

TITLE TO REAL ESTATE

said Federal Housing Administration and/or the United States of America and hereinafter called the Administrator), pursuant to the provisions of said National Housing Act, as amended, a Contract or Contracts of Insurance covering bonds, notes, and other evidences of indebtedness issued or to be issued by the Corporation and/or any indenture of mortgage or deed of trust executed or to be executed by the Corporation securing the payment thereof, and in connection therewith and in consideration for such insurance, to enter into, undertake, incur, perform, discharge and carry out all such contracts and agreements with and commitments and obligations to said Federal Housing Administration and/or said Administrator and/or others as may be necessary to obtain and/or maintain such insurance, all in such form and upon such terms and conditions as the Board of Directors of the corporation may approve.

FIFTH: That the amount of the capital stock is Fifty Three Thousand Five Hundred (\$53,500.00) Dollars, payable in currency or its equivalent.

SIXTH: The total amount of the authorized capital stock of the corporation is six hundred thirty-four (634) shares, of which one hundred (100) shares, having a par value of One (\$1.00) Dollar per share, shall be designated "Preferred Stock" and five hundred thirty-four (534) shares (having a par value of one hundred (\$100.00) Dollars per share) shall be designated "Common Stock", which shares of capital stock shall have preferences, privileges, voting powers, and restrictions and qualifications thereof as follows:

(a) The holders of the Preferred Stock shall be entitled to receive, when and as declared by the Board of Directors, out of the net earnings of the corporation, legally available for dividends and after proper provision for reserves has been made as hereinafter provided, non-cumulative dividends at the rate of five (5) cents per share per annum and no more, payable semi-annually as of the first day of May and November in each year unless other dates are prescribed in the by-laws, before any sum or sums shall be set apart for or applied to the purchase or redemption of the Preferred Stock and before any dividend or any other distribution shall be declared, set apart, paid or made in respect of the Common Stock.

(b) The holders of the Common Stock shall be entitled to receive, when and as declared by the Board of Directors, out of the net earnings of the Corporation, legally available for dividends, and after proper provision for reserves as hereinafter provided and after or concurrently with payment of or provision for full dividends on the Preferred Stock then outstanding, through the end of the then current semi-annual period, non-cumulative dividends which shall not, except with the consent of the holders of the Preferred Stock, exceed in the aggregate Two Thousand One Hundred Seventy-Five and 50/100 (\$2,175.50) Dollars of net earnings in any fiscal year except that in any fiscal year after provision shall have been made for the full reserves below required and if the principal of the insured mortgage of the corporation shall, in addition to the reserve allocations, be prepaid in an amount equal to at least one-half required interest and principal payments of the first amortization year, additional dividends not to exceed in the aggregate One Thousand Four Hundred Eighty Eight and 50/100 (\$1,488.50) Dollars may be paid out of net earnings. Common Stock dividends shall be payable semi-annually as of the first days of May and November of each year unless other dates are prescribed in the by-laws. The fiscal year shall be fixed by the by-laws subject to the approval of the Administrator.

(c) The Preferred Stock at any time outstanding may be redeemed by the corporation, in whole or in part, at its election, at par and dividends declared thereon, but unpaid to the date of such redemption, in the manner provided by resolution of the Board of Directors or by-laws: Provided, however, that such stock shall be so redeemed upon, but in no event before, termination of any contract of mortgage insurance covering any indebtedness of the corporation without obligation upon the Administrator to issue debentures as a result of such termination. Preferred Stock so redeemed shall be retired and canceled.