

of conditions now existing in the bond market, the Lessee proposes that the County postpone the issuance of the Bonds at this time and now issue the Note in anticipation of the issuance of the Bonds. On that basis, the County now proposes to issue, pursuant to the Enabling Statutes, the Note, in the principal amount of \$3,000,000, which will be dated the date of its delivery, and which will mature and bear interest and will be subject to prepayment with premium at the prices and on the occasions as set forth in the form of the Note attached hereto as Exhibit C, in order to finance the cost of acquiring, expanding, improving, constructing, and equipping the Project.

SECTION 2.2 Representations by the Lessee.

The Lessee makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Lessee is a corporation duly incorporated under the Laws of the State of Delaware, is in good standing under its Articles of Incorporation and the Laws of the State of Delaware, is duly authorized to transact business in the State of South Carolina, and has power to enter into this Agreement and, by proper corporate action, has been duly authorized to execute and deliver this Agreement. This Agreement is a legal, valid, and binding obligation of the Lessee.

(b) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement, conflict with or result in a breach of the Lessee's Articles of Incorporation or By-Laws or any of the terms, conditions, or provisions of any corporate restriction or any agreement or instrument to which the Lessee is now a party or by which it is bound or its properties affected, or constitute a default under any of the foregoing, or result in the creation or imposition of any lien, charge, or encumbrance of any nature whatsoever upon any of the property or assets of the Lessee under the terms of any instrument or agreement.

(c) Relying upon the agreement of the County spoken of in Section 2.1(d) hereof, the Lessee has commenced acquiring, expanding, improving, constructing, and equipping the Project as aforesaid.

(d) The Lessee intends to operate the Project, from the Completion Date to the expiration or earlier termination of the Lease Term as provided herein, as a plant for use as a textile finishing facility.

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