

applicable and the guideline lives under Rev. Proc. 62-21, 1962-2 C.B. 418, in case of structures);

(g) Letters of Credit in the amount of \$1,635,000 in form and content satisfactory to the Lender and an agreement that such Letters of Credit will be increased to \$2,000,000 on or before September 15, 1984. The full \$2,000,000 Letters of Credit will be maintained as collateral for a minimum of two years. On the second anniversary of the loan, the Lender and the Corporation will negotiate a reduction in the amount of the Letters of Credit that will be required as collateral for the remaining terms of the loan, which in no case will be less than the current ratio of 50% of the outstanding loan balance. The negotiation of this reduction will be centered on the financial condition of the Corporation and its record of profitability in the previous two years;

(h) Certification by the Environmental Protection Agency and S.C. Department of Health and Environmental Control that the property is free and clear of any hazardous waste spills or similar problems that might create a liability to the mortgagor and thereby attach to the property itself; or, at the option of the Lender, satisfactory evidence of indemnification from the seller of the property, Cone Mills, to the Corporation, which indemnification inures to the benefit of the Lender. Such indemnification is subject to approval by the Lender's counsel; and

(i) Such additional certificates (including appropriate no-litigation certificates and certified copies of ordinances, resolutions or other proceedings adopted by the Issuer or the Corporation) instruments or other documents as the Lender may reasonably request to evidence the authority of the Lender to act as Depositary under the Indenture or the authority of the Corporation to execute and deliver the Agreement, and the due performance and satisfaction by the Issuer and the Corporation at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by each of them in connection with this Indenture, the Guaranty and the Agreement.