

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 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. An 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 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) member 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.

- - OR - -

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% or 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_____.

IN PRESENCE OF

_____	(SEAL)
_____	(SEAL)
_____	(SEAL)
_____	(SEAL)
_____	(SEAL)
_____	(SEAL)
_____	(SEAL)
_____	(SEAL)

STATE OF MINNESOTA)
COUNTY OF _____)^{SS.}

On this _____ day of _____, _____, before me appeared _____

to me personally known who executed the foregoing instrument and acknowledged that each executed the same as his free act and deed.

Notary Public _____
County of _____
My commission expires _____

NOTARY SEAL

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

(SEAL)