

notwithstanding any limitation on the number of shares or stock authorized by the existing charter of such association.

(b) Exception. Notwithstanding the provisions of sub-section (a) hereof, or of the sub-title, in addition to free share accounts, any association organized under the laws of this State prior to January 1, 1961, and having, as of that date, free share accounts in the minimum aggregate amount required in Section 160M (a) of this Article, and authorized by its charter to issue shares or stock in one or more classes, not in the nature of free share accounts and not in the nature of borrowers' shares, may maintain and issue such shares or stock as may have been authorized to be issued under its charter and may continue in the building, savings and loan business, subject to the conditions prescribed herein. However, all such shares or stock, regardless of classification, any charter or by-law provision to the contrary notwithstanding, shall be guaranty stock, so termed and designated, and shall be subject to the restrictions and regulations provided herein.

No association shall qualify under this exception unless it shall have sold and outstanding on or before October 1, 1961, at least fifty thousand dollars (\$50,000.00) aggregate amount of guaranty stock.

(c) Guaranty stock. Guaranty stock shall constitute a secondary reserve out of which losses shall be paid after all other available reserves have been exhausted. Such stock shall: (1) have a par value of one dollar (\$1.00) or such greater amount as the articles of incorporation may provide; (2) be non-withdrawable, except as provided in sub-section (d) (4) (iii) hereof, until all claims against and liabilities of the association have been fully satisfied and all free share accounts paid out to the holders thereof at their withdrawal value; (3) be assessable in the hands of the owner thereof to the par value amount thereof for the full satisfaction of all claims against and liabilities of the association and for the payment of the withdrawal value of free share accounts to the holders of such accounts; (4) be entitled to the payment of dividends only after dividends have been declared and paid at a rate, to be established by the Director by appropriate regulation but in no event to be less than two per cent (2%) nor more than three and one-half per cent (3½%), on all free share accounts under the provisions of Section 160FF' of this Article; (b) be issued only upon cash payment to the association of not less than the par value thereof, or in connection with a plan of consolidation, merger or reorganization approved under Section 160U of this Article. Any certificates issued as evidence of ownership of guaranty stock shall bear on their faces a statement that such shares are "guaranty stock".

(d) Compliance. Any existing association which qualifies for the exception to sub-section (a) provided in sub-section (b) hereof and which desires and intends to continue in the building, savings and loan business shall, on or before January 1, 1962: (1) require the use, at all times in connection with its corporate name, the phrase, in parentheses, "A Stock Corporation"; (2) amend its corporate charter, if necessary, to provide that free share account holders shall be entitled to vote on all matters as to which guaranty stock holders may be entitled to vote, each such free share account holder to be entitled to the voting rights defined in Section 160Q of this Article; (3)