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ARTICLE II

DESCRIPTION, AUTHORIZATION, MANNER OF EXECUTION,
REGISTRATION AND TRANSFER OF NOTE

SECTION 2.01. Authorization and Details of Note.
The Note shall be designated as "Greenville County, South Carolina, Industrial Development Revenue Note (Payne Industries, Inc. Project) 1983" and shall be issued in the original principal amount of \$1,000,000. The Note shall be dated August 3, 1983, and shall bear interest from such date until maturity or prepayment in full (whichever occurs first), at the rate per annum of seventy-two percent (72%) of the Prime Rate. Upon a Determination of Taxability, the Note shall bear interest from the Event of Taxability which led to such Determination at the rate or rates per annum equal to the rate per annum of the Prime Rate plus one and one-half percent (1-1/2%) (the "Taxable Rate"). The interest on the Note shall be payable monthly beginning September 1, 1983. Additional interest in the amount of \$10,000 shall be due upon delivery of the Note to the initial purchaser. All such interest shall be computed on the basis of a 360-day year and for the rate in effect on each day of the computational period. Principal on this note shall be payable in 119 installments of \$8,333.33 each on the first day of each month commencing March 1, 1984 and a final installment of \$8,333.73 due on February 1, 1994.

Any claim for increased interest for the period between an Event of Taxability and a Determination of Taxability shall be payable on the date, whether a monthly interest payment date or the date of maturity or prepayment hereof, next succeeding a Determination of Taxability. In the event a Determination of Taxability is rescinded, the difference between the amount of interest actually paid hereon and the amount that would have accrued but for such Determination, shall be refunded by the holder hereof to the Corporation hereinafter mentioned. The Corporation shall have the right to enforce any such refund due it or, at the option of the Corporation in default of such refund, such amount may be applied as a credit against subsequent payments due hereon.

In the event the maximum Federal corporate income tax rate applicable to the registered owner hereof (including the holder of any interest in the Note, whether by participation or otherwise) shall either be increased or reduced on or after the date of the initial delivery of the Note, the Interest Rate shall be adjusted to equal the product obtained by multiplying such interest rate by a fraction, the numerator of which shall be one minus the new maximum Federal corporate income tax rate (expressed as a