

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 \$1,500,000.

SECTION 202. Issuance of Bonds. The Bonds in the aggregate principal amount of \$1,500,000 dated as of May 1, 1971, shall be designated "First Mortgage Industrial Revenue Bonds, Series 1971 (House of Fabrics of South Carolina, Inc. - Lessee)." They shall bear interest from May 1, 1971, at the respective rates per annum as set forth in the following schedule, payable September 1, 1971, and semi-annually thereafter on March 1, and September 1 of each year. They shall be in the denomination of \$5,000 each and shall be numbered consecutively from 1 upwards and shall mature in numerical order on March 1 in each of the years set forth in, and in the principal amount set opposite each year in, the following schedule:

March 1 in the year	Principal Amount Maturing	Interest Rate
1972	\$ 25,000	5%
1973	30,000	5%
1974	35,000	5%
1975	40,000	5%
1976	50,000	5%
1977	60,000	5%
1978	65,000	5.50%
1979	70,000	5.50%
1980	75,000	5.50%
1981	80,000	5.50%
1982	85,000	6%
1983	85,000	6%
1984	90,000	6.50%
1985	90,000	6.50%
1986	95,000	6.60%
1987	95,000	7%
1988	100,000	7%
1989	105,000	7%
1990	110,000	7%
1991	115,000	7%