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secretary and treasurer may be held by the same person, and a vice president may also be either the secretary or the treasurer. The term of office of all officers shall be 1 year or until their respective successors are elected and qualified; but any officer may be removed at any time by the board of directors. In the absence of designation from time to time of powers and duties by the board of directors, the officers shall have such powers and duties as generally pertain to their respective offices.

6. Share capital-- The share capital of the association shall consist of the aggregate of payments upon share accounts and dividends credited thereto less redemption and repurchase payments. The participation value in the share capital of each share account held by a member shall be the aggregate of payments upon such share account and dividends credited thereto less redemption and repurchase payments. Share accounts of \$100 or multiples thereof may be known as investment share accounts, consisting of full-paid income shares. All other share accounts shall be known as savings share accounts. Payments upon share accounts shall be called share payments. Outstanding share accounts, if any, created pursuant to a previous charter of the association issued by the Federal Home Loan Bank Board shall continue to be known and treated as provided in the Federal charter in effect at the time each such share account was created, until exchanged for investment or savings share accounts. Share accounts may be issued for cash, or property in which the association is authorized to invest, and, in the absence of actual fraud in the transaction, the value of property taken in payment therefor, as determined by the board of directors, shall be conclusive. All share accounts shall be nonassessable, and no holder thereof shall be responsible for any losses incurred by the association beyond the loss of the participation value of his share accounts at the time the loss is determined.

7. Ownership of share accounts.--All share accounts shall be represented by share account books containing a certificate of membership and evidencing the participation value of the share account, except that investment share accounts may be represented by separate membership certificate. Share accounts may be purchased and held absolutely by, or in trust for, any person, including in individual, male, female, adult or minor, single or married, a partnership, association and corporation. The receipt or acquittance of any member, including a minor person or a married woman, who holds a share account shall be a valid and sufficient release and discharge of the association for any payment to such person on any share account. Two or more persons may hold share accounts jointly in any manner permitted by law. Trustees and other fiduciaries, including, but not limited to, fiduciaries empowered to invest in first mortgages, may invest in share accounts. Share accounts shall be transferable only upon the books of the association and upon proper application by the transferee and the acceptance of the transferee as a member upon terms approved by the board of directors. The association may treat the holder of record of share accounts as the owner for all purposes without being affected by any notice to the contrary unless the association has acknowledged in writing notice of a pledge. The association shall not directly or indirectly charge any membership, admission, repurchase, withdrawal, or any other fee or sum of money, for the privilege of becoming, remaining, or ceasing to be a member of the association.

8. Power to obtain advances.--The association shall have power to obtain advances of not more than an amount equal to one-half of its share capital on the date of the advance. A subsequent reduction of share capital shall not affect in any way outstanding obligations for advances. The association shall not have power to obtain advances from any source other than a Federal home loan bank of more than an amount equal to 10 percent of its share capital on the date of the advance. The association may pledge or otherwise encumber any of its assets to secure its debts. The association shall not accept deposits from the public or issue any evidence of indebtedness except for advances. It shall not represent itself as a deposit institution.

9. Reserves, undivided, profits, and dividends.-- As of June 30 and December 31 of each year, after payment or provision for payment of all expenses and appropriate transfers to the reserve required below, and additional transfers to other reserve accounts, and provision for an undivided profits account, the board of directors shall declare as dividends the remainder of the net earnings of the association for the 6 months' period. All dividends shall be declared as of said dividend dates. The board of directors may declare dividends as of said dividend dates payable out of the amounts remaining from previous periods in the undivided profits account. Profits to holders of share accounts shall be termed dividends (except bonus payments) and shall not be referred to as interest. The association shall maintain the reserve required for insurance of accounts by sufficient credits on each dividend date. If and whenever the aggregate reserves of the association (less reserve for bonus) are not equal to 10 percent of the share capital, the association shall, at each dividend date, transfer to reserves (other than reserve for bonus) a credit equivalent to at least 5 percent of the net earnings of the association, until such aggregate reserves are equal to 10 percent of the share capital. Any losses may be charged against reserves. Dividends upon investment share accounts shall be promptly paid in cash as of the dividend date. Dividends on savings share accounts shall be credited to such share accounts on the books of the association as of the dividend date. All holders of share accounts shall participate equally in dividends pro rata to the participation value of their share accounts; provided that the association shall not be required to credit dividends on inactive share accounts of \$5 or less. Except as provided above, dividends shall be declared on the participation value of each share account at the