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ARTICLE II

REPRESENTATIONS AND COVENANTS

SECTION 2.01. Representations by County. The County makes the following representations and covenants as the basis for the undertakings on its part herein contained:

(a) The County 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 Project 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, the County has been duly authorized to execute and deliver this Lease, the Indenture and any and all agreements collateral thereto.

(b) The County is acquiring the Leased Land, proposes to construct or acquire thereon the Facilities and proposes to lease the Project to the Tenant and to sell the Project to the Tenant at the expiration or sooner termination of the Lease Term, if the Tenant shall elect to purchase the same, all for the purpose of promoting the industrial development, developing the trade, and utilizing and employing the manpower, agricultural products and natural resources of South Carolina.

(c) Heretofore, the County and the Tenant did agree that the County would finance all or a portion of the cost to be incurred by the County or the Tenant in acquiring by construction and purchase the Project. The Tenant has determined that the Cost of the Project, including expenses incident thereto, is equal to more than \$1,000,000 and on that basis the County, in order to defray the Cost of the Project, now proposes to issue the Series 1978 Bonds in the aggregate principal amount of \$1,000,000 which will be dated, mature and bear interest as set forth in the Indenture and which will be subject to redemption on the occasions and at the redemption prices set forth in the Indenture.

(d) Concurrently with the delivery hereof the County will execute and deliver the Indenture to the Trustee.

(e) All of the Bonds will be issued under the Indenture and will mature, bear interest, be redeemable and have the other terms and provisions set forth in the Indenture, pursuant to which the County's interest in this Lease and the revenues and receipts derived by the County from the leasing

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