

## BYLAWS

### KIMBLE (NO. 3541) FEDERAL CREDIT UNION

#### ARTICLE I

##### NAME – PURPOSES

*Section 1.* The name of this Federal credit union shall be “Kimble (No. 3541) Federal Credit Union.”

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

#### ARTICLE II

##### QUALIFICATIONS FOR MEMBERSHIP

*Section 1.* This field of membership in this credit union is limited to those having the following common bond of association, occupation, or residence: employees of the Kimble Glass Company in Vineland, New Jersey; members of their immediate families; and organizations of such persons.

*Section 2.* Each application for membership must be made in writing; must bear the endorsement of a member of the board of directors, indicating his opinion that the applicant is honest, industrious, and of good habits; and must be presented by such director to the board of directors for action at a regular or special meeting thereof.

*Section 3.* An applicant shall not be admitted to membership except by the affirmative vote of a majority of the directors present at the meeting at which the application is acted upon; and shall not become a member or entitled to any of the rights or privileges of a member until he shall have qualified by paying an entrance fee of 25 cents and shall have subscribed for at least one share of this credit union and paid at least the first installment thereon, as required in section 1 of article III of these bylaws.

*Section 4.* To be in good standing a member must have one fully paid share, or must be paying on one share in accordance with the provisions of section 1, article III of the bylaws. A members who makes a withdrawal from his share account which brings the amount of that account below \$5.00 shall thereafter make payments of at least 25 cents each month until one share is fully paid. A member who fails to do this shall not be considered a member in good standing. A member who withdraws all of his shareholdings thereby ceases to be a member.

*Section 5.* Subject to the conditions herein contained, a member who leaves the field of membership of this credit union may retain his membership therein but may not borrow therefrom in excess of his shareholdings.

### ARTICLE III

#### CAPITAL AND LIABILITY

*Section 1.* The par value of each share shall be \$5.00. Subscriptions to shares are payable at the time of subscription, or in equal installments at the rate of 25 cents per month on each share so subscribed; but on any day when installments are due and payable any number of installments may be paid in advance.

*Section 2.* The maximum amount of shares which may be held by any one member shall be established from time to time by resolution of the board of directors.

*Section 3.* A member failing to pay any installment on shares when due may be required by the board of directors to pay a fine amounting to 1 cent per full week on each \$2.00 or fraction thereof of the installment or installments in arrears; provided, however, that in no case shall such fine be less than 5 cents.

*Section 4.* Shares may be transferred only from one member to another, by written instrument in such form as the board of directors may prescribe and upon the payment to this credit union of a fee of 25 cents for each such transfer.

*Section 5.* Money paid in on shares, or installments of shares, may be withdrawn as in these bylaws provided on any day when payment for shares may be made; but the board of directors shall have the right, at any time, to required members to give 60 days' notice of intention to withdraw the whole or any part of the amounts so paid in by them; provided, that no member may withdraw any shareholdings below the amount of his total liability to the credit union as borrower, endorses, comaker, or guarantor without the written approval of the credit committee.

### ARTICLE IV

#### RECEIPTING FOR MONEY – PASSBOOKS

*Section 1.* Money paid in on account of shares, installments of shares, repayment of loans, interest, fees, or fines, and money paid out on account of loans made or shares withdrawn in whole or in part, shall be evidenced by entries in a passbook which shall permit, in separate columns, the recording of successive payments or withdrawals on any of these accounts. Every entry in the passbook shall be initialed by the treasurer or other authorized person receiving or paying on, on behalf of this credit union, the money represented thereby.

No money shall be received from or paid to a member unless the passbook is presented and the proper entry made therein, except money received from members under a payroll deduction plan or under a machine bookkeeping system approved by the Farm Credit Administration. If either of these two plans is used, passbooks shall be brought up to date whenever presented to the treasurer, and shall be presented to the treasurer at least once every three months.

*Section 2.* If a passbook is lost or stolen. Immediate notice of such fact must be given to the treasurer, and written application must be made for the payment of the amount due the member as represented by said passbook, or for the issuance of a duplicate passbook. The board of directors may require the filing of an adequate bond to indemnify this credit union against any loss or losses resulting from the issuance of such duplicate passbook.

## ARTICLE V

### MEETINGS OF MEMBERS

*Section 1.* The annual meeting of the members shall be held at Vineland, New Jersey on the 3<sup>rd</sup> Saturday of January in each year.

*Section 2.* At least seven days before the date of any annual meeting of the members, the clerk shall cause written notice thereof to be posted in a conspicuous place in the office of this credit union; and at least seven days before the date of any special meeting, shall cause written notice thereof to be handed to each member in person, or mailed to each member at his address as the same appears on the records of this credit union; provided, however, that any meeting of the members, whether annual or special, may be held without prior notice, at any place or time, if all of the members entitled to vote thereat who are not present at such meeting shall in writing waive notice thereof, either before, during, or after the meeting.

*Section 3.* Special meetings of the members may be called by the president (or by the supervisory committee as in these bylaws provided); and shall be called by the president on the written request of not less than ten members.

*Section 4.* The order of business at annual meetings of members shall be:

- a) Roll call.
- b) Reading and approval (or correction) of the minutes of the last meeting.
- c) Report of Directors.
- d) Report of the Treasurer.
- e) Report of the Credit Committee.
- f) Report of the Supervisory Committee.

- g) Unfinished business.
- h) New business other than elections.
- i) Elections.
- j) Adjournment.

*Section 5.* Except hereinafter provided, at annual or special meetings fifteen member shall constitute a quorum. If no quorum is present, an adjournment may be taken to a date not less than seven or more than fifteen days thereafter; and the members present at any such adjourned meeting shall constitute a quorum, regardless of the number of members present. The same notice shall be given for the adjourned meeting as is prescribed in Section 2 of this article for the original meeting, and such notice shall be given not less than five days previous to the date and meeting as fixed in this adjournment.

## ARTICLE VI

### ELECTIONS

*Section 1.* At least 30 days prior to each annual meeting, the president shall appoint a nominating committee of three members. It shall be the duty of the nominating committee to nominate at the annual meeting one member for each vacancy for which elections are being held.

*Section 2.* After the nominations of the nominating committee have been placed before the members, the president shall call for nominations from the floor. When nominations are closed, tellers shall be appointed by the president, ballots shall be distributed, the vote shall be taken and tallied by the teller, and the results announced. All elections shall be by ballot except where there is only one nominee for the office.

*Section 3.* Nominations and elections shall be in the following order:

- a) Nominations for directors.
- b) Election of directors.
- c) Nominations for credit committee members.
- d) Election of credit committee members.
- e) Nominations for supervisory committee members.
- f) Election of supervisory committee members.

*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, as such, may not have a vote.

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

*Section 6.* Within ten days after their election, the names and addresses of all persons elected to office shall be forwarded to the Credit Union Section of the Farm Credit Administration, Washington, D.C.

## ARTICLE VII

### BOARD OF DIRECTORS

*Section 1.* The board of directors shall consist of seven members.

*Section 2.* At the first annual meeting, or at any annual meeting following a change in the number of members comprising the board of directors, elections to the board shall be held in such manner that the terms of office of not more than a bare majority of the board shall expire at the same annual meeting. At the first annual meeting a bare majority of the members comprising the board of directors shall be elected for a term of one year and the others for a term of two years. Whenever the number of members on the board of directors is increased by amendment to the bylaws, one-half of such additional members shall be elected at the first annual meeting following the approval of the amendment for one year and one-half for two years. Thereafter the term of office for directors shall be for two years and until the election of their respective successors.

*Section 3.* Any vacancy on the board of directors or credit committee shall be filled by vote of a majority of the remaining directors; but the director or committeeman so elected shall hold office only until the next annual meeting of the members, at which meeting a director or committeeman shall be elected to complete the unexpired term (unless the term expires at the time of such meeting).

*Section 4.* Regular meetings of the board of directors shall be held during the second week of each month. The president, or in his absence the vice president, may call a special meeting of the board of directors at any time; and shall do so upon the written request of any three directors. Notice of meetings of the board of directors shall be given in such manner as the board of directors may from time to time, by resolution prescribe.

*Section 5.* The board of directors shall have the general direction and control of the affairs of this credit union. In addition to the duties customarily performed by boards of directors, the board of directors shall:

- a) Act upon all applications for membership
- b) From time to time fix the amount and character of, and approve, surety bonds required of any persons handling or having custody of funds, and may authorize the payment of the premium or premiums therefor, by this credit union.
- c) Recommend the declaration of dividends.

- d) Fill vacancies in the board of directors and in the credit committee, as herein provided.
- e) Employ, fix the compensation, and prescribe the duties of such employees as may, in the discretion of the board of directors, be necessary.
- f) Determine from time to time the maximum number of shares that may be held by any members.
- g) Determine from time to time the interest rates on loans and the maximum amount that may be loaned, with or without security, to any member within the limitations prescribed by law. When, by action of the board of directors, the interest rates on future loans are reduced, similar action may be taken with regard to interest rates on unpaid balances of existing loans.
- h) Authorize and supervise investments of this credit union other than loans to members.
- i) Designate the depository or depositories for the funds of this credit union.
- j) Authorize borrowings and discounting operations on behalf of this credit union within the limitations prescribed by the Federal Credit Union Act, and any regulations issued thereunder by the Governor of the Farm Credit Administration.
- k) Authorize the charge-off of uncollectible loans.

*Section 6.* A majority of the number of directors specified by the bylaws shall constitute a quorum for the transaction of business at any meeting thereof; but less than a quorum may adjourn from time to time until a quorum is in attendance. Written notice of an adjourned meeting need not be given the directors.

*Section 7.* If a director or credit committee member fails to attend regular meetings of the board of directors or credit committee for three consecutive months, or otherwise fails to perform any of the duties revolving upon him as a director or credit committee member, or ceases to be a member in good standing, his office may be declared vacant by the board of directors and the vacancy filled as herein provided.

## ARTICLE VIII

### OFFICERS AND THEIR DUTIES

*Section 1.* The officers of this credit union shall be a president, a vice president, a treasurer, and a clerk, all of whom shall be elected by the board of directors and from their number. The offices of treasurer and clerk only may be held by the same person. Unless sooner removed as herein provided, the officers elected at the first meeting of the board of directors shall hold office until the first meeting of the board of directors following the first annual meeting of the members, and until the election of their respective successors.

*Section 2.* Officers elected at the first meeting of the board of directors following the annual meeting of members shall hold office for a term of one 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 shall be elected by the board of directors to serve only during the unexpired portion of the term of such officer, and until his successor is duly elected and qualified.

*Section 3.* The president shall preside at all meetings of the members and at all meetings of the board of directors; shall countersign all notes of this credit union and all checks, drafts, and other orders for the disbursement of its funds; and shall perform such other duties as customarily appertain to the office of president or as he may be directed to perform by resolution of the board of directors not inconsistent with the provisions of law or these bylaws.

*Section 4.* The vice president shall have and exercise all the powers, authority, and duties of the president during the absence or disability of the latter.

*Section 5.* The treasurer shall be the general manager of this credit union. Before entering upon his duties, he shall give a proper bond with good and sufficient surety, in amount to be determined by the board of directors as herein provided, conditioned upon the faithful performance of his duties. He shall have custody of all funds, securities, valuable papers, and other assets of this credit union except his own faithful performance bond, which shall be in the custody of such other person as the board of directors may designate. He shall sign all checks, drafts, notes, and other obligations of this credit union. He shall provide and maintain full and complete records of all the assets and liabilities of this credit union. Within seven days after the close of each month, he shall prepare and submit to the board of directors a financial statement showing the condition of this credit union as of the close of business on the last business day of each month, and shall promptly post a copy of such monthly financial statement in a conspicuous place in the office of this credit union, where it shall remain posted until replaced by the financial statement for the next succeeding month. He shall prepare and forward to the Credit Union Section of the Farm Credit Administration, Washington, D.C., such financial reports as the Governor may require. The treasurer may be compensated for his services to such extent as may be determined by the members at any annual or special meeting thereof.

*Section 6.* The board of directors may appoint an assistant treasurer and authorize him, under the direction of the treasurer, to perform any of the duties devolving on the treasurer, including the signing of checks. He may also act as treasurer during the absence of the treasurer or in the event of his inability to act. Where this authorization is made, the assistant treasurer shall give a proper bond with good and sufficient surety, in amount to be

determined by the board of directors, conditioned upon the faithful performance of his duties.

*Section 7.* The clerk shall prepare and maintain full and correct records of all meetings of the members and of the board of directors. He shall give or cause to be given, in the manner prescribed in these bylaws, proper notice of all meetings of the members; and shall perform such other duties as he may be directed to perform by resolution of the board of directors not inconsistent with the provisions of law or of these bylaws.

## ARTICLE IX

### CREDIT COMMITTEE

*Section 1.* The credit committee shall consist of five members.

*Section 2.* At the first annual meeting, or at any annual meeting following a change in the number of members comprising the credit committee, elections to the committee shall be held in such manner that the terms of office of not more than a bare majority of the committee shall expire at the same annual meeting. At the first annual meeting, a bare majority of the members comprising the credit committee shall be elected for a term of one year and the others for a term of two years. Whenever the number of members on the credit committee is increased by amendment to the bylaw, one-half of such additional members shall be elected at the first annual meeting following the approval of the amendment for one year and one-half year for two years. Thereafter the term of office for committeemen shall be for two years and until the election of their respective successors.

*Section 3.* The credit committee members shall choose from their number a chairman and secretary. The secretary of the credit committee shall prepare and maintain full and correct records of all action taken by it. The offices of chairman and secretary may be held by the same person.

*Section 4.* The credit committee shall hold such meeting as the business of this credit union may require, and not less frequently than once a month. Due notice of such meetings shall be given to members of the committee by the treasurer.

*Section 5.* The credit committee shall inquire carefully into the character and financial condition of each applicant for a loan and his sureties (if any) to ascertain their ability to repay fully and promptly the obligations incurred by them and to determine whether the loan sought is for a provident or productive purpose and will be of probable benefit to the borrower. The credit committee shall endeavor diligently to assist applicants in solving their financial problems.

*Section 6.* No loan shall be made unless approved by a majority of the entire committee and by all of the members of the committee who are present at the meeting at which the application is considered.

*Section 7.* Subject to the limits imposed by law and these bylaws and the instructions of the board of directors, the credit committee shall determine the security, if any, which shall be required for each loan and the terms upon which it shall be repaid. When there are pending more loan application than can be granted with the funds available, preference shall be given, in all cares, to the applications for small loans if the need and credit factors are nearly equal.

## ARTICLE X

### SUPERVISORY COMMITTEE

*Section 1.* The supervisory committee shall consist of three members, none of whom shall be directors. Members of the supervisory committee elected at the annual meeting shall be elected from the members and shall hold office for the term of one year and until the election of their respective successors. In the event of a vacancy in the membership of the supervisory committee, the remaining members of the committee shall fill such vacancy by appointing a member who shall hold office until the election of his successor.

*Section 2.* The supervisory committee members shall choose from among their number a chairman and a secretary. The secretary of the supervisory committee shall maintain a full and correct record of all action taken by it. The offices of chairman and secretary may be held by the same person.

*Section 3.* The supervisory committee shall make, as of the end of each quarter, an examination of the affairs of this credit union (including an audit of its books), and shall make a written report thereof to the board of directors; and shall prepare and submit to the members at each annual meeting a written report on the conditions and affairs of this credit union. It shall prepare and forward to the Credit Union Section of the Farm Credit Administration at Washington, D.C., such reports as the Governor may require.

*Section 4.* The supervisory committee shall cause the passbooks and accounts of all members to be verified with the records of the treasurer from time to time, not less frequently than once every two years.

*Section 5.* By unanimous vote the supervisory committee may suspend until the next meeting of the members any director, officer, or member of the credit committee. In the event of any such suspension, the supervisory committee shall call a special meeting of the

members to act on said suspension within seven days thereof. The notice of any such special meeting shall state the purpose for which it is to be held.

*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 Federal Credit union Act (including any amendments thereto), or of the charter or bylaws of this credit union; or to consider any practice of this credit union which the committee deems to be unsafe or unauthorized. Notice of any such special meeting shall be given in the manner elsewhere herein provided for the giving of notice of special meetings of members.

## ARTICLE XI

### ORGANIZATION MEETING

*Section 1.* On receipt of the approved organization certificate, the subscribers thereto shall convene for the purpose of nominating and electing a board of directors, a credit committee, and a supervisory committee.

*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, a credit committee, and a supervisory committee, all to hold office until the first annual meeting of the members and until the election of their respective successors. If not already a member, every person elected under this section must qualify within 30 days of becoming a member. The office of any director or committee member who does not qualify within 30 days shall automatically become vacant and shall be filled in accordance with the provisions of these bylaws pertaining to the fillings of vacancies.

*Section 3.* Following the elections held under the provisions of the preceding section, the directors shall retire from the meeting and elect the officers, who shall hold office until the first annual meeting and until the election of their respective successors.

## ARTICLE XII

### LOANS TO MEMBERS

*Section 1.* Except as otherwise provided in article XV, section 5 of these bylaws, loans shall be restricted to members, and shall be made for provident or productive purposes only.

*Section 2.* Rates of interest shall be fixed from time to time by the board of directors; and shall in no case exceed 1 percent per month on unpaid balances, inclusive of all charges incidental to making the loan.

*Section 3.* No loan shall be made to a director, officer, committee member, or to a member who has left the field of membership, in excess of the amount of his shareholdings in this credit union. No director, officer, or committee member shall act as endorser or guarantor for borrowers from this credit union.

*Section 4.* A borrower may repay his loan prior to maturity, in whole or in part, on any business day.

*Section 5.* Applications for loans shall be on forms furnished by the credit committee and shall in each case set forth the purpose for which the loan is desired, the security (if any), and such other data as may be required.

*Section 6.* No loan shall be made to members in excess of the limitations imposed in section 11(d) for the Federal Credit Union Act.

*Section 7.* All applications for loans and the reports of the credit committee thereon shall be filed as permanent records of this credit union.

*Section 8.* A member failing to pay an installment on a loan when due, unless excused therefrom for cause by the board of directors, shall pay a fine of 1 cent per week on each \$2.00 or fraction thereof in arrears; provided, however, that in no case shall such fine be less than 5 cents. The board of directors may take such steps toward making collection of delinquent loans, interest, or fines as may, in its judgment, be advisable.

### ARTICLE XIII

#### RESERVES

*Section 1.* All entrance and transfer fees and fines, and 20 percent of the net earnings of each year (before declaration of any dividend), shall be set aside as a reserve against possible bad loans, which shall not be distributed except in case of final liquidation.

### ARTICLE XIV

#### DIVIDENDS

*Section 1.* At the annual meeting only, on recommendation of the board of directors, a dividend may be declared from the net earnings remaining after the setting aside of 20 percent thereof for the reserve for bad loans. Any such dividend shall be paid only on shares fully paid up before December 1, and outstanding on December 31, of the preceding year. In the case of any share which became fully paid up during such year and prior to December 1 thereof, the holder shall be entitled to receive a proportional part of said dividend calculated from the first day of the month following such payment in full.

*Section 2.* No dividend shall be authorized or paid at a rate in excess of 6 percent per annum.

*Section 3.* A member shall be deemed to have one fully paid share for each \$5.00 paid in, regardless of the number of shares for which he has subscribed.

## ARTICLE XV

### DEPOSIT AND DISBURSEMENT OF FUNDS – INVESTMENTS

*Section 1.* The funds of this credit union shall be deposited only in national banks, or in state banks, trust companies, or mutual savings companies operating in accordance with the laws of the State in which this credit union does business; and, except with the specific written permission of the Governor of the Farm Credit Administration or his authorized representative, shall not net deposited in, or permitted to remain on deposit in, any institution the deposits of which are not insured by the Federal Deposit Insurance Corporation, or the Federal Deposit Insurance Fund.

*Section 2.* All funds of this credit union (except those mentioned in sections 3 and 4 of this article) shall be deposited in such qualified depository or depositories as the board of directors may from time to time by resolution designate; and shall be so deposited within 48 hours of their receipt; provided, however, that receipts in the aggregate of \$100 or less need not be deposited more often than once each week.

*Section 3.* All disbursements of funds of this credit union shall be made by checks and signed by the treasurer or a duly authorized assistant treasurer, and countersigned by the president, or, in his absence or inability to serve, by the vice president; provided, however, that the board of directors may by resolution provide for the establishment and replenishment, at least annually, of a petty cash fund of not exceeding \$10.00 for postage, and for defraying other expense items of this credit union in amounts of less than \$1.00.

*Section 4.* A cash fund for the purpose of making change may be established by the board of directors by resolution, providing the said board of directors shall have first obtained the written permission of the Governor of the Farm Credit Administration, or his authorized representative.

*Section 5.* The funds of this credit union shall be invested only in:

- a) Loans to members;
- b) Obligations of the United States of America, or in securities fully guaranteed thereby as to both principal and interest;
- c) Loans to other credit unions in the total amount not exceeding 25 percent of this credit union's paid-in and unimpaired capital and surplus, in accordance with rules and regulations prescribed by the Governor;

- d) Shares or accounts of Federal savings and loan associations;
- e) Any other manner authorized by the Federal Credit Union Act.

## ARTICLE XVI

### EXPULSION AND WITHDRAWAL

*Section 1.* A member may be expelled only in the manner provided by law. Expulsion or withdrawal shall not operate to relieve a member of any liability to this credit union. All amounts paid in on 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 XVII

### MINORS

*Section 1.* Shares may be issued in the name of a minor, or in trust therefor. When shares are so issued in trust, the trustee must be a members of this credit union in his own right, and the name of the beneficiary must be stated.

## ARTICLE XVIII

### DEFINITION OF TERMS

*Section 1.* We used in these bylaws the terms:

- a) "Net earnings," for a given period, shall mean the balance remaining after deducting from the gross income of this credit union actually received during such period all expenses paid or payable during such period, any losses sustained therein (as determined by the board of directors) for which no specific reserve has been set aside. Amounts set aside during such period as a reserve for bad loans shall not be deemed items of expense.
- b) "Paid-in and unimpaired capital," as of a given date, shall mean the balance of the paid-in shares account as of such date, less any losses that may have been incurred for which there is no reserve or which have not been charged against undivided profits or surplus.
- c) "Surplus," as of a given date, shall mean the credit balance of the undivided profits 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 for bad loans shall not be considered as a part of the surplus.

## ARTICLE XIX

### 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 applicable provisions of law and regulations issued thereunder, and of the charter and bylaws of this credit union.

*Section 2.* The officers, directors, members of committees, and employees of this credit union shall hold in strictest confidence all transactions of this credit union with its members and all information respecting their personal affairs.

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

*Section 4.* The board of directors may, by resolution, designate another member of this credit union to act temporarily in the place and stead of any officer who is absent, disqualified, to otherwise unable to perform the duties of his office. The board of directors may also, by resolution, designate another member or members of this credit union to act on the credit committee when necessary in order to obtain a quorum.

*Section 5.* No director, committee member, officer, agent, or employee of this credit union shall in any manner, directly or indirectly, participate in the deliberation upon or the determination of any question affecting his pecuniary interest or the pecuniary interests of any corporation, partnership, or association (other than this credit union) in which he is directly or indirectly interested. In the event of any corporation, partnership, or association (other than this credit union) in which he is directly or indirectly interested. In the event of the disqualification of any director respecting any matter presented to the board of directors for deliberation or determination, such director shall withdraw from the meeting during such deliberation or determination; and in 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 of directors. In the event of the disqualification of any member of the credit committee or the supervisory committee, such committee member shall withdraw from the meeting during such deliberation or determination; and in such event the remaining qualified committee members present at the meeting may select from the membership of this credit union an alternate committee member to act with them in regard to this matter in connection with which such disqualification exists.

*Section 6.* Copies of the organization papers of this credit union, its bylaws and any amendments thereto, returns of nominations and elections, proceedings of all regular and special meetings of the members and directors shall be recorded in the minute books of the credit union. The minutes of the meetings of the member, the board of directors, and the committee shall be signed by their respective chairmen or presiding officers and by the persons who serve as secretaries of such meetings.

*Section 7.* 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, and to any duly authorized representative of the United States Government, upon presentation of the proper credentials.

## ARTICLE XX

### AMENDMENTS TO BYLAWS

*Section 1.* Amendments to these bylaws may be adopted by the affirmative vote of two-thirds of the members of the board of directors at any duly held meeting thereof, if the members of the board have been given seven days' notice of such meeting and the notice has contained a copy of the proposed amendment or amendments; but no amendment to these bylaws shall become effective unless approved in writing by the Governor of the Farm Credit Administration or by his authorized representative.

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## **BYLAWS**

### **Federal Credit Union, Charter No. 3541**

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

#### **Article I. Name – Purpose**

Section 1. **Name.** The name of this credit union is as stated in Section 1 of the charter (approved organization certificate) of this credit union.

Section 2. **Purposes.** This credit union is a member-owned, democratically operated, not-for-profit organization managed by a volunteer board of directors, with the specified mission of meeting the credit and savings needs of consumers, especially persons of modest means. 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 or productive purposes.

#### **Article II. Qualifications for Membership**

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

Section 2. **Membership application procedures.** 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. The applicant is admitted to membership after approval of an application by a majority of the directors, a majority of the members of a duly authorized executive committee, or by a membership officer, and after 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. If a person whose membership application is denied makes a written request, the credit union must explain the reasons for the denial in writing.

Section 3. **Maintenance of membership share required.** A member who withdraws all shareholding or fails to comply with the time requirements for restoring his or her account balances to par value 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. **Continuation of membership.** 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 and Article XIV of these bylaws. A member who is disruptive to credit union operations may be subject to limitations on services and access to credit union facilities.

### **Article III. Shares of Members**

Section 1. **Par value.** The par value of each share will be \$25.00.

Section 2. **Cap on shares held by one person.** The board may establish, by resolution, the maximum amount of shares that any one member may hold.

Section 3. **Time periods for payment and maintenance of membership share.** 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 will be terminated from membership.

Section 4. **Transferability.** Shares may only be transferred from one member to another by an instrument in a form as the board may prescribe. Shares that accrue credit for unpaid dividends retain those credits when transferred.

Section 5. **Withdrawals.** Money paid in on shares or installments of share 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 up to 60 days written notice of intention to withdraw the whole or any part of the amounts paid in by them.
- (b) Reserved.
- (c) No member may withdraw any shareholding below the amount of the member's primary or contingent liability to the credit union if the member is delinquent as a borrower, or in borrowers for whom the member is comaker, endorser, or guarantor are delinquent, without the written approval of the credit committee or loan officer. Coverage of overdrafts under and overdraft protection policy does not constitute delinquency for purposes of this paragraph. Shares issued in an irrevocable trust as provided in Section 6 of this article are not subject to withdrawal restrictions 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 person in which the administration of the deceased's estate is completed.
- (e) The board will have the right, at any time, to impose a fee for excessive share withdrawal 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. **Trusts.** 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 or her 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.

#### **Section 7. Joint accounts and membership requirements.**

##### **Separate account required to establish membership.**

Each member must purchase and maintain at least one share in a share accounts that names the members as the sole or primary owner. Being named as a joint owner of a joint account is insufficient to establish membership.

#### **Article IV. Meetings of Members**

**Section 1. Annual meeting.** The annual meeting of the members must be held no later than June 30<sup>th</sup>, in the county in which any office of the credit union is located or within a radius of 100 miles of an office, at the time and place as the board determines and announces in the notice of the annual meeting.

**Section 2. Notice of meetings required.** 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. Notice may be by written notice delivered in person or by mail to the member's address, or, for members who have opted to receive statements and notices electronically, by electronic mail. 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 before the 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.** Special meetings of the member may be called by the chair or the board of directors upon a majority vote, or by the supervisory committee as provided

in these bylaws. The chair must call a special meeting, meaning the meeting must be held, within 30 days of the receipt of a written request of 25 members or 5% of the members as of the date of the request, whichever number is larger. However, a request of no more than 750 members may be required to call a special meeting.

The notice of a special meeting must be given as provided in Section 2 of this article. Special meetings may be held at any location permitted for the annual meeting.

**Section 4. Items of business for annual meeting and rules of order for annual and special meetings.** 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, as required by Section 115 of the Act.
- g) Unfinished business.
- h) New business other than elections.
- i) Elections, as required by Section 111 of the Act.
- j) Adjournment.

To the extent consistent with these bylaws, all meetings of the members will be conducted according to Robert's Rules of Order. The order of business for the annual meeting may vary from the suggested order, provided it includes all required items and complies with the rules of procedure adopted by the credit union.

**Section 5. Quorum.** 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 at least 7 but not more than 14 days thereafter. The members present at any 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 the notice must be given at least 5 days before the date of the meeting as fixed in the adjournment.

## **Article V. Elections**

### **In-person elections; nominating committee and nominations from floor.**

**Section 1. Nomination procedures.** At least 30 days before each annual meeting, the chair will appoint a nominating committee of three or more members. It is 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.

**Section 2. Election procedures.** After the nominations of the nominating committee have been placed before the members, the chair calls for nominations from the floor. When nominations are closed, the chair appoints the tellers, ballots are distributed, the vote is taken and tallied by the tellers, and the results announced. All elections are determined by plurality vote and will be ballot except where this is only one nominee for the office.

**Section 3. Order of nominations.** Nominations may be in the following order:

- a) Nominations for directors
- b) Nominations for credit committee members, if applicable. Elections may be by separate ballots following the same order as the above nominations or, if preferred, may be one ballot for all offices.

**Section 4. Proxy and agent voting.** Members cannot vote by proxy. A member other than a natural person may vote through an agent designated in writing for the purpose.

**Section 5. One vote per member.** Irrespective of the number of shares, no member has more than one vote.

**Section 6. Submission of information regarding credit union officials to NCUA.** The names and addresses of members of the board, board officers, executive committee, and members of the credit committee, if applicable, and supervisory committees must be forwarded to the Administration in accordance with the Act and regulations in the manner as may be required by the Administration.

**Section 7. Minimum age requirements.** Members must be at least 18 years of age by the date of the meeting (or for appointed offices, the date of appointment) in order to vote at meetings of the members, hold elective or appointive office, sign nominating petitions, or sign petitions requesting special meetings.

**Section 8. Absentee ballots.** The board of directors may authorize the use of absentee ballots in conjunction with the other procedures authorized in this article, subject to the following conditions:

- a) The board of directors will appoint the election tellers;
- b) If sufficient nominations are made by the nominating committee or by petition to provide more than one nominee for any position to be filled, the secretary, at least 30 days before the annual meeting, will cause printed ballots to be mailed to all

members of the credit union who are eligible to vote and who have submitted a written or electronic request for an absentee ballot;

- c) The secretary will cause the following materials to be mailed to each eligible voter who has submitted a written or electronic request for an absentee ballot;
  - 1) One ballot, clearly identified as the ballot on which the names of the candidates for the board of directors and the candidates for other separately identified offices or committee are printed in random order. The name of each candidate will be followed by a brief statement of qualifications and biographical data in a form approved by the board of directors;
  - 2) One ballot envelope clearly marked with instructions that the completed ballot must be placed in the envelope and sealed;
  - 3) One identification form to be completed so as to include the name, address, signature and credit union account number of the voter;
  - 4) One mailing envelope in which the voter, pursuant to instructions provided with the 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 with features that preserve the secrecy of the ballot, one form can be printed that represents a combined ballot and identification form, and postage prepaid and preaddressed return envelope;
- d) It is the duty of the election 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 and the 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 the sealed ballot envelope together until the verification or challenge has been resolved; and in the event that more than one voting procedure is used, to verify that no eligible voter has voted more than one time;
- e) Ballots mailed to the tellers must be received by the tellers no later than midnight 5 days before the date of the annual meeting;
- f) Absentee ballots will be deposited in the ballot boxes to be taken to the annual meeting or included in a precount in accordance with procedures specified in Article V, Section 2; and
- g) If a member has chosen to receive statements and notices electronically, the credit union may provide notices in this section by email and provide instructions for voting via electronic means instead of mail ballots.

## **Article VI. Board of Directors**

**Section 1. Number of members.** The board consists of 7 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, 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. Composition of board.** One director or committee member 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, family members, or employees and family members constitute a majority of the board. The board may appoint a management official who may be a member of the board and one or more assistant management officials who may 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 the chair.

**Section 3. Terms of office.** Regular terms of office for directors must be for periods of either 2 or 3 years as the board determines. All regular terms must be for the same number of years and until the election and qualification of successors. Regular terms must be fixed at the first meeting, or upon any increase or decrease in the number of directors, so that approximately an equal number of regular terms must expire at each annual meeting.

**Section 4. Vacancies.** Any vacancy on the board, credit committee, if applicable, or supervisory committee will be filled as soon as possible by vote of a majority of the directors then holding office. Directors and credit committee members appointed to fill a vacancy will hold office only until the next annual meeting, at which any unexpired terms will be filled by vote of the members, and until the qualification of their successors. Members of the supervisory committee appointed to fill a vacancy will 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. Regular and special meetings.** A regular meeting of the board must be held each month at the time and place fixed by resolution of the board. One regular meeting each calendar year must be conducted in person. If a quorum is present in person for the annual in person meeting, the remaining board members may participate using audio or video teleconference methods. The other regular meetings may be conducted using audio or video teleconference methods. The chair, or in the chair's absence the ranking vice chair, may call a special meeting of the board at any time and must do so upon written request of a majority of the directors then holding office. Unless the board prescribes otherwise, the

chair, or in the chair's absence the ranking vice chair, will fix the time and place of special meetings. Notice of all meetings will be given in the manner the board may from time to time by resolution prescribe. Special meetings may be conducted using audio or video teleconference methods.

Section 6. **Board responsibilities.** The board has the general direction and control of the affairs of this credit union and is responsible for performing all the duties customarily performed by boards of directors. This includes but is not 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 1, Section 2, of these bylaws.
- c) Establishing a loan collection program and authorizing the chargeoff of uncollectible loans.
- d) Establishing a policy to address training for newly elected and incumbent directors and volunteer officials, in areas such as ethics and fiduciary responsibility, regulatory compliance, and account and 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 additional acts and exercising additional powers as may be required or authorized by applicable law.
- f) Reviewing denied loan applications of members who file written requests for review.
- g) Appointing one or more loan officers and delegating to those officers the power to approve or disapprove loans, lines of credit or advances from lines of credit.
- h) In this discretion, appointing a loan review committee to review loan denials and delegating to the committee the power to overturn denials of loan applications. The committee will function as a mid-level appeal committee for the board. Any denial or a loan by the committee must consist of three members and the regular term of office of the committee member will be for two years. Not more than one member of the committee may be appointed as a loan officer.

Section 7. **Quorum.** A majority of the number of directors, including any vacant positions, constitutes a quorum for the transaction of business at any meeting, except that vacancies may be filled by a quorum consisting of a majority of the directors holding office as provided in Section 4 of this article. Fewer than a quorum may adjourn from time to time until a quorum is in attendance.

**Section 8. Attendance and removal.** 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 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.

When any board officer, membership officer, executive committee member or investment committee member is absent, disqualified, or otherwise unable to perform the duties of the office, the board may by resolution designate another member of this credit union to fill the position temporarily. The board may also, by resolution, designate another member or members of this credit union to act on the credit committee when necessary in order to obtain and quorum.

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

## **Article VII. Board Officers, Management Officials and Executive Committee**

**Section 1. Board officers.** 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 treasurer, 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. If a management official or assistant management official is permitted to serve on the board, he or she may not serve as the chair. Unless removed as provided in these bylaws, the board officers following the first annual meeting of the members and until the election and qualification of their respective successors.

**Section 2. Election and term of office.** Board officers elected at the meeting of the board next 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 that officer and until a successor is duly elected and qualified.

Section 3. **Duties of chair.** 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 other duties customarily assigned to the office of the chair or duties he or she is directed to perform by resolution of the board not inconsistent with the Act and regulations and these bylaws.

Section 4. **Approval required.** 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. **Vice chair.** 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. **Duties of financial officer.** 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 limitations, controls and delegations the board may impose, the financial officer will:

- a) Have custody of all funds, securities, valuable papers and other assets of this credit union.
- b) Provide and maintain full and complete records of all assets and liabilities of this credit union in accordance with forms and procedures prescribed in regulations and other guidance approved by the Administration, including, for small credit unions, the Accounting Manual for Federal Credit Union.
- 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 the statement in a conspicuous place in the office of the credit union where it will remain until replaced by the financial statement for the succeeding month.
- d) Ensure that financial and other reports 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 these employees.
- f) Perform other duties he or she is 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. Duties of management official and assistant management official.** 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 assistance 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. Board powers regarding employees.** The board employees, fixes the compensation, and prescribes the duties of employees as necessary, and has the power to remove 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 used by the supervisory committee and, if there is a credit committee, the power or duty to employ, prescribe the duties of, or remove any loan officer appointed by the credit committee.

**Section 9. Duties of secretary.** 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 the 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 other duties he or she 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 assigned to the secretary.

Section 10. **Executive committee.** As authorized by the Act, the board may appoint an executive committee of now fewer than three directors to serve at its pleasure, to act for it with respect to the board's specifically delegated functions. When making delegations to the executive committee, the board must be specific with regard to the committee's authority and limitations related to the particular delegation. The board may also authorize any of the following to approve membership applications under conditions the board and these bylaws may prescribe: an executive committee; 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. No executive committee member or membership officer may be compensated as such.

Section 11. **Investment committee.** 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 roles and procedures established by the board. No member of the investment committee may be compensated as such.

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

#### **Article VIII. Loan Officers (No Credit Committee)**

Section 1. **Records of loan officer; prohibition on loan officer disbursing funds.** 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 that 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. **Duties of loan officer.** For each loan or line of credit, the loan officer must 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. **Unapproved loans prohibited.** No loan or line of credit may be made unless approved by a loan officer in accordance with applicable law and regulations.

Section 4. **Lending procedures.** Subject to the limits imposed by 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 applications for lesser amounts if the need and credit factors are nearly equal.

## **Article IX. Supervisory Committee**

Section 1. **Appointment and membership.** 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 or the compensated officer of the board. The board determines the number of members on the committee, which may not be fewer than 3 nor more than 5. No member 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 number of years and until the appointment and qualifications 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. **Officers of supervisory committee.** 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. **Duties of supervisory committee.** The supervisory committee makes, or cause to be made, the audits, and prepares and submits the written reports required by the Act and regulations. The committee may employ and use clerical and auditing assistance required to carry out its responsibilities prescribed by this article, and may request the board to provide compensation for this assistance. It will prepare and forward to the Administration required reports.

Section 4. **Verification of accounts.** The supervisory committee will cause the verification of the accounts of 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 this verification.

Section 5. **Powers of supervisory committee - removal of directors and credit committee members.** 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 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. Powers of supervisory committee – special meetings.** By the affirmative vote of a majority 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. Initial meeting.** When application is made for a federal credit union charter, the subscribers to the organization certificate must meet for the purpose of electing a board of directors and a credit committee, if applicable. Failure to commence operations within 60 days following receipt of the approved organization certificate is 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. Election of directors and credit committee.** The subscribers elect a chair and a secretary for the meeting. The subscribers then elect from their number, or from those eligible to become members of this credit union, a board of directors and a credit committee, if applicable, 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 of 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 election or appointment, the office will automatically become vacant and be filled by the board.

**Section 3. Election of board officers.** Promptly following the elections held under the provisions of Section 2 of this article, the board must meet and elect the board offices who will 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. The board also appoints a supervisory committee at this meeting as provided in Article IX, Section 1, of these bylaws and a credit committee, if applicable. The members so appointed hold office until the first regular meeting of the board following the first annual meeting of the members and until the appointment and qualification of their respective successors.

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

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

Section 2. **Delinquency.** 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. **Power of the board to declare dividends.** The board establishes dividend periods and declares dividends as permitted by the Act and applicable regulations.

## **Article XIII. RESERVED**

## **Article XIV. Expulsion and Withdrawal**

Section 1. **Expulsion procedure; expulsion or withdrawal does not affect members' liability or shares.** A member may be expelled by a two-thirds vote of the members present at special meeting called for that purpose, but only after the members has been given the opportunity to be heard. A member also may be expelled under a nonparticipation policy adopted by the board of directors and provided to each member in accordance with the Act. Expulsion or withdrawal will not operate to relieve a member of any liability to this credit union. All amounts paid in on shares by expelled or withdrawing members, before their expulsion or withdrawal, will be paid to them in the order of their withdrawal or expulsion, but only as funds become available and only after deducting any amounts due to this credit union.

## **Article XV. Minors**

Section 1. **Minors permitted to own shares.** Shares may be issued in the name of a minor. State law governs the rights of minors to transact business with this credit union.

## **Article XVI. General**

Section 1. **Compliance with law and regulation.** All power, authority, duties, and functions of the members, directors, officers, and employees of this credit union, pursuant to the provisions of these bylaws, must 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. **Confidentiality.** The officers, directors, members of committees and employees of this credit union must hold in confidence all transactions of this credit union with its members and all information respecting their personal affairs, except when permitted by state or federal law.

Section 3. **Removal of directors and committee members.** 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. Conflicts of interest prohibited.** 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 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, that director must withdraw from the deliberation or determination; and if the remaining qualified directors present at the meeting plus the disqualified director or directors constitute a quorum, the remaining qualified directors may exercise with respect to this matter, by majority vote, all the powers of the board. In the event of this disqualification of any member of the credit committee, if applicable, or the supervisory committee, that committee member must withdraw from the deliberation or determination.

**Section 5. Records.** Copies of the organization certificate of this credit union, its bylaws and any amendments to the bylaws, 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 member, the board, and the committees must be signed by their respective chairmen or presiding officers and by the person who serve as secretaries of those meetings.

**Section 6. Availability or credit union records.** All books of account and other records of this credit union must be available at all times to the directors and committee members of this credit union provided they have a proper purpose for obtaining the records. The charter and bylaws of this credit union must be made available for inspection by any member and, if the member requests a copy, it will be provided for a reasonable fee.

**Section 7. Member contact information.** Members must keep the credit union informed of their current address.

**Section 8. Indemnifications.**

(a) The credit union may elect to indemnify to the extent authorized by law of the state of New Jersey: the following individuals from any liability asserted against them and expenses reasonably incurred by them in connection with judicial or administrative proceedings to which they are or may become parties by reason or 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. Amendments of Bylaws and Charter**

Section 1. **Amendments procedures.** 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 meetings of the board if the members of the board have been given prior written notice of the meeting and the notice contained a copy of the proposed amendment or amendments. No amendment of these bylaws or of the charter may become effective, however, until approved in writing by the NCUA Board.

#### **Article XVIII. Definitions.**

Section 1. **General definitions.** When used in these bylaws the terms:

“Act” means the Federal Credit Union Act, as amended.

“Administration” means the National Credit Union Administration.

“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).

“Board” means board of directors of the federal credit union.

“Immediate family members” means spouse, child, sibling, parent, grandparent, grandchild, stepparents, stepchildren, and adoptive relationships.

“NCUA Board” means the Board of the National Credit Union Administration.

“Regulation” or “regulation” means rules and regulations issued by the NCUA Board.

“Share” or “shares” means all classes of shares and share certificates that may be held in accordance with applicable law and regulations.

**Gail Marino**

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**From:** Siwak, Leonard W <LSIWAK@NCUA.GOV>  
**Sent:** Wednesday, December 19, 2018 11:18 AM  
**To:** Gail Marino  
**Subject:** Re: question  
**Attachments:** image001.png; image002.png; image003.png

Gail

In the standard Bylaws, Article 6 lists the number of directors. If you use the standard Bylaws, or similar Bylaws, your board may change the number on the board with a vote at a regular monthly meeting. I suggest to note in the Bylaws the date of the vote to change the number.

Bylaws should not change frequently, so a review of Bylaws may occur every few years.

Len



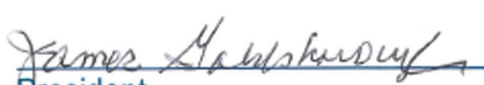
CERTIFICATION OF RESOLUTION OF BOARD OF DIRECTORS  
ADOPTING AMENDMENT OF CHARTER

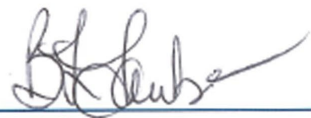
Reducing Board Members from Nine to Seven  
Eliminating Vacant Positions

WHEREAS, the attached amendment of the credit union's charter is in the best interests of the members and is consistent with Law, and all necessary authorizations having been obtained,

NOW, THEREFORE, pursuant to the provisions of the Federal Credit Union Act, the attached amendment of the charter of the BAY ATLANTIC FEDERAL CREDIT UNION NO. 3541 is hereby adopted by the board of directors in accordance with Federal Credit Union Bylaws.

We, the undersigned President and Secretary of the above federal credit union, hereby certify that on December 17, 2018, the board of directors in accordance with Federal Credit Union Bylaws, adopted the above resolution, amending the charter.

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Secretary