

290

1. Compensation to officers of the corporation for salaries shall not exceed the sum of \$15,000.00 per annum. Necessary expenses may be allowed and paid as they are incurred and federal income taxes resulting from tax earnings of Reservoir Ranch Company, Incorporated, whether or not distributed, shall be reimbursed to the taxed shareholder, subject to all other provisions of this agreement, which may be applicable thereto.

2. Reservoir Ranch Company, Incorporated shall not be dissolved or liquidated in whole or in part while said obligation to Pledgee is owing unless the proceeds thereof shall be applied to payment in full to Pledgee.

3. Pledgor shall continue to manage Reservoir Ranch Company, Incorporated during the term of this said obligation.

4. Reservoir Ranch Company, Incorporated, shall not, during said term of said obligation, exceed a debt limit (excluding this obligation) of \$100,000.00, which said debt limit may be increased in a direct amount equal to the amounts paid in reduction of the obligation to Pledgee, without written consent of the Pledgee first had and obtained, which consent shall not be unreasonably withheld for any proposed legitimate expansion of the corporate business.

5. Amendment of the By-Laws or Certificate of Incorporation of Reservoir Ranch Company, Incorporated, can be made during said term of said obligation with the written consent of the Pledgee first had and obtained, which consent shall not be unreasonably withheld so long as such amendments or changes do not adversely affect the rights or security provisions of Pledgee hereunder.