

the right to participate in accordance with law in case of dissolution. The association shall have the right, at its option, (a) to purchase such stock at its book or par value, whichever is less, as determined by the board of directors of the association; (b) to require the transfer of any such stock at such book or par value, to any person eligible to hold it or (c) to require such holder of any such stock to convert it into revolving fund certificates.

In exercising its right to purchase or to require the transfer or conversion of common stock into revolving fund certificates, if such holder fails to deliver the certificate evidencing the common stock, the association may cancel such certificates on its books and issue a new certificate of common stock or revolving fund certificate, as the case may be, to the party entitled thereto.

The common stock of this association may be transferred only with the consent of the board of directors of the association and on the books of the association, and then only to persons eligible to hold it; and no purported assignment or transfer of common stock shall pass to any person not eligible to hold it any rights or privileges on account of such stock, or vote or voice in the management of the affairs of the association. This association shall have a lien on all of its issued common stock for all indebtedness of the holders thereof to the association. There shall be no dividends paid on the common stock.

### Section 3: Preferred Stock

The preferred stock of this association may be issued to any person, association, co-partnership, corporation or other organization, in series. It shall carry no voting rights. Noncumulative dividends of not to exceed five percent (5%) per annum may be paid on preferred stock when, if and as declared by the board of directors.

Preferred stock may be transferred only on the books of the association, and may be redeemed in whole or in part on a pro rata basis at par plus any dividends declared thereon and unpaid, at any time on thirty (30) days' notice by the association, provided said stock is redeemed in the same order as originally issued by years. In the failure to deliver the certificate or certificates evidencing any such stock the association may cancel the same on its books. Stock which has been redeemed may, in the discretion of the board of directors, be reissued or retired. All such preferred stock

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