

SECTION 2.02. Representations by Corporation. The Corporation makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Corporation is a corporation duly incorporated under the laws of the State of South Carolina and qualified to do business and is in good standing in the State of South Carolina, has corporate power to enter into this Agreement and by proper corporate action has duly authorized the execution and delivery of this Agreement;

(b) The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, or the fulfillment of or compliance with the terms and conditions of this Agreement is not prevented or limited by, does not conflict with, does not result in a breach or contravention of and does not constitute a default under the Corporation's Articles of Incorporation or Bylaws or any of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Corporation is now a party or by which it is bound, or any existing law, rule, regulation, judgment, order or decree binding upon it, and will not 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 Corporation prohibited under the terms of any such instrument or agreement;

(c) The issuance of the Note by the Issuer and the use by the Corporation of the proceeds thereof to defray the costs of the acquisition, by construction and purchase, of the Project, as provided by this Agreement, has induced the Corporation to locate and remain in the State;

(d) Acquisition and construction of the Project was commenced subsequent to April 6, 1982;

(e) The Corporation intends to operate or cause to be operated the facility for the purpose of manufacturing lace and embroidered fabrics and for such other purposes permitted under the Act as the Corporation deems appropriate; and

(f) The information and estimates set forth in the Letter of Representation are true and correct to the best of the Corporation's information and belief and the Letter of Representation does not omit any statement the omission of which would render any of the statements made therein misleading under the circumstances in which they were made.

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