

(d) Concurrently with the delivery hereof Lessor will execute and deliver the Indenture. Lessor and Lessee will execute with The Citizens and Southern National Bank of S. C., as Depositary, a Construction Deposit Agreement providing for the payments to be made for constructing and equipping the Facilities and the acquisition of the Equipment.

(e) Promptly upon the execution and delivery of the Indenture, Lessor will proceed in good faith to issue and sell One Million Eight Hundred Thousand Dollars (\$1,800,000) 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:

(a) The Lessee is a corporation duly incorporated under the laws of South Carolina, in good standing under its Charter and the laws of South Carolina, and has power to enter into this Lease and by proper corporate action has been duly authorized to execute and deliver this Lease.

(b) Neither the execution and delivery of this Lease, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Lease, conflict with or result in a breach of 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 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, other than as may be created by this Lease and the Indenture.

(c) The Lessee intends to operate the Leased Premises as a warehousing and storage facility