Minnesota Department of Commerce
Statement Outlining Plan of Conversion
from Federal Charter to a
State Chartered Credit Union

The following steps are required:

1. Apply to the National Credit Union Administration (NCUA) for conversion (Section 1771 enclosed) and take appropriate steps under federal law.

2. Upon 14 days mailed written notice to each member, a regular or special meeting of federal credit union members is to be called to act on the conversion. At that meeting 2/3 of members present must vote in favor of conversion (Minnesota Statutes, Section 52.201) to proceed.

3. The Commissioner of Commerce will review the record of proceedings in 1 and 2, the most recent NCUA examination, and financial statements of the federal credit union.

4. Members of federal credit union execute a Certificate of Organization under state law with the authority of the shareholders and the National Credit Union Administration (NCUA), copy enclosed.

5. Provide the bylaws for the state chartered credit union (copy enclosed). The field of membership is subject to review and compliance with state law, and any select group additions may require contemporaneous filing of applications under state law.

6. Upon approval by the Commissioner and the filing of the Certificate of Incorporation, the transfer of assets and liabilities of the federal credit union to the state charter is approved and the conversion is complete.
Minutes of Meeting of the
________________________________________ Federal Credit Union

Held to Consider Dissolution
to become a State Credit Union

RESOLUTION OF THE SHAREHOLDERS
OF THE ____________________________ FEDERAL CREDIT UNION
TO DISSOLVE TO BECOME A STATE CREDIT UNION

BE IT RESOLVED by the members of the ____________________________ Federal Credit Union, a credit union organized and operating pursuant to Minnesota Statutes, Chapter 52, that the officers and directors of the federal credit union be and are hereby authorized to apply to the Commissioner of Commerce and the National Credit Union Administration for approval for an organization as a State Credit Union, pursuant Minnesota Statutes, Chapter 52.

BE IT FURTHER RESOLVED that said officers and directors are authorized to transfer the assets of this credit union into said State Credit Union upon the assumption by the State Credit Union of the liabilities of the federal credit union.

CERTIFICATION OF SECRETARY

I, Secretary of the ____________________________ Federal Credit Union, do hereby certify that the foregoing constitutes the minutes of the meeting of the members of the ____________________________ Federal Credit Union, which meeting was called upon 14 days written notice to each member, to consider dissolution to become a State Credit Union. This meeting was held at ____________________________ on the _____ day of ____________________________, 20____. Said resolution was adopted by a vote of _____________ for and _____________ against.

Dated ____________________________
Secretary
PLAN OF DISSOLUTION TO APPLY TO
BECOME A STATE CREDIT UNION

________________________________________
Federal Credit Union, hereby certifies that pursuant to the
resolution of the members on the _____ day of _______________________, 20___, an organization
certificate as a State Credit Union will be executed and presented to the Commissioner of Commerce for
approval in accordance with the Minnesota Credit Union Act, Chapter 52.

________________________________________
Credit Union

Dated ________________________________

By ________________________________
Chairman/President

And ________________________________
Treasurer/Secretary
VERIFIED CONSENT TO DISSOLUTION
TO BECOME A STATE CREDIT UNION

We, the undersigned, a majority of the officers of the ____________________________ Federal Credit Union hereby certify that:

1. The following constitutes a true and correct list of the names and addresses of all officers and directors:


2. We hereby consent to the dissolution of the ____________________________ Federal Credit Union in order to become a State Credit Union in accordance with Minnesota Statutes, Chapter 52.


We, the undersigned, have read the foregoing statements, which we know of our own knowledge to be true and accurate.


Notary Public ____________________________
County of ____________________________
My commission expires ____________________________

NOTARY SEAL
Gentlemen:

At a meeting of the directors of the ____________________________ Federal Credit Union in ___________________________, Minnesota, held ___________________________, 20____ it was resolved by motion “That all assets and liabilities of the ____________________________ Federal Credit Union of ___________________________, Minnesota, as shown on its books and records as of ____________________________, 20____, and as listed in the following statement be accepted and assumed by the ____________________________ State Credit Union, ____________________________, Minnesota.”

The General Ledger statement of same is as follows: See Exhibit D-1

________________________________________ Federal Credit Union

_____________________________, Minnesota

___________________________________ Secretary

(Corporate Seal)
Form D-1

(Attach Financial Statement)
Deputy Commissioner  
Division of Financial Examinations  
Department of Commerce  
85 7th Place East, Suite 280  
St. Paul, Minnesota  55101-2198  

Gentlemen:  

This is to certify that the assets and liabilities of the ____________________________  
Federal Credit Union of ______________________, Minnesota as shown on the books and records  
of said credit union as of ______________________, 20____ have been accepted and the same assumed  
by the ____________________________ State Credit Union, ______________________,  
Minnesota.

________________________________________  
Chairman/President  

________________________________________  
State Credit Union  

________________________________________  
, Minnesota  

________________________________________  
Secretary

(Corporate Seal)
52.201 Reorganizing federal credit union into state credit union.

When any federal credit union authorized to convert to a state charter has taken the necessary steps under the federal law for that purpose, seven or more members, upon authority of two-thirds of the members present and entitled to vote and who shall have voted for such conversion at a regular or special meeting upon 14 days mailed written notice to each member at the member’s last known address clearly stating that such conversion is to be acted upon, and upon approval of the commissioner of commerce, may execute a certificate of incorporation under the provisions of the state Credit Union Act, which, in addition to the other requirements of law, shall state the authority derived from the shareholders of such federal credit union; and upon recording such certificate as required by law, it shall become a legal state credit union and the members of the federal credit union shall without further action be members of the state credit union. This includes members of the federal credit union on the basis of acceptance of small employer groups provided the commissioner may require contemporaneous filing of applications under section 52.05, subdivision 2. Thereupon the assets of the federal credit union, subject to its liabilities not liquidated under the federal law before such incorporation, shall vest in and become the property of such state credit union and the members upon request shall be entitled to a new passbook showing existing share and loan balances. The commissioner of commerce shall approve or disapprove of the conversion within 60 days of the date the proposal is presented.

HIST: 1941 c 510 s 1; 1961 c 331 s 10; 1971 c 154 s 11; 1983 c 289 s 114 subd 1; 1984 c 655 art 1 s 92; 1986 c 444; 1997 c 157 s 43
CERTIFICATE OF ORGANIZATION

of the

________________________________________ Credit Union

We, the undersigned, all being residents of the State of Minnesota, hereby apply to the Commissioner of Commerce, for permission to organize a credit union under the provisions of Minnesota Statutes, Chapter 52, as amended, and to that end have executed in duplicate this Certificate of Organization by the terms of which all of the subscribers agree to be bound.

1. The name of this credit union shall be

and the location and place of business shall be

2. The names and addresses of the subscribers to this Certificate and the number of shares subscribed by each are as follows:

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3. The par value of the shares of this Credit Union shall be _________________________ (__________) Dollars.

4. IN WITNESS WHEREOF, we have hereunto set our hands and seals this ______ day of _________________________, 20____.

(In the presence of two witnesses) (Sign exactly as names appear above)

STATE OF MINNESOTA )
COUNTY OF ________________________) ss.

On this ______ day of _________________________, 20____, before me, a Notary Public in and for ________________________ County, personally appeared the above named seven subscribers to me known to be the persons described in and who executed the foregoing instrument and acknowledged that each executed the same as their free act and deed.

Notary Public ____________________________________
County of ____________________________
My commission expires ____________________________

NOTARY SEAL
STATE OF MINNESOTA
DEPARTMENT OF COMMERCE

This is to certify that I have examined the foregoing Certificate of Organization and the By-Laws adopted by the ________________________________ and have found and determined that they comply with the provisions of Minnesota Statutes, Chapter 52, as amended, and have determined that the organization of this Credit Union will benefit its members and be consistent with the purposes of the Act, and I hereby certify that I have approved the organization of said Credit Union this ______ day of ______________________, 20____.

________________________________________
Deputy Commissioner of Commerce

(SEAL)

OFFICE OF THE SECRETARY OF STATE

ST. PAUL, MINNESOTA

I hereby certify that the within instrument was recorded in this office on the _____ day of ______________________, 20____, at _________ o’clock _____ M., and duly recorded in Book ______ of ______________________, Page ____________.

________________________________________
Secretary of State

Notary Public ________________________________ NOTARY SEAL
County of ________________________________
My commission expires ______________________
STANDARD CREDIT UNION BYLAWS OF

CREDIT UNION

ARTICLE I
PURPOSE AND POWERS

Section 1. The purpose of this credit union is to promote thrift among its members, and create a source of credit for them at legitimate rates of interest. The credit union shall have all of the rights, powers, and privileges incidental to, or necessary for, the accomplishment of its objectives.

ARTICLE II
MEMBERSHIP

Section 1. Membership in this credit union is composed of those who

and subscribe to at least one share as designated by the Board of Directors (hereinafter “Board”), pay the initial installment thereon and the entrance fee if any. In addition to a regularly qualified member, the spouse of a member, the blood or adoptive relatives of either of them and their spouses may be members.

Section 2. When an individual member leaves the field of membership, that member and all individuals who became members by virtue of his or her membership, may continue as members. The surviving spouse of a regularly qualified member, and the blood or adoptive relatives of either of them and their spouses may become members.

Section 3. Organizations composed for the most part of the same general group as the credit union membership, may be members. Credit unions chartered by this or any other state, or federal credit unions may be members.

ARTICLE III
MEETINGS OF MEMBERS

Section 1. The annual meeting of the members shall be held each year at such place, date and time as the Board shall determine as convenient to the membership, but must be held prior to May 31.

Section 2. At least ten days before any regular meeting, and at least seven days before any special meeting, written notice shall be mailed or handed to each member, and in the case of the special meeting, the notice shall clearly state the purpose of the meeting, location, and what matters will be considered thereat and the order of business.

Section 3. At annual or special meetings 15 members shall constitute a quorum. If no quorum is present, an adjournment shall be made to a date not less than seven days thereafter and the decision of the adjourned meeting shall be binding without a quorum present. Written notice of an adjourned meeting shall be given by the secretary to each member five days prior to the date thereof.

Section 4. The order of business at annual meetings shall be as set forth by the Board.

Section 5. Special meetings of the members may be called by the chairperson of the Board, or by a majority vote of the Board or the supervisory committee. A special meeting shall be called by the chairperson of the
Board within 30 days of the receipt of a written request of 25 members or 5% of the members, whichever number is larger; provided, however, that a request of no more than 200 members shall be required for such meeting.

Section 6. All meetings of members shall be governed by the current version of Robert’s Rules of Order.

ARTICLE IV
BOARD OF DIRECTORS

Section 1. The initial Board shall consist of members, who shall serve until the next annual meeting, who shall serve until the second annual meeting, and who shall serve until the third annual meeting, or until their successors are elected and qualified. Directors elected to fill the expiring terms of the initial Board shall be elected for three years.

Section 2. At their first meeting, and annually thereafter at the first meeting following the annual meeting of the members, the directors shall elect from their own number a chairperson (president), vice chairperson (vice president), and from their own number or otherwise a treasurer and secretary, of whom the last two may be the same individual, and the directors may engage such other employees as may be necessary to properly conduct the business of the credit union.

Section 3. The Board shall meet at least monthly. At least two days notice of regular or special meetings shall be given each director. The two day notice may be waived upon unanimous consent of the Board. All meetings of the Board shall be governed by the current version of Robert’s Rules of Order.

Section 4. Special meetings may be called by the chairperson and shall be called by the secretary at the request of three or more directors.

Section 5. A quorum shall consist of a majority of the Board. If there is no quorum at any regular or special meeting, the directors shall adjourn until a quorum is in attendance.

Section 6. Any vacancies in the Board between annual meetings shall be filled by the Board until successors are chosen to fill the unexpired term at the next annual meeting and are qualified. If a member of the Board fails to attend three consecutive regular meetings, unless excused for cause, the office shall be declared vacant and the vacancy filled as provided in this Section.

Section 7. A conference among directors by any means of communication through which the directors may simultaneously hear each other during the conference constitutes a Board meeting, if the number of directors participating in the conference would be sufficient to constitute a quorum at a meeting.

Section 8. A director shall not be held personally liable to the credit union or its members for breach of fiduciary duty as a director, except that a director’s liability shall not be reduced or eliminated for any of the following:

a. for breach of the director’s duty of loyalty to the credit union or its members;

b. for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;

c. for a transaction from which the director derived an improper personal benefit; or
d. for an act or omission occurring prior to the date when the provision in the bylaws eliminating or limiting liability becomes effective.

ARTICLE V
OFFICERS

Section 1. The officers of this credit union shall be a chairperson (president), vice chairperson (vice president), secretary, treasurer, and may also include a president (manager), (manager/treasurer), vice president (assistant manager), and others as appointed by the Board.

Section 2. The Board shall designate such committee or committees as they deem necessary and appropriate or be required by law or rule for conducting the affairs of the credit union.

Section 3. (Option 1) The membership shall, at the initial organizational meeting or annual meeting, as the case may be, elect a credit committee of not less than three members who shall choose from their number a chairperson and secretary. The secretary shall maintain a full and correct record of all action taken by the committee.

- - OR - -

Section 3. (Option 2) The Board shall appoint a credit committee of not less than three members who shall choose from their number a chairperson and/or secretary. The secretary shall maintain a full and correct record of all action taken by the committee. The Board shall either reaffirm or make new appointments to the credit committee on an annual basis.

- - OR - -

Section 3. (Option 3) The Board shall appoint a credit manager, and shall delegate all necessary and proper authority to the credit manager. The Board shall either reaffirm or appoint a new credit manager on an annual basis.

Section 4. (Option 1) The membership shall, at the initial organization meeting or annual meeting, as the case may be, elect a supervisory committee of (select one; three, four, five) members who shall choose from their number a chairperson and secretary. The secretary shall maintain a full and correct record of all action taken by the committee. No officer of the credit union, as defined in Section 1, Article V of these bylaws, or a member of alternate member of the credit committee shall serve on the supervisory committee.

Section 4. (Option 2) The board of directors shall, at the annual organizational meeting, appoint a supervisory committee of (select one; three, four, five) members who shall choose from their number of chairperson and secretary. The secretary shall maintain a full and correct record of all action taken by the committee. No officer of the credit union, as defined in Section 1, Article V of these bylaws, or a member or alternate member of the credit committee shall serve on the supervisory committee.

Section 5. The chairperson shall preside at meetings of the members and of the Board. The chairperson shall countersign all notes executed by the credit union and perform all other duties customarily appertaining to the office of chairperson as may be directed by resolution of the Board not inconsistent with the provisions of law of these bylaws.

Section 6. The vice chairperson shall, in the absence or disability of the chairperson, perform the duties of the chairperson and such other duties as the Board may from time to time prescribe.

Section 7. The treasurer shall manage the credit union under the control and direction of the Board unless the Board has appointed a president (manager or manager/treasurer) to act as a general manager. Subject to such limitations, controls and delegations as may be imposed by the Board, the treasurer shall:
(a) Have custody of all funds, securities, valuable papers and other assets of the credit union.

(b) Sign all notes of the credit union and all checks, drafts and other orders for disbursements of funds.

(c) Provide and maintain full and complete records of all the assets and liabilities of the credit union.

(d) Within ten days after the end of each month, prepare and submit to the Board a financial statement showing the condition of the credit union as of the end of the month, including a summary of delinquent loans. A copy of such statement shall be posted in the office of the credit union where it will remain until replaced by the succeeding month’s financial statement.

(e) Employ such personnel as needed to carry out the day-to-day operations of the credit union.

(f) Perform such other duties as directed by the Board.

Section 8. The Board may appoint a president (manager or manager/treasurer) who shall be under the direction and control of the Board or the treasurer as determined by the Board. The president (manager or manager/treasurer) may be assigned any or all of the responsibilities of the treasurer described in Section 7 of this Article.

Section 9. The Board may employ, or authorize the president (manager or manager/treasurer) to employ, one or more vice presidents (assistant managers), none of whom shall be a member of the Board, to perform any of the duties of the president (manager or manager/treasurer). The Board may designate any vice president (assistant manager) to act as president (manager or manager/treasurer) during the president’s (manager or manager/treasurer) temporary absence or inability to act.

Section 10. The secretary shall keep or cause to be kept correct records of all regular and special meetings of the members and of the Board and such minutes shall be signed by the secretary and attested by the chairperson when approved by the Board. The secretary shall give notice of all meetings of the members in the way and manner herein before provided, and shall perform or cause to be performed all other duties incident to that office. In the event of the absence or disability of the secretary, the presiding officer shall appoint a temporary secretary who shall take the minutes of the meeting and file them with the minutes of the credit union meetings.

ARTICLE VI
ELECTIONS

Section 1. At the meeting of the Board, two months preceding the annual meeting, the chairperson shall appoint a nominating committee to nominate at least one member for each vacancy for which elections are being held and report its nominations at the next monthly meeting of the Board. After the nominations of the committee have been placed before the members, the chairperson shall call for nominations from the floor. If the election is to be held exclusively by mail ballot there shall be no nominations from the floor. Nominations for elections by mail may only be made by the nominating committee or by petition to the nominating committee signed by at least 20 members or 1% of the total membership, whichever is greater. The petition must be filed with the chairperson 30 days prior to the annual meeting. When nominations are closed, tellers shall be appointed by the chairperson, ballots shall be distributed, the vote shall be taken and tallied by the tellers and results announced.

Section 2. There shall be no voting by proxy provided; however, that any organization, society, or corporation having a membership in the credit union may cast its vote by one person upon presentation by that individual or written authority of such organization, society or corporation. Upon resolution of the Board, credit union members shall be authorized to vote by mail for election of directors, credit committee and supervisory
committee members and amendments to bylaws at annual and special meetings. A member shall have but a single vote regardless of the amount of his share holdings.

Section 3. All elections shall be by secret ballot in event of contest. No members shall be eligible to vote, to nominate or be nominated, or hold any office unless they own at least one fully paid share.

Section 4. The Board may establish by resolution a minimum age, not less than 18 years of age, as a qualification to hold elective or appointive office, or both.

ARTICLE VII
AMENDMENTS

Section 1. To amend the certificate of organization or these bylaws by vote of the members, whether at the annual or at a special meeting of the members, proposed amendments shall be set forth in the notice of the meeting as follows:

(a) If balloting by mail has not been authorized by the Board, then a statement of intent to amend which identifies the proposed amendments shall be set forth in the notice of the meeting; or

(b) If balloting by mail has been authorized by the Board as either the exclusive means of voting or in conjunction with voting in person, a statement of intent to amend which identifies the proposed amendments shall be set forth in a notice mailed to all members eligible to vote at least 30 days prior to the close of balloting by mail.

Any amendments to the certificate of organization or bylaws shall be approved by two-thirds of the vote of the members actually voting, provided the members actually voting constitute a quorum.

A member receiving notice of a proposed bylaw amendment pursuant to this section may request a written copy of the proposed bylaw amendment. This request must be made no later than ten days prior to the close of balloting by mail or the date set for the meeting. The credit union shall provide the member with a written copy of the proposed bylaw amendment upon receipt of the timely request and the original notice must inform the member of the right to make a request. A copy of the proposed amendment shall be posted in the credit union’s office for member review 30 days prior to the close of balloting by mail or the date of the meeting.

Section 2. The board may amend these bylaws by a two-thirds vote and shall report any amendments to the members at the next annual meeting.

Section 3. If 3% of more of all members propose a resolution for action by the members to adopt, amend, or repeal bylaws adopted, amended, or repealed by the Board and the resolution sets forth the provisions proposed for adoption, amendment, or repeal, the resolution shall be submitted to the members for a vote as provided in Section 1.

Section 4. Any and all amendments to the bylaws must be approved by the Commissioner before they become operative.

These bylaws were duly adopted at a meeting of the members held on ________________, 20_____. In witness whereof we have hereunto set out hands and seals this _____ day of ________________, 20_____.

5
IN PRESENCE OF

______________________________________  (SEAL)
______________________________________  (SEAL)
______________________________________  (SEAL)
______________________________________  (SEAL)
______________________________________  (SEAL)
______________________________________  (SEAL)
______________________________________  (SEAL)
______________________________________  (SEAL)

STATE OF MINNESOTA )
COUNTY OF __________________________ ss.

On this _____ day of ____________________, 20___, before me appeared __________________________

______________________________________

Notary Public __________________________
County of __________________________
My commission expires __________________________

APPROVAL

STATE OF MINNESOTA
OFFICE OF THE COMMISSIONER OF COMMERCE

This is to certify that the action of the members of the __________________________
in adopting the foregoing amendment to the bylaws has been approved by me.

Dated: __________________________

Deputy Commissioner of Commerce

( S E A L )
§ 1771 § 125
Conversion from Federal to State credit union and from State to Federal credit union.—(a) A Federal credit union may be converted into a State credit union under the laws of any State, the District of Columbia, the several Territories and possessions of the United States, the Panama Canal Zone, or the Commonwealth of Puerto Rico, by complying with the following requirements:

17 OCTOBER 1998
(1) The proposition for such conversion shall first be approved, and a date set for a vote thereon by the members (either at a meeting to be held on such date or by written ballot to be filed on or before such date), by a majority of the directors of the Federal credit union. Written notice of the proposition and of the date set for the vote shall then be delivered in person to each member, or mailed to each member at the address for such member appearing on the records of the credit union, not more than thirty nor less than seven days prior to such date. Approval of the proposition for conversion shall be by the affirmative vote of a majority of the members of the credit union who vote on the proposal. The written notice of the proposition shall in bold face type state that the issue will be decided by a majority of the members who vote.

(2) A statement of the results of the vote, verified by the affidavits of the president or vice president and the secretary, shall be filed with the Administration within ten days after the vote is taken.

(3) Promptly after the vote is taken and in no event later than ninety days thereafter, if the proposition for conversion was approved by such vote, the credit union shall take such action as may be necessary under the applicable State law to make it a State credit union, and within ten days after receipt of the State credit union charter there shall be filed with the Administration a copy of the charter thus issued. Upon such filing the credit union shall cease to be a Federal credit union.

(4) Upon ceasing to be a Federal credit union, such credit union shall no longer be subject to any of the provisions of this chapter. The successor State credit union shall be vested with all of the assets and shall continue responsible for all of the obligations of the Federal credit union to the same extent as though the conversion had not taken place.

(b)(1) A State credit union, organized under the laws of any State, the District of Columbia, the several Territories and possessions of the United States, the Panama Canal Zone, or the Commonwealth of Puerto Rico, may be converted into a Federal credit union by (A) complying with all State requirements requisite to enabling it to convert to a Federal credit union or to cease being a State credit union, (B) filing with the Administration proof of such compliance, satisfactory to the Board, and (C) filing with the Administration an organization certificate as required by this chapter.

(2) When the Board has been satisfied that all of such requirements, and all other requirements of this chapter, have been complied with, the Board shall approve the organization certificate. Upon such approval, the State credit union shall become a Federal credit union as of the date it ceases to be a State credit union. The Federal credit union shall be vested with all of the assets and shall continue responsible for all of the obligations of the State credit union to the same extent as though the conversion had not taken place.