

principal amount not to exceed \$700,000, which borrowing shall be evidenced by a Note of the Issuer designated as "INDUSTRIAL REVENUE NOTE, SERIES 1973 (EMERY INDUSTRIES, INC. - LESSEE)" (the "Note"), substantially in the form set forth in Exhibit "C" to the Lease Agreement, dated as of December 1, 1973 and payable to the order of the Bank in the amount of such borrowing. The Note, which shall mature in annual principal installments payable on January 1 of each year commencing on January 1, 1977 with an installment of \$35,000 and continuing thereafter with principal payments of \$35,000 in the year 1978, \$70,000 in the year 1979, \$105,000 in the year 1980, \$210,000 on January 1, 1981, and \$245,000 in a final installment on December 1, 1981, shall bear interest from the date of delivery thereof until paid at a rate per annum which, at the time of delivery of the Note, shall be equal to 4.65% plus or minus one half of the difference between 6.50% and the minimum commercial rate of the Bank for loans in New York City (the "Minimum Commercial Lending Rate"), if such rate is greater or less, respectively, than 6.50% at such time. The rate initially established shall be adjusted thereafter on the effective date of any change in the Minimum Commercial Lending Rate to a rate per annum equal to 4.65% plus or minus one half of the difference between 6.50% and the then effective Minimum Commercial Lending Rate, if such then effective

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