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accrue from and after the dividend date specified as the redemption date, and all rights with respect to such share accounts shall forthwith, after such redemption date, terminate, except only the right of the holder of record to receive the redemption price without interest.

12. Repurchase.--The association shall have the right to repurchase its share accounts at any time upon application therefor and to pay to the holders thereof the repurchase value thereof. Holders of share accounts shall have the right to file with the association their written applications to repurchase their share accounts, in part or in full, at any time. Upon the filing of such written applications to repurchase, the association shall number and file the same in the order received and shall either pay the holder the repurchase value of the share account, in part or in full as requested, or, after 30 days from the receipt of such application to repurchase, apply at least one-third of the receipts of the association from holders of share accounts and borrowers, to the repurchase of such share accounts in numerical order; provided, that if any holder of a share account applies for the repurchase of more than \$1,000 of his share account or accounts, he shall be paid \$1,000 in order when reached, and his application shall be charged with such amount as paid and shall be renumbered and placed at the end of the list of applications to repurchase, and thereafter, upon again being reached, shall be paid a like amount, but not exceeding the value of his account, and until paid in full shall continue to be so paid, renumbered, and replaced at the end of the list. When an application to repurchase is reached for payment as above provided, a written notice shall be sent to the applicant by registered mail at his last address recorded on the books of the association, and, unless the applicant shall apply in person or in writing for such repurchase payment within 30 days from the date of mailing such notice, no payment on account of such application shall be made and such application shall be cancelled. The board of directors shall have the absolute right to repurchase not exceeding \$100 of any one share account or accounts of any one holder in any one month in any order regardless of whether or not such holder has filed an application for repurchase. Holders of share accounts filing written application for repurchase shall remain holders of share accounts until paid and shall not become creditors. Dividends upon a share account, to the extent of the amount of the application to repurchase all or part thereof, shall be discontinued while such share account remains upon the repurchase list. The repurchase value of share accounts of the association shall be the participation value thereof.

13. Loans and investments.--The association may make loans to holders of share accounts on the sole security of their share accounts. To secure such loans the association shall obtain a lien upon, or a pledge of, the share account. Upon any default on any such loan, the association may, without any notice to or consent of the share-account holder, cancel on its books share accounts pledged and apply such share accounts in payment on account of the loan. No such loan shall exceed 90 percent of the repurchase value of the share account securing such loan. No such loan shall be made when the association has applications for repurchase which have been on file more than 30 days and not reached for payment.

The association may also lend its funds on the security of first liens upon homes, or combination of homes and business property, within 50 miles of its home office; provided, that not more than \$20,000 shall be loaned on the security of a first lien upon any property; except that not exceeding 15 percent of the assets of the association may be loaned on other improved real estate without regard to said \$20,000 limitation, and without regard to said 50-mile limit, but secured by first lien thereon; and, provided further, that the association may lend, without the requirement of amortization of principal, not exceeding 50 percent of the appraised value of the security of a first lien upon improved real estate, but the aggregate amount of such loans and of all other loans made pursuant to this sentence, without regard to the \$20,000 limitation and without regard to the 50-mile limit, shall not exceed 15 per cent of the assets of the association, without the prior written approval of the Federal Home Loan Bank Board. The association, if converted from a State-chartered institution, may continue to make loans in the territory in which it made loans while operating under State charter. The association shall not make any loans to an officer, director, or employee, except loans on the sole security of share accounts owned by such officer, director, or employee, and except loans on the security of a first lien upon the home or combination of home and business property owned and occupied by such borrowing officer, director, or employee. The association may lend an amount not exceeding 75 percent of the value of the security of a home or combination home and business property, and may lend an amount not exceeding 50 per cent of the value of the security of other improved real estate, provided that the association may lend a higher percentage of the value of any such security when authorized by the members of the association and by regulations made by the Federal Home Loan Bank Board.

The association may invest without limit in obligations of, or obligations guaranteed as to principal and interest by, the United States, in obligations of Federal home loan banks, and in other securities approved by the Federal Home Loan Bank Board. The association may also invest in stock of a Federal home loan bank.

No loans shall be made upon the security of real estate until at least two qualified persons selected by the board of directors shall have submitted a signed appraisal of the real-estate security for such loan. No loan shall be made when the borrower is required to pay to the association or to another person in connection with the loan any unreasonable or unlawful charge or