

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 "Town of Fountain Inn, South Carolina, Industrial Development Revenue Note (Vermont American Corporation Project) 1984" and shall be issued in the original principal amount of \$6,000,000. The Note shall be dated November 14, 1984, and shall bear interest from such date until maturity or prepayment in full (whichever occurs first) from the date of delivery of the Note to December 31, 1987 at the rate per annum of 9%, and thereafter at the rate per annum of sixty-five percent (65%) of the Prime Rate; provided that in no event shall the rate on the Note be less than 6½% per annum or greater than 11½% per annum prior to January 1, 1992, and thereafter prior to January 1, 1995, not less than 6½% per annum or greater than 11-3/4% 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. 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 of the Prime Rate plus one percent (1%) per annum. All interest shall be based on a 360-day year.

Principal on the Note shall be payable in 48 quarterly installments of \$125,000 on each January 1, April 1, July 1 and October 1, beginning January 1, 1988, with the final installment due on October 1, 1999.

Upon the occurrence of a Determination of Taxability, the Corporation shall pay to each Holder within 45 days of the date of such Determination of Taxability the following amounts (subject to a credit for all such amounts previously paid by the Corporation): (i) Additional Interest at the Adjusted Rate of Interest during the Inclusion Period, plus (ii) Additions to Tax payable by such Holder, plus (iii) an amount equal to the tax payable by such Holder as the result of the receipt of Additions to Tax, less any tax benefit derived by such Holder by reason of payment of Additions to Tax. The amount of Additional Interest paid pursuant to (i) above shall be reduced by the amount of all interest accrued and paid on the Note at the tax-exempt rate prescribed therein from and after the Inclusion Date.

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