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Amendment
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Amend.

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UNITED STATES CORPORATION COMPANY

SEVENTY PINE STREET
NEW YORK, N. Y. 10270

UNITED STATES DIRECT MAIL NUMBER

1212 002 6400

FORM 125100

212-607-6791

May 10th, 1984

RE: SEARS ROEBUCK AND CO.
Our Ref. 822-84-10017

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CAPITAL CONNECTION (FLORIDA AGENT)

Dear Sirs:

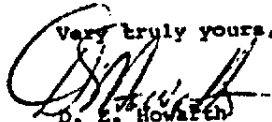
Enclosed herewith on behalf of the above captioned New York corporation is a certified copy of a Certificate of Amendment or Certificate of Fact accompanied by our check in the amount of \$10.00.

Please note that the Amendment does not increase the authorized number of shares, but only establishes a series of preferred shares from the corporations current authorization.

Please proceed with filing of the enclosed, returning official receipts and evidence of filing to the undersigned. If no evidence of filing is issued, please "file stamp" the duplicate copy of our letter and return the same in the enclosed self-addressed stamped envelope provided.

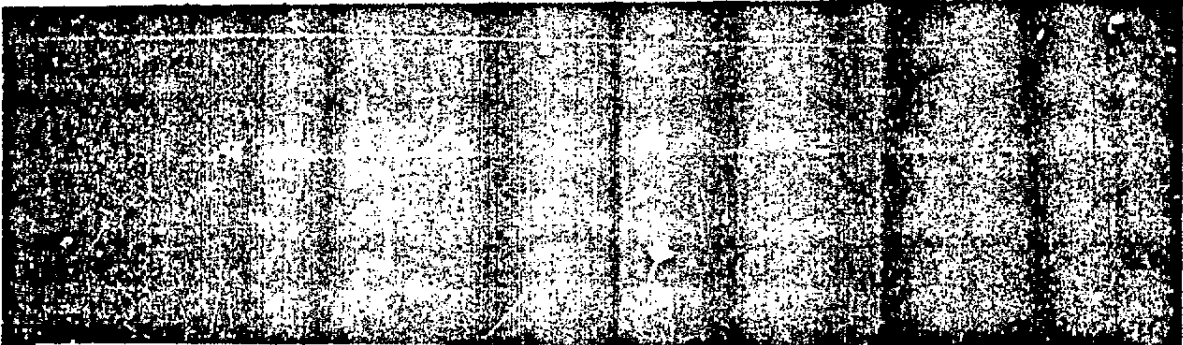
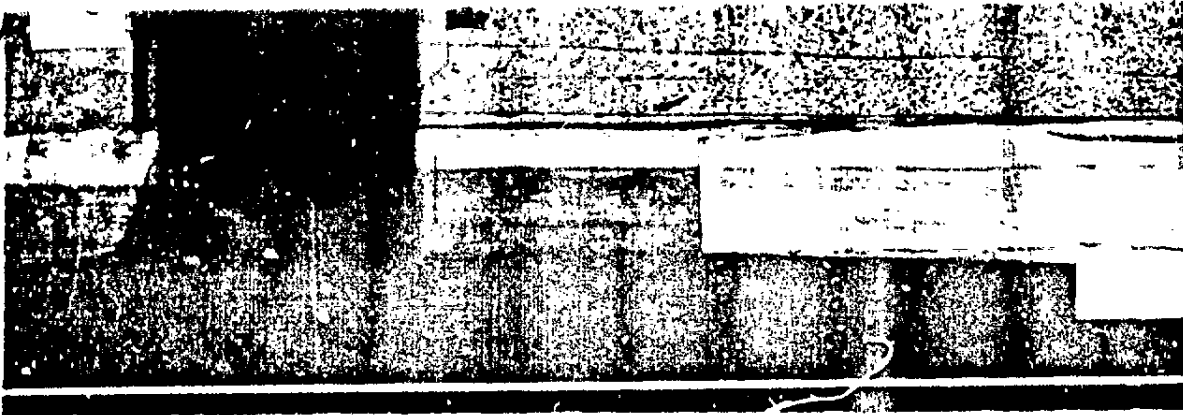
Thank you.

Very truly yours,



D. E. Howarth
Assistant Vice President

DER/ap
encl.



State of New York }
 Department of State } " 25511

I hereby certify that I have compared the annexed copy with the original document filed by the Department of State and that the same is a correct transcript of said original.

Witness my hand and seal of the Department of State on MAY 4 1934

L. S. S. [Signature]
 Secretary of State

RECEIVED
 MAY 11 1934
 FILED

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USC

Certificate of Amendment
of
Certificate of Incorporation
of

Sears, Roebuck and Co
under Section 805 of the Business Corporation Law

Pursuant to the provisions of Section 805 of the Business Corporation Law, the undersigned Philip M. Knox, Jr., Vice President and Corporate General Counsel of Sears, Roebuck and Co., and Charles W. Harper, its Secretary, hereby certify:

First: That the name of the corporation is Sears, Roebuck and Co

Second: That the Certificate of Incorporation was filed by the department of State on June 16, 1968.

Third: That the Certificate of Incorporation is hereby amended by the addition of the following provisions stating the number, designation, relative rights, preferences, and limitations of a series of preferred shares, par value \$1.00 per share, as fixed by the Executive Committee of the Board of Directors of the Corporation before the issuance of such shares, such provisions as added to be designated as Article 3.2.1 of the Certificate of Incorporation of the Corporation and to read as follows:

3.2.1 Adjustable Rate Preferred Shares, First Series.

(1) *Designation.* An aggregate of 2,500,000 preferred shares, par value \$1.00 per share, of the Corporation are hereby constituted as a series of preferred shares designated as "Adjustable Rate Preferred Shares, First Series" (hereinafter called "First Series Preferred Shares").

(2) *Dividends.* (a) The holders of First Series Preferred Shares shall be entitled to receive a cash dividend per share (payable as set forth below), out of funds legally available for the purpose, computed as follows (rounded to the nearest cent):

(i) for the period (the "Initial Dividend Period") from the date of their original issue through June 30, 1964, the product of (A) 10.25% times (B) a fraction the numerator of which is the number of days from (and including) the date of their original issue to (but not including) July 1, 1964, on the basis of 30-day months, and the denominator of which is 360 times (C) \$100; and

(ii) for each Quarterly Dividend Period (as hereinafter defined) thereafter, the product of (A) the Applicable Rate (as defined in paragraph (b) of this Section (2)) in respect of such Quarterly Dividend Period times (B) .25 times (C) \$100.

Such dividends shall be cumulative from the date of original issue of such shares and shall be payable in arrears, when and as declared by the Board of Directors, on January 1, April 1, July 1 and October 1 of each year, commencing on July 1, 1964. Each such dividend shall be paid to the holders of record of the First Series Preferred Shares as their names shall appear on the share register of the Corporation on such record date, not exceeding 30 days preceding the payment date thereof, as shall be fixed by the Board of Directors of the Corporation. Dividends on account of arrears for any past Dividend Periods (as hereinafter defined) may be declared and paid at any time, without reference to any regular dividend payment date, to holders of record on such date, not exceeding 30 days preceding the payment date thereof, as may be fixed by the Board of Directors of the Corporation.

(b) Except as provided below in this paragraph, the "Applicable Rate" for any Quarterly Dividend Period shall be (i) 2.63% less than (ii) the highest of the Treasury Bill Rate the Ten Year Constant Maturity Rate and the Twenty Year Constant Maturity Rate (each as hereinafter

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defined) for such Quarterly Dividend Period in the event that the Corporation determines in good faith that for any reason:

(i) any one of the Treasury Bill Rate, the Ten Year Constant Maturity Rate and the Twenty Year Constant Maturity Rate cannot be determined for any Quarterly Dividend Period, then the Applicable Rate for such Dividend Period shall be 2.00% less than the higher of whichever two of such rates can be so determined,

(ii) only one of the Treasury Bill Rate, the Ten Year Constant Maturity Rate and the Twenty Year Constant Maturity Rate can be determined for any Quarterly Dividend Period, then the Applicable Rate for such Dividend Period shall be 2.00% less than whichever such rate can be so determined or

(iii) none of the Treasury Bill Rate, the Ten Year Constant Maturity Rate and the Twenty Year Constant Maturity Rate can be determined for any Quarterly Dividend Period, then the Applicable Rate in effect for the preceding Dividend Period shall be continued for such Quarterly Dividend Period.

Anything herein to the contrary notwithstanding, the Applicable Rate for any Quarterly Dividend Period shall in no event be less than 6.50% or greater than 12.50%.

(c) Except as provided below in this paragraph, the "Treasury Bill Rate" for each Quarterly Dividend Period shall be the arithmetic mean of the two most recent weekly per annum market discount rates (or the one weekly per annum market discount rate, if only one such rate shall be published during the relevant Calendar Period (as hereinafter defined)) for three-month U.S. Treasury bills, as published weekly by the Federal Reserve Board during the Calendar Period immediately prior to the last ten calendar days of December, March, June or September, as the case may be, prior to the Quarterly Dividend Period for which the dividend rate is being determined. In the event that the Federal Reserve Board does not publish such a weekly per annum market discount rate during such Calendar Period, then the Treasury Bill Rate for such Dividend Period shall be the arithmetic mean of the two most recent weekly per annum market discount rates (or the one weekly per annum market discount rate, if only one such rate shall be published during the relevant Calendar Period) for three-month U.S. Treasury bills, as published weekly during such Calendar Period by any Federal Reserve Bank or by any U.S. Government department or agency selected by the Corporation. In the event that a per annum market discount rate for three-month U.S. Treasury bills shall not be published by the Federal Reserve Board or by any Federal Reserve Bank or by any U.S. Government department or agency during such Calendar Period, then the Treasury Bill Rate for such Dividend Period shall be the arithmetic mean of the two most recent weekly per annum market discount rates (or the one weekly per annum market discount rate, if only one such rate shall be published during the relevant Calendar Period) for all of the U.S. Treasury bills then having maturities of not less than 90 nor more than 180 days, as published during such Calendar Period by the Federal Reserve Board or, if the Federal Reserve Board shall not publish such rates, by any Federal Reserve Bank or by any U.S. Government department or agency selected by the Corporation. In the event that the Corporation determines in good faith that no such U.S. Treasury bill rates are published as provided above during such Calendar Period, then the Treasury Bill Rate for such Dividend Period shall be the arithmetic mean of the per annum market discount rates based upon the closing bids during such Calendar Period for each of the issues of marketable non-interest bearing U.S. Treasury securities with a maturity of not less than 90 nor more than 100 days from the date of each such quotation, as chosen and quoted daily for each business day in The City of New York (or less frequently if daily quotations shall not be generally available) to the Corporation by at least three recognized dealers in U.S. Government securities selected by the Corporation. In the event that the Corporation determines in good faith that for any reason the Corporation cannot determine the Treasury Bill Rate for any Quarterly Dividend Period as provided above in this paragraph, then the Treasury Bill Rate for such Dividend

Period shall be the arithmetic mean of the per annum market discount rates based upon the closing bids during such Calendar Period for each of the issues of marketable interest bearing U.S. Treasury securities with a maturity of not less than 90 nor more than 100 days, as chosen and quoted daily for each business day in The City of New York (or less frequently if daily quotations shall not be generally available) to the Corporation by at least three recognized dealers in U.S. Government securities selected by the Corporation.

(d) Except as provided below in this paragraph, the "Ten Year Constant Maturity Rate" for each Quarterly Dividend Period shall be the arithmetic mean of the two most recent weekly per annum Ten Year Average Yields (as hereinafter defined) (or the one weekly per annum Ten Year Average Yield, if only one such Yield shall be published during the relevant Calendar Period), as published weekly by the Federal Reserve Board during the Calendar Period immediately prior to the last ten calendar days of December, March, June or September, as the case may be, prior to the Quarterly Dividend Period for which the dividend rate is being determined. In the event that the Federal Reserve Board does not publish such a weekly per annum Ten Year Average Yield during such Calendar Period, then the Ten Year Constant Maturity Rate for such Dividend Period shall be the arithmetic mean of the two most recent weekly per annum Ten Year Average Yields (or the one weekly per annum Ten Year Average Yield, if only one such Yield shall be published during the relevant Calendar Period), as published weekly during such Calendar Period by any Federal Reserve Bank or by any U.S. Government department or agency selected by the Corporation. In the event that a per annum Ten Year Average Yield shall not be published by the Federal Reserve Board or by any Federal Reserve Bank or by any U.S. Government department or agency during such Calendar Period, then the Ten Year Constant Maturity Rate for such Dividend Period shall be the arithmetic mean of the two most recent weekly per annum average yields to maturity (or the one weekly per annum average yield to maturity, if only one such yield shall be published during the relevant Calendar Period) for all of the actively traded marketable U.S. Treasury fixed interest rate securities (other than Special Securities, as hereinafter defined) then having maturities of not less than eight nor more than twelve years, as published during such Calendar Period by the Federal Reserve Board or, if the Federal Reserve Board shall not publish such yields, by any Federal Reserve Bank or by any U.S. Government department or agency selected by the Corporation. In the event that the Corporation determines in good faith that for any reason the Corporation cannot determine the Ten Year Constant Maturity Rate for any Quarterly Dividend Period as provided above in this paragraph, then the Ten Year Constant Maturity Rate for such Dividend Period shall be the arithmetic mean of the per annum average yields to maturity based upon the closing bids during such Calendar Period for each of the issues of actively traded marketable U.S. Treasury fixed interest rate securities (other than Special Securities) with a final maturity date not less than eight nor more than twelve years from the date of each such quotation, as chosen and quoted daily for each business day in The City of New York (or less frequently if daily quotations shall not be generally available) to the Corporation by at least three recognized dealers in U.S. Government securities selected by the Corporation.

(e) Except as provided below in this paragraph, the "Twenty Year Constant Maturity Rate" for each Quarterly Dividend Period shall be the arithmetic mean of the two most recent weekly per annum Twenty Year Average Yields (as hereinafter defined) (or the one weekly per annum Twenty Year Average Yield, if only one such Yield shall be published during the relevant Calendar Period), as published weekly by the Federal Reserve Board during the Calendar Period immediately prior to the last ten calendar days of December, March, June or September, as the case may be, prior to the Quarterly Dividend Period for which the dividend rate is being determined. In the event that the Federal Reserve Board does not publish such a weekly per annum Twenty Year Average Yield during such Calendar Period, then the Twenty Year Constant Maturity Rate for such Dividend Period shall be the arithmetic mean of the two most recent weekly per annum Twenty Year Average Yields (or the one weekly per annum Twenty Year Average Yield, if only one such Yield shall be published

during the relevant Calendar Period as published weekly during such Calendar Period by any Federal Reserve Bank or by any U.S. Government department or agency selected by the Corporation. In the event that a per annum Twenty Year Average Yield shall not be published by the Federal Reserve Board or by any Federal Reserve Bank or by any U.S. Government department or agency during such Calendar Period, then the Twenty Year Constant Maturity Rate for such Dividend Period shall be the arithmetic mean of the two most recent weekly per annum average yields to maturity (or the one weekly per annum average yield to maturity if only one such yield shall be published during the relevant Calendar Period) for all of the actively traded marketable U.S. Treasury fixed interest rate securities (other than Special Securities) then having maturities of not less than eighteen nor more than twenty-two years, as published during such Calendar Period by the Federal Reserve Board or, if the Federal Reserve Board shall not publish such yields, by any Federal Reserve Bank or by any U.S. Government department or agency selected by the Corporation. In the event that the Corporation determines in good faith that for any reason the Corporation cannot determine the Twenty Year Constant Maturity Rate for any Quarterly Dividend Period as provided above in this paragraph then the Twenty Year Constant Maturity Rate for such Dividend Period shall be the arithmetic mean of the per annum average yields to maturity based upon the closing bids during such Calendar Period for each of the issues of actively traded marketable U.S. Treasury fixed interest rate securities (other than Special Securities) with a final maturity date not less than eighteen nor more than twenty-two years from the date of each such quotation, as chosen and quoted daily for each business day in The City of New York (or less frequently if daily quotations shall not be generally available) to the Corporation by at least three recognized dealers in U.S. Government securities selected by the Corporation.

(f) The Applicable Rate, the Treasury Bill Rate, the Ten Year Constant Maturity Rate and the Twenty Year Constant Maturity Rate shall each be rounded to the nearest five hundredths of a percentage point.

(g) The Applicable Rate with respect to each Quarterly Dividend Period will be calculated as promptly as practicable by the Corporation according to the method described herein. The Corporation will cause each Applicable Rate to be published in a newspaper of general circulation in The City of New York prior to the commencement of the Quarterly Dividend Period to which it applies and will cause notice of such Applicable Rate to be enclosed with the dividend payment checks next mailed to the holders of First Series Preferred Shares.

(h) For purposes of this Section (2), the term:

(i) "Calendar Period" shall mean 14 calendar days;

(ii) "Dividend Period" shall mean the Initial Dividend Period or any Quarterly Dividend Period (collectively referred to as "Dividend Periods");

(iii) "Quarterly Dividend Period" shall mean each of the periods commencing on January 1, April 1, July 1 and October 1 in each year and ending on (and including) the day next preceding the first day of the next Quarterly Dividend Period, beginning on July 1, 1964.

(iv) "Special Securities" shall mean securities which can, at the option of the holder, be surrendered at face value in payment of any Federal estate tax or which provide tax benefits to the holder and are priced to reflect such tax benefits or which were originally issued at a deep or substantial discount.

(v) "Ten Year Average Yield" shall mean the average yield to maturity for actively traded marketable U.S. Treasury fixed interest rate securities (adjusted to constant maturities of ten years); and

(vi) "Twenty Year Average Yield" shall mean the average yield to maturity for actively traded marketable U.S. Treasury fixed interest rate securities (adjusted to constant maturities of twenty years).

(1) Except as provided in the following sentence no dividends shall be declared or paid or set apart for payment on the preferred shares of any series ranking as to dividends on a parity with or junior to the First Series Preferred Shares for any period unless full cumulative dividends have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for such payment on the First Series Preferred Shares for all Dividend Periods terminating on or prior to the date of payment of such full cumulative dividends. When dividends are not paid in full, as aforesaid, on the First Series Preferred Shares and any other preferred shares ranking on a parity as to dividends with the First Series Preferred Shares, all dividends declared on the First Series Preferred Shares and any other preferred shares ranking on a parity as to dividends with the First Series Preferred Shares shall be declared ratably in accordance with the respective dividends which would be payable on the First Series Preferred Shares and such other preferred shares if all accrued and unpaid dividends thereon were paid in full. Holders of First Series Preferred Shares shall not be entitled to any dividends whether payable in cash, property or stock, in excess of full cumulative dividends as herein provided, on the First Series Preferred Shares. No interest or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on the First Series Preferred Shares which may be in arrears.

(2) So long as any of the First Series Preferred Shares are outstanding, no dividend (other than dividends or distributions paid in common shares, or in options, warrants or rights to subscribe for or purchase common shares or another stock ranking junior to the First Series Preferred Shares as to dividends and other than as provided in paragraph (1) of this Section (2)) shall be declared or paid or set aside for payment or other distribution declared or made upon the common shares or upon any other stock ranking junior to or on a parity with the First Series Preferred Shares as to dividends, nor shall any common shares or any other stock of the Corporation ranking junior to or on a parity with the First Series Preferred Shares as to dividends be redeemed, purchased or otherwise acquired for any consideration (or any moneys be paid to or made available for a sinking fund for the redemption of any shares of any such stock) by the Corporation (except by conversion into or exchange for stock of the Corporation ranking junior to the First Series Preferred Shares as to dividends) unless, in each case, the full cumulative dividends on the outstanding First Series Preferred Shares shall have been paid or set apart for payment for all Dividend Periods terminating on or prior to the date of such payment or action, as the case may be.

(3) **Dissolution Preference.** (a) In the event of any liquidation, dissolution, or winding up (hereinafter "Dissolution") of the Corporation, whether voluntary or involuntary, before any payment or distribution of the assets of the Corporation (whether capital or surplus) shall be made to or set apart for the holders of any series or class or classes of stock of the Corporation ranking junior to the First Series Preferred Shares upon Dissolution, the holders of the First Series Preferred Shares shall be entitled to receive for each share \$100 plus an amount equal to all dividends (whether or not earned or declared) accrued and unpaid thereon to the date of final distribution to such holders; subject to the right of the holders of record of any First Series Preferred Shares on a record date for payment of dividends thereon to receive a dividend payable on the date of final distribution determined by adding (1) dividends accrued and unpaid for any Dividend Period preceding the Dividend Period in which the date of final distribution falls plus (ii) the product of (A) the Applicable Rate for the Dividend Period in which the date of final distribution falls (or, in the case of the Initial Dividend Period 10.25%) times (B) a fraction, the numerator of which is the number of days elapsed from (and including) the first day of the Dividend Period in which the date of final distribution falls, to (but not including) the date of final distribution, on the basis of 30-day months, and the denominator of which is 360 times (C) \$100, but such holders shall not be entitled to any further payment if, upon any Dissolution of the Corporation, the assets of the Corporation, or proceeds thereof, distributable among the holders of the First Series Preferred Shares and any other preferred shares ranking as to Dissolution on a parity with the First Series Preferred Shares shall be insufficient to pay in full the pref-

proceeds thereof, shall be distributed among the holders of First Series Preferred Shares and any such other preferred shares ratably in accordance with the respective amounts which would be payable on such First Series Preferred Shares and any such other preferred shares if all amounts payable thereon were paid in full. For the purposes of this Section (3) a sale, lease, exchange or other disposition of all or substantially all the property and assets of the Corporation or a consolidation or merger of the Corporation with one or more corporations shall not be deemed to be a Dissolution, voluntary or involuntary.

(b) Subject to the rights of the holders of shares of any series or class or classes of stock ranking on a parity with or prior to the First Series Preferred Shares upon Dissolution, upon any Dissolution of the Corporation, after payment shall have been made in full to the First Series Preferred Shares as provided in this Section (3), but not prior thereto, any other series or class or classes of stock ranking junior to the First Series Preferred Shares upon Dissolution shall, subject to the respective terms and provisions (if any) applying thereto, be entitled to receive any and all assets remaining to be paid or distributed, and the First Series Preferred Shares shall not be entitled to share therein.

(4) *Redemption* (a) Except as provided in paragraph (b) of this Section (4), the First Series Preferred Shares may not be redeemed prior to May 15, 1987. Thereafter, the Corporation, at its option, may redeem the First Series Preferred Shares, as a whole or in part, at any time or from time to time at redemption prices which shall be (i) from May 15, 1987 to May 15, 1990, inclusive, \$103 per share, and thereafter, \$100 per share, plus, in each case, (ii) accrued and unpaid dividends thereon to the date fixed for redemption (subject to the right of the holders of record of any First Series Preferred Shares on a record date for payment of dividends thereon to receive a dividend payable on the date of redemption), determined by adding (i) dividends accrued and unpaid for any Dividend Period preceding the Dividend Period in which the date of redemption falls, plus (ii) the product of (A) the Applicable Rate for the Dividend Period in which the date of redemption falls (or, in the case of the Initial Dividend Period, 10.25%) times (B) a fraction, the numerator of which is the number of days elapsed from (and including) the first day of the Dividend Period in which the date of redemption falls to (but not including) the date of redemption, on the basis of 30-day months, and the denominator of which is 360 times (C) \$100.

(b) Prior to May 15, 1987, the Corporation at its option may redeem all but not less than all, of the outstanding First Series Preferred Shares if the holders of the First Series Preferred Shares shall be entitled to vote upon or consent to a merger or consolidation of the Corporation as provided in Section (7) and all of the following conditions have been satisfied: (i) the Corporation shall have requested the vote or consent of the holders of the First Series Preferred Shares to the consummation of such merger or consolidation, stating in such request that failing the requisite favorable vote or consent the Corporation will have the option to redeem the First Series Preferred Shares, (ii) the Corporation shall not have received the favorable vote or consent requisite to the consummation of the transaction within 60 days after making such written request (which shall be deemed to have been made upon the mailing of the notice of any meeting of holders of the First Series Preferred Shares to vote upon granting such consent), and (iii) such transaction shall be consummated on the date fixed for such redemption, which date shall be no more than one year after such request is made. Any such redemption shall be on notice as aforesaid (and on an additional notice in accordance with paragraph (c) of this Section (4), which may be contemporaneous with, or included in, the notice provided for by this paragraph (b)) at the redemption price of (i) \$105 per share, plus (ii) accrued and unpaid dividends thereon to the date fixed for redemption (subject to the right of the holders of record of any First Series Preferred Shares on a record date for payment of dividends thereon to receive a dividend payable on the date of redemption), determined by adding (i) dividends accrued and unpaid for any Dividend Period preceding the Dividend Period in which the date of redemption falls, plus (ii) the product of (A) the Applicable Rate for the Dividend Period in which the date of re-

redemption falls or in the case of the Initial Dividend Period 1025% times (B) a fraction, the numerator of which is the number of days elapsed from (and including) the first day of the Dividend Period in which the date of redemption falls, to (but not including) the date of redemption, on the basis of 30 day months and the denominator of which is 360 times (C) \$100

(c) In the event the Corporation shall redeem any First Series Preferred Shares, notice of such redemption shall be given by first class mail (postage prepaid) mailed not less than 30 nor more than 60 days prior to the redemption date (except as provided in paragraph (b) of this Section (4)), to each holder of record of the shares to be redeemed, at such holder's address as the same appears on the share register of the Corporation. Each such notice shall state: (1) the redemption date, (2) the number of shares to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder, (3) the redemption price, (4) the place or places where certificates for such shares are to be surrendered for payment of the redemption price, and (5) that dividends on the shares to be redeemed will cease to accrue on such redemption date. Notice having been mailed as aforesaid from and after the redemption date (unless default shall be made by the Corporation in providing money for the payment of the redemption price) dividends on the First Series Preferred Shares so called for redemption shall cease to accrue, and said shares shall no longer be deemed to be outstanding, and all rights of the holders thereof as shareholders of the Corporation (except the right to receive from the Corporation the redemption price) shall cease. The Corporation's obligation to provide moneys in accordance with the preceding sentence shall be deemed fulfilled if, on or before the redemption date, the Corporation shall deposit with a bank or trust company (which may be an affiliate of the Corporation) having an office in the Borough of Manhattan, The City of New York, and having a capital and surplus of at least \$50,000,000, funds necessary for such redemption, in trust, with irrevocable instructions that such funds be applied to the redemption of the First Series Preferred Shares so called for redemption. Any interest accrued on such funds shall be paid to the Corporation from time to time.

(d) Upon surrender in accordance with said notice of the certificates for any shares so redeemed (properly endorsed or assigned for transfer if the Board of Directors of the Corporation shall so require and the notice shall so state) such shares shall be redeemed by the Corporation at the redemption price aforesaid. If less than all the outstanding First Series Preferred Shares are to be redeemed, shares to be redeemed shall be selected by the Corporation from outstanding shares not previously called for redemption by lot or pro rata (as nearly as may be possible) or by any other method determined by the Corporation in its sole discretion to be equitable, except that in any redemption of fewer than all the outstanding First Series Preferred Shares the Corporation may redeem all First Series Preferred Shares held by all holders of a number of shares not to exceed 100 as may be specified by the Corporation.

(e) In no event shall the Corporation redeem less than all the outstanding First Series Preferred Shares pursuant to paragraph (a) of this Section (4) unless full cumulative dividends shall have been paid or declared and set apart for payment upon all outstanding First Series Preferred Shares for all Dividend Periods terminating on or prior to the date fixed for redemption.

(5) *Shares to be Retired.* All First Series Preferred Shares redeemed or purchased by the Corporation shall be retired and cancelled and shall be restored to the status of authorized but unissued preferred shares, without designation as to series, and may thereafter be issued, but not as First Series Preferred Shares.

(6) *Conversion or Exchange.* The holders of First Series Preferred Shares shall not have any rights herein to convert such shares into or exchange such shares for shares of any other class or classes or of any other series of any class or classes of capital stock (or any other security) of the Corporation.

(7) *Voting.* (a) Except as hereinafter in this Section (7) expressly provided or as otherwise from time to time required by law, the First Series Preferred Shares shall have no voting rights.

Whenever at any time or times, dividends payable on the First Series Preferred Shares shall be in arrears in an amount equal to at least the dividends payable for the six most recent Quarterly Dividend Periods on the First Series Preferred Shares at the time outstanding, the holders of the outstanding First Series Preferred Shares shall have the exclusive right voting separately as a class with holders of any one or more other series of preferred shares ranking on a parity with the First Series Preferred Shares either as to dividends or the distribution of assets upon Dissolution and upon which like voting rights have been conferred and are exercisable, to elect two directors of the Corporation at the Corporation's next annual meeting of shareholders and at each subsequent annual meeting of shareholders. At elections for such directors, each holder of First Series Preferred Shares shall be entitled to vote cumulatively in accordance with Article 3.5 of the Restated Certificate of Incorporation of the Corporation (the holders of any other series of preferred shares ranking on such a parity being entitled to such number of votes, if any, for each share held as may be granted to them). The right of the holders of the First Series Preferred Shares voting separately as a class, to elect (either alone or together with the holders of any one or more other series of preferred shares ranking on such a parity) members of the Board of Directors of the Corporation as aforesaid shall continue until such time as all dividends accumulated on the First Series Preferred Shares shall have been paid in full, at which time such right shall terminate, except as herein or by law expressly provided, subject to vesting in the event of each and every subsequent failure to pay dividends in the aggregate amount specified above.

(b) Upon any termination of the right of the holders of the First Series Preferred Shares as a class to vote for directors as herein provided, the term of office of all directors then in office elected by the First Series Preferred Shares voting as a class shall terminate immediately. If the office of any director elected by the holders of the First Series Preferred Shares voting as a class becomes vacant by reason of death, resignation, retirement, disqualification, removal from office, or otherwise, the remaining director elected by the holders of the First Series Preferred Shares voting as a class may choose a successor who shall hold office for the unexpired term in respect of which such vacancy occurred.

(c) So long as any shares of First Series Preferred Shares remain outstanding, the consent of the holders of at least two-thirds of the First Series Preferred Shares outstanding at the time (voting separately as a class together with all other series of preferred shares ranking on a parity with First Series Preferred Shares either as to dividends or the distribution of assets upon Dissolution and upon which like voting rights have been conferred and are exercisable) given in person or by proxy, either in writing or at any special or annual meeting called for the purpose, shall be necessary to permit, effect or validate any one or more of the following:

(i) the authorization, creation or issuance, or any increase in the authorized or issued amount, of any class or series of shares (including any class or series of preferred shares) ranking prior (as that term is defined in this Section (7)) to the First Series Preferred Shares, or

(ii) the amendment, alteration or repeal of any of the provisions of the Restated Certificate of Incorporation which would materially and adversely affect any right, preference, privilege or voting power of the First Series Preferred Shares or of the holders thereof; provided, however, that any increase in the amount of authorized preferred shares or the creation and issuance of other series of preferred shares, in each case ranking on a parity with or junior to the First Series Preferred Shares with respect to the payment of dividends and the distribution of assets upon Dissolution shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers.

(d) The foregoing voting provisions shall not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding shares of the First Series Preferred Shares shall have been redeemed or sufficient funds shall have been deposited in trust to effect such redemption.

(8) Any class or classes of shares of the Corporation shall be deemed to rank

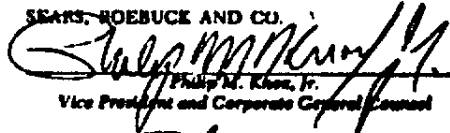
(i) prior to the First Series Preferred Shares as to dividends or as to distribution of assets upon Dissolution if the holders of such class shall be entitled to the receipt of dividends or of amounts distributable upon Dissolution in preference or priority to the holders of the First Series Preferred Shares, and

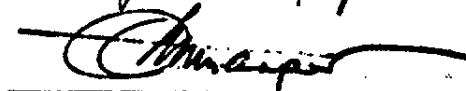
(ii) on a parity with the First Series Preferred Shares as to dividends or as to distribution of assets upon Dissolution whether or not the dividend rates, dividend payment dates, or redemption or Dissolution prices per share thereof be different from those of the First Series Preferred Shares, if the holders of such class of shares and the First Series Preferred Shares shall be entitled to the receipt of dividends or of amounts distributable upon Dissolution in proportion to their respective dividend rates or Dissolution prices, without preference or priority one over the other.

FOURTH: That the amendment was authorized by the Executive Committee of the Board of Directors at a meeting of the committee duly held.

IN WITNESS WHEREOF, this Certificate has been signed this 4th day of May, 1964.

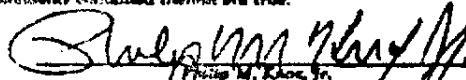
SEARS, ROEBUCK AND CO.


Philip M. Khan, Jr.
Vice President and Corporate General Counsel


Charles W. Harper
Secretary

STATE OF ILLINOIS }
County of Cook } ss.:

Philip M. Knox, Jr. being duly sworn deposes and says that he is Vice President and Corporate General Counsel of Sears, Roebuck and Co., that he has read and signed the foregoing certificate and knows the contents thereof, and that the statements contained therein are true.


Philip M. Knox, Jr.
Vice President and Corporate General Counsel

Sworn to this 4th day of May, 1964.


Notary Public

My commission expires April 7, 1967

(SEAL)

6932303

USC

CERTIFICATE OF AMENDMENT

USC

OF

CERTIFICATE OF INCORPORATION

OF

SEARS, ROEBUCK AND CO.

X

6/16/06

467-118

the Corp - Sears tower
Chicago, Ill 60684

5,000,000,000 25

50,000,000 21

1486602-4

BILLED

6/16/06

LATHAM & WATKINS
SEARS TOWER SUITE 6100
CHICAGO, ILLINOIS 60684

BILLED