

Agreement, may enforce in their names or in the name of the Issuer all rights of the Issuer and all obligations of the Corporation under and pursuant to the Agreement for and on behalf of themselves as Holders of the Notes, whether or not the Issuer is in default hereunder.

SECTION 4.07. Covenant Not to Impair Tax Exemption of Interest. The Issuer will not engage in any activity or take any action or omit to take any action the consequences of which action or omission might result in the Revenues being taxable to it or in the loss of the exemption from Federal income taxation provided by IRC Section 103 to the Holders of the Notes.

In pursuance and not in limitation of the foregoing, the Issuer covenants that no use shall be made of the proceeds of the Notes which will cause the Notes to be "arbitrage bonds" as defined in IRC Section 103, and to this end the Issuer shall comply with the regulations proposed or promulgated by the United States Department of the Treasury as such regulations or proposed regulations apply to the Notes.

SECTION 4.08. Representations of Issuer. The Issuer represents and warrants to the Lenders that:

(a) The Issuer is a body politic and corporate and a political subdivision of the State of South Carolina.

(b) The Issuer has full power, authority and legal right under the Constitution and laws of the State, including the Act, (i) to issue the Notes, which are revenue bonds, and to use the proceeds thereof to defray the cost of acquiring, by construction and purchase, the Project, (ii) to execute and deliver this Indenture and the Agreement and to issue the Notes, and (iii) to perform and observe all of the terms and provisions of this Indenture, the Agreement and the Notes.

(c) The Issuer has by proper corporate action duly adopted the ordinance referred to in Section 2.06(a) hereof in accordance with the laws of the State, including the Act, has held a public hearing duly noticed and, by the adoption of said ordinance, has duly authorized the execution and delivery of this Indenture and the Agreement and the issuance of the Notes.

(d) This Indenture and the Agreement have been each duly executed and delivered and, assuming the due execution and delivery by the other party or parties to each, each constitutes the legal, valid and binding