

any account designated by such owner maintained in a bank or similar financial institution that either clears through the federal reserve system or has arrangements permitting items for such bank or financial institution to be so cleared through the federal reserve system on the due date for such payment. If no account is designated, such payments may be made by check or draft drawn by or certified by a bank and mailed to such person at his address last appearing on the Note Register.

This note is duly authorized and issued by the Issuer and designated as "Town of Fountain Inn, South Carolina, Industrial Development Revenue Note (Vermont American Corporation Project)," issued in the original principal amount of \$6,000,000 under and pursuant to the Constitution and Laws of the State of South Carolina, particularly Chapter 29 of Title 4 of the Code of Laws of South Carolina, 1976, as amended (the "Act"), and under and secured by an Indenture dated as of November 1, 1984 (the "Indenture") by and between the Issuer and the Lender. This note is being issued to defray the costs of acquiring certain land and a building or buildings and other improvements thereon and all other machinery, apparatus, equipment, office facilities and furnishings to be used for the purpose of manufacturing screwdrivers and other tools (the "Project"). The Project will be made available to the Corporation pursuant to the terms of a Mortgage and Financing Agreement dated as of November 1, 1984 (the "Agreement") between the Issuer and the Corporation.

Pursuant to the terms of the Agreement, the Corporation has obligated itself to make payments to or for the account of the Issuer sufficient to pay as and when the same becomes due, the principal and interest on this note and has granted the Issuer a mortgage and security interest in the Project to secure such obligation. Pursuant to the Indenture, the Issuer has assigned and pledged its rights to receive payments under the Agreement (except for certain rights of indemnification and reimbursement of expenses) to the Lender to secure payment of this note. As further security for the payment of this note, the Issuer has assigned its rights under the Agreement including the security interest and mortgage of the Project given by the Corporation as security for its payment and performance under the Agreement. Payment of the principal and interest on this note has been unconditionally guaranteed to the Lender by Vermont American Corporation, a Delaware corporation, pursuant to the terms of a Guaranty dated as of November 1, 1984 (the "Guaranty").

Copies of the Indenture and the Agreement are on file in the Office of the Clerk of Court for Greenville County, South Carolina, and reference is made to the Indenture and the Agreement for the provisions relating,