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CITY OF COLUMBIA, SOUTH CAROLINA

ORDINANCE NO. 2010-082

AN ORDINANCE AUTHORIZING THE CITY OF COLUMBIA,  
SOUTH CAROLINA, TO ENTER INTO A DEVELOPMENT  
AGREEMENT WITH THE MAST GENERAL STORE, INC.;  
AND OTHER MATTERS RELATING TO THE FOREGOING.

Enacted: May 12, 2010

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BE IT ORDAINED, BY THE CITY COUNCIL OF THE CITY OF COLUMBIA, SOUTH CAROLINA, AS FOLLOWS:

Section 1. Definitions. The terms defined in this Section for all purposes of this Ordinance shall have the respective meanings as set forth in this Section. The term:

"City" or "Columbia" means the City of Columbia, South Carolina.

"Council" means the City Council of the City of Columbia, South Carolina.

"Development Agreement" means the Development Agreement by and between the City and The Mast General Store, Inc. to be dated as of the date of its execution and delivery.

"Mast" means The Mast General Store, Inc., a corporation organized and existing under the laws of the State of North Carolina.

"Ordinance" means this Ordinance of the City.

"Project" means the acquisition, renovation and equipping of certain real property located at the northwest corner Main Street and Taylor Street in the City at 1601 Main Street, consisting of the Land (as defined in the Development Agreement), a building previously known as the Lourie's Building (the "Building") and an adjacent courtyard (the "Courtyard" and, together with the Land and Building and all associated appurtenances and constituent real property interests, collectively referred to as the "Property"), such Property to be used primarily as a commercial retail facility within the City.

"South Carolina Code" shall mean South Carolina Code of Laws 1976 as amended.

Section 2. Findings and Determinations. The Council hereby finds and determines:

(a) The City is an incorporated municipality located in portions of Richland County, South Carolina, and Lexington County, South Carolina, and as such has all powers granted to municipalities by the Constitution and general laws of this State.

(b) Pursuant to Section 5-5-10 of the South Carolina Code, the City has selected the Council-Manager form of government and is governed by a Council composed of a Mayor and six (6) Council members which constitute the governing body of the City.

(c) Section 5-7-30 of the South Carolina Code provides, in part, that municipalities may enact ordinances, not inconsistent with the Constitution and general law of the State, respecting any subject which appears necessary and proper for the security, general welfare, and convenience of the municipality and for the preservation of the general health, peace, order and good government in the municipality, and further, under the case of Williams v. Town of Hilton Head, 429 S.E.2d 802 (1993), a municipality may enact regulations (ordinances) without the requirement for further specific statutory authorization so long as such regulations are not inconsistent with the Constitution and general law of the State.

(d) Mast has proposed to acquire the Property and undertake the development and operation of the Project, and based upon information provided to the City by Mast regarding Mast's experience of opening and operating retail facilities in markets similar to Columbia, the City has determined that the development and operation of the Project will have a positive impact on the City's general plan for revitalization and preservation along Main Street, including without limitation the following benefits:

(1) The physical improvements to and refurbishment of the Building will improve the appearance and enhance the aesthetic character of the Main Street corridor and positively influence real property values of surrounding properties;

(2) The acquisition and development of the Building will protect and preserve the historically and architecturally significant features thereof, thereby encouraging others to undertake historic preservation which will benefit downtown Columbia;

(3) The development of the Project and Mast's subsequent retail operations will anchor and attract other high-caliber retail and food service businesses drawn by the foot-traffic endemic to Mast's operation and facilitate networking with other local retailers and businesses to enhance business synergies and thus improve the general economic climate in the City;

(4) Because Mast will use its best efforts to undertake its retail operations seven days a week during retail hours convenient for the customers in the Columbia market and providing Mast's proven brand of "sincere customer service" and anticipated stock of goods, the Project will add to the atmosphere of courteous commerce the City finds desirable for Main Street and foster and support downtown Columbia residential living;

(5) Mast has a corporate track record of reinvesting in communities where it does business, through planned, charitable giving, and it is reasonably anticipated that Mast will continue this approach to the benefit of the Columbia community;

(6) The development of the Project and its subsequent retail operations will contribute to the creation and maintenance of jobs - when placed in full operation, Mast expects and will use its best efforts to employ approximately 16 new, full-time employees and approximately 22 new, part-time employees from the Columbia market; and

(7) Mast's retail operations in Columbia are expected to create and/or positively influence revenues for the City in several ways: first, the completion of the Project and Mast's continued operation thereof as contemplated by the Development Agreement are expected to directly generate various state and local taxes and fees for the benefit of the City; further, as described above in paragraphs (1) and (3), such activities will also contribute to more development and higher property values among surrounding businesses and properties in the Main Street corridor, which in turn generates higher property and sales taxes and other fees.

(e) In order to induce Mast to acquire the Property and undertake the development and operation of the Project, it is proposed that the City and Mast execute a Development Agreement, pursuant to which each of the parties describes their commitments and obligations with respect thereto. The Development Agreement further contemplates the issuance by the South Carolina Jobs-Economic Development Authority (“JEDA”), on behalf of Mast, of up to \$2,000,000 principal amount of recovery zone facility bonds (the “Bonds”) to finance a portion of the costs of acquisition and development of the Property and the Project. The City Council has heretofore adopted a resolution affirming the designation of the Property, and the improvements thereon, as part of a “recovery zone” within the meaning of the American Recovery and Reinvestment Act of 2009 (the “ARRA”), due to the fact that such area is part of the Columbia/Sumter SC Empowerment Zone, such empowerment zone having become a recovery zone pursuant to Section 1400U-1(b) of the ARRA upon enactment of the ARRA.

(f) Although the Bonds would be issued as revenue bonds, payable solely from the revenues of Mast, the Development Agreement contemplates that the City will agree, subject to annual appropriation, to pay or reimburse Mast for certain amounts related to the Bonds or otherwise and to provide certain other benefits and inducements, including other loans, to Mast to develop and operate the Project, all as more fully described in the Development Agreement and conditioned upon Mast’s continued performance of its obligations thereunder.

(g) The Council recognizes that the expenditure of public funds for economic development must be for a public purpose in accordance with the applicable provisions of the South Carolina Constitution and decisions of the South Carolina Supreme Court. Specifically, the cases of Byrd v. County of Florence, 315 S.E.2d 804 (1984) and Nichols v. The South Carolina Research Authority, 351 S.E.2d 155 (1986), formulate a four-point standard, by which undertakings for financing economic development are tested for constitutionality. In WDW Properties v. City of Sumter, 535 S.E.2d 631 (2000), the *Byrd/Nichols* test was applied by the Court to uphold the issuance by JEDA of tax-exempt industrial revenue bonds to finance a portion of the costs of renovation of existing buildings located within the Columbia/Sumter SC Empowerment Zone. In that case, the Court noted that the redevelopment projects were intended to be leased for commercial office and retail space, that the developer expected to create 20 full-time jobs and that “the project would ‘serve as the cornerstone for the revitalization of downtown Sumter and the surrounding communities’”.

(h) After taking into consideration information from and representations made by Mast to the City (including but not limited to those supporting the findings set forth in paragraph (d) above), the Council makes the following additional findings and determinations with respect to the development of the Project and the agreement by the City to enter into the Development Agreement with Mast:

(1) The ultimate benefits to the public are multiple: to increase the number of available jobs, to improve the appearance and enhance the aesthetic character of the Main Street corridor, to positively influence real property values of surrounding properties, to attract new businesses, to reinvigorate a downtown area that has been classified by the local and federal governments as economically distressed and to protect and preserve historically

and architecturally significant features and encourage others to undertake historic preservation that would benefit downtown Columbia.

(2) The public will be the primary beneficiary of the development of the Project, although Mast will also benefit from the reduction of its interest cost during the first ten years after the consummation of the financing, assuming its development and continued operation of the Project.

(3) The Project is not so speculative as to violate the public purpose doctrine based on Mast's experience of opening and operating retail facilities in markets similar to Columbia and track record of success in those markets.

(4) The public interest is likely to be served to a substantial degree through the creation of jobs, the improvement and enhancement of the appearance and aesthetic character of downtown Columbia, the reinvigoration of that downtown area, the preservation of historical and architecturally significant features and the benefits, both tangible and intangible, that should result from that reinvigoration.

(i) The incentives offered to Mast under the Development Agreement by the City are necessary to ensure that Mast will locate its facility in the City and continue to operate the Project. The City's entering into the Development Agreement authorized by this Ordinance is necessary and in the best interest of the City and will assist and enhance the economic development of the City.

Section 3. Approval of Development Agreement. The City Manager is hereby authorized, empowered and directed to execute, acknowledge and deliver the Development Agreement in the name and on behalf of the City, and thereupon to cause the Development Agreement to be delivered to Mast. The Development Agreement is to be in substantially the form attached hereto as Exhibit A, and incorporated herein by reference, with such changes thereto as may be approved by the City Manager (with advice from the City's Attorney), the City Manager's execution thereof to constitute conclusive evidence of such approval. Any amendments to the Development Agreement shall be executed in the same manner.

Section 4. Agreement to Reimburse Mast. The City's agreement in the Development Agreement to pay or reimburse Mast for certain amounts related to the Bonds or otherwise, as more fully set forth in the Development Agreement, is subject to annual appropriation by the City from legally available funds for payment thereof, shall constitute a current expense of the City and shall not in any way be construed as a debt of the City in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by the City. The obligations of the City under the Development Agreement shall not constitute a pledge of the full faith, credit or taxing power of the City within the meaning of any State Constitutional or statutory provision, nor shall the financing of the Project by Mast or the execution and delivery of the Development Agreement constitute a pledge of the general tax revenues, moneys or credit of the City.

Section 5. Execution of Documents. The Mayor (or, in his absence, the Mayor Pro Tempore), the City Manager and the Chief Financial Officer, or any one of them acting alone, and the City Clerk, and City Attorney are fully empowered and authorized to take such further actions and to execute and deliver such additional documents as may be deemed necessary or desirable in order to effectuate the execution and delivery of the Development Agreement and the transactions contemplated hereby and thereby, and the action of such officers in executing and delivering any of such documents, in such form as the Mayor (or, in his absence, the Mayor Pro Tempore), the City Manager and the Chief Financial Officer, or any one of them acting alone, shall approve, is hereby fully authorized. All actions heretofore undertaken by the City Manager, the Chief Financial Officer, the City Attorney, and other City personnel and advisors in order to consummate and implement the transactions contemplated by the Development Agreement are hereby ratified and approved.

Section 6. Severability. If any section, phrase, sentence, or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

Section 7. Repeal of Inconsistent Ordinances and Resolutions. All ordinances and resolutions of the City, and any part of any ordinance or resolution, inconsistent with this Ordinance are hereby repealed to the extent of such inconsistency.

Section 8. Effective Date. This Ordinance shall be effective upon its enactment by the City Council of the City of Columbia, South Carolina.

Enacted by the City Council of the City of Columbia, South Carolina, this 12<sup>th</sup> day of May, 2010.

CITY OF COLUMBIA, SOUTH CAROLINA



\_\_\_\_\_  
Mayor Pro Tempore

(SEAL)

ATTEST:



  
\_\_\_\_\_  
Clerk

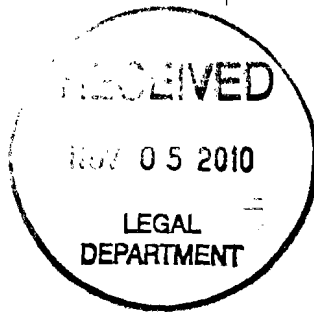
Date of First Reading: 5/5/2010

Date of Second Reading: 5/12/2010

Exhibit A

Form of Development Agreement with The Mast General Store, Inc.

# NEXSEN | PRUET



**Sandra S. Chastain**  
Paralegal

November 5, 2010

Kenneth W. Gaines, Esq.  
City Attorney  
City of Columbia, South Carolina  
1401 Main Street, Suite 1000  
Columbia, South Carolina 29201

Mr. Mark J. Gould  
Chief Financial Officer  
The Mast General Store, Inc.  
Highway 194  
Valle Crucis, North Carolina 28691

Re: Re: Development Agreement with The Mast General Store, Inc.

Gentlemen:

Enclosed is a duplicate original of the fully executed Development Agreement between the City of Columbia and The Mast General Store, Inc. for your file. Please let us know if you have any questions or need anything further.

Charleston

Charlotte

**Columbia**

Greensboro

Greenville

Hilton Head

Myrtle Beach

Raleigh

Very truly yours,

Sandra S. Chastain  
Paralegal

SSC

Enclosures

cc: Mr. James Gambrell (w/copy of enclosure)  
Michael J. Seezen, Esq. (w/copy of enclosure)



STATE OF SOUTH CAROLINA    )    **DEVELOPMENT AGREEMENT WITH**  
  )    **THE MAST GENERAL STORE, INC.**  
COUNTY OF RICHLAND         )    (City of Columbia)

This DEVELOPMENT AGREEMENT WITH THE MAST GENERAL STORE, INC. (this "Agreement") is made and entered into this the 16<sup>th</sup> day of May, 2010, by and between the **City of Columbia**, South Carolina, a duly organized and validly existing body politic of the State of South Carolina (hereinafter referred to as the "**City**") and **The Mast General Store, Inc.**, a North Carolina corporation (hereinafter referred to as "**Mast**") or affiliated assigns.

**RECITALS**

**WHEREAS**, the City has developed a plan for revitalizing and fostering commercial activity along Main Street, Columbia, South Carolina (hereinafter, simply "**Main Street**") and preserving the historic or architecturally significant structures in such area; and

**WHEREAS**, Mast proposes to renovate and improve certain real property situated on the northwest corner of the intersection of Main Street and Taylor Street in Columbia at 1601 Main Street, consisting of the land more particularly described in the attached and incorporated **Exhibit A** hereto (the "Land"), a building previously referred to as the Lourie's Building (the "**Building**") and an adjacent courtyard (the "**Courtyard**" and, together with the Land and Building and all associated appurtenances and constituent real property interests, collectively referred to herein as the "**Property**"); and

**WHEREAS**, the City recognizes the positive impact that Mast's acquisition and development of the Property would have on the City's general plan for revitalization and preservation along Main Street, including without limitation the following likely positive effects:

- (i) Mast's acquisition would lead to physical improvements to and refurbishment of the Building, thereby enhancing the aesthetic character of the Main Street corridor and improving real property values;
- (ii) Mast's acquisition would facilitate networking with other local retailers and businesses to enhance business synergies and thus improve the general economic climate in Columbia;
- (iii) Mast would bring its proven brand of "sincere customer service", thereby adding to the atmosphere of courteous commerce the City finds desirable for Main Street;
- (iv) Mast will undertake its retail operations seven (7) days per week and will employ approximately sixteen (16) new full-time employees and approximately twenty-two (22) new part-time employees from the Columbia area, and Mast will maintain these operating hours and employment levels during the term of this Agreement;

(v) Mast's presence in other markets similar to Columbia has anchored and attracted other, high caliber, retail and food service businesses drawn by the foot-traffic endemic to Mast's operation;

(vi) Mast's plan for renovation and development of the Building will protect and preserve the historically and architecturally significant features thereof, thereby encouraging others to undertake historic preservation which will benefit downtown Columbia;

(vii) Mast has a corporate track record of reinvesting in communities where it does business, through planned, charitable giving, and it is reasonably anticipated that Mast would continue this approach to the benefit of the Columbia community;

(viii) Mast's acquisition will lead to the creation of jobs, as more particularly set forth herein; and

(ix) Mast's operations in Columbia will create revenue for the City in the form of business license fees and property taxes; and

**WHEREAS**, in consideration of the many economic benefits to be derived by the City and its inhabitants from Mast's development of the Property, the City has agreed to reimburse Mast for its payment of the Interest (as defined herein) over a period of ten (10) years on \$2,000,000 in recovery zone facility bonds (the "Bonds") to be issued by the South Carolina Jobs-Economic Development Authority ("JEDA") on behalf of Mast and to provide certain other benefits to Mast, all as more fully described herein, and such assistance by the City has induced Mast to acquire and undertake development of the Property;

**NOW, THEREFORE**, in consideration of mutual covenants hereinafter set forth, and intending to be legally bound thereby, the City and Mast do hereby covenant and agree as follows:

I. **MAST COMMITMENTS**

a. Property Improvements. Mast commits to make the following improvements to the Property:

(i) Retail Improvements. Mast will acquire, renovate and equip, for its own occupancy, retail facilities on the ground floor and lower level of the Building (the "**Retail Improvements**"). Mast will complete construction of the Retail Improvements on or before December 31, 2011.

(ii) Upper Floor Improvements. Mast will entertain offers from third parties developers for development and operation of the upper two floors of the Building (the "Upper Floors") as either residential or commercial space (or a combination thereof) for occupancy by third parties. To the extent that any such third party developer initiates or completes any

renovation of the Upper Floors, such third party developer and not Mast shall be responsible for compliance with all regulatory requirements and applicable laws relative to the development and use of the Upper Floors by such developer or any tenant or other third party using the Upper Floors under the authority of such third party developer. If, however, Mast undertakes any renovations to the Upper Floors directly or operates its own business in the Upper Floors, it will ensure compliance with all regulatory requirements and applicable laws related to such renovations and operations.

- b. Design. The Retail Improvements will be constructed generally following the model utilized by Mast in its other retail locations in South Carolina, North Carolina and Tennessee. Prior to any construction, Mast will provide the City with a complete copy of its plans and specifications for the Retail Improvements, including landscaping plans (the “**Plans and Specs**”).
- c. Compliance With Laws and Permitting. In developing and constructing the Retail Improvements and in operating its retail business on the Property, Mast will comply with all applicable laws, rules, orders, ordinances, regulations and legal requirements of all governmental entities, agencies or instrumentalities relating to the development, use or condition of such Retail Improvements, including, without limitation, all design guidelines and building code, zoning and other use requirements and any federal or State laws, regulations or other restrictions related to the offer and sale of the Bonds and any reporting obligations related to the Bonds. Mast will be responsible for obtaining all requisite building, grading and occupancy permits and all licenses for its retail operations on the Property (collectively, the “**Permitting**”).
- d. Access by the City. Mast shall grant the City and any authorized officers, employees, contractors or subcontractors, representatives and all other persons responsible to determining compliance with the requirements of this Agreement reasonable access to the Property for the express purpose of determining such compliance.
- e. Recognition of Cooperation. In order to increase public awareness of the cooperation between Mast and the City evidenced and memorialized in this Agreement, Mast may include the City’s name and/or logo on appropriate printed materials through the Term of this Agreement. No permanent rights to trademarked symbols or other intellectual property shall transfer as a result of this permission for limited publication.
- f. Retail Activity and New Hiring. Upon completion of the Retail Improvements, Mast will operate a retail merchandising business therein substantially similar to Mast’s existing operations in South Carolina, North Carolina and Tennessee (the “**Retail Operations**”). Mast will undertake its Retail Operations seven (7) days per week and will employ approximately sixteen (16) new full-time employees

and approximately twenty-two (22) new part-time employees from the Columbia area. Mast will maintain these operating hours and employment levels during the term of this Agreement.

## II. CITY COMMITMENTS

- a. Dedicated Liaison for Permitting and Compliance Matters. To facilitate the Permitting and regulatory process, the City Manager shall appoint Christa Hampton or another equally qualified person to serve as a facilitator and liaison to coordinate and guide Mast in the process of obtaining Permitting and otherwise interacting with the City and its various departments to achieve the purposes of this Agreement.
- b. Recovery Zone Facility Bonds. The City has facilitated the issuance by JEDA of the Bonds on behalf of Mast to finance the Retail Improvements by allocating to Mast, as the ultimate beneficiary of the proposed Bonds, Nine Hundred Seventy Three Thousand (\$973,000) Dollars from the City's allocation for recovery zone facility bonds under the American Recovery and Reinvestment Act of 2009 (the "ARRA"). Pursuant to Title 41, Chapter 43, Code of Laws of South Carolina 1976, as amended, (the "JEDA Act"), the City has adopted a resolution in support of JEDA's issuance of the Bonds and has, jointly with JEDA, held a public hearing regarding the issuance of the Bonds and the Retail Improvements. At the City's request, Richland County, South Carolina (the "County") allocated to Mast, as the ultimate beneficiary of the Bonds, One Million Twenty-Seven Thousand (\$1,027,000) Dollars from the County's allocation for recovery zone facility bonds. Both the City and the County have affirmed the designation of the site of the Property as a recovery zone within the meaning of the ARRA, and the City agrees to take such further actions as may be reasonable and appropriate to facilitate the issuance of the Bonds by JEDA on behalf of Mast. Mast will utilize the proceeds of the Bonds for the costs associated with the Retail Improvements as well as for a portion of the costs of issuing the Bonds.
- c. Agreement to Reimburse Mast for Certain Costs of Issuance. The City agrees to reimburse Mast for up to \$75,000 of the cost of issuing the Bonds regardless of whether such Bonds are actually issued, such reimbursement to occur during the final quarter of 2012. Mast will be responsible for the balance of the cost of issuing the Bonds. The City shall be responsible for the fees and expenses of its advisors in connection with the negotiation and documentation of the agreements between the City and Mast and the City's review of the terms of the Bonds, including without limitation all legal and consulting fees of its legal counsel, the McNair Law Firm, P.A., and its financial advisor, Merchant Capital, LLC.

d. Agreement to Reimburse Mast for Interest Related to the Bonds.

(i) Subject to clause (iv) below, the City shall reimburse Mast for the payments Mast makes with respect to the Interest (as defined herein) related to the Bonds for a period of ten (10) years, commencing with the date the Bonds are issued; provided that (A) the Bonds shall be issued substantially in accordance with the terms and conditions of that certain commitment letter from Wachovia Bank, National Association (“Wachovia”) executed by Mast on March 19, 2010 (the “Commitment Letter”), a copy of which are attached hereto as **Exhibit B** and incorporated herein, or upon such other terms and conditions as the City shall approve in writing and (B) Mast shall enter into an interest rate swap arrangement (the “Swap”), substantially as described in **Exhibit C** attached hereto and incorporated herein. The City shall make such reimbursement to or to the order of Mast quarterly within thirty (30) days following receipt of an invoice from Mast specifying the amount of Interest paid for such calendar quarter by check or wire transfer, at the place or to the account specified by Mast.

(ii) Subject to adjustment pursuant to **subsection (iii)** hereof, the term “Interest” for purposes of this Agreement shall mean: (a) the actual interest payments made by Mast with respect to the Bonds from the date of issuance thereof until the fixed payments on the Swap commence (*e.g.*, approximately 18 months from the date of issue); (b) while the Swap is in effect, the fixed payments made by Mast on the Swap; and (c) in the event of early termination of the Swap, the actual interest payments made by Mast with respect to the Bonds from such termination date through the end of the term of this Agreement, up to but not exceeding an interest rate equal to the fixed rate component payable by Mast under the Swap.

(iii) Mast shall be responsible for any increases in Interest due to: (x) an increase in the spread over one-month LIBOR (or any successor rate index applicable to the Bonds which may be approved by the City) (the “Spread”) from the 1.65% Spread specified in the Commitment Letter; (y) a default by Mast under the documentation pertaining to the Bonds or the Swap; or (z) any action or inaction by Mast or any tenant or other third-party user of the Building which results in the inclusion of the interest on the Bonds in gross income for federal income tax purposes, and Interest shall remain unadjusted under such circumstances. If the Spread is decreased during the term of this Agreement, then, for as long as such decrease is in effect, Interest shall be reduced by an amount equal to the excess of the Spread applicable to the variable rate component of the Swap over the Spread applicable to the interest rate on the Bonds. Absent prior written consent by the City, Mast shall be responsible for any payments due to the Swap provider as a result of early termination of the Swap, and Interest shall remain unadjusted under such circumstances.

(iv) All payment obligations of the City under this **subsection II.d** (including but not limited to the City's obligation to reimburse Mast for Interest payments related to the Bonds) are subject to annual appropriations by the City from legally available funds for payment thereof, shall constitute a current expense of the City and shall not in any way be construed as a debt of the City in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by the City. The obligations of the City hereunder shall not constitute a pledge of the full faith, credit or taxing power of the City within the meaning of any State Constitutional or statutory provision, nor shall the financing of the Retail Improvements by Mast or the execution and delivery of this Agreement constitute a pledge of the credit or taxing powers of the City. In addition to the foregoing, the City may suspend or terminate its obligation to reimburse Mast for Interest payments related to the Bonds upon the occurrence of the following circumstances: (A) Mast does not complete the Retail Improvements on or before December 31, 2011; (B) Mast ceases its Retail Operations and redeems all Bonds then outstanding; or (C) Mast ceases its Retail Operations and thereafter fails (1) to sell the Land and Building within one year after such cessation date and use the proceeds of such sale to redeem Bonds as soon as practice thereafter or (2) to utilize the Building, or lease or convey the Land and Building to other businesses which will utilize the Building, for activities which will contribute economically to the City's Main Street area, except in either case with the written consent of the City (which will not be unreasonably withheld so long as the justification meets sound economic and market conditions); or (D) Mast fails to maintain the operating days/hours and minimum employment levels as described in Section 1(f) above, except with the written consent of the City (which will be unreasonably withheld so long as such new operating hours and employment levels are consistent with other Mast General Store operations in North Carolina, South Carolina and Tennessee or the justification meets sound economic and market conditions)..

(v) Mast shall not, without the prior written consent of the City, (A) agree to any amendments of the terms of the Bonds or the Swap which (1) modify the interest rates related thereto, the principal repayment schedule of the Bonds or the notional amount schedule of the Swap, (2) are inconsistent with the terms of this Agreement, the terms of the Bonds described in the Commitment Letter or the terms of the Swap described in Exhibit C hereof or (3) modify in any way the City's obligations hereunder to reimburse Mast for Interest related to the Bonds, (B) direct the optional redemption of the Bonds at times or in principal amounts other than as set forth in Exhibit A of the Continuing Covenant Agreement dated as of May 1, 2010 (the "CCA"), between Mast and Wells Fargo Bank, National Association, or amend or modify Section 5.21(b) or Exhibit A of the CCA, or (C) convert the Bonds to bear interest at an interest rate other than the LIBOR Index Rate (as defined in the Indenture of Trust dated as of May 1, 2010, between JEDA and Wells Fargo Bank, National Association, as trustee).

- e. Infrastructure Improvements and Services. The City will continue to maintain the existing loading zone on Taylor Street adjacent to the Property to facilitate delivery of merchandise to the Building on a first come, first served basis and will upgrade the lighting and paving in the City-owned alley behind the Building. The City will entertain reasonable proposals for the purchase and maintenance of the courtyard located at the rear of the Building following improvements by or on behalf of Mast to include paving, lighting and landscaping, such courtyard to serve Mast customers and patrons of the Nickelodeon Theatre. The City will also provide solid waste and recycling service to the Property at the alley or on Taylor Street, whichever is least disturbing to pedestrians or vehicular traffic. Solid waste services may occur at different times of the day or night, all in accordance with the City's standard policies and procedures and provided that Mast complies with ordinance requirements for roll cart service. If Mast generates waste in excess of allowable cubic yards to be eligible for roll cart service per applicable ordinances, Mast will be responsible for securing and paying for services from a private hauler.
- f. Parking Facilities. The City will undertake the following commitments with respect to parking facilities.
- (i) The City will provide unreserved parking for Mast employees in the City's new parking facility, currently under development at the corner of Taylor and Sumter Streets, at a rate which is 50% below the City's lowest published rate for that parking facility and for a period of two years. After such two year period, the City will charge Mast employees the lowest published rate for unreserved spaces.
  - (ii) The City will provide customer parking in the existing City parking facility at the corner of Taylor and Assembly Streets and will use its good faith efforts to develop a payment validation system which is convenient for Mast and its customers. The City will provide a pedestrian walkway at street level to provide customer access from this parking facility to the Property to the east of the alleyway behind the Building. If, in the reasonable opinion of the City, public parking demand permits, the City will approve parking for Mast's employees in this existing facility on the same terms and conditions applicable to the new parking facility pursuant to paragraph (i) above.
- g. Signage. The City will undertake following commitments with respect to signage:
- (i) Mast's Building Signage. Because of the location and designation of the Property, however, no signage may be installed without review and approval by the Design Development Review Commission and other regulatory bodies having jurisdiction over such matters. The dedicated

liaison assigned pursuant to Section II a. above shall assist Mast with this application as part of the permitting process.

(ii) Postings as to Merchandise Delivery. The City shall erect a sign, in form and substance mutually acceptable to Mast and the City, establishing a loading zone on Taylor Street allowing Mast to receive merchandise deliveries during times specified by Mast and approved by the City's Parking Department.

(iii) Directional Signage for Parking and Patronage. Subject to such approval from the South Carolina Department of Transportation as may be required by law, the City shall erect signs on Assembly Street, Taylor Street and Sumter Street directing traffic thereon to parking locations that will service Mast and other Main Street business. The substantive content of such signage shall direct traffic to "Parking for Downtown Shopping and Dining." Additionally, the City shall erect signage within the parking facilities serving the Property that direct would-be patrons to Mast and other downtown businesses.

h. Landscaping. The City agrees to plant trees (sized at least 2 inches in diameter and 10 feet high) in the right of way along Taylor Street as space permits to enhance the aesthetics of the Property and make pedestrian access to the Property more comfortable. The City agrees to trim and maintain (including replacement in event of death) all new and existing trees located in the rights of way bounding the Property in order to maximize the visibility of Mast's signage from street and sidewalk approaches while limiting excessive pruning and following the International Society of Arboriculture Best Management Practices for Tree Pruning and retaining a natural, shaded and attractive streetscape.

i. Assistance with Tax Credit Pursuits. The City commits to assist Mast in its pursuit of the various income, property and sales tax credits and special assessments as may be available to Mast. In furtherance thereof, the City commits as follows:

(i) Historical Tax Credits. The City and Mast acknowledge and agree that Mast presently intends to pursue the so-called "Rehabilitation Credit" or "Historic Tax Credits" on federal income and state income taxes allowed by 26 USC §47 and SC Code Ann § 12-6-3535 (collectively and as amended, the "**Rehabilitation Credit Laws**"), respectively, for the Property. The City commits that it is not opposed to Mast's pursuit of these credits, is currently unaware of any obstacle to Mast's pursuit of same and agrees to cooperate and support Mast's efforts to obtain the "Certified Historic Structure" designation required by these Rehabilitation Credit Laws.



(ii) Bailey Bill Application. The City and Mast acknowledge and agree that Mast presently intends to pursue the so-called “Bailey Bill Tax Assessment” or Special Property Tax Assessments for Rehabilitated Historic Properties allowed by SC Code Ann § 4-9-195 and Columbia City Ordinances § 17-695 et seq. (collectively and as amended the “**Bailey Bill Laws**”), respectively, for the Property. The City commits that it is not opposed to Mast’s application for the Bailey Bill credits, is currently unaware of any obstacle to Mast’s pursuit of same and agrees to cooperate and assist Mast in preparing and submitting its applications according to the Bailey Bill Laws.

(iii) Retail Revitalization Credits. The City and Mast acknowledge and agree that Mast presently intends to pursue the so-called “Rehabilitation Credit” or “Retail Revitalization Tax Credits” allowed by SC Code Ann § 6-34-40 (as amended, the “**Retail Revitalization Credit Laws**”) for the Property. The City commits that it is not opposed to Mast’s pursuit of these credits, is currently unaware of any obstacle to Mast’s pursuit of same and agrees to cooperate and assist Mast in obtaining the “Eligible Site” designation required by these Retail Revitalization Credit Laws.

j. Recognition of Cooperation. In order to increase public awareness of the cooperation between Mast and the City evidenced and memorialized in this Agreement, the City may, with prior approval by Mast, include Mast’s name and/or logo on appropriate marketing materials through the Term of this Agreement. No permanent rights to trademarked symbols or other intellectual property shall transfer as a result of this permission for limited publication. Mast shall provide the City with an approved version of its logo. Mast hereby approves the use of its name and logo on printed materials, in advertising through various media and in electronic banners on City websites and other electronic outlets to the extent utilized by the City in connection with its efforts to attract retail customers to the Main Street area where Mast’s Retail Operations are located, economic development recruitment and civic activities sponsored by Mast unless and until Mast notifies the City in writing that such approval is withdrawn.

### III. NOTICES

Communications and details concerning the Agreement shall be directed to the following contact representatives:

To the City:                   The City Manager  
City of Columbia, South Carolina  
P. O. Box 147 (29217)  
Columbia, South Carolina 29201  
Attn: City Manager  
(Hand delivery to 1737 Main Street)

With copies to: The City Attorney  
City of Columbia, South Carolina  
P.O. Box 667 (29202)  
Columbia, South Carolina 29201  
Attn: City Attorney  
(Hand delivery to 1401 Main Street, Suite 1000)

To Mast: The Mast General Store, Inc.  
Highway 194  
Valle Crucis, North Carolina 28691  
Attn: Mark J. Gould, Chief Financial Officer

With copies to: Nexsen Pruet, LLC  
1230 Main Street, Suite 700  
Columbia, South Carolina 29201  
Attn: April C. Lucas, Esq,

Such notice or demand shall be deemed to have been given or made when deposited, postage prepaid, in the United States mail. The above names and addresses may be changed at any time by giving prior written notice as hereinabove provided.

#### IV. **PROHIBITED AND PERMITTED USES**

Except as otherwise provided herein, such uses as permitted by applicable law shall be authorized to be conducted on the Property. The parties stipulate, nevertheless, that their mutual intent in this regard shall be interpreted with reference to the expectation that all uses of the Property should be conducted in such a manner as to promote the peaceful enjoyment by occupants of nearby properties for residential, professional, retail, restaurant and personal services, it being public policy to promote and maintain such uses consistent with the City's plan for revitalization of Main Street. Accordingly, certain uses of the Property are prohibited: (1) No sexually oriented business as defined by the City's Code of Ordinances in effect on the date of this Agreement; (2) No video poker machines or comparable gaming devices capable of being used for gambling activity; (3) No actual gambling activity which is now unlawful but may become lawful in the future. Other uses prohibited absent prior written consent from City Council include: (a) Taverns, nightclubs, and package liquor stores, not including wine stores; (b) Bars, other than those clearly incidental to the restaurant operations; (4) No Wholesaling activities, other than business offices for the same; (5) No Manufacturing other than corporate offices related to manufacturing; and (6) No bodily fluid collection establishment, payday loan or title loan establishment, check cashing, pawn shop, day labor service agency or tattoo parlor establishments.

#### V. **CONVEYANCE OF PROPERTY**

Mast may, at any time during the term of this Agreement, sell, lease, mortgage, convey and otherwise dispose of all or any portion of the Property; provided, however, that unless and until the City's obligations under this Agreement have been fulfilled or terminated, the purchaser, lessee or mortgagee shall take the Property subject to the terms of this Agreement.

**VI. STATE AND FEDERAL LAW.**

The Parties agree, intend and understand that the obligations imposed by this Agreement are only such as are consistent with state and federal law. In the event state or federal laws or regulations prevent or preclude compliance with one or more provisions of this Agreement, the provisions of this Agreement shall be modified or suspended as may be necessary to comply with state or federal laws or regulations. The Parties further agree that if any provision of this Agreement is declared invalid, this Agreement shall be deemed amended to the extent necessary to make it consistent with state or federal law, as the case may be, and the balance of the Agreement shall remain in full force and effect.

**VII. NO WAIVER**

The failure by either the City or the Mast to exercise any power given unto such party under this Agreement, or the failure to insist upon strict compliance by the other party with the terms hereof shall not be interpreted as a waiver of the right of the objecting party subsequently to exercise such power or to insist upon the other party's compliance.

**VIII. ASSIGNMENT OF RIGHTS AND DUTIES**

This Agreement may not be assigned by Mast without the prior written consent of the City, such consent not to be unreasonably withheld. All such assignments must be made subject to the terms of this Agreement, as from time to time amended by the parties. Moreover, no such assignments shall create any duties other than those specifically identified in this document by the City to Mast or the assignee except as expressly agreed to by the City.

This Agreement may not be assigned by the City without the written consent of Mast, such consent not to be unreasonably withheld.

**IX. REMEDIES.**

Whenever any event of default shall have happened and be subsisting the non-defaulting party take whatever action at law or in equity may appear legally required or necessary or desirable to collect the payments and other amounts then due or to enforce performance and observance of any obligation, agreement or covenant of the defaulting party hereunder. Each right, power, and remedy of the City or Mast provided for in this Agreement shall be cumulative and concurrent and shall be in addition to every other right, power, or remedy provided for in this Agreement or now or hereafter existing at law or in equity, in any jurisdiction where such rights, powers, and remedies are sought to be enforced; and the exercise by the City or Mast of any one or more of the rights, powers, or remedies provided for in this Agreement or now or hereafter existing at law

or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by the City or Mast, as the case may be, of any or all such other rights, powers, or remedies.

**X. RIGHTS OF SUCCESSORS AND ASSIGNS**

The covenants and conditions contained in this Agreement shall bind and inure to the benefit of the City and the Mast and their respective successors and assigns.

**XI. ENTIRE AGREEMENT**

This Agreement and the exhibits hereto contain the entire and only agreement between the parties, and no oral statement or representations or prior written matter not contained in this instrument shall have any force or effect. This Agreement shall not be modified or amended in any way except by a writing executed by both parties.

**XII. GOVERNING LAW**

This Agreement is subject to and shall be governed by laws of the State of South Carolina.

**XIII. PAYMENTS DUE ON SATURDAY, SUNDAY AND HOLIDAYS.**

Whenever any payment to be made hereunder shall be stated to be due on a Saturday, a Sunday or a holiday, such payment shall be made on the next business day.

**XIV. AMENDMENTS, CHANGES AND MODIFICATIONS.**

Except as otherwise provided in this Agreement, this Agreement may not be amended, changed, modified, altered or terminated except by written instrument signed by the City and Mast.

**XV. TERMINATION**

This Agreement will terminate upon the earlier of: (i) reimbursement to Mast by the City of all Interest payments related to the Bonds and the agreed upon costs of issuing the Bonds, all in accordance with the terms hereof or (ii) termination of the City's obligation to reimburse Mast for Interest related to the bonds in accordance with the provisions of **Section II.d.(iv)** hereof.

**XVI. EXECUTION OF COUNTERPARTS.**

This Agreement may be executed in several counterparts, only one of which shall be an original; provided, however, that any action may be brought upon any counterpart of this Agreement or any counterpart of any document that is attached to this Agreement as an exhibit.

**XVII. HEADINGS.**

The headings of the articles and sections of this Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Agreement.

**XVIII. FURTHER ASSURANCE.**

From time to time, the City agrees to execute and deliver to Mast such additional instruments as Mast may reasonably request to effectuate the purposes of this Agreement.

**XIX. PRIOR AGREEMENTS CANCELLED.**

This Agreement and other documents referred to herein shall completely and fully supersede all other prior arrangements, both written and oral, between the City and Mast relating to the Property and the incentives provided by the City herein. Neither the City nor Mast shall hereafter have any rights under such prior agreements but shall look solely to this Agreement and the other documents referred to herein for the determination of all of their respective rights, liabilities, and responsibilities relating to matters set forth herein.

[Execution page to follow.]

IN WITNESS WHEREOF, this Agreement has been executed by the Parties on the day and year first above written.

WITNESSES:

Mark Goussard  
Nancy Hunter

**The Mast General Store, Inc.**

BY: John E. Cooper, Jr.  
ITS: President

WITNESSES:

\_\_\_\_\_  
\_\_\_\_\_

**City of Columbia, South Carolina**

BY: \_\_\_\_\_  
ITS: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
LEGAL

REVIEWED BY:

\_\_\_\_\_  
ECONOMIC DEVELOPMENT

\_\_\_\_\_  
FINANCE

IN WITNESS WHEREOF, this Agreement has been executed by the Parties on the day and year first above written.

WITNESSES:

\_\_\_\_\_  
\_\_\_\_\_

**The Mast General Store, Inc.**

BY: \_\_\_\_\_

ITS: \_\_\_\_\_

WITNESSES:

Debra A. Carlucci  
M. O. H.

**City of Columbia, South Carolina**

BY: H. A. Hart

ITS: City Manager

APPROVED AS TO FORM:

[Signature]  
LEGAL

REVIEWED BY:

[Signature]  
ECONOMIC DEVELOPMENT

[Signature]  
FINANCE

**EXHIBIT "A"**  
**(Property Description)**

**Parcel 1:**

All that certain piece, parcel or lot of land, together with the improvements thereon, (known as Nos. 1601-1603 Main Street), situate, lying and being on the western side of Main Street between Taylor Street and Blanding Street, in the City of Columbia, County of Richland, State of South Carolina, being more particularly shown and delineated upon plat embracing the same, showing property surveyed for Belk's Department Store, Columbia, South Carolina, Incorporated, by B.P. Barber & Associates, Engineers, Columbia, S.C. dated December 19, 1958 and amended December 17, 1959, recorded in the Office of the Register of Deeds for Richland County in Plat Book 15 at page 121. Said lot being irregular in shape: Beginning at the northwest corner of the intersection of Main and Taylor Streets, thence running along the northern side of Taylor Street South Seventy degrees, fifty-eight minutes (70°58') West Two Hundred Twelve feet, Three and seven-eighths inches (212' 3-7/8") to a point, the common boundary line between property herein described and that now or formerly owned by Lill Folk Bagwell; thence turning and running North Eighteen degrees, Forty-three minutes (18°43') West Fifty-nine feet, Nine and three eighths inches (59' 9-3/8") to a point, the common boundary between property herein described and property conveyed by Belk's Department Store of Columbia, South Carolina, Incorporated, simultaneously with the conveyance of the property described herein: thence turning and running North Seventy degrees, Fifty-eight minutes (70°58') East Eighty-seven feet, Eleven and three-fourths inches (87' 11-3/4") to a point: thence turning and running South Nineteen degrees, Zero minutes (19°0') East a distance of Ten feet, Four and seven-eighths inches (10' 4-7/8") to a point in the center of the Seventeen inch (17") party wall; thence turning and running North Seventy degrees, Fifty-eight minutes (70°58') East for a distance of One Hundred Twenty-four feet, Zero and three-eighths inches (124' 0-3/8") to Main Street: thence turning and running Southwardly along the Western side of Main Street South Nineteen degrees, zero minutes (19°0') East Forty-nine feet, Eight and one-fourth inches (49' 8-1/4"), the point of beginning, said lot of land being bounded as follows to wit: On the North by property conveyed to Loubro Company, Inc. by Belk's Department Store of Columbia, South Carolina, Incorporated simultaneously with this deed, on the East by Main Street, on the South by Taylor Street and on the West by property now or formerly owned by Lill Folk Bagwell.

**Parcel 2:**

All that certain piece, parcel or lot of land, together with the improvements thereon, (known as Nos. 1605-07 Main Street), situate, lying and being on the Western side of Main Street, between Taylor Street and Blanding Street, in the City of Columbia, County of Richland, State of South Carolina, being more particularly shown and delineated upon plat embracing the same, showing property surveyed for Belk's Department Store, Columbia, S.C., by B.P. Barber & Associates, Engineers, Columbia, S.C., dated December 19, 1958, and amended on December 17, 1959, (11,358-C1), recorded in the Office of the Register of Deeds for Richland County in Plat Book 15 at page 121, said lot of land being irregular in shape: Commencing at a point on the Western side of Main Street in the center of a Seventeen (17") inch party wall located Forty-Nine feet, Eight and One-fourth inches (49' 8-1/4") North on the Northwest corner of the intersection of Main and Taylor Streets; thence running Northwardly along the Western side of Main Street North Nineteen degrees, Zero minutes (19°0') West for a distance of Thirty-Five feet, Eight and Five-Eighths inches (35' 8-5/8") to the point, the common boundary line between property herein described and that now or formerly of J. W. Hamilton and Lucile B. Hamilton; thence turning and running South Seventy degrees, Fifty-Eight minutes (70°58') West along property now or formerly of J. W. Hamilton and Lucile B. Hamilton a distance of Two Hundred Sixty-Two feet, Three inches (262' 3"); thence turning and running South Eighteen degrees, Fifty-three minutes (18°53') East along an alleyway



separating the property herein described from that now or formerly of Florence S. Habenicht, et al, for a distance of Twenty-Five feet, Seven and one-half inches (25' 7-1/2"), to a point; thence turning and running North Seventy degrees, Fifty-Eight minutes (70°58') East One Hundred Thirty-Eight feet, Three and one-fourth inches (138' 3-1/4") to a point; thence turning and running South Nineteen degrees, Zero minutes (19°0') East a distance of Ten feet, Four and Seven-Eighths inches (10' 4 7/8") to a point in the center of the Seventeen (17") inch party wall; thence turning and running North Seventy degrees, Fifty-Eight minutes (70°58') East for a distance of One Hundred Twenty-Four feet, Zero and Three-Eighths inches (124' 0-3/8") to Main Street, the point of commencement; said lot of land being bounded as follows, to-wit: On the North by property now or formerly of J. W. Hamilton and Lucile B. Hamilton; on the East by the said Main Street; on the South by property of Belk's Department Store of Columbia, South Carolina, Incorporated; and on the West by an alleyway.

LESS: All that certain piece, parcel or tract of land, with any improvements thereon, situate, lying and being in the City of Columbia, County of Richland, State of South Carolina, being shown and delineated as Parcel A containing 0.11 acre, on a plat prepared for The Columbia Film Society by Associates E&S, Inc., dated June 23, 2005, and recorded June 29, 2005 in Record Book 1068 at page 3030, Office of the Register of Deeds for Richland County, and having such boundaries and measurements as shown on the described plat described above, which is specifically incorporated by reference.

TMS NO.: 9014-10-16

DERIVATION: General Warranty Deed to The Mast General Store, Inc., a North Carolina corporation, from Lourie's, Inc., a South Carolina corporation (successor by merger to Loubro, Inc., also known as the Loubro Company, Inc.) dated October 28, 2009 and recorded November 5, 2009 in the Office of the Register of Deeds for Richland County, South Carolina in Book 1567, at page 1737.

EXHIBIT B

January 26, 2010

Mr. Mark Gould  
Mast General Store  
200 Punkin Center  
Hwy 194 South  
Banner Elk, NC 28604

Dear Mark:

Based on our preliminary review of your request for financing as well as our review of your company's financial condition, Wachovia Bank, National Association ("Wachovia") has prequalified you for a loan amount up to \$2,000,000.00 related to the acquisition of property located at 1601 Main Street, Columbia SC and planned improvements. Wachovia Bank plans to offer you a commitment to lend on the following terms and conditions:

**FOR DISCUSSION PURPOSES ONLY**

**BANK PURCHASED REVENUE BOND FINANCING  
SUMMARY OF TERMS**

Issuer:	South Carolina Jobs and Economic Development Authority
Borrower:	The Mast General Store, Inc.
Guarantor:	Not applicable
Purpose:	To finance the purchase and improvements of real estate located at 1601 Main St., Columbia, SC. to be occupied by Mast General Store.
Bond Amount:	Up to \$2,000,000, not to exceed 75% of the appraised value or approved costs, whichever is less.
Bond Purchaser:	Wachovia

**Funding Not Later Than:** TBD. Initial funding estimated to be TBD followed by construction draws over the next 18 months. The Bank Purchased bond structure allows the bonds to be funded like a construction loan.

**Final Maturity:** 20 years, but not to exceed 120% of the weighted average economic life of the assets being financed.

**Initial Term:** 5 years with bank option to renew at agreed upon rates.

**Tax-Free Rate:** Indicative variable rate is 1.796% today which is calculated as 65.7% of LIBOR + 1.65% spread, 360-day year base, floating daily. There will be no interest rate floor. Borrower has the option to lock the rate ahead of time by executing a forward starting swap (60 day forward period) with fixed rate of: 3.63% (based on current market conditions).

*\* Please note the current taxable spread would be 2.73% calculated as LIBOR + 2.50%.*

**Bond Structuring Fee:** ~~\$35,000~~ 30,000 (N.C.)

**Taxable Rate:** In case of a determination of taxability, the Borrower will prepay the bonds within 60 days with a premium so that the total amount of premium plus interest paid from the date of taxability through the date of prepayment would be calculated at the Tax Free Rate multiplied by a te factor currently estimated at 1.522 plus any other expenses incurred by the Bondholder as a result of the determination of taxability.

**Rate Adjustment:** In order that the bondholder maintains a certain tax-equivalent yield on its investment, the Tax-Free Rate is subject to further adjustments (beyond the changes outlined in the paragraph above) in the event of further governmental legislation which adversely affects the tax-equivalent yield to the bondholder.

**Interest Payments:** Quarterly, beginning approximately 90 days after closing.

**Principal Payments:** Equal quarterly payments beginning approximately 3

months after the end of the 18-month construction/draw period based on a 20-year amortization.

**Prepayments:**

No penalty for full or partial prepayment with 30 days notice. Prepayments will be applied to principal payments in inverse order of maturity.

**Security:**

First lien with assignment of rents and leases on all real estate, personal property and fixtures being financed by the bonds as noted above; standard real estate documentation, including title insurance, appraisal, property and foundation surveys, flood plain certification, long-form loss payee and mortgage clauses on hazard insurance, will be required.

**Financial Covenants:** To be negotiated and acceptable to Wachovia and its counsel to include 2 covenants on cash flow and leverage.

**Financials:**

- Annual Corporate Tax Returns within 60 days from filing date.
- Quarterly internally prepared financial statements within 45 days of quarter end.
- Annual reviewed financial statements beginning 3/31/11 within 120 days from year-end.

**Conditions of Closing:**

Receipt by Wachovia of all supporting documents and legal opinions ("bank qualified" counsel opinion, if applicable) in a form satisfactory to Wachovia and its counsel.

**Bond Counsel:**

Must be acceptable to all parties involved.

**Documentation:**

Basic Loan Agreement and Bond Purchase Agreement; affirmative and negative covenants will appear in either the Loan Agreement or Guaranty Agreement.

**Legal Expenses:**

All legal fees, including that of counsel to Wachovia, to be paid by Borrower, even if bonds do not close.

Wachovia's obligations under this prequalification letter are conditioned on the fulfillment to Wachovia's sole satisfaction of additional due diligence deemed necessary by the Bank.

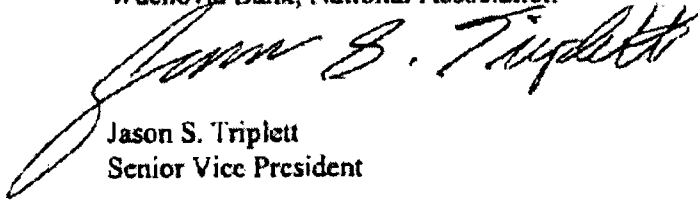
These terms and conditions are not exhaustive, and a formal commitment will be subject to certain other terms and closing conditions customarily required by Wachovia for similar transactions and may be supplemented prior to closing based upon Wachovia's investigation and/or as disclosure of Borrower's circumstances so dictate.

Please indicate your desire to have Wachovia further consider your request for credit accommodations by signing this letter where indicated below and by returning this letter to Wachovia no later than ~~February 5, 2010.~~

*March 19,*

Sincerely,

Wachovia Bank, National Association



Jason S. Triplett  
Senior Vice President

I request you to evaluate a proposal for financing on the above terms.

By: *Mark Gould*  
Mark Gould  
Chief Financial Officer

Date: *3/19/10*

**EXHIBIT C**

**DESCRIPTION OF THE SWAP**

The proposed Swap shall include the following terms:

- 18 month forward period followed by an 18.5 year amortization on \$2 million.
- Swap Term: 102 months (10 years minus 18 month forward period)
- Mast receives 65% of 1M LIBOR + 1.65%
- Mast pays fixed payment, as determined on pricing date
- Mast has the right to cancel the Swap at no cost to Mast or the City on any payment date after 5/1/2015