

BYLAWS

Latah Credit Union, Charter No. 173

(A Corporation chartered under the laws of the State of Idaho)

Article 1. Name – Purposes

Section 1. Name

The name of this credit union is Latah Credit Union as stated in **ARTICLE I** of the Articles of Incorporation.

Section 2. Purpose

This credit union is a member-owned, democratically operated, not-for-profit organization managed by a volunteer board of directors, with the specified mission of meeting the credit and savings needs of consumers, especially persons of modest means. 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, business and productive purposes.

Article 2. Qualifications for Membership

Section 1. Field of membership

The field of membership of this credit union is limited to that stated in **ARTICLE II, Section 2** of the Articles of Incorporation.

Section 2. Membership application procedures

Applications for membership from persons eligible to membership under **ARTICLE II, Section 2** of the Articles of Incorporation shall be signed by the applicant on forms approved by the board. The applicant is admitted to membership after approval of an application by a majority of the directors, a majority of the members of a duly authorized executive committee, or by a membership officer and after subscription to at least one share of this credit union and the payment of the initial installment thereon, and the payment of a uniform entrance fee if required by the board. If a person whose membership application is denied makes a written request, the credit union must explain the reasons for the denial in writing.

Section 3. Maintenance of membership share required

A member who withdraws all shareholdings or fails to comply with the time requirements for restoring his or her account balance to par value in **Article 3, Section 3**, of this document, ceases to be a member. By resolution, the board may require persons readmitted to membership to pay another entrance fee.

Section 4. Continuation of membership

Once a member becomes a member that person may remain a member until the person or organization chooses to withdraw or is expelled in accordance with the Revised Code of Washington 31.12.388¹. A member who is disruptive to credit union operations may be subject to limitations on services and access to credit union facilities other than maintaining a share account and retaining the right to vote.

Article 3. Shares of Members

Section 1. Par value

The par value of each share shall be \$25.00. Subscription to shares are payable at the time of subscription, or in installments of at least \$5.00 per month.

Section 2. Cap on shares held by one person

The board shall establish, by resolution, the maximum amount of shares that any one member may hold.

Section 3. Time periods for payment and maintenance of membership share

A member who fails to complete payment of one share within 6 months of admission to membership, or within 6 months from the increase in the par value of shares, or a member who reduces his share balance below the par value of one share and does not increase the balance to at least the par value of one share within 6 months of the reduction will be terminated from membership.

Section 4. Transferability

Shares may only be transferred from one member to another, by an instrument in a form as the board may prescribe. Shares that accrue credits for unpaid dividends retain those credits when transferred.

Section 5. Withdrawals

Money paid in on shares or installments of shares may be withdrawn as provided in these bylaws or regulation on any day when payment on shares may be made, provided, however, that

- a) The board has the right, at any time, to require members to give up to a 60 day notice of intention to withdraw the whole or any part of the amounts paid in by them.
- b) Reserved.
- c) No member may withdraw shareholdings below the amount of the member's primary or contingent liability to the credit union if the member is delinquent as a borrower, or if borrowers for whom the member is a co-maker, endorser, or guarantor are delinquent without the written approval of Executive Management of the credit union. Coverage of overdrafts

¹ (1) Members expelled from the credit union will be notified of the expulsion and the reasons upon which it is based. The Credit Union will, upon request of the expelled member, allow the member to challenge the expulsion and seek reinstatement as a member. (2) The amounts in an expelled member's share and deposit accounts must be promptly paid to the person following expulsion, and after deducting amounts due from the member(s) to the credit union, including, but not limited to, any applicable penalties for early withdrawal. Expulsion will not operate to relieve the person from outstanding liabilities owed to the credit union. RCW 31.12.388

under an overdraft protection policy does not constitute delinquency for purposes of this paragraph. Shares issued in an irrevocable trust as provided in Section 6 of this article are not subject to withdrawal restrictions except as stated in the trust agreement. The share account of a deceased member (other than one held in joint tenancy with another member) may be continued until the close of the dividend period in which the administration of the deceased's estate is completed.

- d) The board will have the right, at any time, to impose a fee for excessive share withdrawals from regular share accounts. The number of withdrawals not subject to a fee and the amount of the fee shall be established by board resolution and will be subject to regulations applicable to the advertising and disclosure of terms and conditions on member accounts.

Section 6. Trust Accounts

- a) Shares may be issued in the name of a member in trust for a beneficiary, including a minor, but no beneficiary, unless a member in his own right may be permitted to vote, obtain loans, hold office, or be required to pay an entrance fee. Payment of part or all of such shares to such member shall, to the extent of such payment, discharge the liability of the credit union to the member and the beneficiary, and the credit union shall be under no obligation to see the application of such payment. In the event of the death of the member, and if shares are so issued or held and the credit union has been given no other written evidence or terms of any trust, such shares and any dividends or interest thereon shall be paid to the beneficiary.²
- b) This credit union may act as a trustee of retirement accounts.³

Section 7. Joint accounts and membership requirements

Each member must purchase and maintain at least one share in a share account that names the member as the sole or primary owner. A member may designate any person or persons to hold shares, deposits, and thrift club accounts with him in joint tenancy with the right of survivorship; but no joint tenant, unless a member in his own right, shall be permitted to vote, obtain loans, or hold office. Payment of part or all such accounts to any of the joint tenants shall, to the extent of such payment, discharge the liability to all⁴.

Article 4. Meeting of Members

Section 1. Annual meeting

The annual meeting of the members must be held during the month of June in the county in which the office of the credit union is located or within a radius of 100 miles of such office, at such time and place as the board determines and announces in the notice of the annual meeting.

Section 2. Notice of meetings required

² State of Idaho Bylaws Pertaining to the Idaho Credit Union Act Article XVII Section 1.

³ Idaho Code 26-2151

⁴ Idaho Code 26-2124

- a) At least 30 but no more than 75 days before the date of any annual meeting or at least 7 days before the date of any special meeting of the members, the secretary must give written notice to each member. Notice may be by written notice delivered in person, or by mail to the member's address, or, for members who have opted to receive statements and notices electronically, by electronic mail. Notice of the annual meeting may be given by posting the notice in a conspicuous place in the office of this credit union where it may be read by the members, at least 30 days before the meeting, if the annual meeting is to be held during the same month as that of the previous annual meeting and if this credit union maintains an office that is readily accessible to members where regular business hours are maintained. Any meeting of the members, whether annual or special, may be held without prior notice, at any place or time, if all the members entitled to vote who are not present at the meeting waive notice in writing, before, during, or after the meeting.
- b) Notice of any special meeting must state the purpose for which it is to be held, and no business other than that related to this purpose may be transacted at the meeting.
- c) Written notice of any such special meeting is to be forwarded to the Director of Finance.

Section 3. Special meetings

- a) Special meetings of the members may be called by the chair, or the board of directors upon a majority vote, or by the supervisory committee, if authorized by the majority vote of said committee. A special meeting must be held within 30 days of the receipt of a written request of 5 percent of the members as of the date of the request.
- b) The notice of such special meeting must be given as provided in Section 2 of this article with written notice of such meeting forwarded to the Director of Finance. Special meetings may be held at any location permitted for the annual meeting.

Section 4. Items of business for annual meetings and rules of order for annual and special meetings

The suggested order of business at annual meetings of members is

- a) Ascertainment that a quorum is present.
- b) Reading and approval (or correction) of the minutes of the last meeting.
- c) Report of directors. (Required if participating in the Community Development Revolving Loan Program reporting on the credit union's progress on providing needed community services.)
- d) Report of the financial officer or chief management official.
- e) Reserved.
- f) Report of the supervisory committee.
- g) Unfinished business.
- h) New business other than elections.
- i) Elections.
- j) Adjournment.
- k) To the extent consistent with these bylaws, all meetings of the members will be conducted according to Robert's Rules of Order, 11th edition. The order of business for the annual

meeting may vary from the suggested order, provided it includes all required items and complies with the rules of procedure adopted by the credit union.

Section 5. Quorum

Except as may otherwise be provided, fifteen (15) members constitute a quorum at annual or special meetings. If no quorum is present, an adjournment may be taken to a date at least seven (7) but not more than fourteen (14) days thereafter. The members present at any adjourned meeting will constitute a quorum, regardless of the number of members present. The same notice shall be given for the adjourned meeting as is prescribed in Section 2 of this article for the original meeting, except that the notice must be given at least 5 days before the date of the meeting as fixed in the adjournment.

Article 5. Elections

Section 1. Nomination procedures

At least 30 days before each annual meeting, the chair will appoint a nominating committee of three or more members. It is the duty of the nominating committee to nominate at least one member for each vacancy, including any unexpired term vacancy, for which elections are being held and to determine that the members nominated are agreeable to the placing of their names in nomination and will accept office if elected.

Section 2. Election procedures

After the nominations of the nominating committee have been placed before the members, the chair shall call for nominations from the floor. When nominations are closed, the chair appoints the tellers, ballots shall be distributed, the vote is taken and tallied by the tellers, and the results announced. All elections are determined by plurality vote, and will be by ballot except where there is only one nominee for the office.

Section 3. Order of nominations

Nominations may be in the following order:

- a) Nominations for directors.
- b) Reserved.

Elections may be by separate ballots following the same order as the above nominations or, if preferred, may be by one ballot for all offices.

Section 4. Proxy and agent voting

Members cannot vote by proxy. A member other than a natural person may vote through an agent designated in writing for the purpose.

Section 5. One vote per member

Irrespective of the number of shares no member shall have more than one vote.

Section 6. Submission of information regarding credit union officials to the Director of Finance

Within (ten) 10 days after their election, the names and addresses of all persons elected to the office shall be forwarded to the Director of Finance, in such manner as shall be required.⁵

Section 7. Minimum age requirement

Members must be at least 16 years of age by the date of the meeting (or for appointed offices, the date of appointment) in order to vote at meetings of the members, hold elective or appointive office, sign nominating petitions, or sign petitions requesting special meetings.

Section 8. Absentee ballots

The board of directors may authorize the use of absentee ballots in conjunction with the other procedures authorized in this article, subject to the following conditions:

- a) The board of directors will appoint the election tellers;
- b) If sufficient nominations are made by the nominating committee, the secretary, at least 30 days before the annual meeting, will cause printed ballots to be mailed to all members of the credit union who are eligible to vote and who have submitted a written or electronic request for an absentee ballot.
- c) The secretary will cause the following materials to be mailed to each eligible voter who has submitted a written or electronic request for an absentee ballot:
 1. One ballot, clearly identified as the ballot on which the names of the candidates for the board of directors and the candidates for other separately identified offices or committees are printed in random order. The name of each candidate will be followed by a brief statement of qualifications and biographical data in a form approved by the board of directors;
 2. One ballot envelope clearly marked with instructions that the completed ballot must be placed in that envelope and sealed;
 3. One identification form to be completed so as to include the name, address, signature and credit union account number of the voter;
 4. One mailing envelope in which the voter, pursuant to instructions provided with the envelope, must insert the sealed ballot envelope and the identification form, and which must have postage prepaid and be preaddressed for return to the tellers;
 5. When properly designed with features that preserve the secrecy of the ballot, one form can be printed that represents a combined ballot and identification form, and postage prepaid and preaddressed return envelope;
- d) It is the duty of the election tellers to verify, or cause to be verified, the name and credit union account number of the voter as appearing on the identification form; to place the verified identification and the sealed ballot envelope in a place of safekeeping pending the count of the vote; in the case of a questionable or challenged identification form, to retain the

⁵ Idaho Code 26-2115

- identification form and the sealed ballot envelope together until the verification or challenge has been resolved; and in the event that more than one voting procedure is used, to verify that no eligible voter has voted more than one time;
- e) Ballots mailed to the tellers must be received by the tellers no later than midnight 5 days before the date of the annual meeting;
 - f) Absentee ballots will be deposited in the ballot boxes to be taken to the annual meeting or included in a pre-count in accordance with procedures specified in Article V, Section 2; and
 - g) If a member has chosen to receive statements and notices electronically, the credit union may provide instructions for voting via electronic means instead of mail ballots.

Article 6. Board of Directors

Section 1. Number of members

The board shall consist of nine (9) members, all of whom shall be members of this credit union. The number of directors may be changed to an odd number not fewer than five (5) nor more than fifteen (15) by resolution of the board. No reduction in the number of directors may be made unless corresponding vacancies exist as a result of deaths, resignations, expiration of terms of office, or other actions provided by these bylaws. A copy of the resolution of the board covering any increase or decrease in the number of directors shall be filed with the official copy of the bylaws of this credit union.

Section 2. Composition of board

Zero (0) directors or committee member may be a paid employee of the credit union. Zero (0) immediate family members of a director or committee member may be a paid employee of the credit union. In no case may employees, family members, or employees and family members constitute a majority of the board. The board may appoint a management official who may not be a member of the board and one or more assistant management officials who may not be a member of the board. If the management official or assistant management official is permitted to serve on the board, he or she may not serve as the chair.

Section 3. Terms of office

Regular terms of office for directors shall be for periods of either two (2) or three (3) years as the board determines. All regular terms must be for the same number of years and until the election and qualification of successors. Regular terms must be fixed at the first meeting or upon any increase or decrease in the number of directors, so that approximately an equal number of regular terms shall expire at each annual meeting.

Section 4. Vacancies

Any vacancy on the board, or supervisory committee shall be filled as soon as possible by vote of a majority of the directors then holding office. If all director positions become vacant simultaneously, the supervisory committee immediately becomes the temporary board of directors and must follow the procedures in Article 9, Section 3. Directors appointed to fill a vacancy will hold office only until the next

annual meeting, at which any unexpired terms shall be filled by vote of the members, and until the qualification of their successors. Members of the supervisory committee appointed to fill a vacancy will hold office until the first regular meeting of the board following the next annual meeting of members, at which the regular term expires and until the appointment and qualification of their successors.

Section 5. Regular and special meetings

A regular meeting of the board must be held each month at the time and place fixed by resolution of the board. One regular meeting each calendar year must be conducted in person. If a quorum is present in person for the annual in person meeting, the remaining board members may participate using audio or video teleconference methods. The other regular meetings may be conducted using audio or video teleconference methods. The chair or in his absence the ranking vice chair, may call a special meeting of the board at any time; and must do so upon written request of a majority of the directors then holding office. Unless the board prescribes otherwise, the chair, or in his absence the ranking vice chair, shall fix the time and place of special meetings. Notice of all meetings shall be given in such manner as the board may from time to time by resolution prescribe. Special meetings may be conducted using audio or video teleconference methods.

Section 6. Board responsibilities

The board has the general direction and control of the affairs of this credit union and is responsible for performing all the duties customarily performed by boards of directors. This shall include but not be limited to the following:

- a) Directing the affairs of the credit union in accordance with the Act, these bylaws, the rules and regulations and sound business practices.
- b) Establishing programs to achieve the purposes of this credit union as stated in Article 1, Section 2 of these bylaws.
- c) Establishing a loan collection program and authorizing the charge-off of uncollectible loans.
- d) Establishing a policy to address training for newly elected and incumbent directors and volunteer officials, in areas such as ethics and fiduciary responsibility, regulatory compliance, and accounting and determining that all persons appointed or elected by this credit union to any position requiring the receipt, payment or custody of money or other property of this credit union, or in its custody or control as collateral or otherwise, are properly bonded in accordance with the Act and regulations.
- e) Performing such additional acts and exercising additional powers as may be required or authorized by applicable law.
- f) Reviewing denied loan applications of member who file written requests for review.
- g) Appointing one or more loan officers and delegating to those officers the power to approve or disapprove loans, lines of credit or advances from lines of credit.

Section 7. Quorum

A majority of the number of directors, including any vacant positions, constitutes a quorum for the transaction of business at any meeting, except that vacancies may be filled by a quorum consisting of a

majority of the directors holding office as provided in Section 4 of this article. Fewer than a quorum may adjourn from time to time until a quorum is in attendance.

Section 8. Attendance and removal

- a) If a director or a committee member, fails to attend regular meetings of the board, or committee, respectively, for 3 consecutive months, or 4 meetings within a calendar year, or otherwise fails to perform any of the duties as a director or a committee member, the office may be declared vacant by the board and the vacancy filled as provided in these bylaws.
- b) The board may remove any board officer from office for failure to perform the duties thereof, after giving the officer reasonable notice and opportunity to be heard.

When any board officer, membership officer, executive committee member or investment committee member is absent, disqualified, or otherwise unable to perform the duties of the office, the board may by resolution designate another member of this credit union to act temporarily in his/her place. The board may also, by resolution, designate another member of this credit union to fill the position temporarily. The board may also, by resolution, designate another member or members of this credit union to act on a credit committee when necessary in order to obtain a quorum.

Article 7. Board Officers, Management Officials and Executive Committee

Section 1. Board officers

The board officers of this credit union shall be comprised of a chair, one or more vice chairs, a financial officer, and a secretary, all of whom are elected by the board and from their number. The board determines the title and rank of each board officer and records them in the addendum to this article. No officer, director or committee member may be compensated directly or indirectly, for their services. If more than one vice chair is elected, the board determines their rank as first vice chair, second vice chair, and so on. The offices of the financial officer and secretary may be held by the same person. If a management official or assistant management official is permitted to serve on the board, he or she may not serve as the chair. Unless removed as provided in these bylaws, the board officers elected at the first meeting of the board shall hold office until the first meeting of the board following the first annual meeting of the members and until the election and qualification of their respective successors.

Section 2. Election and term of office

Board officers elected at the meeting of the board next following the annual meeting of the members, which must be held not later than seven (7) days after the annual meeting, hold office for a term of one (1) year and until the election and qualification of their respective successors: provided, however, that any person elected to fill a vacancy caused the death, resignation, or removal of an officer is elected by the board to serve for the unexpired term of that officer and until his successor is duly elected and qualified.

Section 3. Duties of Chair

The chair presides at all meetings of the members and at all meetings of the board, unless disqualified through suspension by the supervisory committee. The chair also performs such other duties customarily

assigned to the office of the chair or he or she is directed to perform by resolution of the board not inconsistent with the Act and regulations and these bylaws.

Section 4. Approval required

The board must approve all individuals who are authorized to sign all notes of this credit union and all checks, drafts and other orders for disbursement of credit union fund.

Section 5. Vice chair

The ranking vice chair has and may exercise all the powers, authority, and duties of the chair during the chair's absence or inability to act.

Section 6. Duties of financial officer

The financial officer manages this credit union under the control and direction of the board unless the board has appointed a management official to act as general manager. Subject to limitations, controls and delegations the board may impose, the financial officer will:

- a) Have custody of all funds, securities, valuable papers and other assets of this credit union.
- b) Provide and maintain full and complete records of all the assets and liabilities of this credit union in accordance with the forms and procedures prescribed in regulations and other guidance approved by the Idaho Department of Finance, including, for small credit unions, the Accounting Manual for Credit Unions.
- c) Within 20 days after the close of each month, ensure that a financial statement showing the condition of this credit union as of the end of the month, including a summary of delinquent loans is prepared and submitted to the board and post a copy of the statement in a conspicuous place in the office of the credit union where it will remain until replaced by the financial statement for the next succeeding month.
- d) Ensure that financial and other reports the Idaho Department of Finance may require are prepared and sent.
- e) Within standards and limitations prescribed by the board, employ tellers, clerks, bookkeepers, and other office employees, and have the power to remove such employees.
- f) Perform such other duties customarily assigned to the office of the financial officer or duties as they may be directed to perform by resolution of the board not inconsistent with the Act and regulations and these bylaws.

The board may employ one or more assistant financial officers, none of whom may also hold office as chair or vice chair, and may authorize them, under the direction of the financial officer, to perform any of the duties devolving on the financial officer, including the signing of checks. When designated by the board, any assistant financial officer may also act as financial officer during the financial officer's temporary absence inability to act.

Section 7. Duties of management official and assistant management official

The board may appoint a management official who is under the direction and control of the board or of the financial officer as determined by the board. The management official may be assigned any or all of

the responsibilities of the financial officer described in section 6 of this article. The board will determine the title and rank of each management official and record them in the addendum to this article.

The board may employ one or more assistant management officials. The board may authorize assistant management officials under the direction of the management official, to perform any of the duties devolving on the management official, including the signing of checks. When designated by the board, any assistant management official may also act as management official during the management official's temporary absence or inability to act.

Section 8. Board powers regarding employees

The board employs, fixes the compensation, and prescribes the duties of employees as necessary, and has the power to remove employees, unless it has delegated these powers to the financial officer or management official. Neither the board, the financial officer, nor the management official has the power or duty to employ, prescribe the duties of, or remove necessary clerical and auditing assistance employed or used by the supervisory committee.

Section 9. Duties of secretary

The secretary prepares and maintains full and correct records of all meetings of the members and of the board, which records shall be prepared within seven (7) days after the respective meetings. The secretary must promptly inform the Idaho Department of Finance in writing of any change in the address of the office of this credit union or the location of its principal records. The secretary will cause to be given, in the manner prescribed in these bylaws, proper notice of all meetings of the members, and perform such other duties as he or she may be directed to perform by resolution of the board not inconsistent with the Act, regulations and these bylaws. The board may employ one or more assistant secretaries, none of whom may also hold office as chair, vice chair or financial officer, and may authorize them under direction of the secretary to perform any of the duties assigned to the secretary-

Section 10. Executive Committee

As authorized by the Act the board may appoint an executive committee of not fewer than three directors to serve at its pleasure, to act for it with respect to specifically delegated functions. When making delegations to the executive committee, the board must be specific with regard to the committee's authority and limitations related to the particular delegation. The board may also authorize any of the following to approve membership applications under conditions the board and these bylaws may prescribe: an executive committee; a membership officer(s) appointed by the board; the financial officer; or any loan officer. No executive committee member or membership officer may be compensated as such.

Addendum: The board must list the positions of the board officers and management officials of this credit union. They are as follows:

- a) Chairman.
- b) Vice Chairman.

- c) Treasurer.
- d) Secretary.
- e) The management official is to have the title of President/CEO.

Article 8. Loan Officers

Section 1. Records of loan officer; prohibition on loan officer disbursing funds

Each loan officer must maintain a record of each approved or not approved transaction within 7 days of the filing of the application or request, and that record becomes a part of the records of the credit union. No individual may disburse funds of this credit union for any application or share withdrawal which the individual has approved as a loan officer.

Section 2. Duties of loan officer

For each loan or line of credit, the loan officer must inquire into the character and financial condition of the applicant and the applicant's sureties, if any, to ascertain their ability to repay fully and promptly the obligations incurred by them and to determine whether the loan or line of credit will be of probable benefit to the borrower. The loan officers should endeavor diligently to assist applicants in solving their financial problems.

Section 3. Unapproved loans prohibited

No loan or line of credit may be made unless approved by a loan officer in accordance with applicable law and regulations.

Section 4. Lending procedures

Subject to the limits imposed by law and regulations, these bylaws, and the general policies of the board, a loan officer determines the security if any required for each application and the term of repayment. The security furnished must be adequate in quality and character and consistent with sound lending practices. When funds are not available to make all the loans and lines of credit for which there are applications, preference should be given, in all cases, to the applications for lesser amounts if the need and credit factors are nearly equal.

Article 9. Supervisory Committee

Section 1. Appointment and membership

The supervisory committee is appointed by the board from among the members of this credit union, one of whom may be a director other than the financial officer. The board determines the number of members on the committee, which may not be fewer than three (3) nor more than five (5). No employee of this credit union may be appointed to the committee. Regular terms of committee members are for periods of one (1), two (2), or three (3) years as the board determines: provided, however, that all regular terms shall be for the same number of years and until the appointment and qualification of successors. The regular terms are fixed at the beginning, or upon any increase or decrease in the number of committee members, so that approximately an equal number of regular terms expire at each annual meeting.

Section 2. Officers of the supervisory committee

The supervisory committee members choose from among their number a chair and a secretary. The secretary of the supervisory committee prepares, maintains, and has custody of full and correct records of all actions taken by it. The offices of chair and secretary may be held by the same person.

Section 3. Duties of the supervisory committee

- a) The supervisory committee makes, or causes to be made, the audits, and prepares and submits the written reports, required by the Act and regulations. The committee may employ and use clerical and auditing assistance required to carry out its responsibilities prescribed by this article, and may request the board to provide compensation for such assistance. It will prepare and forward to the Department of Finance required reports.
- b) If all director positions become vacant simultaneously, the supervisory committee immediately assumes the role of the board of directors. The supervisory committee acting as the board must generally call and hold a special meeting to elect a board that will serve until the next annual meeting. The special meeting must occur at least 7 but no more than 14 days after all director positions became vacant, and candidates for the board at the special meeting may be nominated by petition or from the floor. However, if the next annual meeting has been scheduled and will occur within 45 days after all the director positions became vacant, the supervisory committee may decide to forego the special meeting and continue serving as the board until the election of new directors at the annual meeting.
- c) If the next annual meeting has not been scheduled, but the month and day of the previous year's meeting plus 7 days falls within 45 days after all the director positions become vacant, the supervisory committee acting as the board may decide to forego the special meeting to elect new directors. In this case, the supervisory committee must schedule the annual meeting within 7 days before or after the month and day of the previous annual meeting and continue to serve as the board until directors are elected at the annual meeting.
- d) The supervisory committee acting as the board may not act on policy matters. However, directors elected at a special meeting have the same powers as directors elected at the annual meeting.

Section 4. Verification of accounts

The supervisory committee will cause the verification of the account of members with the records of the financials at least annually⁶. The committee must maintain a record of this verification.

Section 5. Powers of the supervisory committee – removal of directors

By unanimous vote the supervisory committee may suspend until the next meeting of the members any director, board officer or member of the credit committee. In the event of any suspension, the supervisory committee must call a special meeting of the members to act on the suspension, which meeting must be held not fewer than seven (7) nor more than fourteen (14) days after the suspension. The chair of the committee acts as chair of the meeting unless the members select another person to act as chair. The

⁶ Idaho Code 26-2121

members at said meeting may sustain such suspension and remove such suspended officer permanently or reinstate said officer. Notice of any such meeting shall be given in the manner provided in Article 4, Section 2.

Section 6. Powers of supervisory committee – special meetings

By the affirmative vote of a majority of its members, the supervisory committee may call a special meeting of the members to consider any violation of the Articles of Incorporation or the bylaws of this credit union, or to consider any practice of this credit union which the committee deems to be unsafe or unauthorized.

Article 10. Reserved

Article 11. Loans and Lines of Credit to Members

Section 1. Loan purposes

Loans may only be made to members, and for provident, business or productive purposes in accordance with the applicable law and regulations.

Section 2. Delinquency

Any member whose loan is delinquent may be required to pay a late charge as determined by the board of directors.

Article 12. Dividends

Section 1. Power of the board to declare dividends

The board establishes dividend periods and declares dividends as permitted by the Act and applicable regulations.

Article 13. Reserved

Article 14. Expulsion and Withdrawal

Section 1. Expulsion procedure; expulsion or withdrawal does not affect members' liability or shares

A member may be expelled in accordance with Article 2, Section 4 of these bylaws⁷.

Article 15. Minors

Section 1. Minors permitted to own shares

Shares may be issued in the name of a minor. State law governs the rights of minors to transact business with this credit union.

⁷ RWC 31.12.388

Article 16. General

Section 1. Compliance with law and regulation

All power, authority, duties, and functions of the members, directors, officers, and employees of this credit union, pursuant to the provisions of these bylaws, must be exercised in strict conformity with the provisions of applicable law and regulations, and of the Articles of Incorporation and the bylaws of this credit union.

Section 2. Confidentiality

The officers, directors, members of committees and employees of this credit union must hold in confidence all transactions of this credit union with its members and all information respecting their personal affairs, except when permitted by state or federal law.

Section 3. Removal of directors and committee members

Notwithstanding any other provisions in these bylaws, any director or committee member of this credit union may be removed from office by the affirmative vote of a majority of the members present at a special meeting called for the purpose, but only after an opportunity has been given him to be heard. If member votes at a special meeting result in the removal of all directors, the supervisory committee immediately becomes the temporary board of directors and must follow the procedures in Article 9, Section 3 of this document.

Section 4. Conflicts of interest prohibited

No director, committee member, officer, agent, or employee of this credit union may participate in any manner, directly or indirectly 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 is directly or indirectly interested. In the event of the disqualification of any director respecting any matter presented to the board for deliberation or determination, that director must withdraw from the deliberation or determination; and if the remaining qualified directors present at the meeting plus the disqualified director or directors constitute a quorum, the remaining qualified directors may exercise with respect to the matter, by majority vote, all the powers of the board. In the event of the disqualification of any member of the credit committee or the supervisory committee, the committee member shall withdraw from such deliberation or determination.

Section 5. Records

Copies of the Articles of Incorporation of this credit union, its bylaws and any amendments to the bylaws, and any special authorizations by the Administration must be preserved in a place of safekeeping. Copies of the Articles of Incorporation and field of membership amendments should be attached as an appendix to these bylaws. Returns of nominations and elections and proceedings of all regular and special meetings of the members and directors must be recorded in the minute books of this credit union. The minutes of the meetings of the members, the board, and the committees shall be signed by their respective chairmen or presiding officers and by the persons who serve as secretaries of such meetings.

Section 6. Availability of credit union records

All books of account and other records of this credit union must be available at all times to the directors and committee members of this credit union provided they have a proper purpose for obtaining the records. The Articles of Incorporation and bylaws of this credit union shall be made available for inspection by any member and, if the member requests a copy, it will be provided for a reasonable fee.

Section 7. Member contact information

Members must keep the credit union informed of their current address.

Section 8. Indemnification

- a) The credit union may elect to indemnify to the extent authorized by law of the state of Idaho: the following individuals from any liability asserted against them and expenses reasonably incurred by them in connection with judicial or administrative proceedings to which they are or may become parties by reason of the performance of their official duties:
 1. Current officials
 2. Former officials
 3. Current employees
 4. Former employees
- b) The credit union may purchase and maintain insurance on behalf of the individuals indicated in Section 8 (a), above against any liability asserted against them and expenses reasonably incurred by them in the official capacities and arising out of the performance of their official duties to the extent such insurance is permitted by the applicable state law. The term “official” in this bylaw means a person who is a member of the board of directors, supervisory committee, other volunteer committee (including elected or appointed loan officers or membership officers), established by the board of directors.

Article 17. Amendments of Bylaws and Charter

Section 1. Amendment procedures

Amendments of these bylaws may be adopted and amendments of the Articles of Incorporation requested by the affirmative vote of two-thirds of the authorized number of members of the board at any duly held meeting thereof if the members of the board have been given prior written notice of the meeting and the notice has contained a copy of the proposed amendment or amendments. Any and all amendments to the bylaws must be submitted to the Director of Finance for approval before they are submitted to a vote by the Board of Directors.

Article 18. Definitions

Section 1. General definitions

When used in these bylaws the terms:

- a) "Act" means the Idaho Credit Union Act, as amended.
- b) "Applicable Law and Regulations" means the Idaho Credit union Act and rules and regulations issued thereunder or other applicable federal and state statutes for which the Credit Union has received parity.
- c) "Board" means Board of Directors of the Credit Union.
- d) "Immediate family member" means spouse, child, sibling or parent, irrespective of whether they reside in the member's household.
- e) "Regulation" or "regulations" means rules and regulations as stated in the Idaho Credit Union Act, or for which parity has been granted.
- f) "Share" or "shares" means all classes of shares and share certificates that may be held in accordance with applicable law and regulations.