

THIS AGREEMENT entered into this 10th day of August, 1978, by and between Pen Products, Inc. and R. M. Smith, Jr., hereinafter referred to as "Sellers" and Roy Cochrane and Steve K. Conger, hereinafter referred to as "Buyers":

W I T N E S S E T H

WHEREAS, Pen Products, Inc. is the owner of that certain retail business located in Berea Plaza, Greenville County, South Carolina engaged in the retail sale of office and school supplies, and

WHEREAS, R. M. Smith, Jr. is the principal officer, stockholder and employee of Pen Products, Inc., and

WHEREAS, Buyers are desirous of purchasing all of the equipment, inventory and supplies of said business and continuing operation of the same;

NOW, THEREFORE, in consideration of the above recitals and mutual covenants contained herein, the parties do hereby agree as follows:

1. That, in consideration of the purchase price as hereinafter provided, Sellers do hereby sign, set over and transfer unto Buyers all of their right, title and interest in and to all of the equipment (including fixtures), inventory, supplies and all other physical assets of said business, including the schedule of equipment attached hereto and marked "Schedule A". All intangibles, including accounts receivable and payable, notes receivable and payable, cash, savings deposits, stocks, bonds and all other general intangibles are expressly excluded from this sale.

2. In consideration of such transfer, Buyers agree and Sellers acknowledge the full and complete purchase price of Twenty-five Thousand and No/100 (\$25,000.00) Dollars and the parties agree that said purchase price has been allocated based on the actual value of the assets transferred herewith and on the following basis:

- (a) Equipment- Ten Thousand and No/100 (\$10,000.00) Dollars
- (b) Supplies and Inventory- Ten Thousand and No/100 (\$10,000.00) Dollars
- (c) Goodwill- Two Thousand and No/100 (\$2,000.00) Dollars
- (d) Covenant not to compete- Three Thousand and No/100 (\$3,000.00) Dollars

3. The parties hereby acknowledge that the purchase price as hereinabove provided has been paid as follows:

- (a) An initial down payment of Fifteen Thousand and No/100 (\$15,000.00) Dollars allocated as follows:
 - (i) Inventory- Ten Thousand and No/100 (\$10,000.00) Dollars
 - (ii) Equipment- Five Thousand and No/100 (\$5,000.00) Dollars
- (b) The balance of Ten Thousand and No/100 (\$10,000.00) Dollars by note and security agreement of even date herewith, copies of which are attached hereto and made a part hereof.

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