

VI 50 NE 272

Debenture to purchase 37 1/2 shares of common stock of Hunt Machine Works, Inc., at \$3.00 per share for each \$500 face amount of Debenture at any time up to and including the date of maturity of Debenture, unless the Debenture to which it is attached shall be sooner called for redemption, said warrant also to be callable by the Company at \$1.00 per share up to and including December 31, 1953; and

WHEREAS, the Debentures are in the denominations of One Thousand (\$1,000.00) Dollars and Five Hundred (\$500.00) Dollars each, the One Thousand (\$1,000.00) Dollar Debentures being numbered consecutively from M-1 to M-188, inclusive, and the Five Hundred (\$500.00) Dollar Debentures being numbered consecutively from D-1 to D-124, inclusive, and are due on December 31, 1955; and

WHEREAS, the form of the definitive Debentures, and the certificate of authentication of the Trustee to be endorsed thereon, are to be substantially as follows:

\$1,000.00 (\$500.00)

\$1,000.00 (\$500.00)

No. _____

HUNT MACHINE WORKS, INC.
Greenville, South Carolina

5 3/4% Subordinated Debenture

Due December 31, 1955

For value received, Hunt Machine Works, Inc., (hereinafter called the "Company"), a corporation under the laws of the State of South Carolina, hereby promises to pay to _____, on the thirty-first day of December, 1955, at The South Carolina National Bank of Charleston, at its office in Greenville, South Carolina, the sum of

ONE THOUSAND DOLLARS (FIVE HUNDRED DOLLARS)

in coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay, in like coin or currency, at the said office of The South Carolina National Bank of Charleston, interest on said principal amount from the first day of June, 1949, at the rate of 5 3/4% per annum, payable annually on December 1 in each year, until the Company's obligations with respect to payment of said principal amount shall be discharged as provided in the Indenture hereinafter mentioned; provided, however, that so long as the Company is indebted to Reconstruction Finance Corporation on account of a loan about to be made to the Company by that Corporation in a principal amount not in excess of \$240,000.00, all rights of the owner of this Debenture shall be subordinate to said indebtedness, and subject to all the provisions of the Indenture hereinafter mentioned, including the provision that interest shall not be paid unless net earnings, after depreciation and taxes, are sufficient for that purpose, or if payment thereof would create a capital deficit in excess of that existing upon conclusion of the Reconstruction Finance Corporation loan.

This Debenture is one of an authorized issue of Debentures of the Company known as "5 3/4% Subordinated Debentures", limited to the aggregate principal amount of Two Hundred Fifty Thousand (\$250,000.00) Dollars of like date, tenor and effect, except that one hundred eighty-eight (188) of said Debentures shall be in the denomination of One Thousand (\$1,000.00) Dollars each, and one hundred twenty-four (124) of said Debentures shall be in the denomination of Five Hundred (\$500.00) Dollars each. The Debentures in the denomination of One Thousand (\$1,000.00)