

**MEMBERS 1<sup>st</sup> CREDIT UNION**  
**BY-LAWS**

*(Revised January 18, 2017 & Approved February 16, 2017)*

**ARTICLE I**  
**NAME AND PURPOSE**

**Section 1** The name of this credit union shall be MEMBERS 1st 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, to create for them a source of credit for provident or productive purposes at a reasonable rate of interest, and to provide the opportunity for the members to use and control their money for their mutual benefit.

**ARTICLE II**  
**QUALIFICATION FOR MEMBERSHIP**

**Section 1** The field of membership shall be comprised of anyone who lives or works in the counties of Windham, Bennington, Rutland and Windsor in Vermont and Sullivan and Cheshire in New Hampshire and Franklin in Massachusetts, as well as members of their immediate families.

**Section 2** Each application for membership must be in writing and must be approved by the board of directors or its designee.

**Section 3** An applicant shall not be permitted to membership until (a) it shall have been determined that he/she is eligible for membership; (b) his/her application for membership shall have been in accordance with Article VII, Section 5 (a) of these by-laws and (c) he/she shall have qualified as a member by subscribing for a least one share of this credit union and paying the first installment thereon. The credit union may, at its option, impose an entrance fee or an annual membership fee on all members.

**Section 4** A member who withdraws all his/her shareholdings thereby ceases to be a member.

**Section 5** Subject to such conditions as the board of directors may establish, a member who ceases to be within the field of membership may retain his/her membership and all the rights and privileges thereof as long as he/she is in good financial standing.

**Section 6** The societies, associations, partnerships, and corporation composed for the most part of individuals who are eligible to membership in this credit union may be admitted to membership and participate in the services of the credit union subject to 8 V.S.A., Section 22055©.

**Section 7** If the field of membership includes unnamed occupational groups, the Board of Directors by resolution shall establish and maintain a listing of approved, eligible employers will be maintained.

**ARTICLE III**  
**SHARES, DEPOSITS AND LIABILITY**

**Section 1** The par value of shares shall be in five dollar (\$5.00) multiples of not less than five dollars (\$5.00), nor more than twenty-five dollars (\$25.00). Subscriptions to shares are payable at the time of subscription. A member shall be deemed to have on fully paid share for each \$25.00 of deposited.

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

**Section 3** Shares may only be transferred from one member to another, by written instrument, in such form as the board of directors may prescribe. The board of directors may require payment to this credit union of a fee for each transfer and, if so required, such fee shall apply to all transfers.

**Section 4** Money paid on shares, or installments of shares, may be withdrawn as provided in these by-laws on any day when payment for share may be made; but the board of directors shall have the right at any time to require 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 members may withdraw any shareholdings below the amount of their total liability to the credit union as borrower, endorser, co-maker or guarantor without the written approval of the board of directors. The board of directors however may give advance blanket approval for the withdrawal of any share owned by borrowers, co-makers, endorsers or guarantors that are not pledged as required security on loans; provided that payments on loans are current at the time applications are made for cash withdrawals. Such approval shall not have precedence over any notice period required to be given as provided by this section.

**Section 5** The board of directors may establish rules and conditions under which deposits, Christmas clubs, vacations clubs and other thrift clubs may be established by this credit union.

**Section 6** Withdrawals of savings may be in any manner approved by the board and the commissioner according to established regulations.

**Section 7** The shareholdings of a member who fails to complete payment of one share within 2 years of his/her admission to membership, or of a member who reduces his/her share balance below one share and does not increase the balance to at least one share within 2 years of the reduction, may be absorbed by a late charge upon authorization of the board.

**Section 8** Share may be issued in the name of a minor or in trust in such way and manner as the board of directors may determine.

**Section 9** Shares issued in the name of a minor shall be held for the exclusive right and benefit of the minor, and free from the control or lien of all other person, except creditors, and shall be paid, together with dividends thereon, to the person in whose name the shares shall have been issued. The receipt or a quittance of the minor shall be valid and sufficient release and discharge to the credit union for the share or any part thereof.

**Section 10** Share may be issued in joint tenancy with the right of survivorship, with any person designated by the credit union member but no person 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 share 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 a quittance 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**  
**RECEIPTING FOR MONEY**

**Section 1** Money paid in or paid out on account of shares, deposits or thrift clubs, loans, interest, fees or charges shall be evidenced by a form of receipt or statement of account to be determined by the board of directors.

**Section 2** Should the receipt, given to the member by the credit union, be lost or stolen, immediate notice of such fact shall be given to an officer, and written application shall be made for the payment of the amount due the member as recorded on said receipt or for the issuance of a duplicate receipt. 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 duplicate receipts. The board of directors may also require payment to this credit union of a reasonable charge to cover the cost of issuing the duplicate receipts.

**ARTICLE V**  
**MEETINGS OF MEMBERS**

**Section 1** The annual meeting of the members shall be held during the first six months of the calendar year at such time and place that is conveniently accessible to the members and as the board of directors shall designate.

**Section 2** At least 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 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 the board so determines, notice of the annual or special meeting may be given by posting the notice thereof, in a conspicuous place in the office of this credit union where it may be read by the members, at least 14 days prior to such meeting. Notice of any special meeting shall state the purpose for which it is to be held, and no business other than that related to this purpose shall be transacted at the meeting.

**Section 3** Special meeting of the members may be called by the chairperson, the board of directors, or by the supervisory committee; and shall be called by the chairperson within 30 days of the receipt of a written request of 25 members or 2% of the membership as of the date of the request, whichever number is greater. The notice of such special meeting shall be given as provided in Section 2 of this Article.

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

- (a) Ascertainment that a quorum is present;
- (b) Incorporation in the minutes of proof of notice of the meeting
- (c) Reading and approval (or correction) of the minutes of the last meeting;
- (d) Report of directors;
- (e) Report of financial officer;
- (f) Report of supervisory committee;
- (g) Unfinished business other than elections;
- (h) New business other than elections;
- (i) Elections;
- (j) Limits of borrowing power;
- (k) Adjournment

The members assembled at any annual meeting may suspend the above order of business upon a majority vote of the members present at the meeting.

**Section 5** Except as hereinafter provided, at annual or special meetings, 15 members shall constitute a quorum. If no quorum is present, an adjournment may be taken to a date not fewer than 7 and no more than 15 days thereafter. The members present at any such adjourned meeting will 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 of the original meeting, and such notice shall be given not fewer than 5 days prior to the date as fixed in the adjournment.

**Section 6** The fiscal year of the credit union shall end on December 31.

**Section 7** No member shall be entitled to vote by proxy, but a member other than a natural person may vote through an agent designated in writing for the purpose. A trustee, or other person acting in a representative capacity, shall not, as such, be entitled to vote. Members may vote by absentee ballot if provided for by the board of directors.

## ***ARTICLE VI ELECTIONS***

**Section 1** At least 30 days prior to each annual meeting, the chairperson shall appoint a nominating committee of not less than three members. It shall be the duty of the nominating committee to nominate at the annual meeting at least one member for each vacancy, including any unexpired term vacancy, for which elections are being held.

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

**Section 3** Nominations for directors shall be made. Elections may be by separate or, if preferred, may be by one ballot for all offices.

**Section 4** Irrespective of the number of shares held by a member, no member shall have more than one vote.

**Section 5** Within 10 days after the election or appointment to any position, each person so elected or appointed shall execute an oath of office.

Within 5 days after the annual meeting, the board of directors shall appoint the members of the supervisory committee.

Within 15 days after the election or appointment, the names and addresses of person elected or appointed, with the oath of office, shall be forwarded to the Department of Banking and Insurance in such manner as shall be required by said Department.

## ***ARTICLE VII BOARD OF DIRECTORS***

**Section 1** The board of directors shall consist of 7 members. All of the directors shall be members of this credit union and of legal age.

**Section 2** Regular terms of office for directors shall be for periods of 3 years, provided, however, that directors shall hold office until the election and qualifications of their 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.

**Section 3** Any vacancy on that board or supervisory committee shall be filled by vote of a majority of the directors then holding office. Directors so appointed shall hold office only until the next annual meeting, at which any unexpired terms shall be filled by vote of the members, and until the qualifications of their successors. Members of the supervisory committee so appointed shall hold office only until the first meeting of the board following the annual meeting of members or until the appointment of their successors.

**Section 4** Regular meetings of the board of directors shall be held each month, the date, time and place to be selected by the directors. The chairperson, or in his/her absence the vice chairperson, 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. The chairperson, or in his/her absence the vice chairperson, shall fix the time and place of special meetings unless the board prescribes otherwise. Notice of all meetings of the board of directors shall be given in such manner as the board of directors may from time to time prescribe.

**Section 5** The board of directors shall have the general management of the affairs, funds, and records of the credit union. In additions to the duties customarily performed by boards of directors, the board of directors shall:

- (a) Act upon all applications for membership, except to the extent that it may have authorized the approval of such applications by an executive committee or by a membership officer;
- (b) Periodically review and fix the fidelity coverage, which shall be required of the officers, employees, members of official committees, attorneys at law and other agents, to ascertain that the bond coverage in force is in compliance with the provisions of the Act and the rules and regulations of the Department of Banking and Insurance, and authorize the payment of the premium therefore from the funds of the credit union;
- (c) Within the limitations prescribed by the Act and regulations, determine from time to time that interest rate on loans, the rate of interest refund if any, to be made to members, the maximum maturities and terms of payment or amortization of loans to members, and the maximum amount that may be loaned, with and without security, to any member;
- (d) Have authority to declare and authorize the payment of a dividend on share of members;
- (e) Determine the interest rate which will be paid on deposit accounts and other accounts;
- (f) Determine from time to time the maximum number of shares which may be owned by one member and the maximum amount that one member may have in the deposit accounts or other accounts, such determinations to apply to all members;
- (g) Fill vacancies occurring between annual meetings in the board of directors and supervisory committee, as provided in Section 3 of this Article;
- (h) Fix from time to time the maximum amount, both secured and unsecured, which may be loaned to any one member;
- (i) Have charge of the investments of this credit union other than loans to members, except to the extent that the Board may have appointed an executive committee to act for it in the purchase and sale of securities or the making of loans to other credit union, or both;
- (j) Authorize the employment of such person or persons as may be necessary to carry on the business of the credit union and the compensation of employees and the treasurer;
- (k) Provide for compensation, if any, of any loan officer and of necessary clerical and auditing assistance employed or utilized by the supervisory committee;
- (l) Authorize the conveyance of property;
- (m) Authorize borrowing and discounting operations of behalf of the credit union within limitations prescribed by the Act;
- (n) Perform such other duties as the members may from time to time require;
- (o) Designate a depository or depositories for the funds of the credit union;

- (p) Suspend any or all members of the supervisory committee for failure to perform their duties;
- (q) Perform or authorize any action consistent with law and these by-laws not specifically reserved to the members by the by-laws;
- (r) If deemed necessary or advisable, adopt a common seal and alter the same;
- (s) Supervise the collection of loans to members and authorize the charge-off of uncollectible loans;
- (t) Provide for disposition of dormant accounts, and
- (u) Approve loans to members of the supervisory committees.

**Section 6** A majority of the number of directors specified in the by-laws (inclusive of any vacancies) shall constitute a quorum for the transaction of business at any meeting thereof but fewer than a quorum may adjourn from time to time until a quorum is in attendance.

**Section 7** If a director fails to attend three consecutive meetings of the board of directors or otherwise fails to perform any of the duties devolving upon him/her as director, his/her office may be declared vacant by the board of directors and the vacancy filled as herein provided. The board may remove any executive officer from office for failure to perform the duties thereof, after giving the officer reasonable notice and opportunity to be heard.

The board may suspend any member of the supervisory committee. The members of this credit union shall decide, at a special meeting held not fewer than 7 nor more than 21 days after any such suspension, whether the suspended committee member shall be removed from or restored to the supervisory committee.

**Section 8** The directors may purchase insurance on the lives of its members in an amount equal to their respective share, deposit and loan balances or any or all of them.

**Section 9** The directors may recommend to the members that the credit union join the Association of Vermont Credit Unions and that dues be deducted from share accounts.

**Section 10** In accordance with the provisions of the Act and regulations, the board may authorize the cashing of checks and money orders for members.

**Section 11** In accordance with the provisions of the statutes and the Commissioner's regulations, the board may authorize the selling to members of negotiable checks (including traveler's cheques and money orders)

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

**Section 1** The executive officers of this credit union shall be a chairperson, one or more vice chairpersons, a treasurer, and a secretary, all of whom shall be elected by the board and from their number. If more than one vice chairperson is elected, the board shall determine their rank as first vice chairperson, second vice chairperson, etc. The offices of treasurer and secretary only may be held by the same person. Unless sooner removed as herein provided, the officers elected at the first meeting of the board shall hold office until the first meeting of the board following the first annual meeting of the members and until the election and qualifications of their respective successors.

**Section 2** Officers elected at the meeting of the board following the annual meeting of the members, which shall be held not later than 5 days after the annual meeting, shall 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 death, resignation, or removal of an officer shall be elected by the board to serve for the unexpired term of such office until his successor is duly elected and qualified.

**Section 3** The chairperson shall preside at meetings of the members and at meetings of the board of directors unless disqualified through suspension by the supervisory committee; and, together with the treasurer, shall sign all conveyances or property. The chairperson shall perform such other duties as customarily pertain to the office of chairperson or as he/she may be directed to perform by the board of directors and inconsistent with the provisions of the law or these by-laws.

**Section 4** The ranking vice chairperson shall exercise the duties of the chairperson during his/her absence or his inability to act.

**Section 5** Except where the board of directors otherwise provides, the treasurer shall be the chief executive officer of the credit union under the control and direction of the board of directors. Before entering upon his/her duties he /she shall give a proper bond with good and sufficient surety, as otherwise herein provided, conditioned upon the faithful performance of his/her duties. 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. Within 15 days after the close of each month, he/she shall prepare and submit to the board of directors a financial statement showing the condition of the credit union as of the end of such months, and shall promptly post a copy of such monthly financial statement in a conspicuous place in the office of the credit union, where it shall remain posted until replaced by the financial statement for the next succeeding month. He/she shall prepare and forward to the Department of Banking and Insurance such financial reports as said Department may require.

**Section 6** The board of directors may appoint one or more persons, and authorize them, under the direction of the treasurer, to perform any of the duties devolving on the treasurer, including the signing of checks.

**Section 7** The board may appoint an executive committee, of not fewer than 3 directors, to serve at its pleasure, to act for it in the purchase and sale of securities and the making of loans to other credit unions in accordance with the law and regulations. The board may also authorize either such executive committee or a membership officer appointed by the board to serve at its pleasure from among the members of this credit union, other than the treasurer, an assistant treasurer, or a loan officer, to approve the applications for membership under such conditions as the board and these by-laws may prescribe. No executive committee member or membership officer shall be compensated as such.

**Section 8** 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 by-laws, proper notice of all of the meetings of the members and shall perform such other duties as he/she may be directed to perform by the board of directors not inconsistent with the provisions or law of these by-laws.

## ***ARTICLE IX***

### ***Loan Officers***

**Section 1** The board may appoint one or more loan officers to serve at its pleasure, and delegate to him/her/them the power to approve loans within limits and policies specified by the board. Loan officers shall furnish to the board monthly a record of each loan approved or not approved, or inform the board that such information is available upon request. Loan applications disapproved by a loan officer may be appealed by the applicant to the board. No individual shall have authority to disburse funds of this credit union for any loan which has been approved by him/her in his/her capacity as a loan officer.

**Section 2** Loan officers shall see that a careful inquiry is made into the character and financial condition of each applicant for a loan and his/her securities, if any, to ascertain his/her ability to repay fully and promptly the obligations incurred by him/her and to determine whether the loan sought is for a provident or productive purpose and will be of probable benefit to the borrower. The loan officer shall endeavor diligently to assist applicants in solving their financial problems.

**Section 3** No loan shall be made unless it is approved by a loan officer or by the board of directors who are present at the meeting, at which the application is considered, provided those directors present constitute a majority of the board.

**Section 4** Subject to the limits imposed by the law, regulations, and these by-laws, and the general policies of the board, the 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.

**Section 5** Loans to members of the board of directors shall be approved by a majority of the non-interested members of the board and the supervisory committee.

***ARTICLE X***  
***SUPERVISORY COMMITTEE***

**Section 1** The supervisory committee shall be appointed by the board and shall consist of 3 members of this credit union.

**Section 2** Regular terms of office for supervisory committee members shall be for 3 years; provided however, that supervisory committee members shall hold office until the election and qualification of successors. The regular terms 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.

**Section 3** The supervisory committee members shall choose from among their number a chairperson 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 chairperson and secretary may be held by the same person.

**Section 4** The supervisory committee shall make or cause to be made a comprehensive annual audit of the books and affairs of the credit union. It shall submit a report of each annual audit to the board of directors and a summary of that report to the members at the next annual meeting of the credit union. The committee shall make any supplementary audits required by the commissioner. The committee may employ and use such clerical and auditing assistance as may be required to carry out its responsibilities prescribed by this article, and may request the board to provide compensation for such assistance. It shall prepare and forward to the Department of Banking and Insurance such reports as said Department may require.

**Section 5** The supervisory committee shall, from time to time and not less frequently than once every 2 years, cause the passbooks and accounts of all members to be verified with the records of the treasurer. The committee shall maintain a record of such verification.

**Section 6** By unanimous vote the supervisory committee may suspend until the next meeting of the members any directors or executive officers. In the event of any such suspension, the supervisory committee shall call a special meeting of the members to act on said suspension, which meeting shall be held not fewer than 7 nor more than 21 days after such suspension. The notice of any such special meeting shall be issued at least 7 days before such



meeting and shall state the purpose for which it is to be held. The chairman of the committee shall act as chairman of the meeting unless the members select another person to act as chairman.

## ***ARTICLE XI LOANS TO MEMBERS***

**Section 1** Except as otherwise provided in these by-laws, loans shall be restricted to members, and each loan shall be made for provident or productive purposes upon such security and terms as the loan officer shall have approved.

**Section 2** A credit union may lend its funds to its members at rates of interest subject to the limitation established by the Commissioner, which amount shall be in full satisfaction of, and in lieu of, all other charges incident to the making of the loan, except fines for delinquent payments, and, in the case of secured loans, premiums incurred in the carrying of insurance against the loan, mortgage recording fees, title examination fees, and other such reasonable charges as may be necessarily incident to the effective protection of the loan by the security offered. When by action of the board, the interest rate on future loans is reduced; similar action may be taken with regard to the interest rate on unpaid balances of existing loans.

**Section 3** No directors or officers shall act as endorser, co-maker, or guarantor for borrowers from this credit union, except in cases of immediate members of the family.

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

**Section 5** Applications for loans shall be on forms prepared and provided by the credit union 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** A member may receive a loan in installments or in one sum.

## ***ARTICLE XII RESERVES***

**Section 1** All amounts as required by the statutes and pertinent state or federal regulations, shall be set aside as a regular reserve, provided, however, that when the regular reserve reaches the minimum required balance, no further transfers shall be required except up to such amounts permitted by law and as may be needed to maintain such minimum balance. Amounts in excess of the minimum required balances may be transferred to the regular reserve by authorization of the board of directors. The regular reserve shall be used only for losses as authorized by applicable law and regulations.

**Section 2** If the commissioner determines that the reserve established pursuant to the foregoing paragraphs is inadequate for any reason, the commissioner may require the establishment of such additional reserve as deemed necessary for the protection of the shareholders.

**Section 3** The board may also authorize, in addition to the regular reserve, special reserves to protect the interest of members, in accordance with the statutes and applicable regulations.

***ARTICLE XIII  
DIVIDENDS***

**Section 1** At such intervals and for such periods as the board of directors may authorize, and after provision for the required reserves, the board of directors may declare dividends to be paid from the undivided earnings at such rates and upon such classes of share as are determined by the board.

Dividends may also be considered a normal operating expense of the credit union. Dividends shall not be declared, credited or paid until the board has determined that the amount thereof has been actually earned and stands to the credit of the credit union.

Dividends may not be declared more frequently than monthly and after the necessary closing entries are recorded.

No dividends should be declared if the undivided earnings account is in a deficit-position.

**Section 2** The directors may declare an interest refund to borrowers of the current year if the earnings would warrant such return.

***ARTICLE XIV  
DEPOSITS AND INVESTMENTS***

**Section 1** The funds of the credit union may be deposited in legally chartered banks, trust companies and in central-type credit union organizations.

**Section 2** Funds not used in loans to members may be invested in accordance with applicable state and federal laws.

**Section 3** All funds of the credit union, except for petty cash and cash change funds authorized by Section 4 and 5 of this Article, shall be deposited in such qualified depository or depositories as the board may from time to time designate; and shall be so deposited not later than the fifth banking day after their receipt; provided, however, that receipts in the aggregate of \$100 or less may be held as long as ten banking days before they are deposited.

**Section 4** All disbursements of funds of the credit union shall be made by checks or other written instruments signed by the treasurer or a signatory duly authorized by the board of directors. The board may provide for the establishment and replenishment of a petty cash fund.

**Section 5** Establishment of a cash fund, for the purpose of making change, may be authorized by the board.

***ARTICLE XV  
WITHDRAWAL AND EXPULSION OF MEMBERS***

**Section 1** A member may withdraw from this credit union at any time. All amounts paid in on shares or deposits of any kind shall be paid to such withdrawing member as funds become available and only after deducting there from any amounts due the credit union by such member.

**Section 2** A member may be expelled by a two-thirds vote of the members of the credit union present at a special meeting called for the purpose, but only after an opportunity has been given to the member to be heard and only if the member has been properly notified. All amounts paid in on share or deposits by a member prior to his/her expulsion shall be paid to him/her, but only as funds become available and only after deducting there from any amount due the credit union by such member.

**ARTICLE XVI**  
**GENERAL**

**Section 1** All power, authority, duties and functions of the members, directors, officers and employees of the credit union, pursuant to the provisions of these by-laws, shall be exercised in strict conformity with the provisions of applicable law and applicable regulations, and of the charter and the by-laws of the credit union.

**Section 2** 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.

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

**Section 4** When any executive of membership officer is absent, disqualified, or otherwise unable to perform the duties of his office, the board may designate another member of this credit union to act temporarily in their place. The board may also designate another member or members of the credit union to act temporarily on any committees when necessary in order to obtain a quorum, and record this appointment in their minutes.

**Section 5** 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 determination, such directors shall withdraw from such deliberation or determination, and in such even the remaining qualified directors present at the meeting, if constituting a quorum with the disqualified director of directors, may exercise with respect to this matter, by a 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.

**Section 6** All books of account and other records of the credit union shall at all-time be available to the directors and members of the supervisory committee of the credit union. The charter and by-laws of the credit union shall be made available for inspection by any member.

**ARTICLE XVII**  
**SHARE INSURANCE**

**Section 1** This credit union shall insure its member's shares in accordance with requirements of applicable state and federal law.

**ARTICLE XVIII**  
**OPERATIONS FOLLOWING A NATIONAL EMERGENCY OR DISASTER**

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

**Section 2** In the event of an attack upon the United States, or other emergency situation of sufficient severity to prevent the conduct and management of the affairs and business of the credit union by its regularly elected directors, officers, and properly constituted committees as contemplated by these by-laws, any three available members of the then incumbent board of directors shall constitute a quorum of the board of directors for the full conduct and management of the affairs and business of the credit union including the approval of loans to members. In the event of the unavailability at such time of three members of the board, the vacancies, in order to provide a quorum of three, shall be filled as follows:

- (a) If the regularly elected chairperson or a regularly elected vice chairperson is not available, the available person who is highest on the succession list for chairperson last authorized by the board of directors shall automatically become an acting director if he/she is not a member of the board and acting chairperson.
- (b) If the regularly elected treasurer is not available, the available person who is highest on the succession list for treasurer last authorized by the board of directors shall automatically become an acting director if he/she is not a member of the board and acting treasurer.
- (c) If a third director is necessary to make a quorum, he/she shall be the next highest available person the succession list of chairperson or upon the exhaustion of such list, the next highest available person on the succession list for treasurer. The quorum of the board of directors, as regularly constituted or as constituted above, shall appoint additional directors as necessary to provide for a full board of seven members, provided that: if there is available an even number of regularly elected directors in excess of five, that board shall appoint one additional director, in which case, a quorum shall then be a majority of the full board thus constituted. Persons selected as provided in this section shall hold office only until their successors are elected at the next annual meeting or at a special meeting called for that purpose and until the qualifications of their successors, provided that the person selected pursuant to subsection.(a) shall hold office as acting chairperson and as acting director only until the regularly elected chairperson or regularly elected vice chairperson becomes available; and that the person selected pursuant to subsection (b) shall hold offices as acting treasurer and as acting director only until the regularly elected treasurer becomes available. This by-law shall be subject to implementation by resolutions by the board of directors passed from time to time for that purpose, and any provisions of these by-laws (other than this section) and any resolutions which are contrary to the provisions of any such implementary resolution shall be suspended until a regularly constituted board of directors can be obtained.

**Section 3** The resolution for emergency succession is of a continuing nature but will need to be updated from time to time. NCUA recommends that the board of directors, at its organization meeting following the annual Meeting of the members each year, re-adopt their resolution and appropriately revise the listing of People named in the succession lists. A person named in the succession lists need not be a director but must be a member of the credit union.

A copy of the succession lists for each year should be given to each director, each other person named in the list; each credit union office employee; Commissioner of Banking, Insurance and Securities; and the Regional Director, National Credit Union Administration. The list of succession may be furnished to the Commissioner of Banking, Insurance, and Securities with the credit union's Annual Report of Officials.

***ARTICLE XIII***  
***AMENDMENTS OF BY-LAWS AND CHARTER***

**Section 1** Amendments of these by-laws may be adopted and amendments of the charter requested by the affirmative vote of two-thirds of the authorized number of members of the board at any duly held meeting thereof if the members of the board and general membership have been given prior written notice of said meeting and the notice have contained a copy of the proposed amendment or amendments. No amendment of these by laws or of the charter shall become effective, however, until approved in writing by the Commissioner of Banking, Insurance and Securities.