

the issue of two million dollars (\$2,000,000.00) of 5½% Serial First Mortgage Trust Bonds, First Series, and the issue of five hundred thousand dollars (\$500,000.00) of 5½% Serial First Mortgage Trust Bonds, Second Series, shall be the only indebtedness of the Company and its subsidiaries except:

- (i) Unsecured current liabilities of the Company and its subsidiaries which are created in the normal course of business and which are not over-due unless contested in good faith.
- (ii) Unsecured short term bank loans incurred for regular business purposes. The Company and its subsidiaries shall be free of such borrowings for at least ninety consecutive days in each fiscal year.
- (iii) Purchase money obligations created by purchasing assets used or useful in its business and which may not exceed \$100,000.00 in the aggregate outstanding at any one time.
- (iv) The 7½% Subordinated Debentures Series of 1959 issued in connection with the Company's program for the retirement of its preferred stock, provided that such Debentures shall be wholly subordinate as to interest and principal to all other indebtedness of the Company now or hereafter outstanding and will not mature or be redeemable prior to maturity so long as any of the Bonds are outstanding."

FIFTH: That Section 10 (g) of Article V of the original Trust Indenture dated May 15, 1957, be stricken and a new Section 10 (g) substituted in lieu thereof reading as follows:

"(g) The Company covenants that it will not pay cash dividends or purchase, retire, or otherwise acquire any of its own stock or make any payment of interest on its 7½% Subordinated Debentures Series of 1959, except that: (a) During the fiscal year 1959 the Company may pay from its earnings subsequent to December 31, 1958, a cash dividend of the equivalent of \$1.50 per share on its preferred stock and its regular dividend of \$1.00 per share on its common stock. (b) Beginning January 1, 1960, the Company may make such payments or purchases in an amount not to exceed "Net Adjusted Earnings." Net Adjusted Earnings are defined as