

"SERIES A BONDS" means the \$1,350,000 principal First Mortgage Industrial Revenue Bonds, Series A (Gladding Corporation - Lessee) of Lessor issued and outstanding under the Indenture.

"TERM" means the Original Term and any additional terms as set forth in Sections 3.07 and 3.08 hereof.

"TRUSTEE" means the trustee and/or the co-trustee at the time serving as such under the Indenture.

Section 1.03. References to Lease. The words "hereof", "herein", "hereunder", and other words of similar import refer to this Lease as a whole.

Section 1.04. References to Divisions. References to Articles, Sections, and other subdivisions of this Lease are to the designated Articles, Sections, and other subdivisions of this Lease as originally executed.

Section 1.05. Headings. The headings of this Lease are for convenience only and shall not define or limit the provisions hereof.

ARTICLE II

REPRESENTATIONS AND UNDERTAKINGS

Section 2.01. Representations by Lessor. The Lessor makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Lessor is a body politic and corporate and a political subdivision of the State of South Carolina, and is authorized and empowered by the provisions of the Act to enter into the transactions contemplated by this Lease and to carry out its obligations hereunder. The Leased Premises constitutes and will constitute a "project" within the meaning of the Act. By proper action by the County Council and the State Budget and Control Board of South Carolina, Lessor has been duly authorized to execute and deliver this Lease, the Indenture and any and all agreements collateral thereto.

(b) The Lessor has acquired the Leased Land, and certain Facilities presently located thereon, and has authorized, and does hereby authorize, the Lessee to construct thereon additional Facilities thereon constituting a substantial addition to the existing manufacturing plant located thereon to acquire and install the Leased Equipment in the Facilities or on the Leased Land, and to acquire, install and construct all other things deemed necessary in connection with the Leased Premises, and the Lessor proposes to lease the Leased Premises to the Lessee and to sell the Leased Premises to Lessee at the expiration or earlier termination of the Term, all for the purposes of promoting the industrial develop-