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**STANDARD CREDIT UNION BYLAWS
(WITH ELECTED CREDIT COMMITTEE)**

BYLAWS OF THE
_____ **CREDIT UNION**

ARTICLE I NAME, PURPOSE, PRINCIPAL OFFICE

Sec. 1. The name of this credit union shall be _____
_____ Credit Union.

Sec. 2. This credit union is a voluntary, cooperative, non-profit financial institution, chartered under the Alabama Credit Union Act (Code of Alabama, 1975, Title 5 Chapter 17). Its primary purpose is the encouragement of thrift, the creation of a source of credit at fair and reasonable rates of interest, and the provision of opportunities for its members to control their own money in order to improve their economic and social condition. The credit union strives to achieve its purpose by conducting any business, engaging in any activity, and providing any service that may benefit its members, subject to the Alabama Credit Union Act and the rules and regulations adopted thereunder by the Alabama Credit Union Administration.

Sec. 3. The Board of Directors shall have the authority to change the place of the principal office of the credit union and to establish branch offices anywhere within the State of Alabama to serve its existing field of membership. With the written approval of the Administrator of the Alabama Credit Union Administration, the credit union may establish branches in other states.

Sec. 4. The Administrator of the Alabama Credit Union Administration shall be immediately notified of any change in location or address of any office and of the location of additional offices or branches, which are established.

ARTICLE II QUALIFICATION FOR MEMBERSHIP

Sec. 1. The field of membership shall be limited to:

Sec. 2. In addition to the field of membership described in Section 1 of Article II, the credit union may include within its field of membership members of such other groups as are approved by the Board of Directors and the Administrator of the Alabama Credit Union Administration.

Sec. 3. An applicant shall not be admitted to membership until (a) it shall have been determined that he/she is eligible for membership; (b) his/her written application for membership shall have been approved by the affirmative vote of a majority of the board of directors present at the meeting at which the application is acted upon, or a majority of the members of a duly appointed and authorized executive committee present at

such a meeting, or by a membership officer duly appointed by the board; (c) he/she shall have qualified as a member by paying any entrance fee or membership fee, or both, established by the board of directors; and (d) subscribing for at least one share of this credit union and paying the first installment thereon.

Sec. 4. Subject to any special conditions established by the board of directors, a member who is no longer within the field of membership may retain his/her membership.

Sec. 5. The Board of Directors may expel a member for cause by a majority vote of a quorum of Directors, pursuant to a written policy adopted by the Board. Cause includes a loss to the credit union, a violation of the membership agreement or any policy or procedure adopted by the Board, or inappropriate behavior such as physical, sexual or verbal abuse of credit union members or staff. All members shall be given written notice of such policies. Any person expelled by the Board have the right to file a written appeal to the Board to reconsider the expulsion.

Sec. 6. A credit union may terminate the membership of any member who withdraws his or her shares to less than one par share.

Sec. 7. Persons whose membership has been terminated, whether by withdrawal or expulsion, shall have no further rights in the credit union, but are not released from any obligation owed to the credit union.

Sec. 8. A member who has been expelled may not be readmitted to membership except upon approval by a majority vote of the Board after application and proof that the applicant remains within the credit union's field of membership, has adequately explained, addressed, or remedied the conditions leading to expulsion, and will abide by the terms and conditions of membership. Not more than one such application for readmission may be made within any 12-month calendar period.

ARTICLE III SHARES, DEPOSITS AND LIABILITY

Sec. 1. The par value of each share shall be set by the board of directors. If the board of directors votes to increase the par value of a share, such increase in par value shall not be effective until the first day of the dividend period following the vote of the directors to increase the par value of a share. The members of the credit union shall be advised of such change in par value prior to the end of the dividend period during which such change takes effect. In the event of any increase in the par value of a share, a member who has not deposited into his/her share account an amount equal to the new par value of a share shall have the right to make an additional deposit at any time during the dividend period following the vote to increase his/her deposits to the minimum par value.

Sec. 2. The maximum amount in shares, deposits, or other thrift accounts, which may be owned by any one member, may be established from time to time by the Board of Directors.

- Sec. 3.** As provided in these bylaws, any member may withdraw from the credit union at any time when such withdrawals may be made. The credit union, upon approval by its board of directors, may require 60 days' notice of intention to withdraw shares and 30 days' notice of intention to withdraw deposits as outlined in the Code of Alabama, Section 5-17-6. For purposes of this Article and Section, shares are defined as share accounts and deposits are defined as all other deposit accounts (including but not limited to share draft accounts, any other share savings accounts, share certificates, and share money market accounts). Exercise of this authority by the board of directors shall be in conjunction with and subject to any other law and/or regulations which may govern the ability to access or withdraw funds from a credit union.
- Sec. 4.** If a member's share balance falls below the par value of one share and remains below the par value of one share for twelve (12) months, such shareholding may be absorbed by a service charge upon authorization of the Board.
- Sec. 5.** Share and other accounts may be issued in the name of a minor or in trust in such way and manner as the Board of Directors may determine.
- Sec. 6.** Shares and other accounts may be issued to a member in a joint tenancy with the right of survivorship with any person designated by the credit union member, but no person so designated as joint tenant shall be permitted to vote, obtain loans, or hold office unless he/she is within the field of membership and is a qualified member. Any shares or other accounts so issued and additions thereto of whatever nature shall be payable by the credit union on the death of the deceased member to the surviving joint tenant, and the payment and the receipt or acquittance of the same to said surviving joint tenant shall be a valid and sufficient release and discharge to the credit union of all amounts so paid.

ARTICLE IV MEETING OF MEMBERS

- Sec. 1.** The annual meeting of the members shall be held on the ___ day of _____, unless that day is a legal holiday, and in that event on the next succeeding business day, for the purpose of electing directors and transacting any and all business that may properly come before the meeting. The Board of Directors may postpone the annual meeting for not more than thirty (30) days, upon not less than seven (7) days written notice to all members.
- Sec. 2.** Meetings of the members may be held at any location designated by the Board of Directors, upon determination that such location and time is reasonably accessible to a majority of the members provided, however, that if a meeting is to be held at the registered office of the credit union, no such determination need be made.
- Sec. 3.** At least seven (7) days before the date of any annual or special meeting of the members, the secretary shall cause written notice thereof to be handed to each member in person or mailed to each member's household at his/her address as the same appears

on the records of this credit union; except that if this credit union maintains an office that is readily accessible to members and wherein regular business hours are maintained and if the Board of Directors so directs, notice of any meeting may be given by posting the notice thereof in a conspicuous place in each office of this credit union where it may be read by the members at least fourteen (14) days prior to such meeting. Notice of any annual or special meeting shall state the date, time, and location at which such meeting shall be held. Notice of any special meeting shall also 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.

Sec. 4. (a) Special meetings of the members may be called by (i) the President (unless he/she is not a member of the Board of Directors), (ii) the Chairman of the Board of Directors, (iii) the Board of Directors, (iv) the Supervisory Committee, or, (v) pursuant to the provisions and subject to the requirements of Article IV, Section 4(b), by the Secretary acting on behalf of the members. The date of any such special meeting called by the President, Chairman of the Board of Directors, the Board of Directors, the Supervisory Committee, or the Secretary shall be not more than 45 days after such meeting is called.

(b) A special meeting shall be called by the Secretary acting on behalf of the members upon receipt of a written request that such a meeting be held if such written request is (i) signed by at least 25 members or two percent (2%) of the membership as of the date of the request, whichever number is greater, (ii) sets forth proposed purpose of such meeting. The date of a special meeting called pursuant to the written request by the requisite number of members shall be at a time designated by the Board of Directors, but not more than 45 days after the submission to the Secretary of such written request.

Sec. 5. The order of business at annual meetings of members shall be:

- (a) Ascertainment that a quorum is present;
- (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 Loan Committee;
- (f) Report of the Supervisory Committee;
- (g) Unfinished Business;
- (h) New Business other than Elections;
- (i) Elections
- (j) Adjournment

The members assembled at any annual meeting may suspend the above order of business upon a two-thirds (2/3) vote of the members present at the meeting.

Sec. 6. Except as hereinafter provided, at annual or special meetings _____ members shall constitute a quorum. If no quorum is present, an adjournment may be taken to a date not fewer than seven (7) or more than fifteen (15) 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 fewer than five (5) days previous to the date of the meeting as fixed in the adjournment.

ARTICLE V ELECTIONS

INSTRUCTIONS: THE CREDIT UNION MUST SELECT ONE OF THE FOUR VOTING OPTIONS. ALL OPTIONS CONTINUE WITH SECTION 3 OF THIS ARTICLE.

Option 1—In-Person Elections; Nominating Committee and Nominations from Floor

Sec. 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.

Sec. 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 by ballot except where there is only one nominee for the office. Members may vote for a candidate for each available position without limitation.

Option 2—In-Person Elections; Nominating Committee and Nominations by Petition

Sec. 1. Nomination procedures.

(a) At least 120 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.

(b) The nominating committee files its nominations with the secretary of the credit union at least 90 days before the annual meeting, and the secretary notifies in writing all members eligible to vote at least 75 days before the annual meeting that nominations for vacancies may also be made by petition signed by 1% of the members with a minimum of 25 and a maximum of 500. There shall be no petitions by Proxy; nor may members sign blank petitions (candidates name omitted). All signatures are subject to proper validation. The secretary may use electronic mail to notify members who have opted to receive notices or statements electronically.

(c) The written notice must indicate that the election will not be conducted by ballot and there will be no nominations from the floor when the number of nominees equals the number of positions to be filled. A brief statement of qualifications and biographical data in a form 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 must submit a similar statement of qualifications and biographical data with the petition. The written notice must state the closing date for receiving nominations by petition. In all cases, the period for receiving nominations by petition must extend at least 35 days from the date that the petition requirement and the list of nominating committee's nominees are mailed to all members. To be effective, nominations by petition must 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. Nominations by petition must be filed with the secretary of the credit union at least 40 days before the annual meeting and the secretary will ensure that nominations by petition, along with those of the nominating committee, are posted in a conspicuous place in each credit union office at least 35 days before the annual meeting.

Sec. 2. Election procedures.

(a) All persons nominated by either the nominating committee or by petition must be placed before the members. 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. Members may vote for a candidate for each available position without limitation. All elections are determined by plurality vote and will be by ballot except where there is only one nominee for each position to be filled.

(b) If sufficient nominations are made by the nominating committee or by petition to provide at least as many nominees as positions to be filled, nominations cannot be made from the floor. In the event nominations from the floor are permitted and result in more nominees than positions to be filled, when nominations have been closed, the

chair appoints the tellers, ballots are distributed, the vote is taken and tallied by the tellers, and the results announced. Members may vote for a candidate for each available position without limitation. When the number of nominees equals the number of positions to be filled, the chair may take a voice vote or declare each nominee elected by general consent or acclamation at the annual meeting.

Option 3—Election by Ballot Boxes or Voting Machine; Nominating Committee and Nomination by Petition

Sec. 1. Nomination procedures.

(a) At least 120 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.

(b) The nominating committee files its nominations with the secretary of the credit union at least 90 days before the annual meeting, and the secretary notifies in writing all members eligible to vote at least 75 days before the annual meeting that nominations for vacancies may also be made by petition signed by 1% of the members with a minimum of 25 and a maximum of 500. There shall be no petitions by Proxy; nor may members sign blank petitions (candidates name omitted). All signatures are subject to proper validation. The secretary may use electronic mail to notify members who have opted to receive notices or statements electronically.

(c) The written notice must indicate that the election will not be conducted by ballot and there will be no nominations from the floor when the number of nominees equals the number of positions to be filled. A brief statement of qualifications and biographical data in a form 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 must submit a similar statement of qualifications and biographical data with the petition. The written notice must state the closing date for receiving nominations by petition. In all cases, the period for receiving nominations by petition must extend at least 35 days from the date of the petition requirement and the list of nominating committee's nominees are mailed to all members. To be effective, nominations by petition must 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. Nominations by petition must be filed with the secretary of the credit union at least 40 days before the annual meeting and the secretary will ensure that nominations by petition along with those of the nominating committee are

posted in a conspicuous place in each credit union office at least 35 days before the annual meeting.

Sec. 2. Election procedures.

All elections are determined by plurality vote. The election will be conducted by ballot boxes or voting machines, 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 nominees than positions to be filled, the secretary, at least 10 days before the annual meeting, will cause ballot boxes and printed ballots, or voting machines, to be placed in conspicuous locations, as determined by the board of directors with the names of the candidates posted near the boxes or voting machines. 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. Members may vote for a candidate for each available position without limitation;

(c) After the members have been given 24 hours to vote at conspicuous locations as determined by the board of directors, the ballot boxes or voting machines will be opened, the vote tallied by the tellers, the tallies placed in the ballot boxes, and the ballot boxes resealed. The tellers are responsible at all times for the ballot boxes or voting machines and the integrity of the vote. A record must be kept of all persons voting and the tellers must assure themselves that each person voting is entitled to vote; and

(d) The tellers will take the ballot boxes to the annual meeting. At the annual meeting, printed ballots will be distributed to those in attendance who have not voted, and their votes will be deposited in the ballot boxes placed by the tellers, before the beginning of the meeting, in conspicuous locations with the names of the candidates posted near them. After those members have been given an opportunity to vote at the annual meeting, balloting will be closed, the ballot boxes opened, the vote tallied by the tellers and added to the previous count, and the chair will announce the result of the vote.

Option 4—Election by Electronic Device (Including But Not Limited to Telephone and Electronic Mail) or Mail Ballot; Nominating Committee and Nominations by Petition

Sec. 1. Nomination procedures.

(a) At least 120 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.

(b) The nominating committee files its nominations with the secretary of the credit union at least 90 days before the annual meeting, and the secretary notifies in writing all members eligible to vote at least 75 days before the annual meeting that nominations for vacancies may also be made by petition signed by 1% of the members with a minimum of 25 and a maximum of 500. There shall be no petitions by Proxy; nor may members sign blank petitions (candidates name omitted). All signatures are subject to proper validation. The secretary may use electronic mail to notify members who have opted to receive notices or statements electronically. c. The notice must indicate that the election will not be conducted by ballot and there will be no nominations from the floor when the number of nominees equals the number of positions to be filled. A brief statement of qualifications and biographical data in a form approved by the board of directors will be included for each nominee submitted by the nominating committee with the notice to all eligible members. Each nominee by petition must submit a similar statement of qualifications and biographical data with the petition. The notice must state the closing date for receiving nominations by petition. In all cases, the period for receiving nominations by petition must extend at least 35 days from the date of the petition requirement and the list of nominating committee's nominees are mailed to all members. To be effective, nominations by petition must 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. Nominations by petition must be filed with the secretary of the credit union at least 40 days before the annual meeting and the secretary will ensure that nominations by petition, along with those of the nominating committee, are posted in a conspicuous place in each credit union office at least 35 days before the annual meeting.

Sec. 2. Election procedures.

All elections are determined by plurality vote. All elections will be by electronic device or mail ballot, 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 nominees than positions to be filled, the secretary, at least 30 days before the annual meeting, will cause either a printed ballot or notice of ballot to be mailed to all members eligible to vote. Electronic mail may be used to provide the notice of ballot to members who have opted to receive notices or statements electronically;

(c) If the credit union is conducting its elections electronically, the secretary will cause the following materials to be transmitted to each eligible voter and the following procedures will be followed:

(1) One notice of balloting stating the names of the candidates for the board of directors and the candidates for other separately identified offices or committees. The name of each candidate must be followed by a brief statement of qualifications and biographical data in a form approved by the board of directors. Electronic mail may be used to provide the notice of ballot to members who have opted to receive notices or statements electronically. Members may vote for a candidate for each available position without limitation.

(2) One mail ballot that conforms to Section 2(d) of this article and one instruction sheet stating specific instructions for the electronic election procedure, including how to access and use the system, and the period of time in which votes will be taken. The instruction will state that members without the requisite electronic device necessary to vote on the system may vote by submitting the enclosed mail ballot and specify the date the mail ballot must be received by the credit union. For members who have opted to receive notices or statements electronically, the mail ballot is not required, and electronic mail may be used to provide the instructions for the electronic election procedure.

(3) It is the duty of the tellers of election to verify or cause to be verified the name of the voter and the credit union account number as they are registered in the electronic balloting system. It is the duty of the teller to test the integrity of the balloting system at regular intervals during the election period.

(4) Ballots must be received no later than midnight, 5 calendar days before the annual meeting.

(5) The vote will be tallied by the tellers. The result must be verified at the annual meeting and the chair will make the result of the vote public at the annual meeting.

(6) In the event of malfunction of the electronic balloting system, the board of directors may in its discretion order elections be held by mail ballot only. The mail ballots must conform to Section 2(d) of this article and must be mailed once more to all eligible members 30 days before the annual meeting. The board may make reasonable adjustments to the voting time frames above, or postpone the annual meeting when necessary, to complete the elections before the annual meeting.

(d) If the credit union is conducting its election by mail ballot, the secretary will cause the following materials to be mailed to each member and the following procedures will be followed:

- (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 committees 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 that 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, following instructions 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. Members may vote for a candidate for each available position without limitation.
- (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;
- (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 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 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 before the date of the annual meeting;
- (8)** The vote will be tallied by the tellers. The result will be verified at the annual meeting and the chair will make the result of the vote public at the annual meeting.

Sec. 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 by one ballot for all offices.

(c) Nominations for Supervisory Committee Members.

Sec. 4. Proxy Voting.

No member shall be entitled to vote by proxy on any matter brought before the members at an annual or special meeting, but the Board of Directors may authorize members unable to attend the annual meeting to vote by absentee ballot in the election of Directors and on other matters to come before the annual meeting. An absentee ballot is to be cast with the Secretary, by mail or in person, prior to the annual meeting. The Secretary shall certify the eligibility to vote of those members casting absentee ballots.

Sec. 5. Agent Voting.

A member other than a natural person may vote through an agent designated in writing for the purpose.

Sec. 6. One vote per member.

Each member present at a meeting of the members shall be entitled to one vote on each matter submitted to a vote of the members. (Irrespective of the number of shares held by him, no member shall have more than one vote.)

Sec. 7. For those matters other than the election of members of the Board of Directors and Supervisory Committee, the procedures for which are set forth by Article V of these bylaws, and unless a provision of these bylaws or any law applicable to a particular proposed action establishes a greater vote requirement, an affirmative vote of at least a majority of those members present at a duly held meeting at which a quorum is present shall be sufficient to constitute the approval of the members with respect to a proposed action brought before the member at that meeting for approval.

Sec. 8. Submission of information regarding credit union officials to ACUA.

Within ten (10) days after their election, 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.

Sec. 9. Minimum age requirement.

Members must be at least 19 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.

ARTICLE VI BOARD OF DIRECTORS

- Sec. 1.** The initial Board of Directors shall consist of _____ members. All of the Directors shall be members of this credit union and of legal age. The number of Directors may be changed to an odd number not fewer than five (5) 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 action provided by these bylaws. A copy of the resolution of the Board covering any increase or decrease in the number of Directors shall be filed with the Alabama Credit Union Administration.
- Sec. 2.** Regular terms of office for Directors shall be for periods of three (3) years provided that Directors shall hold office until the due election and qualification of their respective successors. The regular terms shall be so 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.
- Sec. 3.** Any vacancy on the Board may be filled by vote of a majority of the Directors then holding office. Directors so appointed shall hold office only until next annual membership meeting at which time any unexpired terms shall be filled by vote of the members, and until the due election and qualification of their successors.
- Sec. 4. (a)** Except as provided in Section 5 of this Article, regular meetings of the Board of Directors shall be held each month at a date, time and place determined by the Board of Directors. Notice of all regular meetings of the Board of Directors shall be given in any such manner as the Board of Directors may, from time to time, prescribe. Meetings of the Board of Directors may be accomplished in person, via teleconference, and via videoconference. Teleconference and videoconference methods should provide adequate security of data and communication. At least once each calendar year, an in-person meeting of the full board of directors shall be held.
- (b)** A special meeting of the Board of Directors may be called at any time by the President, if he/she is a member of the Board of Directors, or the Chairman of the Board of Directors. The President, if he/she is a member of the Board of Directors, the Chairman of the Board of Directors, and the Secretary are required to call a special meeting of the Board of Directors upon written request of any three (3) Directors. The President, if he/she is a member of the Board of Directors, or the Chairman of the Board of Directors if the President is not a member of the Board of Directors shall fix the time and place of special meetings, unless the Board prescribes otherwise. In the absence of such President or Chairman of the Board of Directors, the Vice-President or Vice Chairman of the Board shall fix the time and place of special meetings unless the Board prescribes otherwise. Notice of all special meetings of the Board of Directors shall be given in such manner as

the Board of Directors may, from time to time prescribe, but shall be given at least 24 hours prior to any called special meeting.

- Sec. 5.** A majority of the number of Directors specified in the bylaws (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. Written notice of an adjourned meeting need not be given to the Directors.
- Sec. 6.** The Board of Directors may appoint from its own members an Executive Committee of not less than three persons to serve at the pleasure of the Board of Directors or until the next annual meeting of the credit union when a newly appointed Executive Committee may be selected. The Board of Directors may delegate specific duties of the Board of Directors to the Executive Committee to act for it in the interim between Board meetings, with such duties fully documented and formally approved by the Board of Directors. Such delegation of duties to the Executive Committee shall be effective until revoked/revised/eliminated by the Board of Directors or until the next annual meeting of the credit union. The Board of Directors may abolish the Executive Committee and its delegated duties at any time and in the same manner as its origin. If an Executive Committee is appointed, the Committee shall meet as often as necessary, but in no event shall the Executive Committee or a meeting of the Executive Committee constitute a quorum of the Board of Directors.
- Sec. 7.** (a) The Board of Directors shall have general management of the affairs of the credit union. It shall exercise all the authority of the credit union and exercise all powers for the credit union, unless some power or authority is expressly granted to some other body or to the membership by these bylaws or by applicable law.
- (b) The Board of directors may delegate exercise of its authority or power to a committee of its members, or to an executive officer or employee of the credit union, but it shall be the duty of the Board of Directors to supervise the exercising of such authority. The Board shall annually delegate such authority to any committee of its members, or to any Executive officer or employee.
- Sec. 8.** (a) If a Director fails to attend regular meetings of the Board for three consecutive meetings, he/she may be suspended from his/her office by the Board of Directors. After giving the suspended Director written notice of this action and of the time and place of a hearing to be held by the Board with reference to the suspension, the Board shall vote on whether to declare such office to be vacant. If the Board declares such office to be vacant, then the Board will call a special membership meeting to affirm or reject the Board's decision in declaring the position to be vacant.
- (b) If the special membership meeting called for this purpose declares the position to be vacant, then the position shall be filled by the Board of Directors and the person appointed shall serve until the next annual meeting, at which time the members shall elect a director to serve. Provided, however, that the Board of Directors need not call a special membership meeting if the person whose position has been declared vacant by the board

resigned such position prior to the date of the special membership meeting or prior to the calling of such special membership meeting.

Sec. 9. The Board of Directors shall establish the policy of the credit union concerning loans to directors, officers, employees and members of a committee which policy shall, at a minimum, comply with the requirements of applicable law and regulations. The Board of Directors shall ratify such policy on at least an annual basis, or more frequently as necessary, and shall make any amendments to such policy it deems necessary or appropriate.

**ARTICLE VII EXECUTIVE OFFICERS, EXECUTIVE COMMITTEE,
MEMBERSHIP OFFICER, ASSISTANT TREASURERS, AND THEIR
DUTIES**

Sec. 1. The Executive Officers of the credit union shall be elected by the Board of Directors and shall be comprised of:

(a) A President who must be either a member of the Board of Directors or an employee of the credit union who is not a member of the Board of Directors. If the Directors elect a President who is not a member of the Board of Directors, the President shall serve at the pleasure of the Board.

(b) If the Board of Directors elects a President who is not a member of the Board of Directors, the Board of Directors shall elect a Chairman of the Board of Directors from their own number and a Vice Chairman of the Board of Directors who shall serve as Chairman of the Board of Directors in the absence of the Chairman.

(c) A Treasurer and a Secretary who are members of the Board of Directors (who may be the same individual) and such other officers as are elected by the Board of Directors from their own number.

(d) Other officers appointed by the President, with advice and consent of the Board of Directors, who shall serve at the pleasure of the President unless a contrary policy is established by the Board of Directors.

Sec. 2. Officers elected at the meeting of the Board following the annual meeting of the members, which shall be held not later than thirty (30) days after the annual meeting, shall hold office for a term of one (1) year and until the election and qualification of their respective successors; provided that any person elected to fill a vacancy caused by the death, resignation, or removal of an officer shall be elected by the Board to serve for the unexpired term of such officer and until his/her successor is duly elected and qualified.

Sec. 3. The President shall preside, unless he/she is not a member of the Board of Directors, at meetings of the members and at meetings of the Board of Directors unless disqualified through suspension by the Supervisory Committee. If the President is not a

- member of the Board of Directors, the Chairman of the Board of Directors or, in his/her absence, the Vice Chairman of the Board of Directors shall preside at meetings of the members and at meetings of the Board of Directors unless disqualified through suspension by the Supervisory Committee. The President shall perform such other duties as customarily appertain to the office of President or as he/she may be directed to perform by the Board of Directors not inconsistent to the provisions of the law or these bylaws. If the President is a member of the Board of Directors, then the ranking Vice President who is a member of the Board of Directors shall exercise the duties of the President during his/her absence or inability.
- Sec. 4.** All conveyances of real property by the credit union shall be signed by the Treasurer and the President.
- Sec. 5.** (a) Except where the Board of Directors otherwise provides, the President shall be the general manager of the credit union under the control and direction of the Board of Directors.
- (b) Subject to such limitation and control as may be imposed by the Board of Directors, the Treasurer shall have custody of all funds, securities valuable papers, and other assets of the credit union. Except as provided in Section 6 of this Article, he/she shall sign all checks, drafts, notes, and other obligations of the credit union. He/she shall provide and maintain full and complete records of all assets, liabilities, income and expenses of the credit union. He/she shall prepare and forward to the Alabama Credit Union Administration reports as it may require.
- Sec. 6.** (a) The Board of Directors may appoint one or more Assistant Treasurers, none of whom may also hold any other office, and authorize them, under the direction of the Treasurer, to perform any of the duties devolving on the Treasurer, including the signing of checks. When designated by the Board, any Assistant Treasurer may also act as Treasurer during the absence of the Treasurer or in the event of the Treasurer's inability to act.
- (b) The Board of Directors may designate one or more persons, other than the Treasurer or Assistant Treasurer(s), to sign checks, notes, drafts and other obligations of the credit union.
- Sec. 7.** The Secretary shall prepare and maintain complete minutes of all meetings of the members and of the Board of Directors. He/she shall give or cause to be given, in the manner provided in these bylaws, proper notice of all of the meetings of the members and shall act on behalf of the members as provided herein. The Secretary shall certify the results of all elections and shall perform such other duties as he/she may be directed to perform by the Board of Directors not inconsistent with the provisions of law or these bylaws.
- Sec. 8.** Any director who is authorized to handle money or negotiable assets on behalf of the credit union and all officers and employees of the credit union shall be bonded by a

regularly incorporated surety company, and the credit union may pay the cost of such bonds. The form, amount and surety of such bonds shall be approved by the Board of Directors and shall be subject to any additional requirements of the Alabama Credit Union Administration.

ARTICLE VIII ELECTED CREDIT COMMITTEE

- Sec. 1.** The Credit Committee shall consist of _____ members. The number of members of the Credit Committee may be changed to not fewer than three (3) by resolution of the Board. No reduction in the number of members may be made unless corresponding vacancies exist as a result of deaths, resignations, expirations of terms of office, or other actions provided by these bylaws. A copy of the resolution of the Board covering any increase in the number of committee members shall be filed with the Alabama Credit Union Administration.
- Sec. 2.** Regular terms of office for Credit Committee members shall be for ____ years; provided, however, that Credit Committee members shall hold office until the appointment and qualification of successors. The regular term shall be so fixed at the beginning, or upon any increase or decrease in the number of committee members, that approximately an equal number of regular terms shall expire at each annual meeting.
- Sec. 3.** The Credit Committee shall choose from their number a Chairman and a Secretary. The Secretary shall prepare and maintain complete records of all meetings which shall be prepared within three (3) days thereafter. The offices of Chairman and Secretary may be held by the same person.
- Sec. 4.** The Credit Committee may appoint one or more loan officers to serve at its pleasure, and delegate to said loan officer or officers the power to approve loans with such limitations and upon such conditions as the Credit Committee specifies. All loans not approved by a loan officer shall be acted upon by the Committee.
- Sec. 5.** The Credit Committee shall hold such meetings as the business of the credit union may require, not less frequently than once a month. Notice of such meetings shall be given to members of the committee in such manner as the committee members may from time to time prescribe.
- Sec. 6.** The Credit Committee may approve a line of credit for a member so that extensions may be granted to such member without additional action by the Credit Committee. Where a line of credit has been approved, no additional loan applications are required as long as the aggregate obligation does not exceed the limit of such line of credit.
- Sec. 7.** Subject to the limits imposed by the law, regulations, these bylaws and the general policies of the Board, the Credit Committee or a loan officer shall determine the security, if any, which shall be required for each loan, and the terms upon which it shall be repaid. When funds are not available to make all the loans for which there are applications, preference shall be given to the applications for smaller loans if the need and credit factors are comparable.

Sec. 8. Any vacancy on the Credit Committee shall be filled by vote of a majority of the directors then holding office. Credit committee members so appointed shall hold office only until the next annual membership meeting (at which time any unexpired terms shall be filled by vote of the members) and until qualification of their successors.

Sec. 9. If a member of the Credit Committee fails to attend regular meetings of such committee for three consecutive meetings, he/she may be suspended from his/her office by the Board of Directors. After giving the suspended credit committee member written notice of this action and of the time and place of the hearing to be held by the Board with reference to the suspension, the Board shall vote on whether to declare such office to be vacant. If the Board declares such office to be vacant, then the Board will call a special membership meeting to affirm or reject the Board's decision in declaring the position to be vacant; provided, however, that the Board of Directors need not call the special membership meeting if the person whose position has been declared vacant by the Board of Directors resigns such position prior to the date of the special membership meeting or prior to the calling of such special membership meeting.

If the special membership meeting called for this purpose declares the position to be vacant, then the position shall be filled by the Board of Directors.

ARTICLE IX SUPERVISORY COMMITTEE

Sec. 1. The Supervisory Committee shall consist of not less than three (3) members of this credit union. No member of the Board or any employee of this credit union may be elected to the Supervisory Committee. Regular terms of committee members shall be for ___ years and until the appointment and qualification of their successors.

Sec. 2. The Supervisory Committee members shall choose from among their number a Chairman and a Secretary. The Secretary of the Supervisory Committee shall prepare and have custody of complete records of all actions taken by it. The offices of Chairman and Secretary may be held by the same person.

Sec. 3. The Supervisory Committee shall make or cause to be made, a comprehensive annual audit to verify the credit union records as required by law. The committee may employ and use such clerical and auditing assistance as may be reasonably required to carry out its responsibilities prescribed by this Article, and reasonable assistance.

Sec. 4. (a) If a member of the Supervisory Committee fails to attend regular meetings of such Committee for three (3) consecutive meetings or otherwise fails to perform his or her duties, he/she may be suspended from his/her office by the Supervisory Committee. If the Supervisory Committee declares such office to be vacant, then the Supervisory Committee will call a special membership meeting within thirty (30) days to affirm or reject the Supervisory Committee's decision in declaring the position to be vacant.

(b) If the special membership meeting called for this purpose declares the position to be vacant, then the position shall be filled by the Supervisory Committee. Supervisory

Committee members so appointed shall hold office only until the next annual meeting (at which time any unexpired term shall be filled by vote of the members) and until the qualification of their successor. Provided, however, that the Supervisory Committee need not call a special membership meeting if the person whose position has been declared vacant by the Supervisory Committee resigned such position prior to the date of the special membership meeting or prior to the calling of such special membership meeting.

Sec. 5. (a) The supervisory committee, by a unanimous vote, may suspend any officer, director or member of the credit committee and call the members together to act on such suspension within 30 days after such suspension. The members at said meeting shall consider such suspension and vote to either remove such officer, director or credit committeeman permanently or to reinstate said officer, director or credit committeeman. By majority vote the supervisory committee may call a special meeting of the members to consider any matter submitted to it by such committee. The said committee shall fill vacancies in its own membership until the next meeting.

(b) If any officer, director or committee member is suspended by the Supervisory Committee and a special meeting is called, notice of such meeting will be given in accordance with the provisions of these bylaws for notice of special meetings of members.

ARTICLE X LOANS TO MEMBERS

Sec. 1. The rate of interest on loans shall be fixed from time to time by the Board of Directors and shall in no case exceed the maximum rate permitted by law. When the interest rate on future loans is reduced, similar action may be taken (but need not be taken) with regard to the interest rate on unpaid balances of existing loans.

Sec. 2. No loan shall be made to any member in excess of the maximum limit set by the Board of Directors.

Sec. 3. The maximum unsecured loan shall be established by the Board of Directors.

ARTICLE XI RESERVES

Sec. 1. The credit union shall establish and maintain the regular statutory reserves necessary to comply with the law of Alabama.

Sec. 2. The regular statutory reserve fund shall belong to the credit union and shall be used to meet losses except those resulting from an excess of expenses over income and shall not be distributed except on liquidation of the credit union or in accordance with a plan approved by the Administrator of the Alabama Credit Union Administration. The Board of Directors may transfer an amount to the regular statutory reserve, which is in excess of the amount required to be transferred to the regular statutory reserve.

Sec. 3. In addition to any other reserves, special reserves may be established from time to time by the Board of Directors.

ARTICLE XII DIVIDENDS

Sec. 1. The Board of Directors shall declare dividends from net earnings after deducting all required reserves and shall determine the intervals, periods and computation of such dividend.

Sec. 2. From the remaining net earnings and/or undivided earnings, after required reserves and declared dividends, the Directors may provide for interest refunds to borrowers in proportion to the interest paid by such borrower covering such classes of loans and for such periods under such circumstances as the Board may prescribe.

ARTICLE XIII GENERAL

Sec. 1. The officers, directors, members of committees, and employees of the credit union shall hold in strictest confidence all transactions of the credit union with its members and all information respecting their personal affairs, except to the extent deemed necessary by the Board in connection with the making of loans and the collection thereof.

Sec. 2. (a) Notwithstanding any other provisions in these bylaws, any director or committee member of the credit union may be removed from office by the affirmative vote of two-thirds (2/3) of the members present at a regular or at a special meeting called for the purpose, but only after an opportunity has been given him/her to be heard.

(b) The position of any director who is removed from office at a special meeting or whose position is declared vacant at a special meeting shall be filled by the Board of Directors, until the next annual membership meeting.

(c) If a membership meeting is held to remove any director or committeeman pursuant to a suspension by the Supervisory Committee or to declare vacant the position of any Director or committeeman pursuant to action by the Supervisory Committee or Board of Directors, then any action taken by the members shall be by majority vote.

Sec. 3. When any executive or membership officer is absent, disqualified, or otherwise unable to perform the duties of his/her office, the Board may designate another member of this credit union to act temporarily in his/her place.

Sec. 4. No Director, committee member, officer, agent or employee of the credit union shall in any manner, directly or indirectly, participate in the deliberation upon the determination of any question affecting his/her pecuniary interest or the pecuniary interest of any corporation, partnership, or association (other than the credit union) in which he/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 determina-

tion, such Director shall 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 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 Supervisory Committee, such committee member shall withdraw from such deliberation or determination.

Sec. 5. All books of account and other records of the credit union shall at all times be available to the Directors and committee members of the credit union. The charter and by-laws of the credit union shall be made available for inspection by any member.

ARTICLE XIV AMENDMENTS OF BYLAWS AND CHARTER

Sec. 1. These bylaws may be amended by the affirmative vote of at least two-thirds (2/3)'s of the members present and eligible to vote at any duly called meeting at which a quorum is present if the text of the amendment being considered was provided in the notice for the meeting which notice was otherwise delivered in accordance with the requirements of Article IV of these bylaws. No amendment of the bylaws shall become effective, however, until approved in writing by the Administrator of the Alabama Credit Union Administration.

ARTICLE XIV AMENDMENTS OF BYLAWS

(Optional. Choose between Article XIV above, and this optional Article XIV)

Sec. 1. Amendments of these bylaws may be adopted by the affirmative vote of two thirds of the 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 or amendments. No amendment of the by-laws shall become effective, however, until approved in writing by the Administrator of the Alabama Credit Union Administration.

This will certify that the members of _____ Credit Union in meeting assembled _____ did vote to adopt these bylaws.

Date _____

(President/Chairman)

(Secretary)