

Secretary and Treasurer), Eastern Sales Manager (Vice-President), and General Manager (Secretary and Treasurer) shall each receive a basic salary of Twenty Thousand (\$20,000.00) Dollars per annum; provided, however, that should the payment of said salary have the effect of reducing the net current assets of the Corporation below the total amount of the outstanding first preferred stock then and in such event the said salary shall be reduced to Fifteen Thousand (\$15,000.00) Dollars per annum until the impairment is restored, at which time the reduction in salary, if any, in the sole and uncontrolled discretion of the Directors, may also be restored.

SECOND: Bonuses to executive employees. Executive employees, to wit, Western Sales Manager (President), Middle States Sales Manager (Assistant Secretary and Treasurer), Eastern Sales Manager (Vice-President), and General Manager (Secretary and Treasurer) shall each, save as hereinbefore set forth in Article V, Section First, be paid in addition to his regular salary of Twenty Thousand (\$20,000.00) Dollars per annum, a bonus not to exceed twelve and one-half (12.5%) per cent of the net earnings of the Corporation, in excess of the "base reserve" hereinafter referred to in subsections (c) and (d) hereof.

Provided, however,

(a) That no bonuses to executive employees as set forth in this article shall be paid or accrued at any time when the excess of current assets over current liabilities is less than the total amount of the outstanding first preferred stock.