STATE OF SOUTH CAROLINA)

COUNTY OF GREENVILLE   )

LEASE AGREEMENT

This Lease Agreement made and entered into by and between ERIK B. NAGEL d/b/a CONTEMPORARY LEASING, hereinafter referred to as the Lessor, and EDDA TEXTILE MACHINES, INC., hereinafter referred to as the Lessee,

WITNESSETH: That for the consideration and upon the terms and conditions as hereinafter set forth, the Lessor does hereby lease unto the Lessee, and the Lessee hereby accepts and rents from Lessor the premises known as 3122 Wade Hampton Boulevard, situate in the County of Greenville, State of South Carolina, hereinafter called the "demised premises."

TO HAVE AND TO HOLD the said demised premises and appurtenances thereto unto the Lessee for and during the term hereinafter set forth.

The parties hereto for themselves and their heirs or successors and assigns, do covenant and agree as follows:

(1) TERM. The term of this lease shall be fifteen (15) years, commencing on November 1, 1978.

(2) OPTION TO RENEW. Lessee shall have two (2) successive options to extend the term of this lease for an additional period of five (5) years on each such option, such extended term to begin respectively upon the expiration of the term of this lease or of this lease as extended, and the same terms and conditions as herein set forth shall apply to each such extended term. If Lessee shall elect to exercise the aforesaid options, it shall do so by giving notice to Lessor not less than four (4) months prior to the expiration of the term of this lease or of this lease as extended.

(3) RENTAL. Lessee shall pay to Lessor as rent beginning with the commencement of the term of this lease twenty thousand dollars ($20,000.00) annual rental; following the initial three (3) years of the lease term, and after each subsequent three (3) year period, the annual rental payment shall be increased by a factor of ten percent (10%) over the former rental payment. Thus, the annual rental payments over the fifteen (15) year term of this lease are as follows: