

BYLAWS

Federal Credit Union, Charter No. 1792

Adopted May 23, 2016

(A corporation chartered under the laws of the United States)

Article I. Name – Purposes

Section 1. The name of this credit union is as stated in section 1 of the charter (approved organized certificate) of this credit union.

Section 2. The purpose of this credit union is to promote thrift among its members by affording them an opportunity to accumulate their savings and to create for them a source of credit for provident, business, or productive purposes.

Article II. Qualifications for Membership

Section 1. The field of membership of this credit union is limited to that stated in section 5 of its charter.

Section 2. Applications for membership from persons eligible for membership under section 5 of the charter must be signed by the applicant on forms approved by the board. Upon approval of an application by a majority of the directors, or a majority of the members of a duly authorized executive committee or by a membership officer, and upon subscription to at least one share of this credit union and the payment of the initial installment, and the payment of a uniform entrance fee if required by the board, the applicant is admitted to membership. If a membership application is denied, the reasons must be furnished in writing to the person whose application is denied, upon written request.

Section 3. A member who withdraws all shareholdings or fails to comply with the time requirements in article III, section 3, ceases to be a member. By resolution, the board may require persons readmitted to membership to pay another entrance fee.

Section 4. Once a member becomes a member that person may remain a member until the person or organization chooses to withdraw or is expelled in accordance with the Act.

Article III. Shares of Members

Section 1. The par value of each share will be \$15.00. Subscriptions to shares are payable at the time of subscription.

Section 2. The maximum amount of shares that may be held by any one-member will be established from time to time by resolution of the board.

Section 3. A member who fails to complete payment of one share within 30 days of admission to membership, or within 30 days from the increase in the par value of shares or a member who reduces the share balance below the par value of one share and does not increase the balance to at least the par value of one share within 30 days of the reduction may be terminated from membership.

Section 4. Shares may only be transferred from one member to another by an instrument in a form as the board may prescribe. Such transfer will carry dividend credits with it.

Section 5. Money paid in on shares or installments of shares may be withdrawn as provided in these bylaws or regulation on any day when payment on shares may be made: provided, however, that

- (a) The board has the right, at any time, to require members to give, in writing, not more than 60 days' notice of intention to withdraw the whole or any part of the amounts paid in by them.
- (b) The board may determine that, if shares are paid in under an accumulated payroll deduction plan as prescribed in the Accounting Manual for Federal Credit Unions, they may not be withdrawn until credited to members' accounts.
- (c) No member may withdraw any shareholdings below the amount of the member's primary or contingent liability to the credit union if the member is delinquent as a borrower, or if borrowers for whom the member is comaker, endorser, or guarantor are delinquent, without the written approval of the credit committee or loan officer; except that shares issued in an irrevocable trust as provided in section 6 of this article are not subject to restrictions upon withdrawal except as stated in the trust agreement.
- (d) The share account of a deceased member (other than one held in joint tenancy with another member) may be continued until the close of the dividend period in which the administration of the deceased's estate is completed, but not to exceed a period of 4 years.
- (e) The board will have the right, at any time, to impose a fee for excessive share withdrawals from regular share accounts. The number of withdrawals not subject to a fee and the amount of the fee will be established by board resolution and will be subject to regulations applicable to the advertising and disclosure of terms and conditions on member accounts.

Section 6. Shares may be issued in a revocable or irrevocable trust, subject to the following:

When shares are issued in a revocable trust, the settlor must be a member of this credit union in his own right. When shares are issued in an irrevocable trust, either the settlor or the beneficiary must be a member of this credit union. The name of the beneficiary must be stated in both a revocable and irrevocable trust. For purposes of this section, shares issued pursuant to a pension plan authorized by the rules and regulations will be treated as an irrevocable trust unless otherwise indicated in the rules and regulations.

Article IV. Meetings of Members

Section 1. The annual meeting of the members must be held within the period authorized in the Act, in the county in which any office of the credit union is located or within a radius of 100 miles of such office, at the time and place as the board determines and announces in the notice of the annual meeting.

Section 2. At least 30 but no more than 75 days before the date of any annual meeting or at least 7 days before the date of any special meeting of the members, the secretary must give written notice to each member by in person delivery, or by mailing the written notice to each member at the address that appears on the records of this credit union. Notice of the annual meeting may be given by posting the notice in a conspicuous place in the office of this credit union where it may be read by the members, at least 30 days prior to such meeting, if the annual meeting is to be held during the same month as that of the previous annual meeting and if this credit union maintains an office that is readily accessible to members where regular business hours are maintained. Any meeting of the members, whether annual or special, may be held without prior notice, at any place or time, if all the members entitled to vote, who are not present at the meeting, waive notice in writing, before, during, or after the meeting. Notice of any special meeting must state the purpose for which it is to be held, and no business other than that related to this purpose may be transacted at the meeting.

Section 3. Special meetings of the members may be called by the Chairman or by the Supervisory Committee as provided in these bylaws, and may be held at any location permitted for the annual meeting. A special meeting shall be called by the Chairman within 30 days of the receipt of a written request of 25 members or 10 percent of the members as of the date of the request, whichever number is larger: Provided, however, that a request of no more than 5,000 members shall be required for such meeting. The notice of such special meeting shall be given as provided in Section 2 of this Article. A request for a special meeting of the members shall be signed by the members desiring the meeting and it shall set forth the specific purpose or purposes for which the meeting is requested. The written request for a special meeting shall be presented to the Chairman. Also, a special meeting may be requested in writing by 25 members or 5 percent of the members as of the date of the request, whichever number is larger: Provided, however, that the request of no more than 2,000 members shall be required for such a meeting. In addition to the above requirements for a written request, such a request shall name the members of a five-member committee within 10 days' after the receipt of the request; and thereafter the board and the committee shall meet as necessary to resolve any problems or issues raised in the petition. If agreement for settlement on any of said problems or issues cannot be reached, a special meeting of the members shall be called by the Chairman, in accordance with the provisions of these bylaws, within 45 days of the date of the last meeting.

Section 4. The suggested order of business at annual meetings of members is—

- (a) Ascertainment that a quorum is present.
- (b) Reading and approval or correction of the minutes of the last meeting.
- (c) Report of directors, if there is one
- (d) Report of the financial officer or the chief management official.
- (e) Report of the credit committee if there is one.
- (f) Report of the supervisory committee.
- (g) Unfinished business.
- (h) New business other than elections.
- (i) Elections.
- (j) Adjournment.

The order of business must comply with "Robert's Rules of Order".

Section 5. Except as otherwise provided, 15 members constitute a quorum at annual or special meetings. If no quorum is present, an adjournment may be taken to a date not fewer than 7 nor more than 14 days thereafter. The members present at any such adjourned meeting will constitute a quorum, regardless of the number of members present. The same notice must be given for the adjourned meeting as is prescribed in section 2 of this article for the original meeting, except that such notice must be given not fewer than 5 days previous to the date of the meeting as fixed in the adjournment.

Section 6. *Emergency exception to in-person quorum requirement.* This credit union may hold its annual meeting of the members and special member meetings for authorized purposes other than member expulsion under Article XIV of these bylaws, virtually and without an in-person quorum if all of the following conditions apply and are certified in meeting minutes by a resolution of the majority of a quorum of the board of directors:

- At least one of the following is located in an area where a federal, state, or local authority has declared a state of emergency or major disaster:
 - a. all or part of a community the credit union serves; or
 - b. the credit union's headquarters.
- The credit union has the technological capacity to facilitate virtual meeting attendance, voting, and participation.
- Members receive at least seven days' advance notice of the change to a virtual meeting format and appropriate instructions for how to join, participate, and vote during the virtual meeting.
- The NCUA has issued general or specific guidance notifying the credit union that it is appropriate to invoke this bylaw provision.

Article V. Elections

Section 1. At least 120 days prior to each annual meeting the Chairman shall appoint a nominating committee of not fewer than three members. It shall be the duty of the nominating committee to nominate at least one member for each vacancy, including any unexpired term vacancy, for which elections are being held and to determine that the members nominated are agreeable to the placing of their names in nomination and will accept office if elected. The nominating committee shall file its nominations with the secretary of the credit union at least 90 days prior to the annual meeting, and the secretary shall notify in writing all members eligible to vote at least 75 days prior to the annual meeting that nominations for vacancies may also be made by petition signed by one percent of the members with a minimum of 20 and a maximum of 500.

The written notice shall indicate that the election will not be conducted by mail ballot and there will be no nominations from the floor when there is only one nominee for each position to be filled. A brief statement of qualifications and biographical data in such form shall be approved by the board of directors will be included for each nominee submitted by the nominating committee with the written notice to all eligible members. Each nominee by petition shall submit a similar statement of qualification and biographical data with the petition. The written notice shall state the closing date for receiving nominations by petition. The written notice shall also include the date and time of the annual meeting. The period for receiving nominations by petition shall, in all cases, extend at least 30 days from the date the petition requirement and the list of nominating committee's nominees are mailed to all members. To be effective such nominations shall be accompanied by a signed certificate from the nominee or nominees stating that they are agreeable to nomination and will serve if elected to office. Such nominations shall be filed with the secretary of the credit union at least 40 days prior to the annual meeting and the secretary shall cause such nominations along with those of the nominating committee to be posted in a conspicuous place in each credit union office at least 35 days prior to the annual meeting.

Section 2. All elections shall be determined by plurality vote and shall be by mail ballot except where there is only one nominee for each position to be filled. Nominations shall not be made from the floor unless sufficient nominations have not been made by the nominating committee or by petition to provide for one nominee for each position to be filled or circumstances prevent the candidacy of the one nominee for a position to be filled. Only those positions without a nominee shall be subject to nominations from the floor. In the event nominations from the floor, when permitted herein, result in more than one nominee for a position to be filled, and when nominations have been closed, tellers shall be appointed by the Chairman, ballots shall be distributed, the vote shall be taken and tallied by the tellers, and the result announced. When only one member is nominated for each position to be filled, the Chairman may take a voice vote or declare each nominee elected by general consent or acclamation at the annual meeting.

Section 3. Nominations shall be in the following order:

- (a) Nominations for directors.

Elections may be by separate ballots following the same order as the above nominations or, if preferred, may be by one ballot for all offices.

Section 4. No member shall be entitled to vote by proxy, but a member other than a natural person may vote through an agent designated in writing for the purpose. A trustee, or other person acting in a representative capacity, shall not, as such, be entitled to vote.

Section 5. Irrespective of the number of shares held by him, no member shall have more than one vote.

Section 6. The board may establish by resolution a minimum age, not greater than 16 years of age, as a qualification for eligibility to vote at meetings of the members and a minimum age, not greater than 18 years of age, as a qualification to hold elective or appointive office, or both.

Section 7. Except as provided in section 2 of this Article, all elections shall be mail ballot, subject to the following conditions:

- (a) The tellers of elections shall be appointed by the board of directors.
- (b) Sufficient nominations having been made by the nominating committee or by petition to provide more than one nominee for any position to be filled, the secretary shall, at least 30 days prior to the annual meeting, cause printed ballots to be mailed to all members eligible to vote.
- (c) The secretary shall cause the following materials to be mailed to each eligible voter:
 1. One ballot, clearly identified as such, on which the names of the candidates for the board of directors and the candidates for other separately identified offices or committees shall have been printed in order as determined by the draw of lots. The name of each candidate shall be followed by a brief statement of qualifications and biographical data in such form as shall be approved by the board of directors.
 2. One envelope clearly marked with instructions that the completed ballot shall be placed therein and the envelope sealed.
 3. One identification form to be completed so as to include the name, address, signature and credit union number of the voter.
 4. One mailing envelope in which the voter, pursuant to instruction provided with the mailing envelope, must insert the sealed ballot envelope and the identification form, and which must have postage prepaid and be preaddressed for return to the tellers;
 5. When properly designed, one form can be printed that represents a combined ballot and identification form, and postage prepaid and preaddressed return envelope;
 6. It is the duty of the tellers to verify, or cause to be verified, the name and credit union account number of the voter as appearing on the identification form; to place the verified identification form and sealed ballot envelope in a place of safekeeping pending the count of the vote; in the case of a

questionable or challenged identification form, to retain the identification form and sealed ballot envelope together until the verification or challenge has been resolved;

7. Ballots mailed to the tellers must be received by the tellers no later than midnight 5 days prior to the date of the annual meeting;
8. Voting will be closed at the midnight deadline specified in subsection (7) hereof and the vote will be tallied by the tellers. The results will be verified at the annual meeting and the chair will make the result of the vote public at the annual meeting.

Article VI. Board of Directors

Section 1. The board consists of 9 members, all of whom must be members of this credit union. The number of directors may be changed to an odd number not fewer than 5 nor more than 15 by resolution of the board. No reduction in the number of directors may be made unless corresponding vacancies exist as a result of deaths, resignations, expiration of terms of office, or other actions provided by these bylaws. A copy of the resolution of the board covering any increase or decrease in the number of directors must be filed with the official copy of the bylaws of this credit union.

Section 2. No directors or committee members may be a paid employee of the credit union. No immediate family members of a director or committee member may be a paid employee of the credit union. In no case may employees and family members constitute a majority of the board. The board may appoint a management official who may not be a member of the board and one or more assistant management officials who may not be a member of the board. If the management official or assistant management official is permitted to serve on the board, he or she may not serve as chair.

Section 3. Regular terms of office for directors shall be for periods of 3 years with a term limit of 3 terms. Provided, however, that all regular terms shall be for the same number of years and until the election and qualification of successors. The regular terms shall be fixed at the beginning, or upon any increase or decrease in the number of directors, that approximately an equal number of regular terms shall expire at each annual meeting.

Section 4. Any vacancy on the board, or supervisory committee will be filled within a reasonable time by vote of a majority of the directors then holding office. Directors so appointed shall hold office only until the next annual meeting, at which any unexpired terms shall be filled by vote of the members, and until the qualification of their successors. Members of the supervisory committee so appointed shall hold office until the first regular meeting of the board following the next annual meeting of members at which the regular term expires and until the appointment and qualification of their successors.

Section 5. A regular meeting of the board shall be held each month at the time and place fixed by resolution of the board. The president, or in his absence the ranking vice president, may call a special meeting of the board at any time; and shall do so upon written request of a majority of the directors then holding office. Unless the board prescribes otherwise, the president, or in his absence the ranking vice president, shall fix the time and place of special meetings. Notice of all meetings shall be given in such manner as the board may from time to time by resolution prescribe.

Section 6. The board shall have the general direction and control of the affairs of this credit union and shall be responsible for performing all the duties customarily performed by board of directors. This shall include not be limited to the following:

- (a) Directing the affairs of the credit union in accordance with the Act, these bylaws, the rules, and regulations and sound business practices.
- (b) Establishing programs to achieve the purposes of this credit union as stated in article I, section 2, of these bylaws.
- (c) Establishing and supervising a loan collection program and authorizing the charge off of uncollectible loans.
- (d) Determining that all persons appointed or elected by this credit union to any position requiring the receipt, payment or custody of money or other property of this credit union, or in its custody or control as collateral or otherwise, are properly bonded in accordance with the Act and regulations.
- (e) Performing such additional acts and exercising such additional powers as may be required or authorized by applicable law and regulations.
- (f) Reviewing denied loan application of members who file written requests for such reviews.

- (g) Appointing one or more loan officers and delegating to these officers the power to approve or disapprove loans, lines of credit, or advances from lines of credit.

Section 7. A majority of the number of directors (inclusive of any vacancies) shall constitute a quorum for the transaction of business at any meeting thereof; but fewer than a quorum may adjourn from time to time until a quorum is in attendance.

Section 8. If a director or a credit committee member, if applicable, fails to attend regular meetings of the board or credit committee, respectively, for 3 consecutive months, or 4 meetings within a calendar year, or otherwise fails to perform any of the duties as a director or a credit committee member, the office may be declared vacant by the board and the vacancy filled as provided in the bylaws. The board may remove any board officer from office for failure to perform the duties thereof, after giving the officer reasonable notice and opportunity to be heard.

Section 9. Any member of the supervisory committee may be suspended by a majority vote of the board of directors. The members of this credit union shall decide, at a special meeting held not fewer than 7 nor more than 14 days after any such suspension, whether the suspended committee member shall be removed from or restored to the supervisory

committee.

Article VII. Board officers, Management Officials and Executive Committee

Section 1. The board officers of this credit union are comprised of a chair, one or more vice chairs, a financial officer, and a secretary, all of whom are elected by the board and from their number. The board determines the title and rank of each board officer and records them in the addendum to this Article. One board officer, the N/A (none) may be compensated for services as determined by the board. If more than one vice chair is elected, the board determines their rank as first vice chair, second vice chair, and so on. The offices of the financial officer and secretary may be held by the same person. Unless removed as provided in these bylaws, the board officers elected at the first meeting of the board hold office until the first meeting of the board following the first annual meeting of the members and until the election and qualification of their respective successors.

Section 2. Board officers elected at the meeting of the board following the annual meeting of the members, which must be held not later than 7 days after the annual meeting, hold office for a term of 1 year and until the election and qualification of their respective successors: provided, however, that any person elected to fill a vacancy caused by the death, resignation, or removal of an officer is elected by the board to serve only for the unexpired term of such officer and until a successor is duly elected and qualified.

Section 3. The chair presides at all meetings of the members and at all meetings of the board, unless disqualified through suspension by the supervisory committee. The chair also performs such other duties as customarily appertain to the office of the chair or as may be directed to perform by resolution of the board not inconsistent with the Act and regulations and these bylaws.

Section 4. The board must approve all individuals who are authorized to sign all notes of this credit union and all checks, drafts and other orders for disbursement of credit union funds.

Section 5. The ranking vice chair has and may exercise all the powers, authority, and duties of the chair during the chair's absence or inability to act.

Section 6. The financial officer manages this credit union under the control and direction of the board unless the board has appointed a management official to act as general manager. Subject to such limitations, controls and delegations as may be imposed by the board, the financial officer will:

- (a) Have a custody of all funds, securities, valuable papers and other assets of this credit union.
- (b) Provide and maintain full and complete records of all the assets and liabilities of this credit union in accordance with forms and procedures prescribed in the

Accounting Manual for Federal Credit Unions or otherwise approved by the Administration.

- (c) Within 20 days after the close of each month, ensure that a financial statement showing the condition of this credit union as of the end of the month, including a summary of delinquent loans is prepared and submitted to the board and post a copy of such statement in a conspicuous place in the office of the credit union where it will remain until replaced by the financial statement for the next succeeding month.
- (d) Ensure that such financial and other reports as the Administration may require are prepared and sent.
- (e) Within standards and limitations prescribed by the board, employ tellers, clerks, bookkeepers, and other office employees, and have the power to remove such employees.
- (f) Perform such other duties as customarily appertain to the office of the financial officer or as may be directed to perform by resolution of the board not inconsistent with the Act, regulations and these bylaws.

The board may employ one or more assistant financial officers, none of whom may also hold office as chair or vice chair, and may authorize them, under the direction of the financial officer, to perform any of the duties devolving on the financial officer, including the signing of checks. When designated by the board, any assistant financial officer may also act as financial officer during the financial officer's temporary absence or temporary inability to act.

Section 7. The board may appoint a management official who is under the direction and control of the board or of the financial officer as determined by the board. The management official may be assigned any or all of the responsibilities of the financial officer described in section 6 of this article. The board will determine the title and rank of each management official and record them in the addendum to this article. The board may employ one or more assistant management officials. The board may authorize assistant management officials under the direction of the management official, to perform any of the duties devolving on the management official, including the signing of checks. When designated by the board, any assistant management official may also act as management official during the management official's temporary absence or temporary inability to act.

Section 8. The board employs, fixes the compensation, and prescribes the duties of such employees as may in the discretion of the board be necessary, and has the power to remove such employees, unless it has delegated these powers to the financial officer or management official. Neither the board, the financial officer, nor the management official has the power or duty to employ, prescribe the duties of, or remove necessary clerical and auditing assistance employed or utilized by the supervisory committee and, if

there is a credit committee, the power or duty of employ, prescribe the duties of, or remove any loan officer appointed by the credit committee.

Section 9. The secretary prepares and maintains full and correct records of all meetings of the members and of the board, which records will be prepared within 7 days after the respective meetings. The secretary must promptly inform the Administration in writing of any change in the address of the office of this credit union or location of its principal records. The secretary will give or cause to be given, in the manner prescribed in these bylaws, proper notice of all meetings of the members, and perform such other duties as may be directed to perform by resolution of the board not inconsistent with the Act, regulations and these bylaws. The board may employ one or more assistant secretaries, none of whom may also hold office as chair, vice chair, or financial officer, and may authorize them under direction of the secretary to perform any of the duties devolving on the secretary.

Section 10. The board may appoint an executive committee of not fewer than three directors to serve at its pleasure, to act for it with respect to specifically delegated functions authorized by the Act and regulations. The board may also authorize such executive committee or a membership officer(s) appointed by the board from the membership other than a board member paid as an officer, the financial officer, any assistant to the paid officer of the board or to the financial officer or any loan officer, to serve at its pleasure to approve applications for membership under such conditions as the board and these bylaws may prescribe. No executive committee member or membership officer may be compensated as such.

Section 11. The board may appoint an investment committee composed of not less than two, to serve at its pleasure to have charge of making investments under rules and procedures established by the board. No member of the investment committee may be compensated as such.

Addendum: The board must list the position of the board officers and management officials of this credit union. They are as follows:

Board Officers

1. Chairman
2. Vice Chairman
3. 2nd Vice Chairman
4. Secretary

Management Officials

1. President/CEO – General Manager/Financial Officer
2. Executive Vice President – Assistant Manager/Assistant Financial Officer
3. Vice President of Finance - Assistant Manager/Assistant Financial Officer

The board has delegated all responsibilities indicated in section 4, 6, 7, & 8 of this article to the above positions to be executed by the ranking official present at the time.

Article VIII. Loan Officers (No Credit Committee)

Section 1. Each loan officer must maintain a record of each approved or not approved transaction within 7 days of the filing of the application or request, and such record becomes a part of the records of the credit union. No individual may disburse funds of this credit union for any application or share withdrawal which the individual has approved as a loan officer.

Section 2. The loan officer must for each loan or line of credit inquire into the character and financial condition of the applicant and the applicant's sureties, if any, to ascertain their ability to repay fully and promptly the obligations incurred by them and to determine whether the loan or line of credit will be of probable benefit to the borrower. The loan officers should endeavor diligently to assist applicants in solving their financial problems.

Section 3. No loan or line of credit may be made unless approved by a loan officer in Accordance with applicable law and regulations.

Section 4. Subject to the limits imposed by applicable law and regulations, these Bylaws, and the general policies of the board, a loan officer determines the security if any required for each application and the terms of repayment. The security furnished must be adequate in quality and character and consistent with sound lending practices. When funds are not available to make all the loans and lines of credit for which there are applications, preference should be given, in all cases, to the smaller applications if the need and credit factors are nearly equal.

Article IX. Supervisory Committee

Section 1. The supervisory committee is appointed by the board from among the Members of this credit union, one of whom may be a director other than the financial Officer. The board determines the number of members on the committee, which may not be fewer than 3 nor more than 5. No members of the credit committee, if applicable, or any employee of this credit union may be appointed to the committee. Regular terms of committee members are for periods of 1, 2, or 3 years as the board determines: provided, however, that all regular terms are for the same numbers of years and until the appointment and qualification of successors. The regular terms are fixed at the beginning, or upon any increase or decrease in the number of committee members, so that approximately an equal number of regular terms expires at each annual meeting.

Section 2. The supervisory committee members choose from among their number a Chair and a secretary. The secretary of the supervisory committee prepares, maintains, and has custody of full and correct records of all actions taken by it. The offices of chair and secretary may be held by the same person.

Section 3. The supervisory committee makes, or causes to be made, such audits, and Prepares and submits such written reports, as are required by the Act and regulations. The committee may employ and use such clerical and auditing assistance as may be

Required to carry out its responsibilities prescribed by this article, and may request the Board to provide compensation for such assistance. It will prepare and forward to the Administration such reports as may be required.

Section 4. The supervisory committee will cause the verification of the accounts of all Members with the records of the financial officer from time to time and not less frequently than as required by the Act and regulations. The committee must maintain a record of such verification.

Section 5. By unanimous vote, the supervisory committee may suspend until the next meeting of the members any director, board officer, or member of the credit committee. In the event of any such suspension, the supervisory committee must call a special meeting of the members to act on the suspension, which meeting must be held not fewer than 7 nor more than 14 days after the suspension. The chair of the committee acts as chair of the meeting unless the members select another person to act as chair.

Section 6. By the affirmative vote of a majority of its members, the supervisory committee may call a special meeting of the members to consider any violation of the provisions of the Act, the regulations, or of the charter or the bylaws of this credit union, or to consider any practice of this credit union which the committee deems to be unsafe or unauthorized.

Article X. Organization Meeting

Section 1. At the time application is made for a Federal credit union charter, the subscribers to the organization certificate shall meet for the purpose of electing a board of directors. Failure to commence operations within 60 days following receipt of the approved organization certificate (charter) shall be cause for revocation of the charter unless a request for an extension of time has been submitted to and approved by the Regional Director.

Section 2. The subscribers shall elect a chairman and a secretary for the meeting. The subscribers shall then elect from their number, or from those eligible to become members of this credit union, a board of directors, all to hold office until the first Annual meeting of the members and until the election and qualification of their respective successors. If not already a member, every person elected under this section or appointed under section 3 of this article, must qualify within 30 days by becoming a member. If any person elected as a director or committee member or appointed as supervisory committee member does not qualify as a member within 30 days by becoming a member. If any person elected as a director or committee member or appointed as a supervisory committee member does not qualify as a member within 30 days of such an election or appointment, his office shall automatically become vacant and shall be filled by the board.

Section 3. Promptly following the elections held under the provisions of section 2 of this article, the board shall meet and elect the executive officers who shall hold office until the first meeting of the board of directors following the first annual meeting of the

Members and until the election and qualification of their respective successors.

Article XI. Loans to Members and Lines of Credit to Members

Section 1. Loans may only be made to members and for provident or productive purposes in accordance with applicable law and regulations.

Section 2. Any member whose loan is delinquent may be required to pay a late charge as determined by the board of directors.

Article XII. Dividends

Section 1. The board shall establish dividend periods and declare dividends as permitted by the Act and applicable regulations.

Article XIII. Deposit of Funds

Section 1. All funds of this credit union, except for petty cash and cash change funds, must be deposited in such qualified depository or depositories from among those authorized by applicable law and regulations as the board may from time to time by resolution designate; and must be so deposited not later than the 2nd banking day after their receipt: provided, however, that receipts in the aggregate of \$0 or less may be used as long as 1 week before they are deposited.

Article XIV. Expulsion and Withdrawal

Section 1. A member may be expelled only in the manner provided by the Act. Expulsion or withdrawal shall not operate to relieve a member of any liability to this credit union. All amounts paid in our shares by expelled or withdrawing members, prior to their expulsion or withdrawal, shall be paid to them in the order of their withdrawal or expulsion, but only as funds become available and only after deducting therefrom any amounts due from such members to this credit union.

Article XV. Minors

Section 1. Shares may be issued in the name of a minor.

Article XVI. General

Section 1. All power, authority, duties, and functions of the members, directors, officers, and employees of this credit union, pursuant to the provisions of these Bylaws, shall be exercised in strict conformity with the provisions of applicable law and Regulations, and of the charter and the bylaws of this credit union.

Section 2. The officers, directors, members of committees and employees of this credit Union must hold in confidence all transactions of the credit union with its members and all information respecting their personal affairs, except when permitted by state or federal law.

Section 3. Notwithstanding any other provisions in these bylaws, any director or committee member of this credit union may be removed from office by the affirmative vote of a majority of the members present at a special meeting called for the purpose, but only after an opportunity has been given to be heard.

Section 4. No director, committee member, officer, agent, or employee of this credit Union may participate in any manner, directly or indirectly, in the deliberation upon or the determination of any question affecting his or her pecuniary or personal interest or the pecuniary interest of any corporation, partnership, or association (other than this credit union) in which he or she is directly or indirectly interested. In the event of the disqualification of any director respecting any matter presented to the board for deliberation or determination, such director must withdraw from such deliberation or determination; and in such event the remaining qualified directors present at the meeting, if constituting a quorum with the disqualified director or directors, may exercise with respect to this matter, by majority vote, all the powers of the board. In the event of the disqualification of any member of the credit committee, if applicable, or the supervisory committee, such committee member must withdraw from such deliberation or determination.

Section 5. Copies of the organization certificate of this credit union, its bylaws and any Amendments thereof, and any special authorizations by the Administration must be preserved in a place of safekeeping. Copies of the organization certificate and field of membership amendments should be attached as an appendix to these bylaws. Returns of nominations and elections and proceedings of all regular and special meetings of the members and directors must be recorded in the minute books of this credit union. The minutes of the meetings of the members, the board, and the committees must be signed by their respective chairman or presiding officers and by the persons who serve as secretaries of such meetings.

Section 6. All books of account and other records of this credit union shall at all times be available to the directors and committee members of this credit union. The charter and bylaws of this credit union must be made available for inspection by any member and, if the member request a copy, it will be provided for a reasonable fee.

Section 7. Members must keep the credit union informed of their current address.

Section 8.

(a) The credit union may elect to indemnify to the extent authorized by

law of the state of Texas

Model Business Corporation Act:

the following individual from any liability asserted against them and expenses reasonably incurred by them in connection with judicial or administrative proceeding to which they are or may become parties by reason of the performance of their official duties.

current officials

former officials

current employees

former employees

(b) The credit union may purchase and maintain insurance on behalf of the individuals indicated in (a) above against any liability asserted against them and expenses reasonably incurred by them in their official capacities and arising out of the performance of their official duties to the extent such insurance is permitted by the applicable state law or the Model Business Corporation Act.

(c) The term "official" in this bylaw means a person who is a member of the board of directors, credit committee, supervisory committee, other volunteer committee (including elected or appointed loan officers or membership officers), established by the board of directors.

Article XVII. Operations Following an Attack on the United States

Section 1. In the event of an attack upon the United States, the officers and employees of the credit union shall continue to conduct the affairs of the credit union under such guidance from the directors as may be available and subject to conformance with any government directives during the emergency.

Section 2. In the event of an attack upon the United States of sufficient severity to prevent the conduct and management of the affairs and business of the credit union by its regularly elected directors, officers, and properly constituted committees as contemplated by these bylaws, any three available members of the then incumbent board of directors shall constitute a quorum of the credit union including the approval of loans to members if the regularly elected credit committee is not available. In the event of the unavailability at such time of three members of the board, the vacancies, in order to provide a quorum of three, shall be filled as follows:

(a) If the regularly elected president or a regularly elected vice president is not available, the available person who is highest on the succession list for president last authorized by the board of directors shall automatically become an acting director if he is not a member of the board and acting president.

(b) If the regularly elected treasurer is not available, the available person who is highest on the succession list for treasurer last authorized by the board of directors shall automatically become an acting director if he is not a member of the board and acting treasurer.

(c) If a third director is necessary to make a quorum, he shall be the next highest

available person on the succession list for president or upon the exhaustion of such list, the next highest available person on the succession list for treasurer.

The quorum of the board of directors as regularly constituted or as constituted above shall appoint additional directors as necessary to provide for a full board of five members, provided that: If there is available an even number of regularly elected directors in excess of five, the board shall appoint one additional director, in which case, a quorum shall then be a majority of the full board thus constituted. Persons selected as provided in this section shall hold office only until their successors are elected at the next annual meeting or at a special meeting called for that purpose and until the qualification of their successors; provided that the person selected pursuant to subsection (a) shall hold office as acting president and as acting director only until the regularly elected president or a regularly elected vice president becomes available; and that the person selected pursuant to subsection b) shall hold office as acting treasurer and as acting director only until the regularly elected treasurer becomes available. These bylaws shall be subject to implementation by resolutions by the board of directors passed from time to time for that purpose, and any provisions of these bylaws (other than this section) and any resolutions which are contrary to the provision of this section or to the provisions of any such implementary resolutions shall be suspended until a regularly constituted board of directors can be obtained.

Section 3. In the event that the office of the credit union becomes unusable, as result of an attack upon the United States, the credit union shall, if possible, establish temporary substitute quarters. The office of this credit union shall be established as soon as practicable thereafter at a suitable permanent location within the limits permitted by the charter of this credit union.

Article XVIII. Amendments of Bylaws and Charter

Section 1. Amendments of these bylaws may be adopted and amendments of the charter requested by the affirmative vote of two-thirds of the authorized number of members of the board at any duly held meeting thereof if the members of the board have been given prior written notice of said meeting and the notice has contained a copy of the proposed amendment of these bylaws or of the charter shall become effective, however, until approved in writing by the Administrator.

Article XVIII. Definitions

Section 1. When used in these bylaws the terms:

- (a) "Act" means the Federal Credit Union Act, as amended.
- (b) "Administration" means the National Credit Union Administration.
- (c) "Board" means board of directors of the federal credit union.
- (d) "NCUA Board" means the Board of the National Credit Union Administration.
- (e) "Regulation" or "regulations" means rules and regulations issued by the NCUA Board.

- (f) "Applicable law and regulations" means the Federal Credit Union Act and rules and regulations issued thereunder or other applicable federal and state statutes and rules and regulations issued thereunder as the context indicates (such as The Higher Education Act of 1965).
- (g) "Paid in and unimpaired capital," as of a given date, means the balance of the paid-in share accounts as of such date, less any losses that may have been incurred for which there is no reserve or which have been charged against undivided earnings.
- (h) "Surplus," as of a given date, means the credit balance of the undivided earnings account on such date, after all losses have been provided for and net earnings or net losses have been added thereto or deducted therefrom, as the case may be. Reserves are not considered as a part of the surplus
- (i) "Share" or "shares" means all classes of shares and share certificates that may be held in accordance with applicable law and regulations.

Section 2. If included in the definition of the field of membership in the organization Certificate charter of this credit union, the term or expressions:

- (a) "Organizations of such persons" means an organization or organizations composed exclusively of persons who are within the field of membership of this credit union.
- (b) "Immediate family member" eligibility is limited to spouse, child, sibling, parent, grandparent or grandchild. For the purposes of this definition, immediate family member includes stepparents, stepchildren, stepsiblings, and adoptive relationship.
A credit union may adopt a more restrictive definition of this term by deleting this definition from its bylaws and replacing it with its own more restrictive definition.
- (c) "Household" is defined as persons living in the same residence maintaining a single economic unit. A credit union may adopt a more restrictive definition of this term by deleting this definition from its bylaws and replacing it with its own more restrictive definition.