

gations due to the Bank hereunder. In the event William S. Johnston, Jr. fails to make the required payments on the due dates, the undersigned, William S. Johnston, Jr. and John P. Abney, agree to guarantee the prompt payment of all such amounts and will immediately furnish such payments to the Bank without delay. William S. Johnston, Jr. and John P. Abney may then seek contributions from the remaining undersigned Guarantors, and/or any of the parties to the original indebtedness, if they deem advisable, but nothing contained herein shall be construed to prevent the Bank from proceeding directly against the undersigned and/or the makers of the original note and security agreement dated September 16, 1974, in the original amount of One Hundred Forty-Four Thousand Two Hundred Forty-Three and 77/100 Dollars (\$144,243.77) based upon the joint and several liability.

(5) Johnston further agrees that a manufacturing agreement with detailed terms and provisions for its obligations as manufacturer of the plaques will be executed and copies filed with the Bank for its information and reference. This manufacturing agreement will be furnished in writing to the Bank within fifteen (15) days from the date of this Modification Agreement. Thereafter, Johnston agrees to furnish monthly balance sheets and profit and loss statements to the Bank and to John P. Abney, together with all supporting documents, within fifteen (15) days after the last day of each month attested to by William S. Johnston, Jr. Copies of all invoices for payment and copies of all reorders must also be submitted to the Bank. Any changes in manufacturing expenses in regard to the cost structure of Johnston Manufacturing Company must be approved in writing by the Bank. It is expressly agreed all income from any business and sales exceeding projections will be disbursed by Johnston to the Bank by way of anticipation and pre-payment of the principal indebtedness thereby reducing the final installments proportionately to any such anticipation and pre-payment. Failure to comply with the requirements of this Paragraph (5) within ten (10) days after written notice to Johnston shall be considered a default under this Agreement and under the original note and security agreement.

W.S. Johnston, Jr.
J.P. Abney
 (AKC)

(6) All checks from Jones & Fresnell shall be sent directly to the Bank to the attention of Mr. Robert DuRant, payable to Bankers Trust of

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