

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, 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 located thereon, and has authorized, and does hereby authorize, the Lessee to construct thereon the Facilities constituting warehousing, storage and related facilities, to acquire and install the 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, all in accordance with the provisions of the Construction Deposit Agreement, 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 development, developing the trade, and utilizing and employing the manpower, agricultural products and natural resources of South Carolina.

(c) Heretofore, Lessor and Lessee did agree that Lessor would finance the cost to be incurred by the Lessor or the Lessee in acquiring, constructing and equipping the Leased Premises. The Lessee has determined that such cost including expenses incident thereto is equal to \$1,800,000, and on that basis Lessor now proposes to issue the Series A Bonds in the aggregate principal amount of \$1,800,000 which will be dated, mature and bear interest as set forth in Section 3.01 of the Indenture and which will be subject to redemption on the occasions and at the redemption prices set forth in Sections 5.03, 5.04 and 5.05 of the Indenture in order to finance the cost incurred in acquiring, constructing and equipping the Leased Premises.