

"NOTES" means the \$9,200,000 Greenville County, South Carolina, Industrial Revenue Notes, Series 1980 (Hart Graphics, Inc. Project) comprised of two fully registered Notes: Note No. 1 in the principal amount of \$1,000,000 payable to First National Bank of South Carolina or its assigns, and Note No. 2 in the principal amount of \$8,200,000 payable to The Chase Manhattan Bank, N.A. or its assigns.

"PENALTY RATE" shall be interest at a rate equal to 1% in excess of Prime Rate as defined in the Note Ordinance.

"PERMITTED ENCUMBRANCES" means, as of any particular time,

(i) liens for ad valorem taxes not then delinquent,

(ii) this Agreement and the Mortgage,

(iii) utility, access and other easements and rights of way, flood rights, encroachments and leases that a Licensed Engineer or the Authorized Lessee Representative certifies will not interfere with or impair the operations being conducted in the Building or elsewhere on the Leased Land (or, if no operations are being conducted therein or thereon, the operations for which the Project was designed or last modified),

(iv) such minor defects, irregularities, encumbrances, easements and rights of way as normally exist with respect to properties similar in character to the Project and as do not, in the opinion of an Independent Counsel acceptable to the Mortgagees and to the Authorized Lessee Representative, materially impair the property affected thereby, nor interfere with the occupation, use and enjoyment by the Lessee of the Project for the purposes hereby contemplated, and

(v) mechanic's and materialmen's liens not filed or perfected in the manner prescribed by Chapter 5, Title 29, Code of Laws of South Carolina, 1976, as in effect on the date hereof, or otherwise, other than mechanic's liens which, when so filed and perfected, would assume a priority over the lien of the Mortgage.

"PLANS AND SPECIFICATIONS" means the Plans and Specifications for the acquisition, construction and equipping of the Project as approved in writing by the Agent.

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