

it is bound, or constitute a default under any of the foregoing, or result in the creation or imposition of any lien, charge, or encumbrance of any nature whatsoever upon any of the property or assets of the Lessee under the terms of any instrument or agreement.

(c) Relying upon the agreement of the County to assist in financing the cost of constructing and equipping the Project as aforesaid, the Lessee has commenced construction of the Project.

(d) The Lessee intends to operate the Project, from the Completion Date to the expiration or earlier termination of the Lease Term as provided herein, as an establishment for the purpose of manufacturing, storing, and distributing textile products and for such other uses as the Lessee may deem appropriate.

(e) The intention of the County to acquire the Project through the issuance of the Note and the leasing of the Project to the Lessee has assisted the Lessee in establishing this Project in the County.

(f) This Lease, under which the County acquires the Project, leases, and thereafter conveys the Project to the Lessee, is the method employed by the Lessee in financing the construction of the Project and in effecting the payment of the Note.

(g) In order to provide a further inducement to the purchase of the Note, H. K. DEVELOPMENT CORP. and Herman M. Krieger, individually, have entered into the Guaranty Agreements with the Mortgagee. In addition, Herman M. Krieger, individually, has supplied further security to the Mortgagee pursuant to the terms of a Third Party Collateral Assignment and an Assignment of Life Insurance of even date herewith.

(h) All proceeds derived from the sale of the Note will be used to acquire property of a character subject to the allowance for depreciation