

legally available therefor, cash dividends of \$6 per share per annum, in preference to and in priority over dividends upon the common shares of the Corporation. Dividends upon shares of the Stock shall not accumulate and holders of shares of the Stock shall not be entitled to any dividends other than those which the Board of Directors of the Corporation shall in its sole discretion declare. No distributions other than upon preferred stock and no compensation, bonus or loans shall be paid or made to any shareholder, officer or employee of the Surviving Corporation except for reasonable salaries incurred in the ordinary course of business and bonuses not differing substantially in structure from those currently being paid by the Ballenger Corporation, until all of the Stock is redeemed.

(2) Liquidation. In the event of a liquidation, dissolution or winding up of the Corporation, the holders of shares of the Stock shall be entitled to receive out of the assets of the Corporation and in complete redemption of all of the stock, an amount equal to \$10 per share, in preference to and in priority over any such distribution upon the common shares or upon the shares of any other class of preferred stock. If the assets of the Corporation are not sufficient to pay such amounts in full to the holders of shares of the Stock, then the holders of shares of the Stock shall share ratably in any such distribution of assets. No plans or proceeding for voluntary liquidation, dissolution or winding up shall be adopted without the written consent of the holders of the Stock.

(3) Voting Rights. Holders of shares of the Stock shall not be entitled to vote.