

ARTICLE IITHE BONDS

SECTION 201. Restriction on Issuance of Bonds. No Bonds may be issued under provisions of this Indenture except in accordance with this Article.

The total principal amount of Bonds that may be issued is hereby expressly limited to \$1,450,000.

SECTION 202. Issuance of First Series Bonds. The First Series Bonds in the aggregate principal amount of \$1,450,000 dated as of October 1, 1973, shall be designated "First Mortgage Industrial Revenue Bonds, Series 1973 (CONN ORGAN CORPORATION - Lessee)." They shall bear interest from October 1, 1973 at the rate of 7-1/2% per annum, payable April 1, 1974, and semiannually thereafter on October 1 and April 1 of each year. They shall mature on October 1, 1998.

The interest on the Bonds, shall be evidenced by coupons. The principal of, premium, if any, and interest on the Bonds, except as otherwise provided in the case of registration of Bonds as provided in Section 208 hereof, shall be payable to bearer upon presentation and surrender of the Bonds or coupons as they respectively become due at the principal office of the Trustee, South Carolina National Bank, in the City of Columbia, State of South Carolina. Payments of interest made in respect of the registered Bond provided for in Section 208 shall be by check or draft mailed by the Trustee to the registered owner at the address shown on the registration book. The Trustee shall keep a record of all such payments. Payments of principal and premium, if any, made in respect of any registered Bond shall be made to or upon the order of the registered owner or his legal representative upon presentation or surrender of such Bond for cancellation at the principal office of the Trustee in the City of Columbia.