

THIS LEASE AGREEMENT dated as of December 1, 1979, between Greenville County, a body politic and corporate and a political subdivision of the State of South Carolina, acting by and through its County Council (the County Board) as the governing body of said County, party of the first part (Lessor) and Swiss-tex, Incorporated, a corporation organized and existing under the laws of the State of South Carolina, party of the second part (Lessee).

WITNESSETH:

In consideration of the respective representations and agreements hereinafter contained, the parties hereto agree as follows (provided, that in the performance of the agreements of the party of the first part herein contained, any obligation it may thereby incur for the payment of money shall not create a pecuniary liability or charge upon its general credit or taxing powers but shall be payable solely out of the proceeds derived from this Agreement and the issuance of the Note referred to in Section 1.2 hereof):

ARTICLE I
DEFINITIONS AND INTERPRETATIONS

SECTION 1.1. Certain terms used in this Lease Agreement are defined herein. When used herein, such terms shall have the meanings given to them by the language employed in this Article I defining such terms, unless the context clearly indicates otherwise.

SECTION 1.2. The following terms are defined terms under this Lease Agreement:

"ACT" means Title 4, Chapter 29, Code of Laws of South Carolina, 1976.

"ADDITIONAL NOTES" means the Additional Notes of the County issued pursuant to the Note Ordinance.

"AGREEMENT" or "LEASE AGREEMENT" means the within Lease Agreement between the County and the Lessee.

"AUTHORIZED LESSEE REPRESENTATIVE" means the person at the time designated to act in behalf of the Lessee by written certificate furnished to the County and the Bank containing the specimen signature of such person and signed on behalf of the Lessee by the president or any vice president of the Lessee.

"BANK" means the Citizens and Southern National Bank of South Carolina, its successors and assigns.

"BUILDING" means those certain buildings and all other facilities forming a part of the Project which are located or are required by Section 4.1(a) hereof to be constructed on the Leased Land, as they may at any time exist, including any air conditioning and heating systems (and any replacements thereof), all of which shall be deemed fixtures.

"CHAIRMAN" means the Chairman, vice chairman or acting Chairman of the County Council of Greenville County.

"CODE" means the Internal Revenue Code of 1954, as amended.

"COMPLETION DATE" means the date of completion of the construction of the Building as that date shall be certified as provided in Section 4.5 hereof.

"CONSTRUCTION FUND" means the Construction Fund created in accordance with the provisions of Section 4.3 hereof.

"CONSTRUCTION PERIOD" means the period between the beginning of construction or the date on which the Note is delivered to the Bank (whichever is earlier) and the Completion Date.

"COUNTY" means Greenville County, South Carolina, a body politic and corporate, and its successors and assigns.

"COUNTY BOARD" means the County Council of Greenville County, and any successor body.

"DEPOSITORY" means The Citizens and Southern National Bank of South Carolina, as Depository of the Construction Fund.

"INDEPENDENT COUNSEL" means an attorney duly admitted to practice law before the highest court of any state and not an employee of the County or the Lessee.

"INDEPENDENT ENGINEER" means an engineer or engineering firm registered and qualified to practice the profession of engineering under the laws of South Carolina and who or which is not a full-time employee of the County or the Lessee.

"LEASE RENTALS" means all of the revenues, rents and receipts derived directly or indirectly from the leasing or sale of the Project including all moneys received under the Lease Agreement (excepting only amounts paid pursuant to Sections 5.5, 6.2, 8.7 or 10.4 thereof).

"LEASE TERM" means the duration of the leasehold estate in this Agreement as specified in Section 5.1 hereof.

"LEASED LAND" means the real property and interests therein and the easements described in Exhibit "A" attached hereto which, by this reference thereto, is incorporated herein.

"LESSEE" means (i) party of the second part hereto and its successors and assigns and (ii) any surviving, resulting or transferee corporation as provided in Section 8.3 hereof.

"LICENSED ENGINEER" means an engineer or engineering firm registered and qualified to practice the profession of engineering under the laws of South Carolina.

"MORTGAGE" means the Mortgage and Security Agreement given by the County to the Bank, as Mortgagee, of even date herewith, pursuant to which the County's interest in this Agreement and the Lease Rentals, are pledged and the Project is mortgaged as security for the payment of principal and interest on the Note.

"NET PROCEEDS", when used with respect to any insurance or condemnation award, means the gross proceeds from the insurance or condemnation award with respect to which that term is used remaining after payment of all expenses (including attorneys' fees and any other collection expenses) incurred in the collection of such gross proceeds.

"NOTE ORDINANCE" means the Ordinance adopted by the County Board providing for the terms and provisions of the Series 1979 Note, and any ordinance supplemental thereto and any amendment thereto.

"NOTES" means the Industrial Revenue Notes of all series issued pursuant to the Note Ordinance.

"PENALTY RATE" shall mean interest at the Commercial Lending Rate as defined in Section 12.2 hereof.

"PERMITTED ENCUMBRANCES" means, as of any particular time, (i) liens for ad valorem taxes not then delinquent, (ii) this Agreement and the Mortgage, (iii) utility, access and other easements and rights of way, flood rights, encroachments and leases that a Licensed Engineer and the Authorized Lessee Representative certify will not interfere with or impair the operations being conducted in the Building (or, if no operations are being conducted therein, the operations for which the Building was designed or last modified) and (iv) such minor defects, irregularities, encumbrances, easements, rights of way, and clouds on title as normally exist with respect to properties similar in character to the Project and as do not, in the opinion of an Independent Counsel acceptable to the Bank and to the Authorized Lessee Representative, materially impair the property affected thereby for the purpose for which it was acquired or is held by the County.

"PROJECT" means the Leased Land and the Building.

"NOTE" means the \$1,500,000 Industrial Revenue Note, Series 1979 (Swiss-tex, Incorporated Project) of the County, secured by the Mortgage, and the proceeds of which will be used to finance a portion of the cost of the acquisition and construction of the Project.

SECTION 1.3. The words "hereof", "herein", "hereunder" and other words of similar import refer to this Lease Agreement as a whole.

SECTION 1.4. References to Articles, Sections, and other subdivisions of this Lease Agreement are to the designated Articles, Sections, and other subdivisions of this Lease Agreement as originally executed.

SECTION 1.5. The headings of this Lease Agreement are for convenience only and shall not define or limit the provisions hereof.

ARTICLE II
REPRESENTATIONS

SECTION 2.1. Representations by the County. The County makes the following representations as the basis for the undertakings on its part herein contained:

(a) The County is a body politic and corporate and a political subdivision of the State of South Carolina, and is authorized and empowered by the provisions of the Act to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder. The Project constitutes and will constitute a "project" within the meaning of the Act. By proper action by the County Board and the State Budget and Control Board of South Carolina, the County has been duly authorized to deliver this Agreement.

(b) The County has acquired by deed of the Lessee the Leased Land, and has authorized, and does hereby authorize, the Lessee to construct the Building on the Leased Land and to acquire and install all other things deemed necessary in connection with the Project; and the County proposes to lease the Project to the Lessee and to sell the Project to the Lessee at the expiration or earlier termination of the Lease Term, all for the purposes of promoting the industrial development, developing trade, and utilizing and employing the manpower, agricultural products and natural resources of South Carolina.

(c) Heretofore, the County Board and the Lessee did agree that the County would finance the cost of acquiring and constructing

