

and in the case of any such loss, theft or destruction, upon receipt of indemnity satisfactory to Carotell Paper Board Corporation, or in the case of any such mutilation upon surrender and cancellation hereof, Carotell Paper Board Corporation will make and deliver a new note of like denomination in lieu of such lost, stolen, destroyed or mutilated note.

If at the time of any payment or prepayment of principal pursuant to the terms of this Note, two or more notes shall be outstanding, the principal amount to be prepaid shall be allocated among the holders of all notes at the time outstanding in proportion, as nearly as practicable, of any prior unequal prepayments.

Upon any prepayment of a portion of the principal amount of this Note, the holder hereof, at its option, may require Carotell Paper Board Corporation to execute and deliver, at the expense of Carotell Paper Board Corporation, (other than transfer taxes, if any), upon surrender of this Note, a new Note payable to such person or persons, or order, as may be designated by such holder, for the principal amount of this Note then remaining unpaid, dated as of the date to which interest has been paid on the unpaid principal amount of this Note, or, if not surrendered, and if Carotell Paper Board Corporation shall have so requested in writing to the holder hereof, this Note at Carotell Paper Board Corporation's option shall either