

shares of no par value Common Stock of Standard that prior to such Effective Date were represented thereby, have been so converted.

5. Directors of the Surviving Corporation. The Board of Directors of the surviving corporation immediately after the Effective Date shall consist of eight members who shall be the following persons:

W. B. Reily Jr.	W. B. Reily III
J. W. Reily	H. Eustis Reily
Jack R. Aron	S. Walter Stern Jr.
W. B. Burkenroad Jr.	William I. Monaghan

6. Dividends Declared by Reily. On July 2, 1965, the Board of Directors of Reily declared a dividend of \$90,000 or \$.90 per share on each of the 65,000 outstanding shares of its Class A Common Stock and on each of the 35,000 outstanding shares of its Class B Common Stock, payable at the rate of \$.15 per share on July 1, August 1, September 1, October 1, November 1, and December 1, 1965, to stockholders of record on the respective dates of payment. As of the Effective Date of this Agreement, the portion of that dividend so declared payable on July 1, August 1, and September 1, 1965, will have been paid. With respect to the portion of that dividend so declared payable on October 1, November 1, and December 1, 1965, the surviving corporation expressly assumes the obligation and liability to pay said portion, as declared, to the holders of record, as of the respective payment dates, of shares of stock of Reily that were issued and outstanding on July 2, 1965, in the form of \$25 par value shares, but that on the payment dates exist as \$8.33-1/3 par value shares, at the rate of \$.05 per each such \$8.33-1/3 par value share so held on each such payment, viz. October 1, November 1, and December 1, 1965.

In addition, the Board of Directors of the surviving corporation is hereby authorized, but not required, to declare in its discretion after the Effective Date a dividend of \$30,000, or \$.15 per share, payable only to the holders of record on the day after the Effective Date of the 200,000 shares of \$8.33-1/3 par value Class A Common Stock of the surviving corporation that was issued and exchanged by virtue of this merger for the 100,000 shares of no par value Common Stock of Standard issued and outstanding immediately prior to the Effective Date.

7. Additional Action by Standard. If at any time after the Effective Date the surviving corporation shall consider or be advised that any further