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constructing and equipping the Project, including the purchase and installation of the Leased Equipment through the issuance of industrial revenue notes pursuant to the Act. The Lessee estimates that such cost will be approximately \$9,200,000 and Lessee has agreed that it will bear all expenses in excess of the amount of the proceeds derived from the sale of the Notes. On that basis the County now proposes to issue the Notes in the aggregate principal amount of \$9,200,000, dated as of May 1, 1980, which will mature and bear interest as provided in the Note Ordinance in order to finance the cost of acquiring the Leased Land and the Leased Equipment and of constructing the Building.

(l) The County will not take any action which would cause the Notes not to qualify as, or cease to qualify as, an exempt small issue of obligations under Sections 103(b)(6)(A) and (D) of the Code or would cause interest on the Notes to become subject to Federal income taxes under Section 103(b)(1) of the Code; nor will the County fail to take any action necessary to be taken in order that (i) the Notes shall qualify as, and continue to qualify as, an exempt small issue under Sections 103(b)(6)(A) and (D) of the Code and (ii) interest on the Notes will be and continue to be exempt from Federal income taxes under Section 103(a)(1) of the Code.

(m) The County will not take or fail to take any action which would cause interest on the Notes to be or become subject to Federal Income taxes pursuant to the provisions of Section 103(c)(1) of the Code.

SECTION 2.2. Representations by the Lessee. The Lessee makes the following representations, warranties and covenants as the basis for the undertaking on its part herein contained:

(a) The Lessee is a corporation duly organized, validly existing and in good standing under the laws of the State of Texas and is duly qualified to transact business in all places where such qualification is necessary, including the State of South Carolina. The Lessee has full power, authority and legal right to incur the obligations provided for in this Lease Agreement, the Acknowledgment and the Guarantee, to execute and deliver this Lease Agreement, the Acknowledgment and the Guarantee, and to perform and observe the terms and provisions of this Lease

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