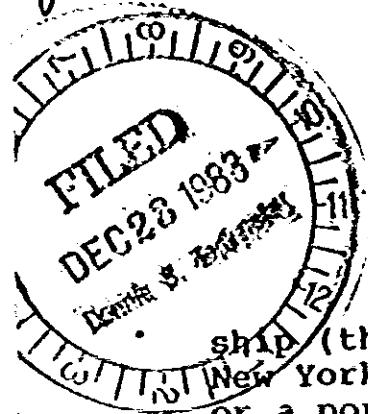


WAIVER AND DISCLAIMER

TO ALL WHOM THESE PRESENTS MAY CONCERN:

WHEREAS, Arlmar Associates, a New York general partnership (the "Owner"), with an office at 1250 Broadway, New York, New York, is an owner of the fee interest in and to the premises, or a portion thereof, situated in Greenville County, South Carolina, with all buildings and improvements thereon (the "Premises"), which Premises are described in Schedule 1 annexed hereto and made a part hereof and are leased to Piedmont Industries, Inc. ("Piedmont"); and

WHEREAS, Greenville County, South Carolina (the "County") has agreed to provide financing to Piedmont for the purchase and installation on the Premises of certain automated sewing machinery and related equipment (the "Equipment"); and

WHEREAS, the County intends to finance the cost of the Equipment by the issuance pursuant to a Loan Agreement dated as of November 1, 1983 by and among the County, Bankers Trust Company (the "Bank") and Piedmont (the "Agreement") of a bond in the aggregate principal amount of \$1,500,000, being the Greenville County, South Carolina Industrial Development Revenue Bond (Piedmont Industries) Series 1983 (the "Bond"); and

WHEREAS, the Bond will be secured by, among other things: (i) an assignment of the Agreement by the County to the Bank; and (ii) a grant of a continuing first priority security interest in the Equipment by Piedmont to the County, and assigned to the Bank pursuant to said assignment (the "Assignment"); and

WHEREAS, the Bank desires the Owner to disclaim any interest in the Equipment and to grant certain waivers herein set forth, and is unwilling to purchase the Bond unless such disclaimer and waivers are granted and the Owner is willing to do so in order to induce the Bank to purchase the Bond;

NOW, THEREFORE, in consideration of the foregoing, \$1.00 in hand paid to the Owner and other good and valuable consideration received by the Owner:

(CONTINUED ON NEXT PAGE)