it by telephone, confirmed by telecopy to the Credit Facility Provider. On the date for purchase specified in the notice, the Beneficial Owner will effect delivery of such Bonds by causing the Participant through which such Beneficial Owner owns such Bonds to transfer an interest in such Bonds equal to such Beneficial Owner's interest on the records of the Securities Depository to the participant account of the Tender Agent with the Securities Depository.

When a Book-Entry System is not in effect, a Holder may tender his Bond by delivery to the Tender Agent of the notice described above by the time described above and will also deliver the Bond to the Tender Agent at its principal office for delivery of Bonds on the date specified for purchase accompanied by an instrument of transfer thereof, in form satisfactory to the Tender Agent, executed in blank by the Holder thereof or his duly authorized attorney, with such signature guaranteed by a member of the New York Stock Exchange's Medallion Program or the New York Stock Exchange, Inc. Signature Program in accordance with the provisions of Securities and Exchange Commission Rule 17Ad-15.

Mandatory Tender for Purchase on the First Day of Each Interest Rate Period in the Event of a Conversion to a New Interest Rate Period

The Bonds will be subject to mandatory tender for purchase on the first day of each Interest Rate Period, or on the day which would have been the first day of an Interest Rate Period had certain events described in the Trust Indenture not occurred which resulted in the interest rate on such Bonds not being adjusted, in the event of a conversion from one Interest Rate Period to another Interest Rate Period and on the first day of each new Long-Term Interest Rate Period, at a purchase price, payable in immediately available funds, equal to the principal amount of the Bonds.

Mandatory Tender for Purchase upon Termination, Expiration or Replacement of Credit Facility

The Bonds are subject to mandatory tender for purchase at a purchase price equal to the principal amount thereof, plus accrued interest, if any, to the date of purchase: (i) on the fifth Business Day next preceding the date on which a Credit Facility then in effect is stated to expire or terminate (unless extended); and (ii) if the Credit Facility then in effect will terminate prior to its stated expiration date on account of delivery of an Alternate Credit Facility or a Substitute Liquidity Facility or implementation of a Self Liquidity Arrangement, on the proposed effective date of the Alternate Credit Facility, Substitute Liquidity Facility or Self Liquidity Arrangement.

Mandatory Tender for Purchase at the Direction of the Borrower

The Bonds are subject to mandatory tender for purchase on any Business Day designated by the Borrower, with the consent of the Remarketing Agent and the Credit Facility Provider or Liquidity Facility Provider, at a purchase price equal to the principal amount thereof, plus accrued interest, if any, to the date of purchase. Such purchase date will be a Business Day not earlier than the 30th day following the fifth Business Day after receipt by the Bond Trustee of such designation.

Irrevocable Notice Deemed to be Tender of Bonds

The giving of notice by a Beneficial Owner or Holder of a Bond pursuant to the provisions of the Trust Indenture described above under the heading "-- Tender for Purchase Upon Election of Holder During Weekly Interest Rate Period" will constitute the irrevocable tender for purchase of each such Bond with respect to which such notice has been given, regardless of whether such Bond is delivered to the Tender Agent for purchase on the relevant purchase date. The Tender Agent may refuse to accept delivery of any Bonds for which a proper instrument of transfer has not been provided; such refusal, however, may not affect the validity of the purchase of such Bond as herein described. If any Beneficial Owner or Holder of a Bond who will have given notice of tender of purchase fails to deliver such Bond to the Tender Agent at the place and on the applicable date and at the time specified, or will fail to deliver such Bond properly endorsed, such Bond will constitute an Undelivered Bond.

Undelivered Bonds

If funds in the amount of the purchase price of the Undelivered Bonds are available for payment to the Holder thereof on the date and at the time specified, from and after the date and time of that required delivery, (1) each Undelivered Bond will be deemed to be purchased and will no longer be deemed to be outstanding under the Trust Indenture; (2) interest will no longer accrue thereon; and (3) funds in the amount of the purchase price of each such Undelivered Bond will be held by the Tender Agent for the benefit of the Holder thereof (provided that the Holder has no right to any investment proceeds derived from such funds), to be paid on delivery (and proper endorsement) of such Undelivered Bond to the Tender Agent at its principal office for delivery of Bonds. Any funds held by the Tender Agent as described in clause (3) of the preceding sentence will be held uninvested and not commingled.

Payment of Purchase Price

For payment of the purchase price of any Bond required to be purchased as provided in the Trust Indenture on the purchase date specified in the applicable notice, such Bond must be delivered, at or prior to 10:00 a.m. on the mandatory purchase date, (1) if a Book-Entry System is not in effect, to the Tender Agent at its principal office for delivery of Bonds, accompanied by an instrument of transfer thereof, in form satisfactory to the Tender Agent, executed in blank by the Holder thereof or his duly authorized attorney, with such signature guaranteed by a member of the New York Stock Exchange's Medallion Program or the New York Stock Exchange, Inc. Signature Program in accordance with the provisions of Securities and Exchange Commission Rule 17Ad-15 or (2) if a Book-Entry System is in effect, by registration of the ownership rights in such Bond to the Tender Agent on the records of the Securities Depository. In the event any such Bond is delivered after 10:00 a.m. on such date, payment of the purchase price of such Bond need not be made until the Business Day following the date of delivery of such Bond, but such Bond will nonetheless be deemed to be an Undelivered Bond and to have been purchased on the mandatory purchase date and no interest will accrue thereon after such date.

Delivery for Tender Notices and Tendered Bonds

Notices in respect of tenders for purchase at the election of Holders and Bonds subject to optional and mandatory purchase as described above must be delivered to the Tender Agent. The initial address of the Tender Agent to which such notices and Bonds should be delivered is: _____.

Book-Entry Tender and Delivery Procedures

Notwithstanding anything to the contrary contained in the Trust Indenture, so long as a Securities Depository Nominee is the sole Holder of the Bonds, all tenders for purchase and deliveries of Bonds tendered for purchase or subject to mandatory tender under the provisions of the Trust Indenture will be made pursuant to the Securities Depository's procedures as in effect from time to time and neither the Authority, the Borrower, the Tender Agent, the Bond Trustee nor the Remarketing Agent will have any responsibility for or liability with respect to the implementation of such procedures.

Source of Funds for Purchase of Bonds

On the date on which Bonds are to be purchased pursuant to the Trust Indenture, the Trustee will purchase such Bonds from the Holders thereof at the purchase price thereof. Funds for the payment of such purchase price will be derived solely from the following sources in the order of priority indicated:

(a) proceeds of the sale of the Bonds remarketed by the Remarketing Agent;

(b) moneys received from draws on the Credit Facility; and

(c) moneys, if any, provided to the Tender Agent by the Borrower.

Redemption of the Bonds

Optional Redemption

The Bonds are subject to optional redemption, at the option of the Borrower if the Borrower exercises its option to prepay amounts due under the Note pursuant to the Loan Agreement, on any Business Day, in whole or in part, at a Redemption Price equal to 100% of the principal amount of the Bonds to be redeemed.

Extraordinary Optional Redemption

If the Borrower exercises its option to prepay the Loan in full or in part as provided in the Loan Agreement, the Bonds are required to be redeemed in whole if the Loan is prepaid in full, or in part if the Loan is prepaid in part, on any date, by the Authority at the direction of the Borrower, and in either event at a Redemption Price equal to 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date.

Notice of Redemption

Notice of any redemption will be given by the Bond Trustee to all Holders owning Bonds to be redeemed not less than 30 days and not more than 60 days prior to the redemption date. Failure to give such notice to any Holder or any defect in any notice so mailed will not affect the sufficiency of the proceedings for redemption of the Bonds of any other Holders.

From and after the redemption date, if the Bond Trustee holds Available Moneys and/or Defeasance Obligations sufficient to pay the Redemption Price, then the Bonds so called for redemption will cease to accrue interest or be entitled to any benefit or security under the Trust Indenture, and the Holders of said Bonds will have no rights in respect thereof except to receive payment of the Redemption Price plus accrued interest to the redemption date.

In the case of an optional redemption or extraordinary optional redemption, the redemption notice may state that (a) it is conditioned upon the deposit of Available Moneys, or Defeasance Obligations purchased with Available Moneys, or a combination of both, in an amount equal to the amount necessary to effect the redemption, with the Bond Trustee no later than the scheduled redemption date or (b) the Borrower retains the right to rescind such notice on or prior to the scheduled redemption date (in either case, a "Conditional Redemption"), and such notice and optional redemption will be of no effect if such moneys are not so deposited or if the notice is rescinded as described in this paragraph. In the case of a Conditional Redemption subject to the deposit of Available Moneys or Defeasance Obligations, the failure of the Borrower or any other Person to make such Available Moneys or Defeasance Obligations available in part or in whole on or before the scheduled redemption date will not constitute an Event of Default under the Trust Indenture and the Bonds subject to such Conditional Redemption will remain Outstanding. Any Conditional Redemption subject to rescission may be rescinded in whole or in part at any time on or prior to the scheduled redemption date if a Borrower Representative instructs the Bond Trustee in writing to rescind the redemption notice. Any Bonds subject to Conditional Redemption where redemption has been rescinded will remain Outstanding, and the rescission will not constitute an Event of Default under the Trust Indenture. If a Conditional Redemption for which notice has been sent to Holders will not occur, either because Available Moneys or Defeasance Obligations to effect such redemption are not available on or before the scheduled redemption date or the Borrower has rescinded such notice, the Bond Trustee will immediately give notice by Electronic Means to the Securities Depository if all of the Bonds are Book Entry Bonds or the affected Holders of any Bonds that are not Book Entry Bonds that the redemption did not occur and that the Bonds called for redemption and not so paid remain Outstanding.

Negotiability, Registration and Transfer of Bonds

So long as the Book-Entry Only System is continued, transfers and exchanges will be effectuated as described in "THE BONDS -- Book-Entry System" herein.

The Bond Trustee will keep the Register for the registration and registration of transfer of Bonds as provided in this Trust Indenture. Subsequent to the discontinuance of the Book-Entry Only System, the transfer of any Bond may be registered only upon the Register upon surrender thereof to the Bond Trustee together with an assignment duly executed by the registered owner or such owner's attorney or legal representative in such form as is satisfactory to the Bond Trustee. Upon any such registration of transfer the Authority will execute and the Bond Trustee will authenticate and deliver in exchange for such Bond a new registered Bond or Bonds, registered in the name of the transferee, of any Authorized Denomination or Denominations authorized by the Trust Indenture in the aggregate principal amount equal to the principal amount of such Bond surrendered or exchanged and bearing interest at the same rate. In all cases in which Bonds are exchanged or the transfer of Bonds is registered, the Authority will execute and the Bond Trustee will authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of the Trust Indenture. All Bonds surrendered in any such exchange or registration of transfer will forthwith be cancelled by the Bond Trustee. Registrations of transfer or exchanges of Bonds will be without charge to the Holders of such Bonds, but any taxes or other governmental charges required to be paid with

respect to the same will be paid by the Holder of the Bond requesting such registration of transfer or exchange as a condition precedent to the exercise of such privilege. Neither the Authority nor the Bond Trustee will be required (i) to issue, transfer or exchange Bonds during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Bonds pursuant to the Trust Indenture and ending at the close of business on the day of such mailing or (ii) to transfer or exchange any Bond so selected for redemption in whole or in part.

_____ is Bond Trustee under the Trust Indenture. Any successor Bond Trustee must be a trust company or bank in good standing with combined capital, surplus and undivided profits aggregating not less than $100 million and be recommended by the Borrower and appointed by the Authority (subject to the approval of the State Treasurer, if then required under applicable law).

Acceleration

Upon the occurrence of certain events of default under the Trust Indenture, including, but not limited to, nonpayment of the principal of or interest on the Outstanding Bonds when the same will become due and payable, the principal of and accrued interest on the Bonds are subject to acceleration as provided in the Trust Indenture. For a description of the Events of Default and the circumstances under which acceleration may occur and other remedies available to the Bond Trustee and the Holders of the Bonds, see "SUMMARY OF CERTAIN DOCUMENTS RELATING TO THE BONDS — Events of Default and Remedies" in Appendix A hereto.

Book-Entry System

The Bonds are in book-entry form, without physical delivery of the Bonds to beneficial owners of the Bonds (the "Beneficial Owners"). The Bond Trustee will make principal, redemption premium (if any), and interest payments to The Depository Trust Company ("DTC"), New York, New York, which will in turn remit such payments to its participants for subsequent distribution to Beneficial Owners.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. A fully-registered security certificate will be issued for the Bonds, in the aggregate principal amount of the Bonds, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of a Beneficial Owner is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial

Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners, in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal, Redemption Price, if any, and interest on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Authority or the Bond Trustee on each payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Authority, or the Bond Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Bond Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner will give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Tender Agent, and will effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Tender Agent. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Tender Agent's DTC account.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Authority and the Bond Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority and the Borrower believe to be reliable, but the Authority and the Borrower take no responsibility for the accuracy thereof.

NEITHER THE AUTHORITY, THE BORROWER NOR THE BOND TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS OF THE BONDS UNDER THE TERMS OF THE TRUST INDENTURE; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC.

SECURITY FOR AND SOURCES OF PAYMENT FOR THE BONDS

The Bonds are limited obligations of the Authority and do not constitute an indebtedness of the State of South Carolina or the Authority within the meaning of any State constitutional provision or statutory limitation (other than Article X, Section 13(9) of the South Carolina Constitution permitting indebtedness payable from a source other than a tax or license). The Bonds do not constitute nor give rise to a pecuniary liability of the State of South Carolina or the Authority or a charge against the general credit of the Authority or the State of South Carolina of taxing powers of the State of South Carolina. The Authority has no taxing powers. No owner of any Bond will have the right to demand payment of the principal of, premium, if any, or interest on any Bond from any funds raised from taxation.

General

The Bonds are being issued by the Authority under the Trust Indenture. The Bonds are limited obligations of the Authority payable solely from the Trust Estate. The Authority has agreed to assign and pledge to the Bond Trustee the Trust Estate which includes (i) all right, title and interest of the Authority in and to the Note, (ii) all right, title and interest of the Authority in and to the Loan Agreement and the Guaranty, except for certain unassigned rights, (iii) all moneys and securities in the Bond Fund and the Redemption Fund and, until applied in payment of the cost of the Project and the cost of issuing the Bonds, all moneys and securities in the Project Fund, and (iv) all moneys drawn by the Bond Trustee under a Credit Facility. The Trust Estate is pledged to the payment of the Bonds under the Trust Indenture.

Pursuant to the Loan Agreement, the Borrower is obligated to pay the Bond Trustee, as the assignee of the Authority, moneys equal in amount to the principal and interest payments due on the Bonds, at the time such payments are due, in addition to other amounts payable under the Loan Agreement (other than indemnity and the Authority's expenses of issuance). The Borrower's obligation to make payments under the Loan Agreement are absolute and unconditional, and the Borrower will not be entitled to any abatement or setoff, waiver or modification of such obligations for any reason regardless of rights the Borrower may have against the Bond Trustee or the Authority.

SCANA, the direct parent corporation of the Borrower, has agreed in a Guaranty, dated as of _____, 2008 (the "Guaranty"), of SCANA, in favor of the Authority and the Bond Trustee to guarantee the payment of amounts due on the Bonds as and when the same are due and payable. See Appendix A.

Credit Facility

The Bonds will also be secured by an irrevocable, direct-pay Letter of Credit (initially, the "Credit Facility") to be issued by _____ (initially, the "Credit Facility Provider") on the date of issuance of the Bonds. [The Credit Facility when issued will be in the stated amount of $_____ (the "Letter of Credit Amount"), of which an aggregate amount not exceeding $_____ may be drawn upon with respect to the payment of principal of the Bonds or that portion of the Purchase Price corresponding to principal

(the "Letter of Credit Amount-Principal Component") and an aggregate amount not exceeding $_____ (but no more than an amount equal to accrued interest on the Bonds for the immediately preceding 35 days, computed as though the Bonds bore interest at the rate of 12% per annum notwithstanding the actual rate borne by the Bonds from time to time, based on a 365-day year) may be drawn upon with respect to payment of interest on the Bonds or that portion of the Purchase Price corresponding to interest (the "Letter of Credit Amount-Interest Component"); provided, however, that the amount available to be drawn under the Credit Facility with respect to interest on the Bonds or the interest component of the purchase price of the Bonds will in no event exceed the actual amount of interest accrued on the Bonds. The Credit Facility will expire on the earliest of any of the following (the "Termination Date"): (i) the close of business on _____ (the "Expiration Date"), (ii) the date on which the principal amount of and interest on the Bonds will have been paid in full, (iii) the date on which the interest rate on the Bonds will have been adjusted to (a) a Long-Term Interest Rate or (b) a Short-Term Interest Rate Period where all interest terms of the Bond end on the day prior to the maturity of the Bonds, (iv) the date on which the Credit Facility Provider honors the draft drawn under the Credit Facility following the occurrence of an Event of Default under the Trust Indenture and an acceleration of the Bonds, (v) the date on which the Credit Facility Provider honors a draft drawn under the Credit Facility to purchase the Bonds following receipt by the Bond Trustee of written notice from the Credit Facility Provider that an event of default under the Credit Facility Provider Agreement has occurred and is continuing and a written request from the Credit Facility Provider that the Bonds be required to be tendered for purchase, (vi) the date the Credit Facility is surrendered to the Credit Facility Provider by the Bond Trustee for cancellation following acceptance by the Bond Trustee of an Alternate Credit Facility, or (vii) the date the Credit Facility Provider honors the final drawing available under the Credit Facility.]

If a Credit Facility expires, or if a Credit Facility terminates prior to its stated expiration date on account of the delivery of an Alternate Credit Facility, the Bond Trustee will give written notice of such event to Holders not less than 20 days prior to the expiration or termination of the Credit Facility in accordance with its terms or the proposed effective date of the Alternate Credit Facility, and the Bonds will be subject to mandatory tender for purchase as described under "THE BONDS – Tender and Purchase of Bonds – Mandatory Tender for Purchase upon Termination, Expiration or Replacement of Credit Facility or Liquidity Facility."

[The Borrower, with at least thirty (30) days written notice to the Credit Facility Provider, may extend the Credit Facility for an additional year, provided, (i) immediately prior to such extension and immediately after giving effect thereto, no default or event of default under the Credit Facility Provider Agreement will have occurred and be continuing and (b) the Borrower has paid all fees payable under the Credit Facility Provider Agreement.]

Reduction and Reinstatement of Credit Facility

[The Letter of Credit Amount Principal Component and the Letter of Credit Amount Interest Component of the Credit Facility, as the case may be, will be reduced immediately following the Credit Facility Provider's honoring any draft drawn under a Credit Facility to pay principal of, or interest on, the Bonds, to pay the interest portion of the purchase price of the Bonds, or to pay the principal portion of the purchase price of the Bonds (a "Tender Drawing"), in each case by an amount equal to the amount of such draft.

Following each drawing under the Credit Facility to pay interest on the Bonds (including interest constituting a portion of the purchase price of the Bonds), the amount so drawn will be automatically reinstated to the Letter of Credit Amount Interest Component immediately upon payment by the Credit Facility Provider of such drawing.

Immediately upon written notice from the Credit Facility Provider to the Borrower that the Credit Facility Provider has been reimbursed for any loan or advance made by the Credit Facility Provider to the Borrower, the proceeds of which loan or advance were used by the Borrower to reimburse the Credit Facility Provider for a Tender Drawing under a Credit Facility, the amount so drawn will be restored, as of the date of such notice of reimbursement, to the Letter of Credit Amount-Principal Component of the Credit Facility.]

Alternate Credit Facility

If there is delivered to the Bond Trustee (i) an Alternate Credit Facility covering the Bonds, (ii) a Favorable Opinion of Bond Counsel, (iii) either (A) written evidence from each Rating Agency then rating the Bonds, in each case to the effect that such Rating Agency has reviewed the proposed Alternate Credit Facility and the ratings of the Bonds after substitution of such Alternate Credit Facility will not result in a rating of below "A" from such Rating Agency or (B) written evidence that the long-term debt of the provider of the proposed Alternate Credit Facility is

rated "A" or better by Moody's Investors Service ("Moody's"), Standard & Poor's Ratings Service ("S&P") or Fitch, Inc. ("Fitch"), (iv) if such Alternate Credit Facility is other than a letter of credit issued by a domestic commercial bank, an opinion of Counsel that no registration of the Bonds or such Alternate Credit Facility is required under the Securities Act of 1933, as amended, (v) an Opinion of Counsel satisfactory to the Bond Trustee to the effect that such Alternate Credit Facility is a valid and enforceable obligation of the issuer or provider thereof, and (vi) if the Credit Facility then in effect with respect to the Bonds does not cover premiums due on such Bonds, and the Bonds would be subject to mandatory tender for purchase at a purchase price in excess of the principal amount thereof plus accrued and unpaid interest thereon to but not including the date of purchase, Available Moneys in an amount sufficient to pay the premium due on the Bonds under the provisions of the Trust Indenture, then the Bond Trustee will accept such Alternate Credit Facility and, after the Bond Trustee has received sufficient funds to pay the purchase price of the Bonds on the date of the mandatory tender for purchase established under the provisions of the Trust Indenture (by drawing on the Credit Facility if necessary), promptly surrender the Credit Facility then in effect to the Credit Facility Provider which issued the Credit Facility in accordance with its terms for cancellation or deliver any document necessary to reduce the coverage of the Credit Facility permanently.

If a Liquidity Facility or Self Liquidity Arrangement is in effect with respect to the Bonds, a Credit Facility covering such Bonds may be delivered to the Bond Trustee if all of the conditions set forth in the provisions of the Trust Indenture described in the immediately preceding paragraph and certain other provisions in the Trust Indenture regarding the delivery of an Alternate Credit Facility for the Bonds and notice thereof are satisfied. After the Bond Trustee accepts the Credit Facility, the Tender Agent will enforce payment of any amounts due under an existing Liquidity Facility to the extent required by the Trust Indenture and promptly surrender such existing Liquidity Facility to the issuer thereof.

SUMMARY OF CERTAIN PROVISIONS OF THE CREDIT FACILITY PROVIDER AGREEMENT

General

[to be provided]

Events of Default and Covenants Under Credit Agreement

[to be provided]

SOUTH CAROLINA GENERATING COMPANY, INC.

The Borrower is a South Carolina corporation organized in 1984 and is a direct, wholly-owned subsidiary of SCANA. The Borrower owns and operates the Plant, and has entered into a Unit Power Sales Agreement under which the Borrower sells all of its electric generation from the Plant to South Carolina Electric and Gas Company ("SCEG"). The Borrower is regulated under the Federal Power Act, administered by the Federal Energy Regulatory Commission and the Department of Energy, in the transmission of electric energy in interstate commerce and in the sale of electric energy at wholesale for resale. Unit power sale by the Borrower to SCEG amounted to approximately $_____ in fiscal 2007. The Unit Power Sales Agreement is terminable upon mutual agreement of the parties. The Borrower does not own any other sources of electric generation, other than the Plant.

SCANA Corporation

SCANA is a fully- integrated energy company focused on the southeastern United States with the breadth and depth of more than 150 years of experience in the energy industry. Through its operating subsidiaries, SCANA is engaged in the functionally distinct operations described below. SCANA's most significant operating subsidiaries are SCEG and Public Service Company of North Carolina, Incorporated. SCANA was incorporated in 1984.

SCANA is required to comply with the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and to file with the United States Securities and Exchange Commission (the "SEC") annual, quarterly and current reports, proxy statements and other information as required by the Exchange Act. Such reports contain information with respect to the operations of the Borrower and SCEG. These reports, proxy statements and other information are available to be inspected and copied at the SEC's public reference facility at

100 F Street, N.E., Washington, D.C. 20549, telephone number 1-800-SEC-0330. The SEC maintains a website (the contents of which are not incorporated herein by reference) that contains reports, proxy information and other information concerning the Borrower and other registrants that file electronically with the SEC. The address of the SEC's website is www.sec.gov. Information included on the SEC's website is expressly not incorporated by reference into this Official Statement.

The following documents and/or portions thereof have been previously filed by SCANA with the SEC and are hereby incorporated herein by reference into this Official Statement as of their respective dates:

(a) Annual Report on Form 10-K for the year ended December 31, 2007;

(b) Quarterly Reports on Form 10-Q for the quarters ended March 31, 2008 and June 30, 2008; and

(c) Current Reports on Form 8-K, filed with the SEC on February 5, 2008, February 15, 2008, March 5, 2008, March 31, 2008, April 24, 2008, May 14, 2008, May 23, 2008 and July 9, 2008.

In addition, all documents filed by SCANA pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this Official Statement will be deemed to be incorporated by reference into this Official Statement and to be a part hereof from the date of the filing of such documents.

Any statement contained in any document incorporated or deemed to be incorporated by reference into this Official Statement will be deemed to be modified or superceded for purposes thereof to the extent that a statement contained therein or in any subsequently filed document that is also incorporated or deemed to be incorporated by reference modifies or supercedes such statement. Any statement so modified or superceded will not be deemed to constitute a part of this Official Statement.

UNDERWRITING

The Bonds are being purchased by Banc of America Securities LLC (the "Underwriter").

The Underwriter also provides various commercial banking and investment banking services to the Borrower from time to time.

The purchase contract for the Bonds (the "Bond Purchase Agreement") sets forth (i) the Underwriter's obligation to purchase the Bonds at an aggregate purchase price of $_____ (representing the par amount of the Bonds [less an Underwriter's discount of $_____]), and (ii) is subject to certain terms and conditions, including the approval of certain legal matters by counsel. The Bond Purchase Agreement provides that the Underwriter will purchase all of the Bonds, if any Bonds are to be purchased. The Borrower has agreed to indemnify the Underwriter and the Authority as to certain matters in connection with the Bonds.

The Underwriter may offer and sell Bonds to certain dealers including dealer banks and dealers depositing Bonds into investment trusts and others at prices lower than the public offering prices stated on the cover of this Official Statement. The initial public offering prices may be changed from time to time by the Underwriter.

REMARKETING AGENT

Banc of America Securities LLC has been appointed to serve as the initial Remarketing Agent for the Bonds (the "Remarketing Agent").

The Remarketing Agent will carry out the duties and obligations provided for the Remarketing Agent in accordance with the provisions of the Trust Indenture, the Tender Agent Agreement and the Remarketing Agreement. The Remarketing Agent's principal office for purposes of carrying out the responsibilities of Remarketing Agent for the Bonds is _____.

LITIGATION

There is no litigation pending or, to the knowledge of the Authority, threatened against the Authority seeking to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way questioning or affecting the validity of the Bonds or any proceedings of the Authority taken with respect to the issuance or sale

thereof or questioning or affecting the validity of the pledge or application of any security pledged for the payment of the Bonds or the existence or powers of the Authority to issue the Bonds.

There is no litigation pending or, to the knowledge of the Borrower, threatened against the Borrower seeking to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way questioning or affecting the validity of the Bonds or any proceedings of the Borrower taken with respect to the issuance or sale thereof or questioning or affecting the validity of the pledge or application of any security pledged for the payment of the Bonds, or questioning the right of the Borrower to enter into the Loan Agreement to borrow funds for the uses set forth herein.

LEGAL MATTERS

Legal matters incident to the authorization and validity of the Bonds are subject to the approving opinion of McNair Law Firm, P.A., Columbia, South Carolina, Bond Counsel. The proposed form of such opinion is included in Appendix C hereto.

Certain legal matters will be passed on for the Borrower by Francis P. Mood, Jr., Esquire, Columbia, South Carolina, and McNair Law Firm, P.A., Columbia, South Carolina. Certain legal matters will passed on for the Underwriter by King & Spalding, Atlanta, Georgia. Certain legal matters will be passed on for the Credit Facility Provider by _____, _____.

TAX EXEMPTION

Federal Income Taxation

In the opinion of McNair Law Firm, P.A., Columbia, South Carolina, Bond Counsel, under existing statutes, rulings and court decisions and under applicable regulations, interest on the Bonds is not includable in gross income for federal income tax purposes, except for interest on any Bonds for any period during which such Bonds are held by a person who is a "substantial user" of the facilities financed or refinanced by the Bonds or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds is an item of tax preference for purposes of calculating the alternative minimum tax imposed on individuals and corporations. No opinion will be expressed with respect to any other federal tax consequences of the receipt of accrual of interest on, or the ownership of, the Bonds. Bond Counsel has no responsibility to review or update its opinion for any changes in law or fact occurring after the date of issuance of the Bonds.

Ownership of the Bonds may result in other collateral federal income tax consequences to certain taxpayers, including, without limitation, banks, thrift institutions and other financial institutions, foreign corporations which conduct a trade or business in the United States, property and casualty insurance corporations, S corporations, individual recipients of social security or railroad retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Bonds. Purchasers of the Bonds should consult their tax advisors as to the applicability of any such collateral consequences.

In concluding that the interest on the Bonds is not includable in gross income for federal income tax purposes, Bond Counsel will (i) rely as to certain factual matters upon representations of the Authority and the Borrower with respect to, among other things, the use of the proceeds of the Bonds, the design, scope, function, cost and economic useful life of the equipment and facilities constituting the Project, without undertaking to verify the same by independent investigation, and (ii) assume the continued compliance by the Authority and the Borrower with their respective covenants relating to the use of the proceeds of the Bonds and compliance with other requirements of the 1954 Code and the Code, as applicable. The inaccuracy of any such representations or noncompliance with such covenants may cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds.

South Carolina Income Taxation

In the opinion of Bond Counsel, the interest on the Bonds is exempt from all South Carolina taxation exempt inheritance or other transfer taxes, and certain franchise taxes. Section 12-11-20, Code of Laws of South Carolina 1976, as amended, imposes upon every bank engaged in business in South Carolina a fee or franchise tax computed at the rate of 4.5% of the entire net income of such bank. Regulations of the South Carolina Department

of Revenue require that the term "entire net income" include income derived from any source whatsoever including interest on obligations of any state and any political subdivision thereof. Interest on the Bonds will be included in such computation. Interest on the Bonds may or may not be subject to state or local taxation in jurisdictions other than South Carolina under applicable state or local laws. Purchasers of the Bonds should consult their tax _____.

RATINGS

Standard and Poor's Ratings Service, a Division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York ("S&P") is expected to assign its ratings of "_____" to the Bonds based upon the availability of the Credit Facility.

There is no assurance that the ratings will remain in effect for any given period of time or that they will not be revised downward or withdrawn entirely if, in the judgment of the respective rating agency, circumstances so warrant. The Underwriter has not undertaken any responsibility either to bring to the attention of owners of the Bonds any proposed revision or withdrawal of the ratings or to oppose any such proposed revision or withdrawal. Any downward revision or withdrawal of the rating may have an adverse effect on the market prices of the Bonds.

LEGALITY FOR INVESTMENT

The Bonds are legal investments for all public officers and bodies of the State of South Carolina and its political subdivisions and all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries in the State of South Carolina.

CONTINUING DISCLOSURE

The Bonds are exempt from the continuing disclosure requirements of paragraph (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Act of 1934 while they bear interest in a Weekly Interest Rate Period. The Borrower will covenant in the Loan Agreement, in the event the Bonds are adjusted to an Interest Rate Period that would make the Bonds subject to the requirements of the Rule, to comply with the requirements of the Rule and execute a continuing disclosure undertaking, for the benefit of the Beneficial Owners of the Bonds, to provide continuing information as required by the Rule.

MISCELLANEOUS

The Borrower has furnished all information herein relating to the Borrower. Any statements involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. Neither this Official Statement nor any statement that may have been made orally or in writing is to be construed as a contract with the owner of any of the Bonds.

The references herein to the Trust Indenture, the Note and the Loan Agreement are brief outlines of certain provisions thereof. Such outlines do not purport to be complete, and for full and complete statements of such provisions, reference is made to such instruments, documents and other materials, copies of which will be on file at the office of the Bond Trustee in _____.

APPENDIX A

SUMMARY OF CERTAIN DOCUMENTS RELATING TO THE BONDS

[summaries of Trust Indenture, Loan Agreement and Guaranty to be provided]

APPENDIX B

THE CREDIT FACILITY PROVIDER

[to be provided]

APPENDIX C

PROPOSED FORM OF BOND COUNSEL OPINION

[to be provided]

Exhibit D
Draft SCANA Guaranty

GUARANTY OF

SCANA CORPORATION

This Guaranty, dated as of _____, 2008, is executed and delivered by SCANA CORPORATION, a South Carolina corporation ("SCANA"), in favor of South Carolina Jobs-Economic Development Authority (the "Issuer"), and _____, as trustee (the "Trustee"), for the benefit of the holders of the $[50,000,000] South Carolina Jobs-Economic Development Authority Industrial Revenue Bonds (South Carolina Generating Company, Inc. Project), Series 2008 (the "Bonds"), from time to time outstanding and entitled to the benefits of the Bond Trust Indenture dated as of _____, 2008 (the "Indenture") between the Issuer and the Trustee. The Bonds are entitled to the benefits of a Loan Agreement dated as of _____, 2008 ("Agreement"), between South Carolina Generating Company, Inc., a wholly-owned subsidiary of SCANA ("GENCO"), and the Issuer.

WHEREAS, SCANA has agreed to guarantee payment of the principal of, premium, if any, and interest on the Bonds and all other obligations of GENCO under the Agreement; and

NOW, THEREFORE, SCANA hereby unconditionally guarantees to the Issuer, the Trustee and the holders of the Bonds the due and punctual payment of the principal of, premium, if any, and interest on the Bonds, when and as the same shall become due and payable, whether at maturity, upon redemption or otherwise, according to the terms thereof and of the Agreement, and the performance by GENCO of all other obligations of GENCO under the Agreement. In case of the failure of GENCO punctually to make any such payment SCANA hereby agrees to cause any such payment to be made punctually when and as the same shall become due and payable, whether at maturity, upon redemption or otherwise, and as if such payment were made by GENCO. SCANA shall monitor the fulfillment of GENCO's payment responsibilities in order to ensure that any failure by GENCO to make such payments is timely ascertained.

1. SCANA hereby agrees that its obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Bonds, the Agreement or the Indenture, the absence of any action to enforce the same, any waiver or consent by the holder of the Bonds with respect to any provisions thereof or of the Agreement or the Indenture, the recovery of any judgment against GENCO or any action to enforce the same, or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor. SCANA hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of GENCO, any right to require a proceeding first against GENCO, protest, notice and all demands whatsoever and covenants that this Guaranty will not be discharged except by complete performance of the obligations contained in the Bonds, the Agreement and in this Guaranty.

2. This Guaranty will rank equally with all other unsecured and unsubordinated debt of SCANA.

3. SCANA shall be subrogated to all rights of the holders of the Bonds against GENCO in respect of any amount paid by SCANA pursuant to the provisions of this Guaranty, provided, however, that SCANA shall not be entitled to enforce or to receive any payments

arising out of, or based upon, such right of subrogation until the principal of and interest on the Bonds and all other amounts due under the Bonds and the Agreement shall have been paid, or duly provided for, in full.

4. SCANA will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence and that of each of South Carolina Electric & Gas Company ("SCE&G") and GENCO (each a "Principal Subsidiary") and the rights (charter and statutory) and franchises of SCANA and its Principal Subsidiaries; provided, however, that SCANA shall not be required to preserve any such right or franchise if desirable in the conduct of the business of SCANA and its Subsidiaries (as defined herein) considered as a whole and if the loss thereof is not disadvantageous in any material respect to the holders of the Bonds then outstanding; and provided, further that nothing herein shall limit SCANA's ability to engage in certain consolidations, or sales, leases or conveyances of substantially all of its assets or mergers if such action is or would be permitted under Article Eight of the Indenture dated as of November 1, 1989, between SCANA and The Bank of New York Mellon Trust Company, N.A. (as successor to NationsBank of Georgia, National Association), as Trustee.

5. SCANA will cause all properties used or useful in the conduct of its business or the business of any Subsidiary to be maintained and kept in good condition, repair and working order and necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the sole judgment of SCANA may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; provided, however, that the operation or maintenance of any of such properties, or disposing of them if such discontinuance or disposal is, in the judgment of SCANA or of the Subsidiary concerned, desirable in the conduct of its business or the business of any Subsidiary and not disadvantageous in any material respect to the holders of the Bonds.

6. SCANA will pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (1) all taxes, assessments and governmental charges levied or imposed upon SCANA or any Subsidiary or upon the income, profits or property of SCANA or any Subsidiary, and (2) all lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien upon the property of SCANA or any Subsidiary; provided, however, that SCANA shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings.

7. Nothing in this Guaranty or in the Bonds shall in any way restrict or prevent SCANA or any Subsidiary from incurring any indebtedness; provided, however, that neither SCANA nor any Subsidiary shall issue, assume or guarantee any notes, bonds, debentures or other similar evidences of indebtedness for money borrowed ("Debt") secured by mortgage, lien, pledge or other encumbrance ("Mortgages") upon any property of SCANA or any of its Subsidiaries, without effectively providing that this Guaranty shall be secured equally and ratably with (or prior to) such Debt so long as such Debt shall be so secured, except that the foregoing provisions shall not apply to:

(a) Mortgages to secure Debt issued under (i) the Indenture dated as of January 1, 1945 between South Carolina Power Company and Central Hanover Bank and

Trust Company, (ii) the Indenture dated as of April 1, 1993 between The Bank of New York Mellon Trust Company, N.A., successor to NationsBank of Georgia, National Association, and SCE&G, (iii) the Indenture of Mortgage dated December 1, 1977 between Carolina Pipeline Company, Inc. and Citibank, N.A., and (iv) the Mortgage and Security Agreement dated August 21, 1992 between GENCO and The Prudential Insurance Company of America, each as amended and supplemented to date and as it may be hereafter amended and supplemented from time to time (as they exist and may so exist from time to time, the "Existing Mortgages") or any extension, renewal or replacement of any of them;

(b) Mortgages affecting property of a corporation existing at the time it becomes a Subsidiary or at the time it is merged into or consolidated with SCANA or a Subsidiary;

(c) Mortgages on property existing at the time of acquisition thereof or incurred to secure payment of all or part of the purchase price thereof or to secure Debt incurred prior to, at the time of or within 12 months after acquisition thereof for the purpose of financing all or part of the purchase price thereof;

(d) Mortgages on any property to secure all or part of the cost of construction or improvements thereon or Debt incurred to provide funds for any such purpose in a principal amount not exceeding the cost of such construction or improvements;

(e) Mortgages which secure only an indebtedness owing by a Subsidiary to SCANA or a Subsidiary;

(f) Mortgages in favor of the United States or any state thereof, or any department, agency, instrumentality, or political subdivision of any such jurisdiction, to secure partial, progress, advance or other payments pursuant to any contract or statute or to secure any indebtedness incurred for the purpose of financing all or any part of the purchase price or cost of constructing or improving the property subject thereto, including, without limitation, Mortgages to secure Debt of the pollution control or industrial revenue bond type;

(g) Mortgages required by any contract or statute in order to permit SCANA or any Subsidiary to perform any contract or subcontract made by it with or at the request of the United States of America, any state or any department, agency or instrumentality or political subdivision of either;

(h) Mortgages to secure loans to SCANA or any Subsidiary maturing within 12 months from the creation thereof and made in the ordinary course of business;

(i) Mortgages on any property (including any natural gas, oil or other mineral property) to secure all or part of the cost of exploration, drilling or development thereof or to secure Debt incurred to provide funds for any such purpose;

(j) Mortgages existing on November 1, 1989;

(k) "Permitted Encumbrances" and "Excepted Encumbrances" as those terms are defined in the Existing Mortgages referred to in clause (a) above;

(l) without limiting the generality of clause (k) above, mortgages consisting of (i) pledges or deposits in the ordinary course of business to secure obligations under workers' compensation laws or similar legislation, including liens of judgments thereunder which are not currently dischargeable, (ii) deposits in the ordinary course of business to secure, or in lieu of, surety, appeal, or customs bonds to which SCANA is party, (iii) mortgages created by or resulting from any litigation or legal proceeding which is currently being contested in good faith by appropriate proceedings diligently conducted, (iv) pledges or deposits in the ordinary course of business to secure performance in connection with bids, tenders or contracts (other than contracts for the payment of money), or (v) materialmen's, mechanics', carriers', workmen's, repairmen's or other like liens incurred in the ordinary course of business for sums not yet due or currently being contested in good faith by appropriate proceedings diligently conducted, or deposits to obtain the release of such liens; or

(m) any extension, renewal or replacement (or successive extensions, renewals or replacements), in whole or in part, of any Mortgage referred to in the foregoing clauses (b) to (l) inclusive or of any Debt secured thereby, provided that the principal amount of Debt secured thereby shall not exceed the principal amount of Debt so secured at the time of such extension, renewal or replacement, and that such extension, renewal or replacement Mortgage shall be limited to all or part of substantially the same property which secured the Mortgage extended, renewed or replaced (plus improvement on such property).

Notwithstanding the restrictions contained in the foregoing paragraph, SCANA and its Subsidiaries may issue, assume or guarantee Debt secured by Mortgages in an aggregate principal amount which does not at any one time exceed 10% of the Consolidated Net Tangible Assets (as defined herein) of SCANA and its consolidated Subsidiaries. For the purposes of the foregoing sentence, the aggregate principal amount of Debt which shall be applied against such 10% limitation shall not include any Debt described in clauses (a) through (m), inclusive, above.

If at any time SCANA or any Subsidiary shall issue, assume or guarantee any Debt secured by any Mortgage and if this Section 7 requires that this Guaranty be secured equally and ratably with such Debt, SCANA will promptly deliver to the Trustee:

(i) an officer's certificate stating that the covenant of SCANA contained in this Section 7 has been complied with; and

(ii) an Opinion of Counsel (as defined herein) addressed to the Trustee to the effect that such covenant has been complied with, and that any instruments executed by SCANA in the performance of such covenant comply with the requirements of such covenant.

In the event that SCANA shall secure this Guaranty equally and ratably with (or prior to) any other obligation or indebtedness pursuant to the provisions of this Section 7, the Trustee is hereby authorized to accept a supplement or modification hereof and to take such action, if any, as it may deem advisable to enable it to enforce effectively the rights of the holders of the Bonds so secured, equally and ratably with such other obligation or indebtedness; provided, however, that if such indenture or agreement affects the Trustee's own rights, duties or immunities under the Indenture or otherwise, the Trustee may in its discretion, but shall not be obligated to, accept such supplement or modification hereof.

8. For purpose of this Guaranty, the following terms shall have the following meanings:

"Consolidated Net Tangible Assets" means the total amount of assets appearing on a consolidated balance sheet of SCANA and its Subsidiaries less, without duplication, the following:

(a) all reserves for depreciation and other asset valuation reserves but excluding any reserves for deferred U.S. federal income taxes arising from accelerated amortization or otherwise;

(b) all intangible assets such as goodwill, trademarks, trade names, patents and unamortized debt discount and expense carried as an asset on said balance sheet; and

(c) all appropriate adjustments on account of minor interests of other persons holding voting stock in any Subsidiary.

Consolidated Net Tangible Assets shall be determined in accordance with generally accepted accounting principles and as of a date not more than 90 days before the occurrence of the event for which determination is being made.

"Margin Stock" means "margin stock" as defined in Regulation T, U or X of the Board of Governors of the Federal Reserve System, as in effect from time to time, together with all official rulings and interpretations issued thereunder.

"Opinion of Counsel" means a written opinion of counsel, who may (except as otherwise expressly provided in this Guaranty) be an employee of or counsel for SCANA, or other counsel acceptable to the Trustee.

"Subsidiary" means any corporation of which at the time of determination SCANA and/or one or more Subsidiaries owns or controls directly or indirectly more than 50% of the shares of its voting stock.

9. SCANA may omit in any particular instance to comply with any term, provision or condition set forth in Sections 4 to 7, inclusive, with respect to this Guaranty if before the time for such compliance the Trustee either waives in writing such compliance in such instance or

generally waives in writing compliance with such term, provision or condition, but no such waiver shall extend to or affect such term, provision or condition except to the extent so expressly waived, and until waived, such term, provision or condition shall remain in full force and effect.

10. All the covenants, stipulations, promises and agreements in this Guaranty contained by or on behalf of SCANA shall bind and inure to the benefit of its successors and assigns, whether so expressed or not.

11. This Guaranty shall be governed by and construed in accordance with the laws of the State of South Carolina.

12. All defined terms used and not defined herein shall have the meanings set forth in the Agreement.

SCANA hereby certifies and declares that all acts, conditions and things required to be done and performed and to have happened precedent to the creation and issuance of this Guaranty and to constitute the same a valid and enforceable obligation of SCANA have been done and performed and have happened in due compliance with all applicable laws.

IN WITNESS WHEREOF, SCANA Corporation has caused this Guaranty to be duly executed and its corporate seal to be hereunto affixed and attested.

SCANA CORPORATION

By:_____

Its:_____

(SEAL)

Attest:

By:_____
Secretary

Exhibit E

South Carolina Generating Company
Pro Forma Consolidated Balance Sheet
March 31, 2008 (unaudited)
(Dollars in thousands)

	Actual March 31, 2008	Order No. 2008-385 Adjustments	Current Application Adjustments	As Adjusted March 31, 2008
Assets:				
Utility Plant				
Plant in service	$ 408,301			$ 408,301
Less: Accumulated Depreciation and Amortization	(158,957)			(158,957)
Total	249,344			249,344
Construction Work in Progress	95,114			95,114
Utility Plant, net	344,458	-	-	344,458
Current Assets:				
Cash and Temporary Cash Investments	15,623	159,200 (a) (79,400) (e)	49,250 (f)	144,673
Receivables from affiliated company	4,205			4,205
Other accounts receivable	33			33
Inventories:				
Fuel	20,858			20,858
Materials and Supplies	2,442			2,442
Prepayments	414			414
Total Current Assets	43,575	79,800	49,250	172,625
Deferred Debits	31,237	800 (a)	750 (f)	32,787
Total	$ 419,270	80,600	$ 50,000	$ 549,870
Capitalization and Liabilities:				
Common Equity:				
Common Stock	$ 20,000			$ 20,000
Other paid in capital	30,107			30,107
Retained earnings	39,532			39,532
Total Common Equity	89,639	-	-	89,639
Long-Term Debt, Net	151,345	160,000 (a)	50,000 (f)	361,345
Total Capitalization	240,984	160,000	50,000	450,984
Current Liabilities:				
Current portion of long-term debt	3,700			3,700
Accounts payable	15,986			15,986
Due to affiliate	79,400	(79,400) (e)		-
Taxes accrued	1,636			1,636
Interest accrued	1,789			1,789
Dividends declared	800			800
Other	164			164
Total Current Liabilities	103,475	(79,400)	-	24,075
Deferred Credits:				
Accumulated deferred investment tax credits	4,151			4,151
Accumulated deferred income taxes	52,070			52,070
Other deferred credits	18,590			18,590
Total Deferred Credits	74,811	-	-	74,811
Total Capitalization and Liabilities	$ 419,270	$ 80,600	$ 50,000	$ 549,870

South Carolina Generating Company
Pro Forma Consolidated Income Statement
For the Twelve Months Ended March 31, 2008 (unaudited)
(Dollars in thousands)

	Actual March 31, 2008	Order No. 2008-385 Adjustments	Current Application Adjustments	As Adjusted March 31, 2008
Electric operating revenues	$ 155,251	$ (1,382) (d)	$ -	$ 153,869
Operating Expenses				
Fuel Used in Electric Generation	107,944			107,944
Other Operation	7,286			7,286
Maintenance	4,396			4,396
Depreciation and Amortization	11,074			11,074
Other Taxes	5,538			5,538
Total Operating Expenses	136,238	-	-	136,238
Operating Income	19,013	(1,382)	-	17,631
Other Income				
AFUDC- equity funds	1,016			1,016
Other income (expense)	94			94
Total other income	1,110	-	-	1,110
Income Before Interest Charges	20,123	(1,382)	-	18,741
Interest Charges				
Interest expense on long-term debt, net	8,955	9,696 (b) 80 (c)	3,500 (g) 19 (h)	22,250
Other Interest Expense	1,374			1,374
AFUDC Borrowed Funds	(1,539)			(1,539)
Total Interest Charges, Net	8,790	9,776	3,519	22,085
Income Before Income Taxes	11,333	(11,158)	(3,519)	(3,344)
Income Taxes	3,193	(3,709) (b) (31) (c) (528) (d)	(1,339) (g) (7) (h)	(2,421)
Net Income	$ 8,140	(6,890)	$ (2,173)	$ (923)

South Carolina Generating Company
Pro Forma Statement of Capitalization
March 31, 2008 (unaudited)
(Dollars in thousands)

	Actual March 31, 2008	%	Aggregate Adjustments	As Adjusted March 31, 2008	%
Long-term Debt, net	$ 155,045	63.37%	$ 210,000	$ 365,045	80.29%
Common Stock Equity	89,639	36.63%		89,639	19.71%
	$ 244,684	100.00%	$ 210,000	$ 454,684	100.00%

South Carolina Generating Company
Notes to Pro Forma Financial Statements
March 31, 2008 (unauditied)

The pro forma effect of the issuance of $160 million secured notes on the Company's March 31, 2008 financial statements is outlined below. The Company obtained authority to enter into the note agreements under Commission Order 2008-385 dated May 20, 2008.

(a) Represents the receipt of cash and increase in long-term debt of $160 million as a result of the issuance of secured notes, net of debt issuance costs of $800,000. The notes will be issued on two separate dates- May 30, 2008 ($80 million) and October 1, 2008 ($80 million). Both notes have a loan period of 10 years and will bear interest at 6.06%.

(b) Represents the interest expense and the related income tax effects resulting from the issuance of the $160 million secured notes described in (a) at 6.06% interest, outstanding for twelve months. Calculations are as follows:

Interest expense on $160 million secured notes:	
$160,000,000 * 6.06% =	$ 9,696,000
Income tax decrease:	
$9,696,000 * 38.25% (composite rate) =	$ 3,708,720

(c) Represents the amortization over ten years of estimated debt issuance costs of $800,000 and the related income tax effects.

Debt issuance costs	
$800,000/ 10 years =	$ 80,000
Income tax decrease	
$80,000 * 38.25%	$ 30,600

(d) Represents the reduction in electric operating revenues that would result from the issuance of the long-term debt described in (a) and (f). The issuance of debt has the effect of shifting the capital structure of GENCO more heavily toward debt from common equity, which produces a lower cost of capital and capital recovery rate. The revenues earned by GENCO are based in part on the capital recovery rate multiplied by the total net investment of GENCO (which includes plant in service, among other items, but excludes construction work in progress.) As of May 31, 2008 GENCO's capital recovery rate was 0.6058%. The capital recovery rate would be approximately 0.5550% after giving effect to the issuance of debt as contemplated in this application. Therefore, GENCO's revenues are expected to be reduced immediately following the issuance of any new debt until such time as the construction being financed by the debt is completed and transferred into plant in service and total net investment. Such transfers of completed construction would result in increased revenues, which would be expected to restore GENCO to profitability.

Total net investment at May 31, 2008	$227 million
Reduction in capital recovery rate (0.6058%- 0.5550%)	0.0508%
Estimated reduction in annual revenues	$ 1,381,629
Income tax rate	38.25%
Estimated tax benefit from reduced revenues	$ 528,473

(e) Represents repayment of $79.4 million to affiliated company made through the Utility Money Pool as described in the Company's application that resulted in Commission Order 2008-385.

South Carolina Generating Company
Notes to Pro Forma Financial Statements (Continued)
March 31, 2008 (unauditied)

The pro forma effect of the Company's issuance of up to $50 million in Pollution Control Facilities Revenue Refunding Bonds, as requested in this application, on the March 31, 2008 financial statements is as follows:

(f) Represents the receipt of cash and increase in long-term debt of $50 million as a result of the issuance of pollution control facilities revenue refunding bonds, net of issuance costs of approximately $750,000.

(g) Represents the interest expense and the related income tax effects resulting from the issuance of the $50 million Pollution Control Facilities Revenue Refunding Bonds described in (f) at 7.00% interest, outstanding for 12 months. Calculations are as follows:

Interest expense on $50 million pollution control facilities revenue refunding bonds:	
$50,000,000 * 7.00% =	$ 3,500,000
Income tax decrease:	
$3,500,000 * 38.25% (composite rate) =	$ 1,338,750

(h) Represents the amortization over forty years of estimated debt issuance costs of $750,000 and the related income tax effects.

Debt issuance costs	
$750,000/40 years =	$ 18,750
Income tax decrease	
$18,750 * 38.25%	$ 7,172

Exhibit F
Estimated Construction Expenditures

South Carolina Generating Company, Inc.
Summary of Project Costs

Building Cost (new construction) (includes landfill construction)	$ 15,000,000
Machinery & Equipment Cost	160,800,000
Cost of Installation of Machinery & Equipment	31,800,000
Architectural & Engineering Fees	4,100,000
Contingency	22,700,000
Other	600,000
TOTAL PROJECT COSTS	$ 235,000,000

Exhibit G

South Carolina Generating Company, Inc.

Financial Statements

as filed in FERC Form 1

for the quarter ended March 31, 2008

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
South Carolina Generating Company, Inc.	(1) ☒ An Original (2) ☐ A Resubmission	/ /	End of 2008/Q1

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	**UTILITY PLANT**			
2	Utility Plant (101-106, 114)	200-201	408,301,078	408,453,947
3	Construction Work in Progress (107)	200-201	95,113,803	62,526,689
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		503,414,881	470,980,636
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	130,755,829	128,644,793
6	Net Utility Plant (Enter Total of line 4 less 5)		372,659,052	342,335,843
7	Nuclear Fuel in Process of Ref., Conv.,Enrich., and Fab. (120.1)	202-203	0	0
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0
10	Spent Nuclear Fuel (120.4)		0	0
11	Nuclear Fuel Under Capital Leases (120.6)		0	0
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0
14	Net Utility Plant (Enter Total of lines 6 and 13)		372,659,052	342,335,843
15	Utility Plant Adjustments (116)	122	0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
17	**OTHER PROPERTY AND INVESTMENTS**			
18	Nonutility Property (121)		0	0
19	(Less) Accum. Prov. for Depr. and Amort. (122)		0	0
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	0	0
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	0	0
24	Other Investments (124)		0	0
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		0	0
29	Special Funds (Non Major Only) (129)		0	0
30	Long-Term Portion of Derivative Assets (175)		0	0
31	Long-Term Portion of Derivative Assets – Hedges (176)		0	0
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		0	0
33	**CURRENT AND ACCRUED ASSETS**			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		16,336,342	10,134,363
36	Special Deposits (132-134)		0	0
37	Working Fund (135)		0	0
38	Temporary Cash Investments (136)		0	0
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		0	0
41	Other Accounts Receivable (143)		33,479	132,821
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		0	0
43	Notes Receivable from Associated Companies (145)		0	0
44	Accounts Receivable from Assoc. Companies (146)		4,205,410	13,513,487
45	Fuel Stock (151)	227	20,857,399	12,343,978
46	Fuel Stock Expenses Undistributed (152)	227	0	0
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	2,442,180	2,570,958
49	Merchandise (155)	227	0	0
50	Other Materials and Supplies (156)	227	0	0
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0
52	Allowances (158.1 and 158.2)	228-229	0	0

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
South Carolina Generating Company, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2008/Q1

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)(Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		0	0
54	Stores Expense Undistributed (163)	227	0	0
55	Gas Stored Underground - Current (164.1)		0	0
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
57	Prepayments (165)		413,373	662,984
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		0	0
60	Rents Receivable (172)		0	0
61	Accrued Utility Revenues (173)		0	0
62	Miscellaneous Current and Accrued Assets (174)		0	0
63	Derivative Instrument Assets (175)		0	0
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	0
65	Derivative Instrument Assets - Hedges (176)		0	0
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176		0	0
67	Total Current and Accrued Assets (Lines 34 through 66)		44,288,183	39,358,591
68	**DEFERRED DEBITS**			
69	Unamortized Debt Expenses (181)		796,456	824,768
70	Extraordinary Property Losses (182.1)	230	0	0
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230	0	0
72	Other Regulatory Assets (182.3)	232	25,626,263	25,434,649
73	Prelim. Survey and Investigation Charges (Electric) (183)		326,562	320,036
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)		0	0
75	Other Preliminary Survey and Investigation Charges (183.2)		0	0
76	Clearing Accounts (184)		0	0
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	844,720	698,746
79	Def. Losses from Disposition of Utility Plt. (187)		0	0
80	Research, Devel. and Demonstration Expend. (188)	352-353	0	0
81	Unamortized Loss on Reaquired Debt (189)		607,786	631,162
82	Accumulated Deferred Income Taxes (190)	234	3,035,100	3,087,200
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		31,236,887	30,996,561
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		448,184,122	412,690,995

Name of Respondent	This Report is:	Date of Report (mo, da, yr)	Year/Period of Report
South Carolina Generating Company, Inc.	(1) [X] An Original (2) [ ] A Rresubmission	/ /	end of 2008/Q1

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	20,000,000	20,000,000
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)	252	0	0
5	Stock Liability for Conversion (203, 206)	252	0	0
6	Premium on Capital Stock (207)	252	0	0
7	Other Paid-In Capital (208-211)	253	30,133,038	30,393,038
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	39,532,058	37,858,991
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0
13	(Less) Reaquired Capital Stock (217)	250-251	0	0
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	-25,757	-26,303
16	Total Proprietary Capital (lines 2 through 15)		89,639,339	88,225,726
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	35,850,000	35,850,000
19	(Less) Reaquired Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	0	0
21	Other Long-Term Debt (224)	256-257	119,300,000	119,300,000
22	Unamortized Premium on Long-Term Debt (225)		0	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		104,966	109,003
24	Total Long-Term Debt (lines 18 through 23)		155,045,034	155,040,997
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		0	0
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		387,745	391,290
29	Accumulated Provision for Pensions and Benefits (228.3)		652,149	647,203
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	0
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		14,912,218	14,719,031
35	Total Other Noncurrent Liabilities (lines 26 through 34)		15,952,112	15,757,524
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		15,985,648	17,264,003
39	Notes Payable to Associated Companies (233)		79,400,000	43,900,000
40	Accounts Payable to Associated Companies (234)		713,676	486,643
41	Customer Deposits (235)		0	0
42	Taxes Accrued (236)	262-263	1,636,068	3,127,524
43	Interest Accrued (237)		1,788,844	1,351,922
44	Dividends Declared (238)		800,000	1,000,000
45	Matured Long-Term Debt (239)		0	0

Name of Respondent	This Report is:	Date of Report (mo, da, yr)	Year/Period of Report
South Carolina Generating Company, Inc.	(1) [X] An Original (2) [ ] A Rresubmission	/ /	end of 2008/Q1

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		39,569	40,344
48	Miscellaneous Current and Accrued Liabilities (242)		161,222	110,073
49	Obligations Under Capital Leases-Current (243)		0	0
50	Derivative Instrument Liabilities (244)		0	0
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0
52	Derivative Instrument Liabilities - Hedges (245)		0	0
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		0	0
54	Total Current and Accrued Liabilities (lines 37 through 53)		100,525,027	67,280,509
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		0	0
57	Accumulated Deferred Investment Tax Credits (255)	266-267	4,151,091	4,227,357
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	29,225	22,813
60	Other Regulatory Liabilities (254)	278	30,771,902	30,330,877
61	Unamortized Gain on Reaquired Debt (257)		0	0
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	5,327,610	5,327,610
63	Accum. Deferred Income Taxes-Other Property (282)		45,972,582	45,702,882
64	Accum. Deferred Income Taxes-Other (283)		770,200	774,700
65	Total Deferred Credits (lines 56 through 64)		87,022,610	86,386,239
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		448,184,122	412,690,995

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
South Carolina Generating Company, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2008/Q1

STATEMENT OF INCOME

Quarterly
1. Enter in column (d) the balance for the reporting quarter and in column (e) the balance for the same three month period for the prior year.
2. Report in column (f) the quarter to date amounts for electric utility function; in column (h) the quarter to date amounts for gas utility, and in (j) the quarter to date amounts for other utility function for the current year quarter.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in (k) the quarter to date amounts for other utility function for the prior year quarter.
4. If additional columns are needed place them in a footnote.

Annual or Quarterly if applicable
5. Do not report fourth quarter data in columns (e) and (f)
6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility columnin a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
8. Report data for lines 8, 10 and 11 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	31,951,991	23,233,800	31,951,991	23,233,800
3	Operating Expenses					
4	Operation Expenses (401)	320-323	21,854,640	13,871,541	21,854,640	13,871,541
5	Maintenance Expenses (402)	320-323	1,275,137	957,638	1,275,137	957,638
6	Depreciation Expense (403)	336-337	2,729,372	2,624,573	2,729,372	2,624,573
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337				
8	Amort. & Depl. of Utility Plant (404-405)	336-337	10,420	10,420	10,420	10,420
9	Amort. of Utility Plant Acq. Adj. (406)	336-337				
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)					
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)					
13	(Less) Regulatory Credits (407.4)					
14	Taxes Other Than Income Taxes (408.1)	262-263	1,306,209	1,008,867	1,306,209	1,008,867
15	Income Taxes - Federal (409.1)	262-263	668,766	751,900	668,766	751,900
16	- Other (409.1)	262-263	99,200	106,000	99,200	106,000
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	674,300	446,500	674,300	446,500
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	404,600	406,400	404,600	406,400
19	Investment Tax Credit Adj. - Net (411.4)	266	-76,266	-76,266	-76,266	-76,266
20	(Less) Gains from Disp. of Utility Plant (411.6)					
21	Losses from Disp. of Utility Plant (411.7)					
22	(Less) Gains from Disposition of Allowances (411.8)					
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)					
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		28,137,178	19,294,773	28,137,178	19,294,773
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117,line 27		3,814,813	3,939,027	3,814,813	3,939,027

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
South Carolina Generating Company, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2008/Q1

STATEMENT OF INCOME FOR THE YEAR (Continued)

9. Use page 122 for important notes regarding the statement of income for any account thereof.
10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
11 Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purches, and a summary of the adjustments made to balance sheet, income, and expense accounts.
12. If any notes appearing in the report to stokholders are applicable to the Statement of Income, such notes may be included at page 122.
13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year to Date (in dollars) (g)	Previous Year to Date (in dollars) (h)	Current Year to Date (in dollars) (i)	Previous Year to Date (in dollars) (j)	Current Year to Date (in dollars) (k)	Previous Year to Date (in dollars) (l)	
						1
31,951,991	23,233,800					2
						3
21,854,640	13,871,541					4
1,275,137	957,638					5
2,729,372	2,624,573					6
						7
10,420	10,420					8
						9
						10
						11
						12
						13
1,306,209	1,008,867					14
668,766	751,900					15
99,200	106,000					16
674,300	446,500					17
404,600	406,400					18
-76,266	-76,266					19
						20
						21
						22
						23
						24
28,137,178	19,294,773					25
3,814,813	3,939,027					26

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
South Carolina Generating Company, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2008/Q1

STATEMENT OF INCOME FOR THE YEAR (continued)

Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL Current Year (c)	TOTAL Previous Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
27	Net Utility Operating Income (Carried forward from page 114)		3,814,813	3,939,027	3,814,813	3,939,027
28	Other Income and Deductions					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)					
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)					
33	Revenues From Nonutility Operations (417)		179,407		179,407	
34	(Less) Expenses of Nonutility Operations (417.1)		76,357	1,275	76,357	1,275
35	Nonoperating Rental Income (418)		-140		-140	
36	Equity in Earnings of Subsidiary Companies (418.1)	119				
37	Interest and Dividend Income (419)			42,802		42,802
38	Allowance for Other Funds Used During Construction (419.1)		602,777	35,092	602,777	35,092
39	Miscellaneous Nonoperating Income (421)					
40	Gain on Disposition of Property (421.1)					
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		705,687	76,619	705,687	76,619
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)					
44	Miscellaneous Amortization (425)	340				
45	Donations (426.1)	340	1,023	744	1,023	744
46	Life Insurance (426.2)		1,048		1,048	
47	Penalties (426.3)					
48	Exp. for Certain Civic, Political & Related Activities (426.4)		851	594	851	594
49	Other Deductions (426.5)		11,731	11,421	11,731	11,421
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		14,653	12,759	14,653	12,759
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	361	281	361	281
53	Income Taxes-Federal (409.2)	262-263	29,900	9,700	29,900	9,700
54	Income Taxes-Other (409.2)	262-263	4,500	1,500	4,500	1,500
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277				
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277				
57	Investment Tax Credit Adj.-Net (411.5)					
58	(Less) Investment Tax Credits (420)					
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		34,761	11,481	34,761	11,481
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		656,273	52,379	656,273	52,379
61	Interest Charges					
62	Interest on Long-Term Debt (427)		2,184,807	2,256,772	2,184,807	2,256,772
63	Amort. of Debt Disc. and Expense (428)		32,349	32,349	32,349	32,349
64	Amortization of Loss on Reaquired Debt (428.1)		23,376	23,376	23,376	23,376
65	(Less) Amort. of Premium on Debt-Credit (429)					
66	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)					
67	Interest on Debt to Assoc. Companies (430)	340	519,806	53,848	519,806	53,848
68	Other Interest Expense (431)	340				
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		762,319	109,211	762,319	109,211
70	Net Interest Charges (Total of lines 62 thru 69)		1,998,019	2,257,134	1,998,019	2,257,134
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		2,473,067	1,734,272	2,473,067	1,734,272
72	Extraordinary Items					
73	Extraordinary Income (434)					
74	(Less) Extraordinary Deductions (435)					
75	Net Extraordinary Items (Total of line 73 less line 74)					
76	Income Taxes-Federal and Other (409.3)	262-263				
77	Extraordinary Items After Taxes (line 75 less line 76)					
78	Net Income (Total of line 71 and 77)		2,473,067	1,734,272	2,473,067	1,734,272

FOOTNOTE DATA

Schedule Page: 114 Line No.: 4 Column: e

Includes $73,596 for depreciation and amortization billed from SCANA Services.

Schedule Page: 114 Line No.: 4 Column: f

Includes $95,250 for depreciation and amoritization billed from SCANA Services.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
South Carolina Generating Company, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2008/Q1

STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		37,858,991	35,032,063
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4				
5				
6				
7				
8				
9	TOTAL Credits to Retained Earnings (Acct. 439)			
10				
11				
12				
13				
14				
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		2,473,067	1,734,272
17	Appropriations of Retained Earnings (Acct. 436)			
18				
19				
20				
21				
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
24				
25				
26				
27				
28				
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)			
30	Dividends Declared-Common Stock (Account 438)			
31			-800,000	(1,174,000)
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		-800,000	(1,174,000)
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		39,532,058	35,592,335
	APPROPRIATED RETAINED EARNINGS (Account 215)			
39				

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
South Carolina Generating Company, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2008/Q1

STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
41				
42				
43				
44				
45	TOTAL Appropriated Retained Earnings (Account 215)			
	APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)			
46	TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)			
47	TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46)			
48	TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1)		39,532,058	35,592,335
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account			
	Report only on an Annual Basis, no Quarterly			
49	Balance-Beginning of Year (Debit or Credit)			
50	Equity in Earnings for Year (Credit) (Account 418.1)			
51	(Less) Dividends Received (Debit)			
52				
53	Balance-End of Year (Total lines 49 thru 52)			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
South Carolina Generating Company, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2008/Q1

STATEMENT OF CASH FLOWS

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities:		
2	Net Income (Line 78(c) on page 117)	2,473,067	1,734,272
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	2,729,372	2,624,573
5	Amortization of		
6	Debt Expense and Loss on Reaquired Debt	55,725	55,726
7	Intangible Plant	10,420	10,420
8	Deferred Income Taxes (Net)	317,000	87,300
9	Investment Tax Credit Adjustment (Net)	-76,266	-76,266
10	Net (Increase) Decrease in Receivables	9,407,420	-4,853,199
11	Net (Increase) Decrease in Inventory	-8,528,601	-6,335,240
12	Net (Increase) Decrease in Allowances Inventory		
13	Net Increase (Decrease) in Payables and Accrued Expenses	-949,377	-5,492,127
14	Net (Increase) Decrease in Other Regulatory Assets		
15	Net Increase (Decrease) in Other Regulatory Liabilities	-47,300	-47,200
16	(Less) Allowance for Other Funds Used During Construction	602,777	35,092
17	(Less) Undistributed Earnings from Subsidiary Companies		
18	Other (provide details in footnote):		
19	Decrease in Prepayments	249,611	197,405
20	Other	-149,635	-739,004
21			
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	4,888,659	-12,868,432
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-33,413,527	-8,791,229
27	Gross Additions to Nuclear Fuel		
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant		
30	(Less) Allowance for Other Funds Used During Construction	-602,777	-35,092
31	Other (provide details in footnote):		
32	Cost of Removal and Salvage	-115,930	-336,002
33			
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-32,926,680	-9,092,139
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)		
38			
39	Investments in and Advances to Assoc. and Subsidiary Companies		
40	Contributions and Advances from Assoc. and Subsidiary Companies		
41	Disposition of Investments in (and Advances to)		
42	Associated and Subsidiary Companies		9,500,000
43			
44	Purchase of Investment Securities (a)		
45	Proceeds from Sales of Investment Securities (a)		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
South Carolina Generating Company, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2008/Q1

STATEMENT OF CASH FLOWS

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
46	Loans Made or Purchased		
47	Collections on Loans		
48			
49	Net (Increase) Decrease in Receivables		
50	Net (Increase) Decrease in Inventory		
51	Net (Increase) Decrease in Allowances Held for Speculation		
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Other (provide details in footnote):		
54			
55			
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)	-32,926,680	407,861
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)		
62	Preferred Stock		
63	Common Stock		
64	Other (provide details in footnote):		
65			
66	Net Increase in Short-Term Debt (c)		
67	Other (provide details in footnote):		
68	Borrowings from Utility Money Pool	45,500,000	12,500,000
69	Contributions from Parent		16,900
70	Cash Provided by Outside Sources (Total 61 thru 69)	45,500,000	12,516,900
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)		
74	Preferred Stock		
75	Common Stock		
76	Other (provide details in footnote):		
77	Borrowings from Utility Money Pool	-10,000,000	
78	Net Decrease in Short-Term Debt (c)		
79	Repayment of Contributions from Parent	-260,000	
80	Dividends on Preferred Stock		
81	Dividends on Common Stock	-1,000,000	-1,000,000
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	34,240,000	11,516,900
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	6,201,979	-943,671
87			
88	Cash and Cash Equivalents at Beginning of Period	10,134,363	4,544,168
89			
90	Cash and Cash Equivalents at End of period	16,336,342	3,600,497

FOOTNOTE DATA

Schedule Page: 120 Line No.: 20 Column: b

Includes various Balance Sheet changes not shown as separate line items.

Schedule Page: 120 Line No.: 20 Column:

Includes various Balance Sheet changes not shown as separate line items.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
South Carolina Generating Company, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2008/Q1

STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES

1. Report in columns (b),(c),(d) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.

2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.

3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.

Line No.	Item (a)	Unrealized Gains and Losses on Available-for-Sale Securities (b)	Minimum Pension Liability adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)
1	Balance of Account 219 at Beginning of Preceding Year				(21,748)
2	Preceding Qtr/Yr to Date Reclassifications from Acct 219 to Net Income				500
3	Preceding Quarter/Year to Date Changes in Fair Value				
4	Total (lines 2 and 3)				500
5	Balance of Account 219 at End of Preceding Quarter/Year				(21,248)
6	Balance of Account 219 at Beginning of Current Year				(26,303)
7	Current Qtr/Yr to Date Reclassifications from Acct 219 to Net Income				546
8	Current Quarter/Year to Date Changes in Fair Value				
9	Total (lines 7 and 8)				546
10	Balance of Account 219 at End of Current Quarter/Year				(25,757)

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
South Carolina Generating Company, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2008/Q1

STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES

Line No.	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges [Specify] (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (Carried Forward from Page 117, Line 78) (i)	Total Comprehensive Income (j)
1			(21,748)		
2			500		
3					
4			500	1,734,272	1,734,772
5			(21,248)		
6			(26,303)		
7			546		
8					
9			546	2,473,067	2,473,613
10			(25,757)		

FOOTNOTE DATA

Schedule Page: 122(a)(b) Line No.: 1 Column: e

Lines 1-5 present information for the period 1/1/07 - 3/31/07.

Lines 6-10 present information for the period 1/1/08 - 3/31/08.

Schedule Page: 122(a)(b) Line No.: 1 Column: h

Lines 1-5 present information for the period 1/1/07 - 3/31/07.

Lines 6-10 present information for the period 1/1/08 - 3/31/08.

Schedule Page: 122(a)(b) Line No.: 7 Column: e

Reflects reclassification adjustments of amounts recognized in OCI (net losses, prior service costs and net transition obligation, as applicable). These adjustments result from the amortization of those amounts as components of net periodic benefit cost in 2008.

Schedule Page: 122(a)(b) Line No.: 10 Column: b

Not applicable for respondent.

Schedule Page: 122(a)(b) Line No.: 10 Column: c

Not applicable for respondent.

Schedule Page: 122(a)(b) Line No.: 10 Column: d

Not applicable for respondent.

Schedule Page: 122(a)(b) Line No.: 10 Column: f

Not applicable for respondent.

Schedule Page: 122(a)(b) Line No.: 10 Column: g

Not applicable for respondent.

Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
South Carolina Generating Company, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2008/Q1

NOTES TO FINANCIAL STATEMENTS

. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.

2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.

3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commmission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.

4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.

5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.

6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.

7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.

8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.

9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

PAGE 122 INTENTIONALLY LEFT BLANK
SEE PAGE 123 FOR REQUIRED INFORMATION.

The following notes should be read in conjunction with the Notes to Financial Statements appearing in South Carolina Generating Company, Inc.'s (the Company) Annual Report on Federal Energy Regulatory Commission (FERC) Form No. 1 for the year ended December 31, 2007. These are interim financial statements, and due to the seasonality of the Company's business, the amounts reported in the Statement of Income are not necessarily indicative of amounts expected for the year. In the opinion of management, the information furnished herein reflects all adjustments, all of a normal recurring nature, which are necessary for a fair statement of the results for the interim periods reported.

The financial statements and notes contained herein have not been audited.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. System of Accounts

The FERC Form No. 1 and 3-Q financial statements are prepared in accordance with the accounting requirements of the FERC as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). The principal differences between the Company's GAAP basis financial statements and FERC financial statements are that the current portion of long term debt is not classified as a current liability in the FERC financial statements, whereas it is in the GAAP financial statements, accumulated deferred income taxes are reported on a gross basis in the FERC financial statements, whereas these amounts are reported on a net basis in GAAP financial statements, the presentation of other comprehensive income related to the adoption of Statement of Financial Accounting Standards (SFAS) 158 "*Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*," and the classification of certain cost of removal related to asset retirement obligations.

The Company follows the provisions of SFAS 71"*Accounting for the Effects of Certain Types of Regulation.*" SFAS 71 requires cost-based rate-regulated utilities to recognize in their financial statements certain revenues and expenses in different time periods than do enterprises that are not rate-regulated.

B. Organization

The Company was organized in 1984 and is a wholly-owned subsidiary of SCANA Corporation (SCANA). The Company owns the A.M. Williams 615 MW steam generating facility (Williams Station).

C. Affiliated Transactions

Under a Unit Power Sales Agreement, South Carolina Electric & Gas Company (SCE&G), an affiliate of the Company, purchases all of the power generated by Williams Station. Such purchases totaled $31,950,554 and $23,232,130 for the three months ended March 31, 2008 and 2007, respectively. At March 31, 2008, and December 31, 2007, the Company had $4,205,410 and $13,513,487, respectively, of accounts receivable from SCE&G for unit power sales.

At March 31, 2008 and December 31, 2007, the Company had borrowed $79,400,000 and $43,900,000, respectively, from a utility money pool. These advances from affiliates of the Company bear interest at market rates and are payable on demand, though they have no scheduled maturity dates. Interest expense for the three months ended March 31, 2008 related to these borrowings totaled $506,897. The Company is also allocated interest expense from the money pool. Interest expense for the three months ended March 31, 2008 related to this allocation totaled $12,909. The interest related to both of the above is included in "Interest on Debt to Associated Companies." The Company also from time to time receives contributions (Additional Paid in Capital) from SCANA which bear no interest.

At March 31, 2008 and December 31, 2007, the Company had $713,676 and $486,643, respectively, of other payables to affiliated companies.

D. New Accounting Policies

SFAS 161, *"Disclosure about Derivative Instruments and Hedging Activities,"* was issued in March 2008. SFAS 161 requires enhanced disclosures about an entity's derivative and hedging activities to include how derivative instruments are accounted for and the affect of such activities on financial position, financial performance and cash flows. SFAS 161 is effective for fiscal years beginning after November 15, 2008. The Company has not determined what impact, if any, the adoption will have on the Company's results of operations, cash flows or financial position.

SFAS 160, *"Noncontrolling Interests in Consolidated Financial Statements,"* was issued in December 2007. SFAS 160 requires entities to report noncontrolling (minority) interests in subsidiaries as equity. SFAS 160 is effective for fiscal years beginning after December 15, 2008. The Company has not determined what impact, if any, that adoption will have on the Company's results of operations, cash flow or financial position.

SFAS 141(R) *"Business Combinations,"* was issued in December 2007. SFAS 141(R) requires the acquiring entity in a business combination to recognize the assets acquired and the liabilities assumed at their fair values at the acquisition date. SFAS 141(R) also requires the acquirer to disclose all of the information needed to evaluate and understand the nature and financial effect of the business combination. SFAS 141(R) is effective for fiscal years beginning after December 15, 2008. The Company has not determined what impact, if any, that adoption will have on the Company's results of operations, cash flows or financial position.

SFAS 159, *"The Fair Value Option for Financial Assets and Financial Liabilities,"* was issued in February 2007. SFAS 159 allows entities to measure at fair value many financial instruments and certain other assets and liabilities that are not otherwise required to be measured at fair value. SFAS 159 became effective for fiscal years beginning after November 15, 2007. The Company has not elected to measure at fair value any permitted items that are not otherwise required to be measured at fair value. As a result, SFAS 159 has not had an impact on the Company's results of operations, cash flows or financial position.

The Company adopted SFAS 157, *"Fair Value Measurements,"* in the first quarter of 2008 for financial assets and liabilities and for nonfinancial assets and liabilities recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). As permitted by FASB Staff Position 157-2 (FSP FAS 157-2), the Company will adopt SFAS 157 for all other nonfinancial assets and liabilities in the first quarter of 2009. SFAS 157 establishes a framework for measuring the fair value of assets and liabilities recognized in the financial statements in periods subsequent to initial recognition. The initial adoption of SFAS 157 did not impact the Company's results of operations, cash flows or financial position.

At March 31, 2008, the Company had no financial or non-financial assets or liabilities measured at fair value that required disclosure under SFAS 157.

E. Income Taxes

The Company is included in the consolidated federal income tax return of SCANA and also files in the state of South Carolina. Under a joint consolidated income tax allocation agreement, each subsidiary's current and deferred tax expense is computed on a stand-alone basis. Deferred tax assets and liabilities are

recorded for the tax effects of all significant temporary differences between the book basis and tax basis of assets and liabilities at currently enacted tax rates. Deferred tax assets and liabilities are adjusted for changes in such rates through charges or credits to regulatory assets or liabilities if they are expected to be recovered from, or passed through to, customers of SCANA's regulated subsidiaries; otherwise, they are charged or credited to income tax expense.

No material changes in the status of the Company's tax positions have occurred through March 31, 2008.

F. Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. Actual results could differ from those estimates.

2. ASSET RETIREMENT OBLIGATIONS

In accordance with SFAS 143, *"Accounting for Asset Retirement Obligations,"* (ARO) as interpreted by FIN 47, *"Accounting for Conditional Asset Retirement Obligations,"* the Company recognizes a liability for the fair value of an ARO when incurred if the fair value of the liability can be reasonably estimated. As of March 31, 2008 and December 31, 2007, the Company had recorded an ARO of $14,912,218 and $14,719,031, respectively, related to generation.

3. CASH FLOWS INFORMATION

Supplemental Cash Information:

	2008	2007
Cash Paid for Interest	2,267,691	1,426,348
Cash Paid for Income Taxes	57,890	629,700

4. LONG-TERM DEBT

Substantially all utility plant is pledged as collateral in connection with long-term debt.