

Only such of the Debentures as shall bear thereon endorsed a certificate in the form hereinbefore recited, executed by the Trustee, shall be issued under or be entitled to the benefits of this Indenture, and such certificate of the Trustee shall be conclusive evidence and the only evidence that the Debentures so authenticated have been duly issued hereunder and are entitled to the benefits of this Indenture.

Section 1.04. The Company and the Trustee shall consider and treat the registered owner of any Debenture, whether or not such Debenture or any interest thereon is overdue, as the absolute owner of such Debenture for all purposes whatsoever, and neither the Company nor the Trustee shall be affected by any notice to the contrary.

Section 1.05. In case any Debenture issued hereunder shall become mutilated or be lost, stolen or destroyed, the Company, in its discretion, may execute, and thereupon the Trustee shall certify and deliver, a new Debenture, with warrant attached, bearing the same serial number and identical in form, in substitution or exchange for the Debenture so lost, stolen or mutilated, upon receipt of evidence satisfactory to the Company of the loss or destruction of such Debenture, and upon receipt also of such security or indemnity as the Company and the Trustee, in their discretion, shall require.

Section 1.06. All Debentures paid, redeemed, or otherwise retired hereunder from time to time shall be cancelled and delivered to the Company, and no Debentures shall be issued hereunder in lieu thereof.

Section 1.07. The indebtedness represented by the Debentures of this issue shall be senior to all stock issued, or to be issued, by the Company, but shall be subordinate and junior in rank to any and all indebtedness of the Company existing at the date of the Debenture or thereafter contracted.

ARTICLE SECOND

Covenants of the Company

Section 2.01. The Company will duly and punctually pay the interest and premium, if any, on and the principal of the Debentures at the times and places and in the manner specified in the Debentures, subject to the terms hereof. On or before the due date of payment the Company will deposit with the Trustee an amount sufficient to meet any payment requirements hereunder.

Section 2.01(a). Interest payments by the Company are subject to the requirements of R. F. C. that: net earnings of the Company, after depreciation and taxes, are sufficient for payment in full of the interest payment then due, payment thereof will not create a capital deficit in excess of that existing immediately after conclusion of the R. F. C. loan, and there is no default under the mortgage to R. F. C.

Section 2.02. At its own cost and expense the Company will do or cause to be done all things necessary to preserve and to keep in full force and effect its corporate existence, and will diligently preserve all rights and privileges to it granted and on it conferred by law or otherwise, insofar as they continue to be advantageous to the Company; and it shall not and will not knowingly do or suffer any matter or thing whatsoever whereby the indebtedness evidenced by the Debentures, or the benefits and protection of this Indenture therefor, might or could be lost or impaired.