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(3) THE COMPANY will not, so long as any of the Bonds of either issue shall remain outstanding and unpaid, pay any dividend in cash except out of 75% of net earnings available for such purpose subsequent to December 31, 1954. Net earnings as herein referred to shall mean net income after payment of all taxes and public assessments and after payment, or provision for payment, of all sums (both principal and interest), already accrued, or to accrue, during such fiscal year under the Bonds of both issues then outstanding and unpaid.

(4) THE COMPANY will not, so long as any of the Bonds of either issue shall remain outstanding and unpaid, retire any of its capital stock.

IT IS FURTHER STIPULATED AND AGREED:

(1) That whereas, W. W. Pate now controls and has management of BELRUG MILLS OF SOUTH CAROLINA and BELRUG MILLS, INC., if and when such ownership and management changes, THE INSURANCE COMPANY shall have the option of calling any and all 5% First Mortgage Bonds, Second Series, then outstanding and unpaid, at the then prevailing redemption price, plus accrued interest at the date of redemption;

(2) That any provision or provisions of this SUPPLEMENTAL INDENTURE or the ORIGINAL INDENTURE may be amended, modified or waived with the written consent of the holders of all Bonds of both issues at the time outstanding and unpaid.

Ten (10) 5% First Mortgage Bonds, Second Series, each for the principal amount of \$25,000.00, shall, immediately upon the execution and delivery of these presents, be delivered by THE COMPANY to THE TRUSTEE for authentication, and thereupon, or as soon thereafter as practicable, shall be authenticated by THE