

costs of acquiring certain land and a building or buildings and other improvements thereon and all other machinery, apparatus, equipment, office facilities and furnishings to be used for the purpose of manufacturing lace and embroidered fabrics (the "Project"). The Project will be made available to RKK Development Company, Inc., a South Carolina corporation (the "Corporation"), pursuant to the terms of a Financing Agreement dated as of May 1, 1982 as amended by the First Amendatory Financing Agreement dated as of July 1, 1982 between the Issuer and the Corporation (hereinafter the Indenture as amended is referred to as the "Indenture"). The Corporation will make the Project available to Imperial Contracting of South Carolina, Inc., a South Carolina corporation (the "Lessee"), for the manufacturing of lace and embroidered fabrics.

Pursuant to the terms of the Agreement, the Corporation has obligated itself to make payments to or for the account of the Issuer sufficient to pay as and when the same becomes due, the principal, premium, if any, and interest on this note and has granted the Issuer a mortgage and security interest in the Project to secure such obligation. Pursuant to the Indenture, the Issuer has assigned and pledged its rights to receive payments under the Agreement (except for certain rights or indemnification and reimbursement of expenses) to the Lender to secure payment of this note. As further security for the payment of this note, the Issuer has assigned its rights under the Agreement including the security interest and mortgage of the Project given by the Corporation as security for its payment and performance under the Agreement. Payment of the principal, premium, if any, and interest on this note has been unconditionally guaranteed to the Lender by; (i) David Krieger pursuant to the terms of a Guaranty dated as of May 1, 1982; (ii) the Corporation pursuant to the terms of a Guaranty dated as of May 1, 1982; and (iii) the Lessee pursuant to the terms of a Guaranty dated as of May 1, 1982 (hereinafter the "Guaranties").

Copies of the Indenture, the Agreement and the Guaranties are on file at the principal corporate office of the Lender and in the Office of the Clerk of Court for Greenville County, South Carolina, and reference is made to the Indenture (and all indentures supplementary thereto and amendatory thereto) for the provisions relating, among other things, to the terms and security for this note, the collection and disposition of the revenues and receipts of the Issuer derived pursuant to the Agreement, the custody and application of the proceeds of this note, the rights and remedies of the holders of this note, the rights, duties and obligations of the Issuer, the Corporation and the Lender and the modification or amendment of any of the foregoing.

This note is secured, to the extent provided in the Indenture, solely by a pledge of the revenues and receipts derived by the Issuer pursuant to the Agreement and by an assignment of the rights of the Issuer under the Agreement. This note and the interest payments becoming due hereon are limited obligations