

and for such purposes permitted under the Act as the Lessee may deem appropriate.

(d) The acquiring, constructing and equipping of the Leased Premises by Lessor through the issuance of the Series A Bonds and the leasing of the Leased Premises to Lessee has induced Lessee to establish this industrial enterprise in the State of South Carolina.

ARTICLE III

DEMISING CLAUSE, TITLE INSURANCE, USE OF LEASED PREMISES, COMPLIANCE WITH LAWS, TERM

Section 3.01. Demise of the Leased Land, Facilities and the Equipment. The Lessor demises and leases to Lessee, and the Lessee leases from the Lessor, the Leased Land, the Facilities and the Equipment at the rental set forth in Sections 4.01 and 4.03 hereof and in accordance with the provisions of this Lease.

Section 3.02. Title Insurance. At the time of the delivery of the Series A Bonds, the Lessee will provide a Mortgage Title Insurance Policy (or an appropriate Binder) upon the Leased Land and Facilities issued by a company approved by the Trustee insuring the lien of the Indenture upon the Leased Land and Facilities, subject to no encumbrances other than Permitted Encumbrances, in the amount of not less than \$1,800,000. Any net proceeds therefrom shall be used to remedy the title defect resulting in the payment thereof or deposited in the Bond Redemption Account established under the Indenture.

Section 3.03. Primary Use. Lessee is granted and shall have the right during the term of this Lease to occupy and use the Leased Premises for any lawful purpose authorized pursuant to the Act. Insofar as it is practicable under existing conditions from time to time during the term of this Lease, the Leased Premises shall be used primarily for warehousing, storage and related purposes. The Lessor agrees that it will use all reasonable efforts to insure that such uses are and will continue to be lawful uses under all applicable zoning laws and regulations.

Section 3.04. Compliance with Laws. Lessee will throughout the term of this Lease and, at no expense to Lessor promptly comply or cause compliance with all laws, ordinances, orders, rules, regulations and requirements of duly constituted public authorities, which may be obligatory upon the Lessee or the Lessor and applicable to the Leased Premises, the repair and alteration thereof and the use or manner or use of the Leased Premises, whether or not such laws, ordinances, orders, rules, regulations and requirements are foreseen or unforeseen, ordinary or extraordinary, and whether or not they shall involve any change of governmental policy or shall require structural or extraordinary repairs, alterations or additions, irrespective of the cost thereof, provided, however, that if no Bonds of the Lessor are outstanding, Lessee, in lieu of compliance with such laws, orders, rules, regulations and requirements, or the making of such additions, changes or alterations, may elect to terminate this Lease or to purchase the Leased Premises, and in either such event, shall have no further liability