

"Opinion of Counsel" shall mean an opinion in writing signed by legal counsel satisfactory to the Lender.

"Permitted Encumbrances" shall mean as of any particular time: (i) liens for ad valorem taxes and special assessments not then delinquent; (ii) this Agreement and the Indenture; (iii) utility, access and other easements and rights of way, flood rights, leases, subleases, restrictions and exceptions that an Authorized Corporation Representative certifies will not interfere with or impair the means of access to egress from the Project; (iv) the Lease between Imperial Contracting of South Carolina, Inc. and the Corporation dated as of May 24, 1982 and assignment thereof to the Lender; and (v) 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 the Corporation as evidenced by a certificate of an Authorized Corporation Representative, impair the character or significance of the Project for the purpose for which it was designed or last modified and as are not detrimental to the proper conduct of the business of the Corporation at the Project.

"Person" shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision.

"Plans and Specifications" shall mean the plans and specifications prepared for the Project, on file at the Corporate Office, as the same may be implemented and detailed from time to time and as the same may be revised from time to time prior to the completion of the acquisition, construction and installation of the Project in accordance with Section 3.07 of this Agreement.

"Plant" shall mean the facility of the Corporation used for the purpose of manufacturing lace and embroidered fabrics located in the jurisdiction of the Issuer.

"Prime Rate" shall mean the prime rate of interest publicly announced as such by Bankers Trust of South Carolina at Columbia, South Carolina, including all changes in such rate, as in effect from time to time.

"Principal Payment Date" shall mean any date on which the principal of the Note or any portion thereof shall become due, whether at maturity or by prepayment or acceleration.

"Project" shall mean the land described on Exhibit A hereto and to the Indenture and a building or buildings or

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