

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. 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.

### 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 anyone member may be established from time to time by the Board of Directors.

Sec. 3. Money paid in on shares and other accounts may be withdrawn as provided in these bylaws on any day when payment for shares and other accounts may be made; but the board of directors shall have the right at any time to require members to give sixty (60) days' notice of intention to withdraw the whole or any part of the amounts paid in by them; provided, however, only a thirty (30) days' notice of intention to withdraw may be required of deposit accounts.

Sec. 4. No member may withdraw any accounts below the amount of his/her total liability to the credit union as borrower, endorser, comaker, or guarantor without the written approval of the officer or committee responsible for loan approval. The board of directors may give advance blanket approval for the withdrawal of any accounts owned by borrowers. Comakers, endorsers, or guarantors that are not pledged as required security on loans; provided however that payments on loans are current at the time applications are made for such withdrawals. "Required security," as used in this section, refers to shares or deposits, which are in existence at the time a loan is made, and which are specifically required to be pledged as security as part of a secured loan transaction. Such advanced blanket approval shall not reduce the time of the aforesaid "60 days' notice of intention to withdraw" period which is required to be given as provided by this section and the aforesaid "notice of intention to withdraw" may only be given after the aforesaid approval for withdrawal has been obtained.

Sec. 5. 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. 6. Share and other accounts may be issued in the name of a minor or in trust in such manner as the Board of Directors may determine.

Sec. 7. 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 during \_\_\_\_\_ at such time and place that is conveniently accessible to the members and as the Board of Directors shall designate.

Sec. 2. 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 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.

Sec. 3. a) Special meetings of the members may be called by the President (unless he/she is not a member of the Board of Directors), the Chairman of the Board of Directors, the Board of Directors or the Supervisory Committee, subject to the provisions of Article IV, Section 3 (c). The date of any such special meeting called by the President, Chairman of the Board of Directors, the Board of Directors or the Supervisory Committee, shall be not more than 30 days after such meeting is called.

b) Subject to the provisions of Article IV, Section 3 (c), a special meeting shall be called by the Secretary pursuant to a written request of 25 members or two percent of the membership as of the date of the request, whichever number is greater, provided that such written request sets forth the 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.

c) In the event that the credit union has called a special meeting during the calendar year, then any call for a special meeting by the President, the Chairman of the Board of Directors, the Secretary, the Board of Directors, or the supervisory Committee (including a meeting called pursuant to Article VI, Section 3(b), may be submitted by the Board of Directors to the Administrator of the Alabama Credit Union Administration who shall determine the advisability of calling such special

meeting. In order to submit the advisability of holding a special meeting to the Administrator of the Alabama Credit Union Administration, the Board of Directors must, within 15 days after receipt by the secretary of a written request for the special meeting or 15 days after a call for a meeting by the President, Chairman of the Board of Directors, the Board of Directors or the Supervisory Committee, make written request to the Administrator of the Alabama Credit Union Administration that he/she determine the advisability of holding a special meeting. If no such request is mailed or delivered to the Administrator of the Alabama Credit Union Administration within said 15-day period, then the special meeting will be held. If the Administrator of the Alabama Credit Union Administration determines that it is not advisable to hold such special meeting, then a special meeting will not be held and the purpose of such special meeting may be acted upon at the next annual meeting.

Sec. 4. 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 Credit Committee;
- f) Report of the Supervisory Committee;
- g) Unfinished Business;
- h) New Business other than Elections;
- i) Elections
- j) Adjournment

Sec. 5. 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) nor 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

Sec. 1. At least thirty (30) days prior to each annual membership meeting, the President (unless the President is not a member of the Board of Directors) shall appoint a nominating committee of not less than three (3) members, provided that the Chairman of the Board of Directors shall appoint such nominating committee if the President is not a member of the Board of Directors. It shall be the duty of the nominating committee to nominate at the annual meeting one (1) member for each vacancy (including any

unexpired term vacancy) in the Board of Directors, the Credit Committee and Supervisory Committee for which elections will be held at the annual membership meeting.

Sec. 2. If the Directors have not provided for absentee ballots, the presiding officer shall call for nominations from the floor after the nominations of the nominating committee have been placed before the members. If absentee ballots are not used the nominations shall be deemed closed after the nominations of the nominating committee have been placed before the members and the president has accepted all nominations from the floor.

If the directors have provided for absentee ballots, then the nominations of the nominating committee will be distributed to the members at least 30 days prior to the annual meeting and nominations will be accepted from the membership for a period of not less than 7 days after the nominations of the nominating committee are mailed or distributed to the membership. Any person nominated by the membership must present a written nomination signed by at least three members within a time period prescribed for such nominations by the Board of Directors. Upon the expiration of the aforesaid time period for such nominations, which is prescribed by the Board of Directors, the nominations shall be deemed closed in the event that absentee ballots are used.

The President (unless the President is not a member of the Board of Directors) shall appoint tellers at the annual meeting. The Chairman of the Board of Directors shall appoint tellers if the President is not a member of the Board of Directors. Written ballots shall be distributed, the vote taken, the results tallied and certified by the tellers and the results announced. Election may be by separate ballots for each director vacancy or may be by one ballot for all vacancies at the discretion of the presiding officer.

Sec. 3. Written ballots are required for all elections except when there is only one nominee for the office. All elections shall be determined by plurality vote and there shall be no runoffs except in the event of a tie vote.

Sec. 4. No member shall be entitled to vote by proxy, 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. 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.

Sec. 6. Irrespective of the number of shares held by him, no member shall have more than one vote.

Sec. 7. No member younger than \_\_\_\_\_ years of age shall be entitled to vote.

Sec. 8. Within ten (10) days after their election or appointment a record of the names and addresses of the members of the Board, the credit committee or loan committee, the Executive Officers, and the Supervisory Committee shall be forwarded to the Alabama

Credit Union Administration, in such manner as shall be required by said Administration.

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.

## 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 \_\_\_\_ years provided that Directors shall hold office until the election and qualification 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.
- Sec. 3. Any vacancy on the Board 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 membership meeting at which time any unexpired terms shall be filled by vote of the members, and until the qualification of their successors.
- Sec. 4. 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 designated by the Directors. The President, if he/she is a member of the Board of Directors, or the Chairman of the Board of Directors, may call a special meeting of the Board of Directors at any time. 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 meetings of the Board of Directors shall be given in such manner as the Board of Directors may from time to time prescribe.
- 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 the Directors.
- Sec. 6. The Board of Directors may appoint from its own members an Executive Committee of not less than three persons to act for it in the interim between Board meetings of

any of its duties the Board chooses to delegate to the Executive Committee. If an Executive Committee is appointed, the Board and the Committee shall meet as often as necessary, but one body must meet at least monthly and the other at least quarterly.

- Sec. 7. 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.

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.

- Sec. 8. 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.

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.

## 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 with 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. Except where the Board of Directors otherwise provides, the Treasurer shall be the general manager 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 fifteen (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 month, 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 Alabama Credit Union Administration reports as it may require.
- Sec. 6. 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. Surety bond coverage for Assistant Treasurers shall be the same as that for the Treasurer.

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. Surety bond coverage for such persons shall be the same as that for the Treasurer.

- 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 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.

#### 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 three (3) members of this credit union. No member of the Board or Credit Committee 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. If a member of the Supervisory Committee fails to attend regular meetings of such Committee for three (3) consecutive meetings, he/she may be suspended from his/her office by the Supervisory Committee. After giving the suspended committee member

written notice of this action and of the time and place of a hearing to be held by the Supervisory Committee with reference to the suspension, the office to be vacant. If the Supervisory Committee declares such office to be vacant, then the Supervisory Committee will call a special membership meeting to affirm or reject the Supervisory Committee's decision in declaring the position to be vacant.

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. 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 allowable unsecured loan amount and the aggregate amount of all loans allowable to each member 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. 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.
- The position of any director or Credit Committee member 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.
- 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 determination, 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 Credit Committee or 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 bylaws of the credit union shall be made available for inspection by any member.

#### ARTICLE XIV AMENDMENTS OF BYLAWS

These bylaws may be amended by a three-fourths' vote of the members at any meeting considering such amendment, which number must constitute a quorum, and provided the proposed amendment was contained in the call for the meeting. The notice of such meeting shall be given as provided in Article IV, Section 2 of these bylaws. An amendment shall have the approval of the Administrator of the Alabama Credit Union Administration before it becomes operative.

#### ARTICLE XIV (Optional Article XIV) AMENDMENTS OF BYLAWS

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 bylaws shall become effective, however, until approved in writing by the Administrator of the Alabama Credit Union Administration.

**Certification:**

Use the language appropriate to which amendment option (Article 14 of the Standard bylaws) is pertinent to these bylaws.

This certifies that the members of \_\_\_\_\_ Credit Union in a meeting assembled for this purpose did vote to adopt these bylaws.

Date \_\_\_\_\_

\_\_\_\_\_  
(President/Chairman)

\_\_\_\_\_  
(Secretary)

OR

This certifies that the Board of Directors of \_\_\_\_\_ Credit Union in a meeting assembled for this purpose did vote to adopt these bylaws.

Date \_\_\_\_\_

\_\_\_\_\_  
(President/Chairman)

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(Secretary)