

ARTICLE II

REPRESENTATIONS AND UNDERTAKINGS

SECTION 2.1      Representations by the County.      The

County makes the following representations 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 Enabling 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 Enabling Statute. By proper action of the County Council and the State Budget and Control Board of South Carolina, the County has been duly authorized to execute and deliver this Lease.

(b) The County has all of the necessary powers, authorizations, consents, and approvals and has agreed to enter into, execute, deliver, and perform: (i) this Lease; (ii) the Assignment of this Lease, between the County, as assignor, and the Mortgagee, as assignee; (iii) the Mortgage, all of the above to be dated as of the same date; and (iv) the Note; and further, to apply the proceeds from the issuance of the Note as set forth in this Lease.

(c) The County has acquired from the Lessee, at no cost to the County, by deed recorded simultaneously herewith, the Leased Land, and has authorized, and does hereby authorize, the Lessee to construct the Building thereon, to acquire and install the Leased Equipment in the Building or on the Leased Land, and to acquire, install, and construct all other things deemed necessary in connection with the Project, and the County proposes to lease the Project to the Lessee and to sell the

0 4 5 6

4328 RV-2