

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 (Coats & Clark Inc. Project) 1984" and shall be issued in the original principal amount of \$2,000,000. The Note shall be dated October 25, 1984, and shall bear interest in arrears from such date until maturity or prepayment in full (whichever occurs first), at the rate per annum of sixty-four percent (64%) of the Prime Rate per annum. 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 which will result in each Holder from the date of such Event of Taxability realizing a net return on the principal amount of the Note outstanding while held by such Holder, net of all taxes imposed by reason of the interest paid or to be paid on the Note as a result of the Determination of Taxability equal to the rate per annum of one hundred fifteen percent (115%) of the Prime Rate per annum. The interest on the Note shall be payable quarterly on each January 1, April 1, July 1 and October 1 beginning January 1, 1985. Principal on the Note shall be payable in quarterly installments as follows:

January 1, April 1,
July 1 and October 1
of the following years:

1988	5,000.00
1989	10,000.00
1990	15,000.00
1991	20,000.00
1992	30,000.00
1993	35,000.00
1994	40,000.00
1995	45,000.00
1996	50,000.00
1997	65,000.00
1998	85,000.00
1999	100,000.00

In the event of any default in the payment of the principal or interest on the Note, such item in default (including interest to the extent legally enforceable) shall bear interest from the date of such default until payment at the rate per annum equal to the Prime Rate plus one percent (1%) per annum. All interest shall be based on a 365-day year and for the actual number of days elapsed for the rate in effect on each day of the computational period. Any

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