

holders of all Notes at the time outstanding, in proportion, as nearly as practicable, to the respective unpaid principal amounts of such Notes then held by them respectively.

5. Indebtedness. Without the prior written consent of the holder or holders of the Notes at the time outstanding, the Company will not, and will not permit any Subsidiary to, create, incur, assume, guarantee or be or remain liable with respect to any Funded Debt or Short-Term Borrowing, other than:

(i) the Notes;

(ii) the 3% promissory notes dated July 1, 1955, now outstanding in an aggregate unpaid principal amount of \$851,703.55, said promissory notes having been given (in an aggregate principal amount of \$1,067,146.32) to the holders of unsecured promissory notes of and trade claims against the Company of \$5000 or more each, which were obligations of Coble Dairy Products, Inc. as of January 31, 1955, for such obligations and any obligations in lieu of or to refund the 3% promissory notes;

(iii) the Company's Mortgage and Collateral Trust Demand Notes in a principal amount not exceeding \$300,000, originally issued to New England Mutual Life Insurance Company; and

(iv) Short-Term Borrowing by the Company in an aggregate amount not exceeding \$200,000 at any one time outstanding, provided that throughout two 30-day periods (whether or not consecutive) in each fiscal year, beginning with the current fiscal year, the Company shall have no outstanding Short-Term Borrowing.