

ment, developing the trade, and utilizing and employing the manpower, agricultural products and natural resources of South Carolina.

(c) Heretofore, and before construction of the Facilities was begun, Lessor and Lessee did agree that Lessor would finance the cost to be incurred by the Lessor or the Lessee in acquiring, constructing, and equipping the Leased Premises. The Lessee has determined that such cost including expenses incident thereto is equal to \$1,350,000, and on that basis Lessor now proposes to issue the Series A Bonds in the aggregate principal amount of \$1,350,000 which will be dated, mature and bear interest as set forth in Section 3.01 of the Indenture and which will be subject to redemption on the occasions and at the redemption prices set forth in Sections 5.03, 5.04 and 5.05 of the Indenture in order to finance the cost incurred in acquiring, constructing and equipping the Leased Premises.

(d) Concurrently with the delivery hereof Lessor will execute and deliver the Indenture. Lessor and Lessee will execute with the Trustee, as depositary, a Construction Deposit Agreement providing for the payments to be made for constructing and equipping the Facilities and the acquisition of the Leased Equipment.

(e) Promptly upon the execution and delivery of the Indenture, Lessor will proceed in good faith to issue and sell One Million Three Hundred Fifty Thousand Dollars (\$1,350,000) principal amount, of the Series A Bonds described in the Indenture, and will cause the proceeds thereof to be deposited, held and used in accordance with the provisions of the Indenture and the Construction Deposit Agreement.

(f) Lessor will not, without the prior written consent of Lessee:

(i) Enter into any amendment or supplement to the Indenture; or

(ii) Issue pursuant to the Indenture any Bonds other than the Series A Bonds and Improvement Bonds the issuance of which has been requested by Lessee pursuant to Section 20.01; or

(iii) Directly or indirectly create or consent to the creation or existence of any lien or encumbrance (other than the lien of this Lease and the Indenture) upon the Leased Premises or Lessor's interest therein.

Section 2.02. Representations by the Lessee. The Lessee makes the following representations as the basis for the undertakings on its part herein contained: