

receive, store and distribute textile products (the Land, Buildings, and Leased Equipment constituting such facilities hereinafter called the "Project"), and leasing the Project to H. K. DEVELOPMENT CORP., a South Carolina corporation (the "Lessee"), and paying necessary expenses incidental thereto. This Note is secured by a first mortgage and security agreement, of even date herewith (the "Mortgage and Security Agreement"), duly executed and delivered by the County to The South Carolina National Bank (the "Mortgagee"). The Project has been leased to the Lessee under a Lease between the County and the Lessee, of even date herewith (the "Lease"). Under the Lease, the Lessee must pay to the County such rentals as will be fully sufficient to pay the principal and interest on the Note as the same become due and the cost incurred in keeping the Project in good repair and properly insured. The Note is further secured by the rental payments due under the Lease, the assignment of which has been duly executed and delivered by the County to the Mortgagee (the "Assignment of Lease"). Various portions of the Project will be sub-leased to Labelle Home Fashions, Inc. and Embellishment Unlimited, both brother-sister corporations of the Lessee (the "Sub-Lessees"). The Note is also secured by the rental payments due under the Sub-Lease, the assignment of which has been duly executed and delivered by the Lessee to the Mortgagee (the "Assignment of Sub-Lease"). Payment of the principal of and interest on the Note has also been unconditionally guaranteed by the Lessee under the terms of a Guaranty Agreement between the Lessee and the Mortgagee, and under the terms of a Guaranty Agreement between Herman M. Krieger, individually, and the Mortgagee, both of even date herewith (hereinafter collectively referred to as the "Guaranty Agreement"). The Note is further partially secured by a third party collateral assignment