

Section 2.03. The Company will not declare or pay dividends on any class of stock so long as any of the Debentures issued hereunder shall be outstanding and unpaid.

Section 2.04. So long as any of the Debentures shall be outstanding and unpaid, the Company will keep its properties and each parcel and part thereof which are useful in the conduct of the business in which it is or may be engaged, in good repair, working order and condition, and will at all times keep the same supplied with all necessary and available equipment; will from time to time make all needful renewals, replacements, additions, alterations and improvements; and, except as may otherwise be authorized by the provisions of Article Tenth of this Indenture, will actively continue to carry on the business in which the Company now is engaged.

Section 2.05. So long as any of the Debentures shall be outstanding and unpaid, the Company will punctually pay all its current and demand indebtedness, taxes, assessments and governmental charges lawfully imposed, claims for labor and materials and all other claims which may become liens on the property or assets of the Company if not punctually paid; PROVIDED, HOWEVER, that nothing in this Section 2.05 shall require the Company to pay such indebtedness or claims so long as it shall in good faith contest the same, and shall during such contest or contests obtain stay of any execution under any judgment recovered against the Company.

Section 2.06. So long as any of the Debentures shall be outstanding and unpaid, the Company will maintain in force and effect, insurance against loss and damage by fire and wind-storm, to all machinery, equipment, materials and inventories, and maintain adequate coverage against liability and property damage; will maintain in force and effect, use and occupancy insurance in respect to its principal plant buildings at Greenville, South Carolina, and will carry other forms of protection usually provided for in similar operations, including also coverage of all officers by adequate blanket surety bond or bonds.

Section 2.07. So long as any of the Debentures shall be outstanding and unpaid, the Company will cause an audit of its books and accounts to be made by a qualified Public Accountant for each fiscal year, and a copy to be furnished to the Trustee within five (5) days following the completion of such audit. The Company will furnish to the Trustee such additional copies of the audit as may be reasonably requested by the Trustee.

Section 2.08. The Company agrees that so long as any of the Debentures issued hereunder are outstanding and unpaid, it will not effect any change in its capital structure which would impair the rights of the registered owners of said Debentures and the warrants thereto attached.

ARTICLE THIRD

Redemption of Debentures

Section 3.01. The Debentures of this issue may be redeemed upon the basis hereinafter set forth at the option of the Company, as a whole or in part, at any time upon not less