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GREENVILLE CO. S. C.  
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GERRIE WANKERSLEY  
R.F.C.

BOOK 1137 PAGE 29

Dated: 10/9/80

John P. Maguire & Co., Inc.  
1290 Avenue of the Americas  
New York, New York 10019

Gentlemen:

In consideration of your entering into a certain loan agreement of even date with us and our subsidiary, Viking West, Inc. ("Agreement"), and for other good and valuable consideration, receipt of which is hereby acknowledged, we agree as follows:

1. Brookline Fabrics, Inc ("Brookline"), formerly our wholly owned subsidiary, was merged into us, the surviving corporation, effective as of today.

2. Accordingly, by operation of law, the March 14, 1966 lease between Brookline and Patewood Corporation ("Lessor") (a copy of which is annexed hereto and is hereinafter called "Lease") has been assigned to and assumed by us and we are substituted for Brookline in and under the Lease.

3. As security for all of our present and future obligations to you, direct or indirect, of whatever nature, whether arising under the Agreement (or any agreement referred to therein or relating thereto), or otherwise, we assign to you, and grant to you a continuing security interest in the Lease and all of our right, title and interest thereto.

4. We warrant and represent that the Lease is in full force and effect and neither we nor Lessor are in default thereunder, and has not been assigned, sold or encumbered, and we agree not to assign, sell or encumber the Lease to anyone other than you. We further agree to perform all of our obligations under the Lease and to send you promptly copies of any notices sent to us by Lessor.

5. We understand and agree that you do not have and will not have any obligations under the Lease to Lessor, us or anyone else, and we agree to defend and indemnify you and to hold you harmless from and against any and all loss, damages, costs and expenses arising out of or related to the Lease, whether or not you take occupancy of the premises covered by the Lease ("Premises"). Without limiting the foregoing, we understand and agree that neither your accepting this agreement nor your exercising any of your rights hereunder shall constitute an assumption of any of our obligations to Lessor or anyone else relating to or arising out of the Premises and that you expressly disclaim any such liability.

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