

BYLAWS

of _____ Credit Union.

Article I

NAME

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

Article II

PURPOSE

Section 1. The purpose of this credit union is to promote thrift among its members by affording them an opportunity to accumulate their savings, and to create for them a source of credit for provident and productive purposes.

Article III

CAPITALIZATION

Section 1. The capital stock of this credit union shall be \$_____ which will be divided into shares with a par value of not more than One Hundred Dollars (\$100.00) per share.

Article IV

MEMBERSHIP

Section 1. *[Sample Bylaw Declarations]*

Single Common Bond Field of Membership:

Single Common Bond Field of Membership: The credit union's field of membership shall be based on a single common bond shared among all members, and shall be limited to *[Describe the common bond and/or persons eligible for membership.]*

Multiple Common Bond Field of Membership:

Multiple Common Bond Field of Membership: The credit union's field of membership shall be based on multiple common bonds shared by members of select groups added to the credit union's field of membership from time to time according to the laws of the state of Oklahoma and the rules, procedures, and practices of the Oklahoma State Banking Department and Oklahoma State Credit Union Board. *[The credit union may list some or all of its select groups]*

by including the following sentence "Such groups shall include, but not be limited to, the following: _____."

A current list of all select groups with individuals eligible for membership shall be attached to these bylaws and updated on a monthly basis. A complete list of all such groups shall also be on file with the Oklahoma State Banking Department according to the rules of the Oklahoma State Credit Union Board.

Community Field of Membership:

Community Field of Membership: The credit union's field of membership may include individuals who reside, work, worship, or attend school in the following community: *[If the community is an Oklahoma Metropolitan Statistical Area or political subdivision with established boundaries, identify the community by name. If the community is a non-standard community, identify the boundaries of the community.]* In addition, the credit union may serve any individual who is now, or who shall later become, an employee or member of the group(s) having a common bond of occupation or association listed [below*][in the attachment to these bylaws**].

**[If the credit union has a single common bond field of membership or the number of select groups is few, the bylaws may list the field of membership and select groups immediately below the above paragraph. All select groups should be listed rather than only those falling outside of the community, because a select group might later relocate outside of the community.]*

***[If the number of select groups is lengthy, the credit union should prepare an attachment with a complete list of its select groups. All select groups should be listed rather than only those falling outside of the community, because a select group might later relocate outside of the community.]*

Section 2. Application for membership shall be made in writing. An applicant shall not be admitted to membership until it shall have been determined that the person is eligible for membership under Article IV, Section 1 of these bylaws; and an application for membership shall have been approved by the affirmative vote of a majority of the directors or a duly appointed and authorized membership officer.

Section 3. A person elected to membership by the board of directors or a membership officer shall become a member when he or she shall have qualified by paying the entrance fee and subscribing for at least one (1) share of capital stock.

Section 4. A member may be expelled by a vote of two-thirds (2/3) of the members present at the annual or special meeting called to consider the matter, but only after a hearing. Additionally, the board of directors may expel a member pursuant to a written policy adopted by it. Members shall be given notice of such policy and any member expelled by the board may request a hearing to allow the board to reconsider. Any member may withdraw from the credit union at any time, but notice of withdrawal may be required by the board of directors. All amounts paid on shares or deposits by

an expelled or withdrawing member shall, as funds become available and after deducting all amounts due from the member to the credit union, be paid to the member. Withdrawing or expelled members shall have no further rights in the credit union, but are not by such expulsion or withdrawal released from any remaining liability to the credit union.

Section 5. A member who leaves the field of membership of this credit union may continue membership at the discretion of the board of directors.

Section 6. The transactions of the members with the credit union shall be held in strict confidence by the officers, directors, committeemen, and employees.

Article V SHARES

Section 1. Shares shall be payable when subscribed.

Section 2. The board of directors shall determine from time to time the maximum number of shares that may be held by a member and the maximum number which a member may purchase in any calendar month.

Section 3. Money paid in on shares may be withdrawn on any day when the office of the credit union is open for business, but the board of directors may require a member at any time to give as much as six (6) months' notice of the intention to withdraw the whole or any part of the amount paid on account of shares.

Section 4. The credit union shall have a lien on the shares and dividends of a member to the extent of any loan made to such member or endorsed by the members and any interest or fines payable by the members.

Section 5. Except as otherwise required by law, when any shares shall be purchased in the name of any minor, the same shall be held for the exclusive rights and benefits of such minor and free from the control or lien of all other persons except creditors, and shall be paid, together with dividends thereat if any, to the person in whose name the share were issued, and the receipt or acquittance of such shares shall be valid and sufficient release and discharge to the credit union for such share liability or any part thereof.

Article VI DEPOSITS

Section 1. The board of directors shall determine from time to time the maximum deposit that may be held by a member and the maximum amount that will be placed on interests in any calendar month.

Section 2. Deposits may be withdrawn on any day when the credit union is open for business, but the board of directors may at any time require the depositors to give as much as six (6) months' notice of the intention to withdraw the whole or any part of their deposits.

Section 3. The credit union shall have a lien on the deposits and interest of a member to the extent of any loan made to such member or endorsed by the member and any interest or fines payable to the member.

Section 4. Deposits made during any month shall be placed on interest on the first day of the following month. The time at which deposits shall be placed on interest may be changed by the board of directors.

Section 5. Except as otherwise required by law, when any deposits shall be made in the name of any minor, the same shall be held for the exclusive right and benefit of such minor and free from the control or lien of all other persons except creditors, and shall be paid, together with interest accrued thereon, if any, to the person in whose name the deposits were made; and the receipt or acquittance of such deposits shall be valid and sufficient release and discharge to the credit union for such deposit liability or any part thereof.

Article VII FISCAL YEAR, INTEREST AND DIVIDENDS

Section 1. The fiscal year of the credit union shall end December 31.

Section 2. Interest on deposits may be paid at any interval as determined by the board of directors. The rate of interest on deposits shall be set by the board of directors.

Section 3. Dividends on shares may be paid at any interval as determined by the board of directors. Dividends shall be paid on all shares outstanding at the end of the period for which the dividend is declared. Shares which become fully paid up during such dividend period and are outstanding at the close of the period shall be entitled to a proportionate part of said dividend. Dividend credit for a month may be accrued on shares which are or become fully paid up during the first ten (10) days of the month. The rate of dividend shall be determined by the board of directors.

Section 4. No dividend on shares or interest on deposits, shall be declared or paid at a rate in excess seven percent (7%) per annum unless the credit union's board of directors shall have first adopted a resolution conforming to Rule 180:10-5-2 of the State Credit Union Board Rules.

Article VIII RECEIPTING FOR MONEY - PASSBOOKS

Section 1. Money paid in or out on account of shares, deposits, loans, interest or fines shall be evidenced by an appropriate voucher or receipt or entries in a member's passbook, if applicable. Each voucher or receipt or entry shall identify the person receiving or paying out, on behalf of this credit

union, the money represented thereby. When passbooks are used, the member's official permanent record for all transactions shall be the entries in the passbook. When a statement of account plan is used, the member's official permanent record for transactions shall be the statement of account which will itemize all transactions and which must be issued to each member at least quarterly.

Section 2. If a passbook is lost or stolen, the member should notify the credit union immediately.

Article IX LOANS AND INVESTMENTS

Section 1. The credit union may invest its funds (a) in loans exclusively to its members; (b) in obligations of the United States of America or securities fully guaranteed as to principal and interest thereby; (c) in accordance with provisions of the Oklahoma Credit Union Act and rules promulgated by the Oklahoma State Credit Union Board, in the shares, deposits, or loans to, other credit unions in the total amount in either case not exceeding twenty-five percent (25%) of its paid-in or unimpaired capital and surplus; (d) in such other investments legal for savings or trust funds in the State of Oklahoma; and (e) in shares or accounts of savings and loan associations or banks, the accounts of which are insured by the Federal Deposit Insurance Corporation, located within the State of Oklahoma; (f) on a collective basis only if all such funds are invested in Government Securities. Investments other than loans to members may be made only upon authority of the board of directors.

[If the credit union desires to make loans and investments not covered by the above paragraph, it should list them specifically, to the extent authorized by section 2006 of the State Credit Union Act.]

Section 2. The credit union may make loans exclusively to members for provident or productive purposes upon such terms as the bylaws provide, but a member may not borrow from the credit union when not in good standing.

Section 3. A borrower may repay his loan in whole or in part on any day the credit union is open for business.

Section 4. Any director, credit committee member, or supervisory committee member may borrow from the credit union in excess of shareholdings as long as the terms of the loan are not more favorable than the terms of loans to other members, and as long as the conditions of the loan meet the requirements of the law, the credit union's bylaws, and the official policies established by the credit union's board of directors; and further provided that the aggregate amount of such loans not exceed twenty percent (20%) of the unimpaired capital and surplus of the credit union, and that the loan, if it exceeds the shares and/or deposits of the officer, be approved by both the credit committee and the board of directors, and that the applicant not attend any board or committee meeting while his application is under consideration. No director, officer, or committee member may endorse for borrowers.

Section 5. The board of directors shall determine the interest rate on loans.

Article X
BOARD OF DIRECTORS

Section 1. The board of directors shall consist of at least seven (7) members elected by the members of the credit union from their own number. The organization meeting shall be the first annual meeting. At the first annual meeting, two (2) directors shall be elected to serve until the second annual meeting; two (2) directors shall be elected to serve until the third annual meeting; and three (3) directors shall be elected to serve until the fourth annual meeting. Thereafter at the annual meeting, directors shall be elected for the terms of three (years); but irrespective of their terms, directors shall hold office until their successors shall have been elected and shall have qualified.

[The number and terms for directors may be modified, depending on the total number of directors on the board.]

Section 2. The board of directors shall hold regular meetings at the time and at the place which it shall determine, at least once a month, unless permitted by the Bank Commissioner to meet less often. Unless the board of directors determines otherwise, when said time falls upon a holiday, the meeting shall be held on the next business day. Special meetings may be held on the call of the president or of 3 members of the board; and the secretary shall give such notice of the special meetings as the board may require.

Section 3. The board of directors shall have the general direction and control of the affairs of the credit union. Among other things, it shall act upon all applications for membership. The board may appoint a membership officer and delegate to such person the power to approve or disapprove all membership applications; however, the membership officer may not be the treasurer or assistant treasurer. Once appointed, the membership officer shall submit to the board of directors a list of approved or pending applications for membership at each regular meetings of the board. The board shall also declare dividends and determine rates of interest on deposits; fill vacancies in the board and the credit committee until successors are elected at the next annual meeting; authorize investments of credit union funds other than loans to members; determine from time to time the maximum number of shares and deposits that may be held by any member; determine the interest rates on loans and the maximum amount that may be loaned with and without security to any member, and determine the rate of interest refund, if any, to be made to members. A majority of the board may, however, agree to exclude loans made at rates of interest lower than the credit union's basic rate and may also exclude loans where payments are in arrears from participation in such interest rebates; all other loans shall participate in the same rate of rebate.

Section 4. A majority of the directors shall constitute a quorum.

Section 5. If a member of the board of directors fails to attend three (3) consecutive regular meetings, the board may declare his or her office vacant and may fill the vacancy as provided in these bylaws.

Article XI CREDIT COMMITTEE

Section 1. The credit committee shall consist of at least three members elected by the members of the credit union from their own number or appointed by the board of directors. At the organization meeting, one member of the committee shall be elected to serve until the second annual meeting; one member shall be elected to serve until the third annual meeting; and one member shall be elected to serve until the fourth annual meeting. Thereafter at the annual meeting, members shall be elected or appointed for terms of three years; but, irrespective of their terms, the members shall hold office until their successors shall have been elected or appointed and shall have qualified.

Section 2. The credit committee shall meet as often as may be necessary after due notice to each member. The chairman or any two members of the committee may call special meetings of the committee. A majority of the committee shall constitute a quorum.

Section 3. The credit committee may, by majority vote of its members, appoint one or more loan officers to serve at its pleasure, and delegate to him or them the power to approve loans, share withdrawals, releases, and substitutions of security, within limits specified by the committee. Not more than one member of the committee may be appointed as a loan officer.

Section 4. The credit committee or a loan officer shall inquire carefully into the character and financial condition of each applicant for a loan and his sureties, if any, to ascertain their ability to repay fully and promptly the obligations incurred by them and to determine whether the loan sought is for a provident or productive purpose and will be of probable benefit to the borrower. Subject to the limits imposed by applicable law, these bylaws, and the general policies of the board, the credit committee, or a loan officer, shall determine the security required for each loan, if any, and the terms upon which it shall be repaid. No loan shall be made unless approved by the committee or a loan officer in accordance with the applicable law and regulations. Except for loans approved by a duly appointed and authorized loan officer, two or more members of the credit committee shall pass on all applications for loans, and approval must be unanimous by all members of the committee who are present at the meeting in which the application is considered.

Article XII SUPERVISORY COMMITTEE

Section 1. The supervisory committee shall consist of three members appointed by the board of directors. One director may be appointed to the supervisory committee, but not the treasurer. No member of the credit committee or any employee of the credit union may be appointed to the committee. Regular terms of committee members shall be for one year and until the appointment and qualification of their successors.

Section 2. The supervisory committee shall make a semiannual examination of the affairs of the credit union, including an audit or its books; and shall make an annual audit and a report to be submitted at the annual meeting of the corporation. However, if the supervisory committee, with the approval of the board of directors, employs an auditor approved by the State Credit Union Board, a licensed public accountant or a certified public accountant, to perform an annual audit of the affairs and books of the credit union, such annual audit by outside auditor shall constitute a full compliance with this section. The supervisory committee shall make a report of any audit it causes to be conducted of the credit union at the annual meeting of the corporation. By unanimous vote, the supervisory committee may suspend any officer of the corporation, or any member of the credit committee or of the board of directors until the next members' meeting, which said meeting, however, shall be held within seven days of said suspension and at which meeting said suspension shall be acted upon by the members; and, by a majority vote, may call a special meeting of the shareholders to consider any violation of this law, the charter, or of the bylaws, or any practice of the corporation deemed by the committee to be unsafe or unauthorized. The board of directors shall fill vacancies on the supervisory committee. The supervisory committee shall in such manner as it deems advisable cause the accounts of the members to be verified with the records of the treasurer from time to time and not less frequently than once every two years.

Section 3. The supervisory committee may determine the time and the place of its regular meetings, but the chairman or any two members of the committee may call special meetings.

Section 4. The supervisory committee shall keep a complete record of all its proceedings. All reports of this committee shall be filed and preserved with the records of the credit union.

Article XIII OFFICERS

Section 1. At their first meeting, which shall be held within 10 days of the annual meeting, the board of directors shall elect from their own number a president, a vice president, a secretary, and a treasurer, who shall be the executive officers of the corporation. The secretary and the treasurer may be the same person. The board of directors may elect assistant treasurers and assistant secretaries. These officers shall hold office for one year or until their successors shall have been elected and qualified.

Section 2. It shall be the duty of the president to preside at meetings of the members and of the board of directors, and to perform such other duties as pertain to his office.

Section 3. It shall be the duty of the vice president to perform the duties of the president in the event of his absence or of his disability. The vice president shall perform such other duties as the board of directors may prescribe.

Section 4. It shall be the duty of secretary to keep minutes of all meetings and of the board of directors. The secretary shall give notice of all meetings of the members in the manner prescribed by the bylaws and shall perform all duties incident to the office.

Section 5. The president shall be the general manager of the corporation, under the direction of the board of directors. The treasurer or a duly appointed assistant treasurer shall sign all checks, notes and drafts drawn by the credit union; shall have the custody of the cash, securities, book of account, and other valuable papers of the credit union, said books and accounts being at all times open to inspection by the board of directors and the supervisory committee; and prepare a financial statement showing the condition of the credit union within 10 days after the close of each month. The statement shall be posted in a conspicuous place in the office of the credit union where it shall remain until replaced by the statement of the succeeding month. Except for the necessary petty cash and change funds, he shall deposit daily receipts in his possession in the bank of deposit prescribed by the board of directors, not later than the second banking day. All disbursements of funds of the credit union shall be by checks or other written instruments, **PROVIDED, HOWEVER,** that the board may by resolution determine that disbursements may be made in cash in accordance with approved procedures.

Section 6. The board of directors shall appoint some member of the credit union to act temporarily in the event of the absence or disability of any of the officers or committee members.

Section 7. No member of the board of directors shall as such be compensated, but the officers elected by the board of directors and the members of the credit and supervisory committees may receive such compensation for services performed as the board of directors may by the resolution authorize.

Section 8. Each active officer or employee of the credit union shall, before he enters upon his duties, make and give a bond to the credit union, executed by the surety company in an amount fixed by the State Credit Union Board for the protection of the credit union against the fraud or dishonesty of each active officer or employee of the credit union. When said bond has been executed, it shall be filed with the Bank Commissioner of the State of Oklahoma. An active officer or employee is an officer or employee authorized by the board to handle the funds of the corporation.

Article XIV MEETINGS OF THE MEMBERS

Section 1. The annual meeting of the members shall be held during the first calendar quarter of the year, the place and time to be set by the board of directors. At all meetings of the members, a member shall have but a single vote irrespective of the number of shares which he may hold, except no member under 16 years of age shall be eligible to vote at meetings of the members. A member may not vote by proxy, but a member other than the natural person may cast its vote through a designated agent.

Section 2. The secretary shall give notice of every meeting at least seven days before the date of the meetings by posting a notice thereof containing the time and the place of the meeting in a conspicuous place in the office of the credit union, and mailing or handing in person to each member a copy of said notice.

Section 3. Special meetings may be called by the president, by the board of directors, by the supervisory committee as provided herein, or by any 15 members.

Section 4. At annual or special meetings, 15 members shall constitute a quorum. If no quorum is present, an adjournment shall be taken to date not less than seven days thereafter, and the decisions of the adjourned meeting shall be binding regardless of the number of members present. Notice of the adjourned meeting shall be given by the secretary as required by Section 2 of this article not less than five days previous to the date of the meeting.

Section 5. Unless otherwise ordered, the order of business of the meetings shall be:

- (a) Roll Call
- (b) Reading of the minutes of the last meeting
- (c) Report of the board 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
- (i) Elections
- (j) Adjournment

Section 6. All elections shall be by ballot. When not otherwise provided in these bylaws, the vote of a majority of the members at a meeting shall be the act of the credit union.

Section 7. A record of the names and addresses of the members of the board of directors, of the committee members, and of the officers of the board, shall be filed with the Bank Commissioner within 10 days after the election.

Article XV

RESERVE FUND

Section 1. All entrance fees and fines provided by the bylaws shall be paid into a fund as a reserve against possible bad debts and other losses which the credit union may sustain. Before the declaration of a dividend on shares or the payment of interest on deposits, 20% of the income from loans to personal members, less all operating expenses, since the last dividend or interest payment and figured prior to deducting additional dividends or interest payments must be paid into such reserve fund, until same shall amount to 7% of the personal loans outstanding of the credit union and in case said reserve fund is thereafter for proper purposes reduced below such 7% it shall be replenished in like manner. Provided further that those state chartered credit unions participating in share insurance under Title II of the Federal Credit Union Act may follow the reserve requirements contained that Act.

Article XVI

POWER TO BORROW

Section 1. The credit union may borrow from any source in total amount not exceeding 50% of its shares, deposits, and undivided earnings. Such money may be borrowed either by means of bill payable or through rediscounts of its negotiable instruments; and credit union may pledge its assets as collateral securities therefor.

Article XVII SUPERVISION

Section 1. The credit union shall be under the supervision of the Bank Commissioner. It shall report to the Commissioner at least semiannually or more often upon request on forms supplied by the Bank Commissioner. The Commissioner may have access to the books and records of the credit union for the purpose of making examinations every 18 months or more often and shall have all rights and powers to do and perform all things necessary to the same extent as it is now given to him in the examination of state banks. For failure to file reports when due, unless excused for cause by the Bank Commissioner, the credit union shall become liable for a penalty fixed by the Bank Commissioner which shall not exceed Five Dollars (\$5.00) for each day of its delinquency, which shall be a lien upon all property and assets of the credit union. The credit union shall pay the expenses of supervision and investigation by the Bank Commissioner in such amounts as the State Credit Union Board shall prescribe.

Article XVIII AMENDMENT

Section 1. These bylaws may be amended by a vote of 2/3 of the members of the board of directors, but no amendment may be adopted unless a copy thereof shall have been given to each director at least seven days prior to the meeting. All amendments to the bylaws must be submitted to and approved by the State Credit Union Board before they become operative.

Article XIX AFFILIATION

Section 1. The credit union may be dissolved in the manner provided in the Oklahoma Credit Union Act and other laws of the state of Oklahoma.

Article XX DESTRUCTION OF OLD RECORDS

Section 1. The credit union may destroy its records according to the record retention schedule prescribed by the State Credit Union Board.

ARTICLE XXI
SPECIAL RESERVE FOR DORMANT ACCOUNTS

Section 1. Any money deposited to a member's account which has not matured to at least an amount equal to the par value of shares as established by the certificate of incorporation within a three year period may be transferred to a Special Reserve for Dormant Accounts if the owner of such an account, after reasonable effort, cannot be located. However, if the member at a later date requests a withdrawal of these funds, the money will be transferred out of the Special Reserve for Dormant Accounts and the request for withdrawal be honored.

Article XXII
CONVERSION OF CHARTER

Section 1. The credit union may convert to a state credit union under the laws of any other state, or to a federal credit union either within or without the State of Oklahoma in the manner provided in the Oklahoma Credit Union Act and regulations of the State Credit Union Board.

Article XXIII
MERGER

Section 1. The credit union may merge with another credit union under the existing charter of either credit union in the manner provided in the Oklahoma Credit Union Act and regulations of the State Credit Union Board.

These bylaws are adopted this _____ day of _____, 20_____.

President

Secretary

Director

Director

Director

Director

Director

Director

Director

Director