

(d) A "Loan Year" for the purposes herein shall mean each successive 12-month period beginning on the date on which the first installment of principal and interest is due.

(e) In the event the holder of this Note exercise its option to declare the entire unpaid amount due and payable upon an Event of Default, as hereinafter defined, there shall be due and payable, in addition to the unpaid principal balance and accrued interest, an amount equal to any prepayment premium to which the holder of this Note would have been entitled had Creative Fabrics elected to exercise any prepayment right exercisable by Creative Fabrics as of the date of the exercise of said option, or, in the event that as of the date of the exercise of said option no such prepayment right would have been exercisable by Creative Fabrics, an amount equal to 10% of the unpaid principal balance. The failure to exercise said option to accelerate shall not constitute a waiver of the right to exercise the same at any other time.

3. The occurrence of any of the following events shall be deemed an event of default ("Event of Default") hereunder:

(a) A failure in payment of principal and interest after ten (10) days written notice has been provided Creative Fabrics stating the default in the payment thereof.

(b) A failure to comply with any other term of this Note the Mortgage of Real Estate and Security Agreement, the Assignment of Lease and Agreement, both of even date herewith of any of the documents referred to therein for a period of thirty (30) days after written notice stating the default, or if such default cannot reasonably be remedied within such thirty (30) day period, the failure to commence curing such default within such thirty (30) day period and to diligently proceed with such curing.

(c) The failure by Creative Fabrics to lease the entire real property leased by A & P under the A & P lease to a tenant reasonably acceptable to the holder hereof within one year after a noneconomic termination.

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