

such refund, such amount may be applied as a credit against subsequent payments due hereon.

This note is duly authorized and issued by the Issuer and designated as "Greenville County, South Carolina, Industrial Development Revenue Note (RKK Development Company, Inc. Project) 1984," issued in the original principal amount of \$1,300,000 under and pursuant to the Constitution and Laws of the State of South Carolina, particularly Chapter 29 of Title 4 of the Code of Laws of South Carolina, 1976, as amended, (the "Act") and under and secured by an Indenture by and between the Issuer and Bankers Trust of South Carolina, a state banking association (the "Lender"), dated as of May 1, 1982 as amended by the First Amendatory Indenture dated as of July 1, 1982, the Second Amendatory Indenture dated as of July 1, 1983 and the Third Amendatory Indenture dated as of March 1, 1984 (hereinafter the Indenture as amended shall be referred to as the "Indenture"). This note is being issued to defray the costs of acquiring 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 the Corporation, pursuant to the terms of a Financing Agreement dated as of May 1, 1982 between the Issuer and the Corporation as amended by the First Amendatory Financing Agreement dated as of July 1, 1982, the Second Amendatory Financing Agreement dated as of July 1, 1983 and the Third Amendatory Financing Agreement dated as of March 1, 1984 (hereinafter the Financing Agreement, as amended, shall be referred to as the "Agreement").

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 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 of 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 and interest on this note has been unconditionally guaranteed to the Lender by the Corporation pursuant to the terms of a Guaranty between the Corporation and the Lender dated as of May 1, 1982 as amended by the Supplemental Guaranty dated as of July 1, 1982, the Second Supplemental Guaranty dated as of July 1, 1983 and the Third Supplemental Guaranty dated as of March 1, 1984; by Krieger Corporation (formerly known as Imperial Contracting of South