

any one calendar year. This prepayment option of Carotell Paper Board Corporation to prepay at par shall be noncumulative. Carotell Paper Board Corporation shall have the additional option of prepaying any number or all of the additional installments, upon giving to the holder hereof thirty days' prior written notice sent by registered mail, on any interest payment date, together with 5% interest representing one year's interest upon any installments prepaid under this option.

The principal hereof may be declared or may become due on the conditions, and in the manner and at the times set forth in the Trust Indenture, upon the occurrence of an event of default as in the Trust Indenture provided.

At any time at the request of the holder of this Note and upon surrender thereof for such purpose, Carotell Paper Board Corporation, without expense to the holder hereof (other than transfer taxes, if any), will issue in exchange therefor, any new notes (hereinafter sometimes referred to as the "Notes") dated as of the date to which interest has been paid on the Note or Notes so exchanged, in such denomination or denominations (in multiples of \$1,000), and payable to such person or persons or order, as may be requested, in an aggregate principal amount equal to the unpaid principal amount of this Note at the time of such surrender and substantially in the form hereof with appropriate variations. Upon receipt of evidence satisfactory to Carotell Paper Board Corporation of the loss, theft, destruction or mutilation of this Note,