

Emery Industries, Inc. (the "Company") as lessee (the "Lease Agreement"); (iii) the Assignment of Lease Agreement dated as of the date hereof between the Issuer, as assignor, and the Bank, as assignee (the "Assignment"), and further to apply the proceeds from the issuance of the note provided for in Section 2.1 herein (the "Note") as set forth in Section 1.2 hereof.

The execution, delivery and performance of this Agreement, the Lease Agreement, the Assignment and the Note are within the power and authority of the Issuer, have been authorized by proper proceedings and will not contravene any provision of applicable law or of any judgment, order, decree, agreement or instrument binding upon it. This Agreement, the Lease Agreement and the Assignment constitute valid and binding agreements of the Issuer in accordance with their respective terms, and the Note when duly executed and delivered by the Issuer in accordance with this Agreement, will constitute a valid and binding obligation of Issuer in accordance with its terms.

1.2 Use of Proceeds. The full proceeds from the sale of the Note to be issued hereunder will be deposited in an account (the "Construction Fund") with the

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