

all taxes, assessments, fees and other governmental charges upon the Lessee and its Subsidiaries or any of their respective properties, assets, income or franchises which are due and payable have been paid. All federal tax returns of the Lessee have been audited and settled by the Internal Revenue Service for all fiscal years through the fiscal year ended October 31, 1960, and the results of such audits are fully reflected in the financial statements referred to in paragraph (b). The respective charges, accruals and reserves on the books of the Lessee and its Subsidiaries with respect to federal taxes for all fiscal years since such audits are adequate, and the Lessee knows of no open matters or issues which would be likely to result in material amounts of additional taxes.

(h) Neither the Lessee nor any of its Subsidiaries is in violation of any material term of any charter, by-law, mortgage, indenture, indebtedness, agreement, instrument, judgment, decree, order, statute, rule or regulation to which any of the foregoing is a party or by which any of them or any of their properties may be bound or affected, and the entering into and carrying out of the Genesco Agreement, the Lease, and this Agreement will not result in any such violation or result in the creation of any lien (other than this Agreement and the Lease) upon any of its or their assets pursuant to any such term; there is no such term which materially adversely affects or in the future may (so far as the Lessee can now foresee) materially adversely affect the business, prospects or condition (financial or other) of the Lessee or any of its Subsidiaries.

(i) No consent, approval or authorization of or registration, declaration or filing with any governmental or public body or authority is required in connection with the valid execution, delivery and performance of this Agreement or in connection with any of the transactions contemplated hereby.

(j) Neither the Annual Reports referred to in paragraph (b) nor any certificate, statement or document furnished by the Lessee in connection with the transactions contemplated hereby nor this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained therein and herein not misleading. There is no presently existing known fact which materially adversely affects or in the future may (so far as the Lessee can now foresee)

materially adversely affect the business or prospects or condition (financial or other) of the Lessee and its Subsidiaries or their properties or assets which has not been set forth in this Agreement.

7. All agreements, representations and warranties contained herein or made in writing by the Lessee in connection with the transactions contemplated hereby shall survive the execution and delivery of this Agreement and the transactions contemplated hereby, and any investigation at any time made by the Trustee or on behalf of the Trustees or any holder of the Notes. All statements contained in any report, memorandum, data or certificate, made by the Lessee or its subsidiary or affiliated corporations and delivered to the Trustee or any holder of the Notes by or on behalf of the Lessee or such corporations in connection with the transactions contemplated hereby or pursuant hereto shall constitute representations and warranties by the Lessee under this Agreement and shall be subject to the terms of this Section 7.

8. The Lessee will deliver or cause to be delivered to each institutional holder of the Notes at the time outstanding, during the initial term of the Lease:

(a) as soon as practicable and in any event within 70 days after the end of each of the first three quarterly fiscal periods of each fiscal year, balance sheets of the Lessee and its Consolidated Subsidiaries as at the end of such period and statements of income and of surplus of the Lessee and its Consolidated Subsidiaries for the portion of the fiscal year to the end of such period, setting forth in comparative form the comparable figures for the previous fiscal year, all in reasonable detail and certified as complete and correct, subject to changes resulting from year-end adjustments, by a principal financial or accounting officer of the Lessee;

(b) as soon as practicable, and in any event within 120 days after the end of each fiscal year, a balance sheet of the Lessee and its Consolidated Subsidiaries as at the end of such year and statements of income and of surplus of the Lessee and its Consolidated Subsidiaries for such year, setting forth in comparative