

BYLAWS OF



Universal City Studios Credit Union

Article I

Name

Section 100. The name of this credit union shall be Universal City Studios Credit Union.

Article II

Purpose

Section 200. GENERAL PURPOSE. The purpose of this credit union is to engage in the business of a credit union and any other lawful activities not prohibited by applicable laws and regulations.

Section 201. SPECIFIC PURPOSE. To achieve the general purpose, this credit union has the following purposes:

- (a) To promote thrift, honesty, integrity and the spirit of service among its members;
- (b) To receive money for certificates for funds or promissory notes, to receive from members money for the purchase of regular and special shares;
- (c) To make loans to its members at reasonable rates of interest;
- (d) To make loans to other credit unions;
- (e) To borrow money from any source in an amount not to exceed that permitted by the California Credit Union Law;
- (f) To associate and cooperate with other credit unions; and
- (g) To provide services to members to achieve the general purpose stated in Section 200.

Article III

FIELD OF MEMBERSHIP:

Section 300. QUALIFICATIONS. The field of membership shall be limited to the following:

All employees of Universal Studios, Inc., its subsidiaries, parent companies or corporate partners, persons retired from such employment, employees of other organizations (excluding vendors, maintenance and delivery persons who deliver supplies or furnish services) whose business is conducted in whole or in part within the confines of the Universal Studios lot, subsidiary companies and affiliated divisions of the foregoing companies and all rented or leased concessions which are located on or within Universal City, California, employees of this credit union, and employees of any Universal affiliated company, wherever located.

All persons who live, regularly work, regularly worship, or currently attend school, and other legal non-natural persons, and entities located in the San Fernando Valley region of Los Angeles, including those cities/unincorporated areas set forth in Appendix #1 to these bylaws (which is incorporated by reference as though fully set forth herein), and which are denoted by each city's/unincorporated area's current corresponding zip code(s).

All persons who live, regularly work, regularly worship, or currently attend school, and other legal non-natural persons, and entities located in the West Los Angeles Corridor section of Los Angeles, including those cities/unincorporated areas set forth in Appendix 2 to these bylaws (which is incorporated by this reference as though fully set forth herein), and which are denoted by each city's/unincorporated area's current corresponding zip code(s).

Family members of all members (a spouse, child, parent, grandchild, grandparent, brother, sister, or a spouse or children of any such individual, or domestic partners who live in the same house as the member) and spouses of persons who died while in the field of membership of this credit union. When a child or primary member no longer resides in the family household, that child retains membership, and the child's spouse, children, and immediate family members.

Other credit unions organized under either federal or state law pertaining to credit unions. *(Amended February 20, 2004)*

Section 301. COMPENSATION FOR SECURING MEMBERS. No commission or compensation shall be paid for securing members except as permitted by the California Credit Unions Law. *(Amended July 26, 2002)*

Section 302. APPLICATIONS FOR MEMBERSHIP. Applications for membership shall be in writing and shall be made on forms prescribed and furnished by this credit union.

Section 303. ENTRANCE FEE. An entrance fee, the amount of which shall be fixed from time to time by the Board of Directors, may be charged each applicant for membership. *(Adopted 11/21/1978)*

Section 304. PURCHASE OF SHARES. Every applicant for membership shall purchase and maintain a minimum of one full regular share of this credit union. Special shares may be purchased by members, if offered by this credit union after meeting the requirements of regulation promulgated by the Commissioner. *(Adopted 11/21/1978)*
(Amended July 26, 2002)

Section 305. ADMISSION TO MEMBERSHIP. An applicant shall be admitted to membership by the affirmative vote of one of the following: a majority of the Board of Directors, a chairman of a membership committee, or an executive committee. The applicant shall not become a member or be entitled to any of the rights or privileges of a member until he or she shall have qualified by the payment of any uniform required entrance fee provided for by Section 303 of this Article and purchasing of one full regular share of this credit union as provided by for Section 304 of this Article. *(Adopted 11/21/1978)*

Section 306. INACTIVE MEMBER STATUS. Any member whose share account balance falls below the stated value of the membership share established by the Board of Directors, pursuant to Section 304, and who has no outstanding loan balance, may be transferred to inactive status. Such member shall have no voting rights, and no right of notice of meetings of members. *(Adopted July 25, 2002)*

Section 307. WITHDRAWAL FROM MEMBERSHIP IN THE CREDIT UNION. Any member may withdraw from membership, subject to the provisions of these bylaws and particularly subject to the provisions governing withdrawals contained in Article IV, Section 404, and the pledge of shares contained in Article XIII, Section 1306. *(Amended July 26, 2002)*

Section 308. EXPULSION FROM MEMBERSHIP. A member may be expelled as provided for in Article IX, Section 911.1 of these bylaws. Conviction of a criminal offense, failure to carry out his engagements with this credit union, refusal to comply with the provisions of the California Credit Union Law or these bylaws, shall be cause for the expulsion of any member. *(Amended July 26, 2002)*

Section 309. LIABILITY OF WITHDRAWN OR EXPELLED MEMBER. A member who withdraws or is expelled shall not be relieved of any liability or obligation to this credit union.

Article IV

Shares

Section 401. DEFINED PAR VALUE. The capital of this credit union shall consist of payments made by members on regular shares and special shares.

(a) Regular shares each have a par value of one dollar (\$1.00).

(b) Special shares each have a par value of one dollar (\$1.00). These shall be issued subject to Rules and Regulations as prescribed by the Commissioner.

(Adopted 11/21/1978)

Section 402. INSTALLMENT PAYMENTS TO SHARES.

(a) Regular shares may be purchased by full payment or by any installment method and time, subject to Board resolutions.

(b) Special shares shall be purchased at the time of subscription in accordance with Regulations published by the Commissioner. *(Adopted 11/21/1978)*

(Amended July 26, 2002)

Section 403. TRANSFER OF REGULAR SHARES. Shares may be transferred only from one qualified member to another by such form and according to such rules as the Board of Directors may prescribe. *(Adopted 11/21/1978) (Amended July 26, 2002)*

Section 404. WITHDRAWAL. Money paid in on regular shares or installment on regular shares, may be withdrawn as provided in these bylaws on any day when payments for any shares may be made. All withdrawals of special shares shall be in compliance with Rules and Regulations prescribed by the Commissioner of the Department of Financial Institutions. However, the Board of Directors shall have the right, at any time, to require members to give sixty (60) days written notice of intention to withdraw the whole or any part of the amount so paid in by them, provided that no member may withdraw any shares or certificates for funds below the amount of his total liability to the credit union as a borrower, endorser, co-maker, or guarantor without the prior written approval of the credit committee. *(Adopted 11/21/1978) (Amended July 26, 2002)*

Section 405. CANCELLATION OF SHARES TO LIQUIDATE INDEBTEDNESS. The regular shares of any member and joint tenant, if any, who withdraws or is expelled, shall be cancelled and the value thereof applied to the liquidation of such member's indebtedness to this credit union, and any balance in excess of such indebtedness shall be returned to such member or joint tenant.

Special shares of any member and joint tenant, if any, who withdraws or is expelled, shall be redeemed by the Board of Directors in compliance with Rules and Regulations of the Commissioner of the Department of Financial Institutions and the value thereof applied to the liquidation of such member's indebtedness to this credit union, and any balance in excess of such indebtedness shall be returned to such member or joint tenant. *(Adopted 11/21/1978) (Amended July 26, 2002)*

Section 406. ORDER OF PAYING WITHDRAWALS. Unless the members of the Board of Directors by a majority vote recommend the dissolution of the credit union, demands or orders for withdrawals shall be paid in order of their filing and as funds therefore shall become available. *(Adopted 11/21/1978) (Amended July 26, 2002)*

Section 407. PURCHASE OF SHARES BY OFFICIALS. No officer, director, attorney, committee member, employee, or agent of this credit union shall, as an individual, directly or indirectly, purchase from any member regular or special shares in this credit union, whether filed for withdrawal or not. *(Adopted 11/21/1978)*

Section 408. TRUSTEE ACCOUNTS. Members may hold regular or special shares as trustee for a specified beneficiary whose name and residence shall be disclosed to this credit union by such trustee. *(Adopted 11/21/1978)*

Section 409. COMPENSATION FOR SALE OF SHARES. No compensation or commission shall be paid for the sale of regular or special shares of this credit union. *(Adopted 11/21/1978)*

Section 410. REDEMPTION OF SHARES OF EXPELLED MEMBER. A member expelled from membership for any cause shall be deemed a withdrawing member in accordance with the provisions of Section 406 of this Article. *(Adopted 11/21/1978)*

Section 412. JOINT TENANCY. Regular or special shares may be issued to a member in joint tenancy with any person designated by such member, but no joint tenant shall be permitted to vote, obtain loans, or hold office unless he is within the field of membership as set forth in Article III, Section 301 of these bylaws. Passbooks or other evidence of ownership in joint tenancy shares have printed thereon the words "transferable only to qualified members." *(Adopted 11/21/1978)*

Section 413. RECEIPT AND PAYMENT OF MONEY. Money paid in or paid out on account of shares, certificates for funds, share certificates, loans, interest, fees, or fines shall be evidenced by entries on members' monthly statements and forwarded to the member after the close of each month or quarter. All entries shall be recorded on the members' monthly or quarterly statement. *(Amended July 26, 2002)*

Article V

Certificates

Section 501. RIGHT TO ISSUE CERTIFICATES. This credit union may receive money and may issue certificates for the money received. *(Adopted 11/21/1978) (Amended July 26, 2002)*

Section 502. INTEREST. Money paid on certificates shall earn interest from the first day such funds are received. The rate of interest for money so received shall be fixed from time to time by the Board of Directors. *(Adopted 11/21/1978) (Amended July 26, 2002)*

Section 503. FORM OF CERTIFICATES. Certificates shall specifically set forth the following information:

1. The amount received;
2. The rate of interest to be paid;
3. The date the money is received; and
4. The date the amount and interest are payable.

(Amended July 26, 2002)

Section 504. RECEIPT AND PAYMENT. Money paid in or paid out and interest accrued on certificates shall be evidenced by entries in the holder's statements, on the certificate itself, or a statement of account as determined by the Board of Directors. When statements or certificates are used for such entries, the holder's official permanent record for all transactions shall be the entries in said statement or on said certificates. Every entry in the statement or on the certificate shall identify the person receiving or paying out on behalf of this credit union, the money represented thereby. When statements of accounts are used, they will itemize all transactions, and must be issued to each holder at least monthly or quarterly unless otherwise approved by the Commissioner of the Department of Financial Institutions. *(Adopted 11/21/1978)*
(Amended July 26, 2002)

Article VI

Meeting of Members

Section 601. TIME AND PLACE OF ANNUAL MEETING. The annual meeting of the members shall be held each year on such date and at such time as the Board of Directors shall determine and announce in the notice thereof.

Section 602. SPECIAL MEETINGS. Special meetings of the members may be called by a majority vote of the Board of Directors or Supervisory Committee or Supervisory, subject to the conditions provided for in Article VIII, Section 812.3 and Article XI, Section 1107.2 and 1107.3 of these bylaws, or upon the written request of ten members or three percent of the membership, whichever is greater, the Board shall hold a special meeting as herein provided. *(Amendment tabled July 25, 2002).*

(Special Note: Despite this provision, Financial Code Section 14805 indicates that ""special meetings of the members may be held upon order of the Board of Directors. Special meetings of members shall be held upon written request of 10 members or 3 percent of the membership, whichever is greater. Notice of special meetings shall be given to all members specifying the date, time, place, and purpose of the meeting.")

Section 603. ADJOURNMENT. Any annual or special meeting of the members may be adjourned to a date not less than ten nor more than thirty days thereafter, at which time those present shall constitute a quorum for the transaction of business. An adjournment may be voted regardless of whether a quorum is present. *(Amended July 26, 2002)*

Section 604. NOTICE OF ANNUAL, SPECIAL OR ADJOURNED MEETINGS. At least ten, not more than ninety days before the date of any annual meeting, special or

adjourned meeting of the members, the secretary shall mail or cause to be mailed to each voting member, a notice which shall set forth the hour, day and place of such meeting. *(Amended July 26, 2002)*

Section 605. PLACE OF ANNUAL, SPECIAL OR ADJOURNED MEETINGS. The place of any annual, special or adjourned meeting of the members shall be determined by the Board of Directors.

Section 606. WAIVER OF NOTICE. Any meeting of members, whether annual, special or adjourned, may be held without prior notice at any time or place if all the members entitled to vote there at, who are not present at such meeting, shall, in writing, waive notice thereof before, during, or after the meeting. *(Amended July 25, 2002)*

Section 607. QUORUM. The presence of twenty-five (25) members in person or by proxy, who are entitled to vote at any regular, special or adjourned meeting of members shall constitute a quorum for the transaction of business at such meeting of members. *(Amended July 26, 2002)*

Section 608. VOTING RIGHTS. Irrespective of the number of shares held by him or her, no member shall have more than one vote. *(Amended July 26, 2002)*

Section 609. ORDER OF BUSINESS. The order of business at annual or adjourned meetings thereof shall be:

- a. Roll call
 - b. Reading and approval or correction of the minutes of the last meeting
 - c. Report of Directors
 - d. Report of the CEO/General Manager
 - 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
- (Amended July 26, 2002)*

Article VII

Elections

Section 701. BALLOT. All elections shall be by ballot except where there is only one nominee for the office.

Section 702. NOMINATING COMMITTEE. At least ninety days prior to the annual meeting, the President shall appoint a Nominating Committee of at least three persons who are not running for election to any credit union office at the annual meeting, one of which must come from the Supervisory Committee, one of which must come from the Board of Directors, and one of which shall be the General Manager of the credit union. At least sixty days before the annual meeting, the Committee shall request names of

prospective candidates and their qualifications from the membership at large. Such nominations will close forty-five days prior to the annual meeting. Thereafter, the Committee will assess the qualifications of all prospective nominees and will present to the Board of Directors and the membership, the names of the candidates which the Committee determines it will certify to run for open positions on the Board, Supervisory Committee, and the Credit Committee. Only those names which are certified for the ballot by the Nominating Committee will be placed on the ballot of the annual meeting and no other nominations will be allowed by any means. The names of certified candidates, and their qualifications for office, will be published to the membership at the same time as the agenda for the annual meeting. *(Amended December 18, 2003)*

Section 703. TELLERS. At least thirty days prior to the annual meeting, the Board of Directors shall appoint not less than three tellers. When nominations are closed, ballots shall be distributed, the vote shall be taken and tallied by the tellers, and the results announced by one of the tellers. *(Amended July 26, 2002)*

Section 704. ORDER OF NOMINATIONS AND ELECTIONS. Nominations and elections shall take place in the following order:

- a. Nominations for Directors
- b. Elections for Directors
- c. Nominations for Credit Committee members
- d. Election of Credit Committee members
- e. Nominations for Supervisory Committee members
- f. Election of Supervisory Committee members

Section 705. NOTICE OF RESULTS OF ELECTIONS. Within ten days after the election, the name and address of all persons elected to office shall be forwarded to the Commissioner of the Department of Financial Institutions, State of California, as required by the Special Credit Union Rules and Regulations issued by the Commissioner. *(Amended July 26, 2002)*

Article VIII

Board of Directors

Section 801. NUMBER OF MEMBERS, QUALIFICATIONS, COMPENSATION. The Board of Directors shall consist of seven (7) members, based on geographic location, each of whom shall be a member of this credit union in his or her own right. No member of the Board of Directors shall serve as a member of the Supervisory Committee, nor receive compensation for his or her service as a Director. *(Amended July 26, 2002)*

Section 802. TERM OF OFFICE. At the next annual meeting, elections to the Board of Directors shall be held in such a manner that the term of office of two directors shall expire at the end of one year, two years, and the term of office for three directors shall expire at the end of three years. Thereafter, unless sooner suspended or removed as provided for in Article XI, Section 1107.1 and Section 1107.2 of these bylaws, members of the Board of Directors shall serve from the time of their election for a period of three years and until their successors shall have been elected. Whenever the number of

members of Board of Directors is increased or decreased by amendment to these bylaws, this section shall likewise be amended to provide that insofar as possible, the term of office of an equal number of Directors shall expire each year. *(Amended July 26, 2002)*

Section 803. MEETING TO ELECT OFFICERS. The Board of Directors shall hold a meeting within ten (10) days after the annual meeting of members for the purpose of electing from their number the officers enumerated in Article IX, Section 901 of these bylaws.

Section 804. QUORUM. A majority of the number of Directors as set forth in Section 801 of this Article shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 805. MEETINGS. Regular meetings of the Board of Directors shall be held monthly. The President, or in his or her absence, the Vice President, may call a special meeting of the Board of Directors at any time, and shall do so upon the request of any three Directors. Notice of meeting of the Board of Directors shall be given in such a manner as the Board of Directors may from time to time, by resolution, prescribe. *(Amended July 26, 2002)*

Section 806. ABSENCE FROM MEETINGS. Unless excused there from, the office of any Director shall be declared vacant if such Director is absent from three (3) consecutive meetings of the Board of Directors and such vacancy shall be filled as provided for in Section 809 of this Article.

Section 807. WAIVER OF NOTICE. Any meeting of the Board of Directors, whether regular, special, or adjourned, may be held without prior notice at any place or time providing the directors who are not present at such meeting waive in writing notice thereof before, during or after the meeting. Attendance at the meeting without objection to the lack of notice or approval of the minutes of the meeting at a subsequent meeting without objecting shall also constitute a waiver of notice. *(Amended July 26, 2002)*

Section 808. VACANCIES CAUSED BY SUSPENSION. It shall be a special duty of the Board of Directors to temporarily fill any and all vacancies on the Board of Directors or Credit Committee caused by reason of suspension by the Supervisory Committee, and pending a meeting of the members to determine whether to affirm such suspension and vacate the office, or reinstate such member or members.

Section 809. VACANCIES, OTHER THAN THOSE CAUSED BY SUSPENSION. Any vacancy on the Board of Directors or Credit Committee, caused by any reason other than suspension by the Supervisory Committee, shall be filled by vote of a majority of the remaining directors, but any director or committee member so elected shall hold office only until the next annual meeting of members, at which meeting a director or committee member shall be elected to complete the unexpired term (unless the term expires at the time of such meeting). *(Amended July 26, 2002)*

Section 810. GENERAL POWER AND DUTY. The Board of Directors shall have the general management of the affairs, funds and records of this credit union and shall possess all express or implied powers and duties conferred or imposed upon them elsewhere in these bylaws, which are not specifically conferred or imposed upon others.

Section 811. SPECIAL DUTIES. It shall be the special duty of the directors:

1. To expel members for cause, and any member so expelled may appeal from the decision of the Board of Directors at a special meeting of members called to consider such expulsion, and it shall be the duty of the Board of Directors to call such special meeting if such request is made by the expelled member;
2. To obtain adequate surety bond coverage for the CEO/General Manager and Vice-President/Assistant General Manager and to obtain adequate fidelity bond coverage for each officer, committee person and employee having control of or access to funds or securities owned by or pledged with this credit union, subject to the provisions of the California Credit Union Law; (*Amended July 26, 2002*)
3. To fix from time to time: (a) the rate of interest to be paid on certificates for funds, (b) the rate of interest to be charged for loans, and (3) any service charge permitted by the California Credit Union Law; (*Amended July 26, 2002*)
4. To declare and authorize the payment of dividends on shares in accordance with the credit union's written capital structure policy and to authorize the payment of interest refunds to borrowing members as provided in these bylaws; (*Amended July 26, 2002*)
5. To review monthly the accounts of members delinquent in their payments on loans and may require additional security to be given by the borrower, and if such security is not furnished as required, to declare the loan due and payable and take action to collect same.
6. To adopt amendments to these bylaws in accordance with the provisions of Article XVIII, Section 1802 of these bylaws;
7. To direct the deposit or investment of funds, except loans to members;
8. To acquire membership in other credit unions in the name of this credit union;
9. To purchase, hold, or sell in the name of this credit union real or personal property subject to the provisions of the California Credit Union Law; (*Amended July 26, 2002*)
10. To designate alternate members of the Credit Committee who shall serve in absence or inability of the regular members of such committee;
11. To act upon applications for membership unless such duty has been delegated to the chairman of a membership committee as provided in Article III, Section 305 of these bylaws;

Section 812. SPECIAL POWERS. The directors shall have the power:

1. To fix the rate and amount of fines which shall be charged members for failure to make payments upon shares and loans when due, subject to the provisions of the California Credit Union Law; (*Amended July 26, 2002*)
2. To suspend or waive the payment of any fine or fines;

3. To call special meetings of the members;
4. To purchase a corporate seal which shall have inscribed upon its circumference the words "Universal City Studios Credit Union, Los Angeles County, California, 1978";
5. To authorize in the name of this credit union, membership in the California Credit Union League and pay dues thereto.

Section 813. MEMBERSHIP COMMITTEE. The Board of Directors may appoint a membership committee of two or more directors and delegate to such committee the power to approve membership applications.

Section 814. PROCEDURE FOR EXPULSION OF A MEMBER. Any member who is to be expelled by the Board of Directors pursuant to Article III, Sections 306, 307 and 308 and Article VIII, Section 811.1 of these bylaws, shall be accorded a fair and reasonable hearing prior to such expulsion. Before expelling any member, the Secretary of the Board shall provide the following:

1. Actual notice of the date, time and place of the meeting at which the expulsion will be considered;
2. A statement of the reason or reasons for the expulsion;
3. Notice that the member has a right to be heard orally or in writing, by the Board at the meeting called to consider the expulsion, but in any event, at a meeting not less than five (5) days prior to the effective date of the expulsion of the member.
4. Notice that the member may appeal the decision of the Board of Directors to expel the member and that the Board of Directors is required to call a special meeting of the members to hear the member's appeal if a written request for a hearing is made by the member within thirty (30) days of the expulsion. Notice of such meeting to consider the expulsion of the member required by subsection 1 of this section shall be sent twenty (20) days prior to the date for the hearing; to consider the expulsion of the member by first-class or registered mail sent to the last address shown on the credit union's records.
(Amended July 26, 2002)

Section 815. EXECUTIVE COMMITTEE. The Chairman and two other members of the Board appointed by the Chairman shall serve as an Executive Committee. The Executive Committee shall be responsible for drafting policies for the credit union and

submitting those policies to the Board for adoption, and for any other purposes the Board may assign to the Committee. (*Adopted December 18, 2003*)

Article IX

Officers and Their Duties

Section 901. ENUMERATED. The officers of this credit union shall consist of a president, vice president, secretary, CEO/General Manager and may include a Vice President/Assistant General Manager. The offices of Secretary and CEO/General Manager may be held by the same person. (*Amended July 26, 2002*)

Section 902. TERM OF OFFICE. Unless sooner suspended or removed as provided in Article XI, Section 1107.1 and 1107.2 of these bylaws, the officers and assistant officers shall hold office from the time of their election until the meeting of the Board of Directors as provided for in Article VIII, Section 803 of these bylaws and until their successors shall have qualified for office.

Section 903. DUTIES OF THE PRESIDENT. The president shall preside at all meetings of the members and at all meetings of the Board of Directors, shall countersign all notes of this credit union, and shall perform such other duties as customarily appertain to the office of president or as may be prescribed by resolution of the Board of Directors.

Section 904. DUTIES OF VICE-PRESIDENT. The vice-president shall have and exercise all the powers, authority and duties of the president during the absence or inability of the latter, and shall perform such other duties as may be prescribed by resolution of the Board of Directors.

Section 905. DUTIES OF CEO/GENERAL MANAGER. Subject to the control and direction of the Board of Directors, the CEO/General Manager shall:

1. Before entering upon his or her duties, be provided with adequate surety bond coverage, in an amount to be determined from time to time by the Board of Directors, conditioned upon the honest performance of his or her duties, subject to the provisions of the California Credit Union Law;

2. Subject to such limitations and control as may be imposed by the Board of Directors, the CEO/General Manager shall have custody of the funds, securities, valuable papers, and all other property of this credit union, except his or her own bond, which shall be in the custody of such other person as the Board of Directors may designate;
3. Sign all checks, drafts, notes, releases and other instruments and obligations of this credit union;
4. Provide and maintain a full and complete record of accounts, in books belonging to this credit union, showing all transactions of this credit union, its assets, liabilities, and financial condition, and shall see that all expenditures are duly authorized;
5. Within twenty-one (21) days after the close of each month, prepare and submit to the Board of Directors, Supervisory Committee and Credit Committee, a financial statement showing the condition of this credit union, including a detailed statement of delinquent loans as of the close of business at the end of each month; *(Amended July 26, 2002; December 18, 2003)*

Section 906. DUTIES OF THE CEO/GENERAL MANAGER. Notwithstanding subdivision (b) of Section 14500 of the Financial Code, the Board of Directors of the credit union may, upon a motion approved by a majority of Board members, employ a General Manager and Chief Executive Officer who is not a member of the Board. and who shall be under the direction and control of the Board subject to any rights of the General Manager and Chief Executive Officer under an employment contract. The General Manager and Chief Executive Officer may be assigned any or all of the responsibilities of the Chief Financial Officer pursuant to Section 905. The General Manager and Chief Executive Officer employed pursuant to this section shall be designated as the General Manager of the credit union. *(Amended July 26, 2002; December 18, 2003)*

Section 907. DUTIES OF THE VICE PRESIDENT/ASSISTANT GENERAL MANAGER. The Vice President/Assistant General Manager shall, under the direction of the CEO/General Manager, perform any or all of the duties of the CEO/General Manager, including the signing of checks. He or she may also act as CEO/General Manager during the absence of the CEO/General Manager, shall be provided with adequate surety bond coverage in an amount to be determined from time to time by the Board of Directors, conditioned upon the honest performance of his or her duties, subject to the provisions of the California Credit Union Law. *(Amended July 26, 2002)*

Section 908. COMPENSATION OF THE CEO/GENERAL MANAGER AND VICE-PRESIDENT/ASSISTANT GENERAL MANAGER. The CEO/General Manager and the Vice/President Assistant General Manager may be compensated for their services to such an extent as may be determined from time to time by the Board of Directors. *(Amended July 26, 2002)*

Section 909. DUTIES OF SECRETARY. The Secretary shall prepare and maintain full and correct records of all meetings of the members and the Board of Directors. He or she shall give or cause to be given in the manner prescribed in Article VI, Section 604 of these bylaws, proper notice of all meetings of members, and shall perform such other duties as may be prescribed by resolution of the Board of Directors. The secretary shall prepare and maintain full and correct records of all Board meetings. The Secretary shall receive copies of the minutes of all of the Supervisory and Credit Committee Meetings. *(Amended July 26, 2002)*

Article X

Credit Manager

Section 1001. CREDIT MANAGER. This credit union shall employ a Credit Manager subject to approval by the Board of Directors. He or she shall be a natural person. The Credit Manager may not be a member of the Supervisory Committee or of the Board of Directors. *(Amended July 26, 2002; December 18, 2003)*

Section 1002. DUTIES. The Credit Manager shall supervise the lending of the credit union in accordance with the loan policies established by the Board of Directors and in accordance with applicable state and federal law and regulations. He or she shall supervise the activities of any Loan Officer which may be appointed. *(Amended December 18, 2003)*

Section 1003. REPORTS OF CREDIT EXTENDED, DENIED, AND DELINQUENT LOANS. The Credit Manager shall prepare a monthly report to the Chief Executive Officer or General Manager of the credit union which shall contain the following:

- (a) The number, amount, and if applicable, the terms of any loan, any extension of credit or any agreement to extend credit to a credit union member that was approved;
- (b) The number, amount, and if applicable, the terms of any loan, any extension of credit, or any agreement to extend credit to a credit union member that was denied;

(c) The dollar amount and number of months delinquent for each loan that is more than 45 days delinquent, in order to permit the credit union to establish delinquency reserves as is required pursuant to regulations that may be issued by the commissioner from time to time. The Credit Manager's monthly reports shall be reviewed by the Board of Directors no less frequently than on a monthly basis. *(Amended July 26, 2002; December 18, 2003)*

Section 1004. LOAN OFFICER APPOINTMENT. The Credit Manager may, with the approval of the Board of Directors, appoint one or more Loan Officer who shall be authorized to approve loan applications within the limits set by the Credit Manager, but in no event to exceed the loan limits in Sections 14602, 14603 and 15100 of the California Credit Union Law. Any such Loan Officer appointed shall be a member of the credit union, but shall not be a director of the credit union. Any Loan Officer appointed will provide the Credit Manager with a record of each loan, extension of credit or any agreement to extend credit which is approved or denied by such Loan Officer within seven (7) days of such approval or denial. *(Amended July 26, 2002; December 18, 2003)*

Section 1005. TERMS FOR APPROVING OBLIGATIONS WITH CREDIT UNION MEMBERS.

(a) The Credit Manager or any Loan Officer shall inquire into the character and financial condition of each applicant for the creation of an obligation as defined in the credit union law, and his or her sureties, if any, to ascertain his or her ability to repay fully and promptly the obligation incurred by him or her. The Credit Manager or Loan Officer shall endeavor to assist applicants in solving their financial problems [California Financial Code Sections 14007 and 14103 (f)].

(b) The amount of each obligation, the time and purpose for which it is granted, the form and value of the security thereof, and the terms of its repayment, shall be ascertained by the Credit Manager, subject to policies determined by the Board of Directors and the provisions of applicable laws and regulations. *(Amended July 26, 2002; December 18, 2003)*

Section 1006. APPROVAL OF OBLIGATIONS. No obligation, extension of credit, any agreement to extend credit, renewal, extension or refinancing of any loan shall be made unless the application shall have the approval of the Credit Manager, except for such obligations as may be approved by a Loan Officer as provided in this Article. *(Amended July 26, 2002; December 18, 2003)*

Section 1007. EXTENSION OF CREDIT. The Credit Manager or Loan Officer may approve in advance, upon its own motion or at the request of any member, the extension of credit for such member. Following such approval, extensions of credit may be made within the limits of such extension without further approval by the Credit Manager or Loan Officer from time to time, and shall expire if the member becomes ineligible for a loan or becomes more than ninety (90) days delinquent in his obligation to this credit union. *(Amended July 26, 2002; December 18, 2003)*

Section 1008. PROHIBITIONS.

(a) Loan Officers:

- (1) A Loan Officer shall not have the power to approve membership applications.
- (2) A Loan Officer shall not be permitted to approve any extension agreement of any delinquent loan or the refinancing of any delinquent loan except as prescribed in regulations prescribed by the commissioner.
- (3) A Loan Officer shall not be a member of the Supervisory Committee or the Board of Directors.
- (4) A Loan Officer may not be authorized to sign disbursement checks approved only by such loan officer.
- (5) A Loan Officer shall not make a loan to any person not admitted to membership pursuant to Section 14800 of the California Credit Union Law.

(b) Credit Manager:

- (1) The Credit Manager shall not be authorized to disburse or have authority to authorize any person to disburse loans.
- (2) The Credit Manager shall not be permitted to authorize loans to other credit unions.
- (3) The Credit Manager shall not make loans to any person not admitted to membership pursuant to Section 14800 of the California Credit Union Law.
- (4) The Credit Manager shall not be a member of the Supervisory Committee or the Board of Directors.

(Amended July 26, 2002; December 18, 2003)

Section 1009. APPEAL TO THE BOARD OF DIRECTORS. Any applicant for a loan, extension of credit, an agreement to extend credit, renewal, extension or refinancing of any loan, may appeal from the decision of the Credit Manager or any Loan Officer, to the Board of Directors. *(Amended December 18, 2003)*

Article XI

Supervisory Committee

Section 1101. NUMBER OF MEMBERS, QUALIFICATIONS, COMPENSATION. The Supervisory Committee shall consist of five (5) members, each of whom shall be a member of this credit union in his or her own right. No member of the Supervisory Committee shall serve as a member of the Board of Directors, nor receive compensation for his or her services as a member of such committee. *(Amended July 26, 2002; December 18, 2003)*

Section 1102. TERM OF OFFICE. Beginning at the 2005 annual meeting, elections to the Supervisory Committee shall be held in such a manner that the term of office of its members shall expire on a staggered basis, as follows: The two candidates receiving the highest number of votes shall serve for a term of three (3) years. The next two of the candidates receiving the next highest number of votes shall serve for a term of two (2) years. The remaining candidate shall serve for a term of one (1) year. Thereafter, candidates shall be elected for a term of three (3) years, unless the election is to fill the unexpired term of a vacancy on the Committee. *(Amended December 18, 2003; October 20, 2005)*

Section 1103. CHAIRMAN. Each year, as the first item of business of the newly constituted membership, the Committee shall elect officers from their number. The Supervisory Committee members shall choose from their number a Chairperson, a Vice-Chairperson and a Secretary. The office of the Chairperson and Secretary can be held by the same person. *(Amended July 26, 2002; October 20, 2005)*

Section 1104. MEETINGS. The Supervisory Committee shall meet when and as frequently as they, from time to time, may determine by a majority vote, but at least once each quarter.

Section 1105. RECORD OF PROCEEDINGS. The Secretary of the Supervisory Committee shall prepare and maintain full and correct records of all actions taken by the committee and forward a final copy of the minutes to the CEO/General Manager. *(Amended July 26, 2002)*

Section 1106. VACANCIES. Any vacancy on the Supervisory Committee shall be appointed by the remaining members of the committee, but such committee-member so appointed shall hold office only until the next annual meeting of members. *(Amended July 26, 2002)*

Section 1107. JOINT MEETINGS. Upon their own initiative or at the request of a majority vote of, either or both, the Supervisory Committee or the Board of Directors, the Chairperson of the Supervisory Committee, shall call a joint meeting of the members of the Supervisory Committee, Board of Directors and Credit Committee of this credit union. Notice of said meeting shall be transmitted forthwith by the secretary of the credit union. *(Amended July 26, 2002)*

Section 1108. POWERS OF COMMITTEE. The Supervisory Committee shall have the power:

- (1) To declare vacant, by majority vote, any office of a member of the Supervisory Committee if such member is absent from three (3) consecutive regular meetings of the Supervisory Committee unless excused;
 - (2) The Supervisory Committee can suspend at any time by a unanimous vote, at a meeting called for that purpose, the Board of Directors or any member thereof, the Credit Committee or any member thereof, or any officer of the Credit Union.
 - (3) Within seven days after any such suspension, to cause notice of a special meeting to be given to the members to determine whether to affirm such suspension and vacate the office or to reinstate such member or members;
 - (4) By a majority vote, to call a meeting of the members to consider any violation of the California Credit Union Law or these bylaws, or any practices of the credit union which, in the opinion of the Supervisory Committee, are unsafe or unauthorized;
 - (5) To supervise the acts of the Board of Directors, Officers and Credit Committee, subject to the provisions of these bylaws and the California Credit Union Law;
 - (6) To inspect the securities, cash and accounts of this credit union at any time.
- (Amended July 26, 2002)*

Section 1109. DUTIES OF COMMITTEE. It shall be the duty of the Supervisory Committee:

- (1) At least once a year, to make or cause to be made by an independent auditor of their selection, an audit of the books and records and an examination of the business and affairs of this credit union for the year, and to make a full report of its assets and liabilities, receipts and disbursements to the Board of Directors;
- (2) To cause such report to be read at the Annual Meeting of the members and filed with the records of this credit union;
- (3) To cause the statements and accounts of all members to be verified with the records of this credit union from time to time, not less frequently, however, than once a year.

(Amended July 26, 2002)

Article XII

Loans

Section 1201. RESTRICTED TO MEMBERS, PURPOSES. Loans made by this credit union to its members who own twenty-five (25) shares of stock (\$25.00) shall be made for provident purposes. All loans shall be made subject to the provisions of the California Credit Union Law and these bylaws. *(Amended July 26, 2002)*

Section 1202. LOANS TO DIRECTORS, OFFICERS OR COMMITTEE MEMBERS. No loan shall be made to any Director, Officer, Credit Committee Member or Supervisory Committee Member, directly or indirectly, which results in such person owing more than 10% of the unencumbered capital of the credit union unless all the requirements of the Credit Union Law are satisfied. No Officer, Director, Credit Committee Member or Supervisory Committee Member shall act as a co-maker, endorser or guarantor for a family member who is a borrower of this credit union.

Section 1203. MAXIMUM LOANS. No secured and/or unsecured loan shall be made to any member in excess of an amount which may from time to time be established by the Board of Directors, but in no event in excess of the limitations relating to loans imposed by the California Credit Union Law. *(Amended July 26, 2002)*

Section 1204. APPLICATION. Every application for a loan shall be made in writing on a form prescribed by this credit union. Such application shall, among other statements, state the purpose for which the loan is desired and the security offered if applicable. *(Amended July 26, 2002)*

Section 1205. PROMISSORY NOTE AND DISCLOSURE. In addition to any and all security which may be required, each and every loan shall be evidenced by a promissory note and disclosure signed by the borrower. *(Amended July 26, 2002)*

Section 1206. PLEDGE OF SHARES. In addition to any and all security which may be required from each borrowing member, this credit union shall require and obtain a pledge of regular and special shares and certificates for funds issued by it to the member. *(Adopted 11/21/78)*

Article XIII

Regular Reserve

Section 1301. CREATION AND REGULATION. A Regular Reserve shall be created and regulated as follows:

1. All entrance and transfer fees remaining after the payment of the organization expenses of this credit union shall be transferred to the Regular Reserve.
2. At the close of each accounting period, the credit union shall transfer to the Regular Reserve such amounts from income of this credit union as required to be transferred to the Regular Reserve by the California Credit Union Law.

(Amended July 26, 2002)

Section 1302. LOSSES AND RECOVERY. Losses incurred by this credit union may be charged to the Regular Reserve. Sums recovered on losses charged to it shall be credited to such Reserve. *(Amended July 26, 2002)*

Article XIV

Dividends

Section 1401. DIVIDENDS--DECLARATION, FREQUENCY AND PAYMENT OF. The Board of Directors of this credit union shall declare dividends and may declare them annually, semi-annually, quarterly or monthly. Dividends so declared shall be distributed to the members in whatever manner authorized by the Board of Directors and shall be paid from the surplus account of this credit union, as defined by Article XVI, Section 1603 of these bylaws. *(Amended July 26, 2002)*

Dividends paid on regular shares or special shares shall be computed and paid in accordance with the Credit Union Law and Regulations as prescribed by the Commissioner. *(Adopted 11/21/78)*

Section 1402. DIVIDEND CALCULATION OF REGULAR SHARES. Shares which shall become fully paid by the first (1st) day of any month shall be entitled to a proportionate part of any dividend paid by this credit union, calculated from the first (1st) day of such month, provided such shares are outstanding at the end of the month (irrespective of the fact that any part of the money paid upon such shares has been withdrawn in a subsequent month during any portion of any dividend period) and provided at least one fully paid share is outstanding at the end of the period for which dividends are declared.

Dividend calculation on regular shares shall be computed and paid in accordance with the California Credit Union Law and Regulations. *(Adopted 11/21/78) (Amended July 26, 2002)*

Section 1403. DIVIDEND CALCULATION OF PROMISSORY CERTIFICATES. Promissory Certificates are entitled to a proportionate part of dividends calculated from the date that the special shares are fully paid to the date of their termination redemption or withdrawal; subject to any premiums or penalties as provided by the Rules and Regulations prescribed by the Commissioner of the Department of Financial Institutions. *(Adopted 11/21/78) (Amended July 26, 2002)*

Promissory Certificates shall be redeemed at full value at the date of maturity, and dividends shall be computed on a pro-rata basis to this date and paid at the date of the next regular dividend payment. *(Adopted 11/21/78) (Amended July 26, 2002)*

Article XV

Deposit and Investment of Funds

Section 1501. DEPOSITARY. The funds of this credit union, not otherwise used, shall be deposited to the credit of this credit union only in one or more depositories as defined and enumerated in California Credit Union Law. *(Amended July 26, 2002)*

Section 1502. INVESTMENTS. In addition to making loans to its members as provided for in Article XII of these bylaws, the capital money received on certificates for funds, Regular Reserve, undivided profits, and all other moneys of this credit union, may be invested or used to finance the purchase of property by its members, or for the acquisition of shares, certificates for funds, or any form of evidence of interest or indebtedness issued by any credit union in California or any lawful purpose authorized by the California Credit Union Law. *(Amended July 26, 2002)*

Section 1503. PAID-IN AND UNIMPAIRED CAPITAL. "Paid-in and unimpaired capital," as of a given date, shall mean the balance of the paid in regular share accounts as of such date, less any losses that may have been incurred which are not offset by the Regular Reserve, or which have not been charged against undivided profits or surplus. *(Adopted 11/21/78) (Amended July 26, 2002)*

Section 1504. NET EARNINGS. "Net earnings," for a given period shall mean the balance remaining after deducting from the gross income of this credit union actually received during such period, including interest accrued and unpaid on debts owed by it, and any losses sustained therein (as has been set-aside). Amounts set-aside during such period as a Regular Reserve shall not be deemed items of expense. *(Amended July 26, 2002)*

Section 1505. SURPLUS. "Surplus," as of a given date, shall mean the credit of the undivided profits account on such date, after all losses have been added thereto or deducted there from, as the case may be. The Regular Reserve shall not be considered as a part of the surplus. *(Amended July 26, 2002)*

Article XVI

General

Section 1601. LAW AND REGULATIONS. All power, authority, duties and functions of the members, Directors, officers and employees of this credit union, pursuant to the provisions of these bylaws shall be exercised in strict conformity with the provisions of the California Credit Union Law and Regulations issued there under, and the Articles of Incorporation and bylaws of this credit union. (*Amended July 26, 2002*)

Section 1602. REMOVAL FROM OFFICE. Notwithstanding any other provisions in these bylaws, any Director, Credit or Supervisory Committee Member, officer or employee of this credit union may be removed from office by affirmative vote of two thirds of the members present at a special meeting called for the purpose, but only after an opportunity has been given him or her to be heard.

Section 1603. DISQUALIFICATION. No Director, Credit or Supervisory Committee Member, officer, agent or employee of this credit union shall in any manner, directly or indirectly, participate in the deliberation upon or the determination of any question affecting his pecuniary interest or the pecuniary interest of any corporation, partnership or association (other than this credit union) in which he or she is directly or indirectly interested. In the event of the disqualification of any director respecting any matter presented to the Board of Directors for deliberation or determination, such director shall withdraw from the meeting during such deliberation or determination, and in such event, the remaining directors present at the meeting, if constituting a quorum with the disqualified director or directors, may exercise with respect to such matter, by majority vote, all the powers of the Board of Directors. In the event of the disqualification of any member of the Credit or Supervisory Committee, such committee member shall withdraw from the meeting during such deliberation or determination.

Section 1604. CURRENT COPIES. There shall be kept on file in the office of this credit union, for the use and guidance of its directors, officers and committee persons:

1. A current copy of the California Credit Union Law;
2. A current copy of the Rules and Regulations of the Department of Financial Institutions of the State of California relating to credit unions; (*Amended July 26, 2002*)
3. A copy of the Articles of Incorporation and bylaws of this credit union;
4. Any other regulations affecting the operation of this credit union.

Section 1605. RECORDS. Copies of the organizational papers of this credit union, its bylaws and any amendments thereto, returns of nominations and elections, proceedings of all regular and special meetings of the members and directors, shall be recorded in the minute books of this credit union. The Minutes of the meetings of members, the Board of Directors, and the Committees shall be signed by their respective chairman or presiding officer and by the persons who serve as secretaries of such meetings.

Section 1606. RECORDS OPEN TO INSPECTION. All books of account and other records of this credit union shall, at all times, be available to the Directors, Credit and Supervisory Committee members of this credit union, and any duly authorized representative of the United States Government or of the State of California, upon presentation of the proper credentials.

Article XVII

Dissolution

Section 1701. DISSOLUTION. This credit union may be dissolved in accordance with the provisions relating to dissolution as set forth in the California Credit Union Law. *(Amended July 26, 2002)*

Article XVIII

Amendments to the Articles of Incorporation and Bylaws

Section 1801. ARTICLES OF INCORPORATION. Amendments to the Articles of Incorporation of this credit union may be adopted by the affirmative vote or written consent of a majority of the members except as otherwise provided by law.

Section 1802. BYLAWS. Amendments to these bylaws, other than an amendment changing the authorized number of directors, may be adopted by an affirmative vote of a majority of the Board of Directors at any annual, special or adjourned meeting of the members, provided notice of the meeting has been given in accordance with the provisions of Article VI, Section 604 of these bylaws and provided such notice contained a copy of the proposed amendments.

Section 1803. APPROVAL OF THE COMMISSIONER. Proposed amendments to the Articles of Incorporation of this credit union and these bylaws shall be submitted to the Commissioner and the Department of Financial Institutions of the State of California, in accordance with the provisions of the Rules and Regulations then in effect relating to credit unions. (*Amended July 26, 2002*)

Article XIX

Organization Meeting

Section 1901. FIRST REGULAR MEETING OF DIRECTORS. Following the filing of the Articles of Incorporation of this credit union with the Secretary of State of the State of California and clerk of the county wherein the principal office of this credit union shall be located, the Board of Directors, as set forth in the Articles of Incorporation, shall hold their first regular meeting, a majority of which shall constitute a quorum, to elect officers, adopt bylaws, fix and locate the office of this credit union, and authorize the application to the Commissioner of Corporations of the State of California, on behalf of this credit union, for a certificate authorizing it to act as such.

Section 1902. FIRST MEETING OF SHAREHOLDERS. Following the meeting of the Board of Directors, as set forth in Section 1901 of this Article, the subscribers to this credit union, a majority of whom shall constitute a quorum, shall convene for the purpose of ratifying the adoption of these bylaws and then nominating and electing a Credit Committee and a Supervisory Committee who may be chosen from those eligible to become members of this credit union, and if not already members, such persons so elected under this section must qualify within thirty (30) days by becoming members, and upon the failure of any such committee member to so qualify, such office shall automatically become vacant and shall be filled in accordance with the provisions of Article VIII, Section 809 and Article XI, Section 1105 of these bylaws.