

(a) The Lessee is a corporation duly incorporated under the laws of New York 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) Relying upon the agreement of Lessor to finance the cost of acquiring, constructing and equipping the Leased Premises as aforesaid, the Lessee has entered into an agreement for Lessor to acquire the Leased Land and certain existing Facilities and Lessee proposes to commence the construction of the Facilities on the Leased Land and to acquire and install the Leased Equipment.

(d) The Lessee concurrently intends to operate the Leased Premises as a manufacturing plant including, without limitation, office, storage, production and shipping facilities, and for the manufacture of such products permitted under the Act as the Lessee may deem appropriate.

(e) The acquiring of the Leased Premises by Lessor through the issuance of the Series A Bonds and the leasing of the Leased Premises to Lessee has induced Lessee to establish this industrial enterprise in the County of Greenville.

ARTICLE III

DEMISING CLAUSE, WARRANTY OF TITLE, TITLE
INSURANCE, USE OF LEASED PREMISES,
COMPLIANCE WITH LAWS, TERM

Section 3.01 Demise of the Leased Land, Facilities and the Leased Equipment. The Lessor demises and leases to Lessee, and the Lessee leases from the Lessor, the Leased Land, the Facilities and the Leased Equipment at the rental set forth in Sections 4.01 and 4.03 hereof and in accordance with the provisions of this Lease.

Section 3.02. Warranty of Title. Lessor represents that at the time of the delivery of the Bonds, Lessor will furnish a written opinion of Independent Counsel that Lessor has