

and shall have rights to proceeds on liquidation and to dividends as hereinafter provided:

(1) Dividends. The holders of record of shares of this stock shall be entitled to receive, when and as declared by the Board of Directors of the Corporation (which term as used hereinafter shall include successor corporations of Ballenger Corporation) out of funds 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 and upon the shares of all other classes of preferred stock of the Corporation except as provided in paragraph 4 hereof. Dividends upon shares of this stock shall not accumulate and holders of shares of this 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.

(2) Liquidation. In the event of a liquidation, dissolution or winding up of the Corporation, the holders of shares of this stock shall be entitled to receive out of the assets of the Corporation and in complete redemption of all of such preferred stock an amount equal to \$1 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 except as provided in paragraph 4 hereof. If the assets of the Corporation are not sufficient to pay such amounts in full to the holders of shares of this stock, then the holders of shares of this stock shall share ratably in any such distribution of assets.