

itself as holder of the Note, whether or not the Issuer is in default hereunder.

SECTION 4.10. 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 holder of the Note.

In pursuance and not limitation of the foregoing, the Issuer covenants that no use shall be made of the proceeds of the Note which will cause the Note to be an "arbitrage bond" 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 Note.

SECTION 4.11. Representations of Issuer. The Issuer represents and warrants to the Lender 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 Note, which is a revenue bond, 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 Financing Agreement and to issue the Note, and (iii) to perform and observe all of the terms and provisions of this Indenture, the Financing Agreement and the Note.

(c) The Issuer has by proper corporate action duly adopted the Ordinance referred to in Section 2.07(a) hereof in accordance with the laws of the State, including the Act, and has, by the adoption of said Ordinance, duly authorized the execution and delivery of this Indenture and the Financing Agreement and the issuance of the Note.

(d) This Indenture and the Financing 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 obligation of the Issuer, enforceable in accordance with its terms except as enforcement thereof may be limited by valid bankruptcy, insolvency or similar laws affecting the enforcement of creditor's rights generally.

0.83

4328 RV-2