

hereunder remain outstanding and unpaid, it will at all times maintain net working capital of not less than ONE HUNDRED TWENTY FIVE THOUSAND DOLLARS (\$125,000.00); it will at all times maintain a ratio of current assets to current liabilities of at least 1.5 to 1; it will not retire, purchase or otherwise acquire any of its own capital stock, and it will not pay cash dividends on its capital stock except to the extent that net income after December 31, 1956, exceeds (1) the aggregate amount of the maturities of this issue to the date of such payment; and (2) all charges to surplus (except charges representing dividends payable in capital stock), and in no case where such payment would reduce net working capital below TWO HUNDRED THOUSAND DOLLARS (\$200,000.00) and the current ratio below 2 to 1. "Net income" is understood and agreed to mean taxable earnings as reported for Federal income tax purposes after deduction of Federal and other taxes payable on such earnings.

THE COMPANY further covenants and agrees that in order to preserve the security created by this Trust indenture, and while any of the Bonds issued hereunder remain outstanding and unpaid, it will not make loans, advances or investments to or with officers, directors, stockholders or any person, partnership or corporation except in the regular course of business; it will not pay unreasonable salaries to its officers or employees; and it will not merge or consolidate with any other corporation.

THE COMPANY further covenants and agrees that it will promptly complete and place into operation the plant being erected upon its property located in Greenville County, South Carolina, hereinbefore described in this Trust indenture as "SECOND TRACT".

THE COMPANY further covenants and agrees that it will at all times until the indebtedness secured hereby is fully paid, keep all of the aforesaid property in good condition and repair, and that it will not commit or permit or suffer any waste, impairment or deterioration, except from proper and reasonable use thereof, of said property or any part thereof.

It is further covenanted and agreed by and between THE COMPANY and THE TRUSTEE that each and all of said Bonds herein described are issued, con-