

Policy 100

Bylaws

CHARTER NO. 24003

100.1 Name - Purposes

(1) **Name.** The name of this credit union is as stated in Section 1 of the charter (approved organization certificate) of this credit union – Civic Federal Credit Union (Civic). *Note: Amended Local Government Federal Credit Union to Civic Federal Credit Union in alignment with the NCUA amendment of the charter changing the official name of the credit union on June 2, 2025.*

(2) **Purposes.** Civic is a member-owned, democratically operated, not-for-profit organization managed by a volunteer Board of Directors (Board), with the specified mission of meeting the credit and savings needs of consumers, especially persons of modest means. The purpose of Civic 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 or productive purposes.

100.2 Definitions

General definitions. When used in these Bylaws the terms:

(a) "*Act*" means the Federal Credit Union Act, as amended.

(b) "*Administration*" means the National Credit Union Administration

(c) "*Applicable law and regulations*" means the Federal Credit Union Act and rules and regulations issued thereunder or other applicable federal and state statutes and rules and regulations issued thereunder as the context indicates (such as The Higher Education Act of 1965).

(d) "*Board*" means Board of Directors of Civic Federal Credit Union.

(e) "*Household member*" is defined as person living in the same residence maintaining a single economic relationship.

(f) "*Members of their immediate families*" includes grandparents, parents, husband, wife, children, and their spouses, grandchildren and their spouses, brothers and sisters and their spouses, whether or not living under the same roof and in the same household.

(g) "*NCUA Board*" means the Board of the National Credit Union Administration.

(h) "*Organizations of such persons*" means an organization or organizations composed exclusively of persons who are within the field of membership of this credit union.

(i) "*Regulation*" or "*regulations*" means rules and regulations issued by the NCUA Board.

(j) "*Share*" or "*shares*" means all classes of shares and share certificates that may be held in accordance with applicable law and regulations.

100.3 Qualifications for Membership

(1) Field of membership. The field of membership of Civic is limited to that stated in Section 5 of the charter.

(2) Membership application procedures. Applications for membership from persons eligible for membership under Section 5 of the charter must be signed by the applicant on forms approved by the Board of the Credit Union. 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 Civic and the payment of the initial installment, 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, Civic must explain the reasons for the denial in writing.

(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 §100.4(3), ceases to be a member. By resolution, the Board may require persons readmitted to membership to pay another entrance fee.

(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 Federal Credit Union Act (Act) and §100.15 of these Bylaws. A member who is disruptive to Civic operations may be subject to limitations on services and access to Civic facilities.

(5) Member in good standing. Members in good standing retain all their rights and privileges in the credit union. A member not in good standing may be subject to a policy that limits credit union services. A member not in good standing is one who has engaged in any of the conduct in §100.15, Section 3 related to for-cause expulsion. In the event of a suspension of service, the member will be notified of what accounts or services have been discontinued. Subject to §100.15 and any applicable limitation of services policy approved by the board, members not in good standing retain their right to attend, participate, and vote at the annual and special meetings of the members and maintain a share account.

100.4 Shares of Members

(1) Par value. The par value of each share will be \$5.00. Subscriptions to shares are payable at the time of subscription, or in installments of at least \$1.00 per month.

(2) Cap on shares held by one person. The Board may establish, by resolution, the maximum amount of shares that any one member may hold.

(3) Time periods for payment and maintenance of membership share. A member who fails to complete payment of one share within 1 day of admission to membership, or within 1 day from the increase in the par value of shares, or a member who reduces the 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 1 day of the reduction will be terminated from membership.

(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.

(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 60 days written notice of intention to withdraw the whole or any part of the amounts paid in by them.
- (b) No member may withdraw any shareholdings below the amount of the member's primary or contingent liability to the-Civic if the member is delinquent as a borrower, or if borrowers for whom the member is co-maker, endorser, or guarantor are delinquent, without the written approval of the Loan Review Committee or loan officer. 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.
- (c) 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 will be established by Board resolution and will be subject to regulations applicable to the advertising and disclosure of terms and conditions on member accounts.

(6) Trusts. Shares may be issued in a revocable or irrevocable trust, subject to the following:

- (a) When shares are issued in a revocable trust, the settlor must be a member of Civic in his or her own right.
- (b) When shares are issued in an irrevocable trust, either the settlor or the beneficiary must be a member of Civic.
- (c) The name of the beneficiary must be stated in both a revocable and irrevocable trust.
- (d) For purposes of this section, shares issued pursuant to a pension plan authorized by the rules and regulations will be treated as an irrevocable trust unless otherwise indicated in the rules and regulations.

(7) Joint accounts and membership requirements.

- (a) Owners of a joint account may both be members of Civic without opening separate accounts.

- (b) For joint membership, both owners are required to fulfill all of the membership requirements.

100.5 Meetings of Members

(1) Annual meeting. The annual meeting of the members shall be held no later than May 31, in the county in which any office of Civic is located or within a radius of 100 miles of an office, at the time and place as the Board determines and announces in the notice of the annual meeting. *Civic may permit virtual attendance and participation in the annual meeting, provided that an in-person meeting complying with the geographic requirements of this paragraph is also held.*

(2) Notice of meetings required. At least 30 but no more than 75 days before the date of any annual meetings, at least 7 days before the date of any special meeting of the members, or at least 45 but no more than 90 days before the date of any meeting to vote on a merger with another credit union, 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 Civic 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 Civic 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.

(3) 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.

Note: Amended to require that written notice of the annual meeting be handed or mailed to each member of record by resolution adopted November 19, 1993.

(4) Special meetings. Special meetings of the members may be called by the Chairman or the Board upon a majority vote or by the Supervisory Committee as provided in these Bylaws. The Chairman must call a special meeting, meaning the meeting must be held within 30 days of the receipt of a written request of 25 members or 5% of the members as of the date of the request, whichever number is larger. However, a request of no more than 750 members may be required to call a special meeting.

The notice of a special meeting must be given as provided in §100.5(2). Special meetings may be held at any location permitted for the annual meeting.

(5) Items of business for annual meeting and rules of order for annual and special meetings.

- (a) The suggested order of business at annual meetings of members is:
 - (i) Ascertainment that a quorum is present.
 - (ii) Reading and approval or correction of the minutes of the last meeting.
 - (iii) Report of Directors, if there is one.
 - (iv) Report of the financial officer or the chief management official.

- (v) Report of the Loan Review Committee, if there is one.
- (vi) Report of the Supervisory Committee, as required by Section 115 of the Act.
- (vii) Unfinished business.
- (viii) New business other than elections.
- (ix) Elections, as required by Section 111 of the Act.
- (x) Adjournment.
- (b) To the extent consistent with these Bylaws, all meetings of the members will be conducted according to Robert's Rules of Order. 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 Civic.

(6) Quorum. Except as otherwise provided, 15 members constitute a quorum at annual or special meetings. Upon any proposal to convert the charter, merge, or take any other action resulting in the discontinuation of Civic as an independent entity, 50 members are necessary to obtain a quorum. If no quorum is present, an adjournment may be taken to a date at least 7 but not more than 14 days thereafter. The members present at any adjourned meeting will constitute a quorum, regardless of the number of members present. The same notice must be given for the adjourned meeting as is prescribed in § 100.5(2) 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.

(7) Emergency exception to in-person quorum requirement. This credit union may hold its annual meeting of the members, and special member meetings for authorized purposes other than member expulsion under §100.15 of these bylaws, virtually and without an in-person quorum if all of the following conditions apply and are certified in meeting minutes by a resolution of the majority of a quorum of the board of directors:

- (a) At least one of the following is located in an area where a federal, state, or local authority has declared a state of emergency or major disaster:
 - (i) all or part of a community the credit union serves; or
 - (ii) the credit union's headquarters.
- (b) The credit union has the technological capacity to facilitate virtual meeting attendance, voting, and participation.
- (c) Members receive at least seven days' advance notice of the change to a virtual meeting format and appropriate instructions for how to join, participate, and vote during the virtual meeting.
- (d) The NCUA has issued general or specific guidance notifying the credit union that it is appropriate to invoke this bylaw provision.

100.6 Elections

(1) Nomination procedures.

- (a) At least 120 days before each annual meeting the Chairman 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.

- (b) The nominating committee files its nominations with the Secretary of Civic at least 90 days before the annual meeting, and the Secretary notifies in writing all members eligible to vote at least 75 days before the annual meeting that nominations for vacancies may also be made by petition signed by 1% of the members with a minimum of 300 and a maximum of 500. The Secretary may use electronic mail to notify members who have opted to receive notices or statements electronically.
- (c) The written notice must indicate that the election will not be conducted by ballot and there will be no nominations from the floor when the number of nominees equals the number of positions to be filled. A brief statement of qualifications and biographical data in a form approved by the Board will be included for each nominee submitted by the nominating committee with the written notice to all eligible members. Each nominee by petition must submit a similar statement of qualifications and biographical data with the petition. The written notice must state the closing date for receiving nominations by petition. In all cases, the period for receiving nominations by petition must extend at least 30 days from the date that the petition requirement and the list of nominating committee's nominees are mailed to all members. To be effective, nominations by petition must be accompanied by a signed certificate from the nominee or nominees stating that they are agreeable to nomination and will serve if elected to office. Nominations by petition must be filed with the Secretary of Civic at least 40 days before the annual meeting and the Secretary will ensure that nominations by petition, along with those of the nominating committee, are posted in a conspicuous place in each Civic office at least 35 days before the annual meeting.

Note: Amended to provide for nomination by petition of candidates for election at the annual meeting by resolution adopted November 19, 1993.

(2) Election procedures.

- (a) All persons nominated by either the nominating committee or by petition must be placed before the members. When nominations are closed, the Chairman appoints the tellers, ballots are 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 each position to be filled.
- (b) If sufficient nominations are made by the nominating committee or by petition to provide at least as many nominees as positions to be filled, nominations cannot be made from the floor. In the event nominations from the floor are permitted and result in more nominees than positions to be filled, when nominations have been closed, the Chairman appoints the tellers, ballots are distributed, the vote is taken and tallied by the tellers, and the results announced. When the number of nominees equals the number of positions to be filled, the Chairman may take a voice vote or declare each nominee elected by general consent or acclamation at the annual meeting.

Note: Amended to provide that no nominations shall be made from the floor when there is no need for ballot and there is one nominee for each position to be filled by resolution adopted November 19, 1993.

- (3) 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.

(4) One vote per member. Irrespective of the number of shares, no member has more than one vote.

(5) Submission of information regarding Civic officials to NCUA. The names and addresses of members of the Board, Board officers, Executive Committee, and members of the Loan Review Committee, if applicable, and Supervisory Committees must be forwarded to the National Credit Union Administration (Administration) in accordance with the Act and regulations in the manner as may be required by the Administration.

(6) 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.

Note: The minimum age to vote or hold office was set at 16 by resolution adopted October 21, 1983.

(7) 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 there are sufficient nominations made by the nominating committee or by petition to provide more than one nominee for each open position, at least 30 days before the annual meeting, the secretary will ensure a printed ballot is 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 ensure the following materials are mailed to each eligible voter who submitted a written or electronic request for an absentee ballot:
 - (i) One ballot, clearly identified as the ballot, with the names of the candidates for the board of directors and the candidates for other separately identified offices or committees printed in random order. A brief statement of qualifications and biographical data for each candidate, in a form approved by the board of directors, will accompany the ballot;
 - (ii) One ballot envelope clearly marked with instructions to place the completed ballot placed in the envelope and seal the envelope;
 - (iii) One identification form the member completes that includes their name, address, signature and credit union account number;
 - (iv) One mailing envelope that instructs the member to insert the sealed ballot envelope and the identification form. The mailing envelope must have prepaid postage and be preaddressed for return to the election tellers;
 - (v) When properly designed with features that preserve the secrecy of the ballot, the ballot, identification form, and prepaid postage and preaddressed return envelope may be combined;
- (d) The election tellers will verify, or cause to be verified, the name and credit union account number of the voter as appearing on the identification form.

The tellers will retain the verified identification and the sealed ballot envelope until the vote count is completed. In the event of a questionable or challenged identification form, the tellers must retain the identification form and the sealed ballot envelope together until the verification or challenge is resolved. If more than one voting procedure is used, the tellers must verify that no eligible voter voted more than one time;

- (e) Election tellers must receive ballots mailed to them no later than midnight 5 days before the date of the annual meeting;
- (f) Members or authorized personnel will deposit absentee ballots in the ballot boxes taken to the annual meeting or included in a precount in accordance with procedures specified in §100.6(2); and
- (g) If a member has chosen to receive statements and notices electronically, the credit union may provide notices required in this section by email and provide instructions for voting by electronic means instead of mail ballots.

100.7 Board of Directors

(1) Number of members. The Board consists of nine (9) members, all of whom must be members of Civic. The number of Directors may be changed to an odd number not fewer than 5 nor more than 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 must be filed with the official copy of the Bylaws of Civic.

Note: The number of Directors was increased to (7) by resolution adopted May 18, 1984. The number of Directors was increased to (9) by resolution adopted February 19, 1993. The number of Directors was decreased to (7) by resolution adopted January 19, 2018. The number of Directors was increased to (9) by resolution adopted October 11, 2024.

(2) Composition of Board. No Director or committee member may be a paid employee of Civic. No immediate family members of a Director or committee member may be a paid employee of Civic. 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.

(3) Terms of office. Regular terms of office for Directors must be for periods of 3 years. 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 must expire at each annual meeting.

Note: The term of office for Directors was set at 2 years by resolution adopted October 21, 1983. The term of office for Directors was set at 3 years by resolution adopted March 19, 1993.

(4) Vacancies. Any vacancy on the Board, Loan Review Committee, or Supervisory Committee will be filled as soon as possible by vote of a majority of the Directors then holding office. Directors appointed to fill a vacancy will hold office only until the next annual meeting, at which any unexpired terms will 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.

(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 Chairman, or in the Chairman's 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 Chairman, or in the Chairman's absence the ranking vice chair, will fix the time and place of special meetings. Notice of all meetings will be given in the manner the Board may from time to time by resolution prescribe. Special meetings may be conducted using audio or video teleconference methods. The board may take action and vote on resolutions without a meeting. The board must first obtain unanimous consent for the action in writing or by electronically recorded means.

(6) Board responsibilities. The Board has the general direction and control of the affairs of Civic and is responsible for performing all the duties customarily performed by Boards of Directors. This includes but is not limited to the following:

- (a) Directing the affairs of Civic in accordance with the Act, these Bylaws, the rules and regulations and sound business practices.
- (b) Establishing programs to achieve the purposes of Civic as stated in §100.1(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 determining that all persons appointed or elected by Civic to any position requiring the receipt, payment or custody of money or other property of Civic, or in its custody or control as collateral or otherwise, are properly bonded in accordance with the Act and regulations.
- (e) Performing additional acts and exercising additional powers as may be required or authorized by applicable law.
- (f) Appointment of Loan Officers as provided in §100.9 of these Bylaws.

(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 §100.5. Fewer than a quorum may adjourn from time to time until a quorum is in attendance.

(8) Attendance and removal.

- (a) If a Director fails to attend regular meetings of the Board for 3 consecutive months, or otherwise fails to perform any of the duties as a Director or a Loan

Review Committee member, the office may be declared vacant by the Board and the vacancy filled as provided in the 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.
- (c) 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 Civic to fill the position temporarily. The Board may also, by resolution, designate another member or members of Civic to act on the Loan Review Committee, when necessary, in order to obtain a quorum.
- (d) Suspension of Supervisory Committee members. Any member of the Supervisory Committee may be suspended by a majority vote of the Board. The members of Civic will decide, at a special meeting held not fewer than 7 nor more than 14 days after any suspension, whether the suspended Committee member will be removed from or restored to the Supervisory Committee.

100.8 Board Officers, Management Officials and Executive Committee

(1) Board Officers.

- (a) The Board officers of Civic are comprised of a Chairman, one or more vice-chairs, a financial officer, and a secretary, all of whom are elected by the Board and from their number.
- (b) The Board determines the title and rank of each Board officer and records them in the addendum to this section.
- (c) One Board officer may be compensated for services as determined by the Board. If more than one vice chairman is elected, the Board determines their rank as first vice chair, second vice chair, and so on.
- (d) The offices of the financial officer and Secretary may be held by the same person.

(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 7 days after the annual meeting, hold office for a term of 1 year and until the election and qualification of their respective successors provided, however, that any person elected to fill a vacancy caused by the death, resignation, or removal of an officer is elected by the Board to serve only for the unexpired term of that officer and until a successor is duly elected and qualified.

(3) Duties of Chairman. The Chairman presides at all meetings of the members and at all meetings of the Board, unless disqualified through suspension by the Supervisory Committee. The Chairman also performs other duties customarily assigned to the office of the Chairman or duties he or she is directed to perform by resolution of the Board not inconsistent with the Act and regulations and these Bylaws.

(4) Approval required. The Board must approve all individuals who are authorized to sign all notes of Civic and all checks, drafts and other orders for disbursement of Civic funds.

(5) Vice Chairman. The ranking Vice Chairman has and may exercise all the powers, authority, and duties of the Chairman during the Chairman's absence or inability to act.

(6) Duties of Financial Officer. The Financial Officer manages Civic 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 Civic.
- (b) Provide and maintain full and complete records of all the assets and liabilities of Civic in accordance with forms and procedures prescribed in regulations and other guidance approved by the Administration.
- (c) Within 28 days after the close of each month, ensure that a financial statement showing the condition of Civic 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 Civic where it will remain until replaced by the financial statement for the next succeeding month.
- (d) Ensure that financial and other reports the Administration 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 these employees.
- (f) Perform other duties customarily assigned to the office of the financial officer or duties he or she is directed to perform by resolution of the Board not inconsistent with the Act, regulations and these Bylaws.
- (g) The Board may employ one or more assistant financial officers, none of whom may also hold office as Chairman or Vice Chairman, 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 or temporary inability to act.

(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 §100.8(6). 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 temporary inability to act.

(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 and, if there is a Loan Review Committee, the power or duty to employ, prescribe the duties of, or remove any loan officer appointed by the Loan Review Committee.

(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 will be prepared within 7 days after the respective meetings. The Secretary must promptly inform the Administration in writing of any change in the address of the office of Civic or the location of its principal records. The Secretary will give or cause to be given, in the manner prescribed in these Bylaws, proper notice of all meetings of the members, and perform other duties 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 Chairman, Vice Chairman, or Financial Officer, and may authorize them under direction of the Secretary to perform any of the duties assigned to the Secretary.

(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 the Board's 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 from the membership, other than a Board member paid as an officer; the Financial Officer; any assistant to the paid officer of the Board or to the Financial Officer; or any loan officer. No Executive Committee member or membership officer may be compensated as such.

Addendum: The list of the positions of the Board officers and management officials of Civic are as follows:

- (a) The executive officer is to have the title of Chairman.
- (b) The assistant executive officer is to have the title of Vice Chairman.
- (c) The financial officer is to have the title of Treasurer.
- (d) The recording officer is to have the title of Secretary.
- (e) The assistant recording officer is to have the title of Assistant to the Secretary.
- (f) The management official is to have the title of Chief Executive Officer (CEO).
- (g) The assistant management official is to have the title of Executive Vice-President.
- (h) The assistant management official is to have the title of Chief Financial Officer (CFO).

(11) Investment Committee. The board may appoint an investment committee composed of not less than two, to serve at its pleasure to have charge of making investments under rules and procedures established by the board. No member of the investment committee may be compensated as such. Addendum: The board must list the positions of the board officers and management officials of this credit union.:

(12) Other Committees. The Board may create one or more other committees and appoint directors to serve on them. Each committee shall have at least three directors as its members and each member of a committee shall serve at the pleasure of the Board of Directors. A committee shall have and may exercise the authority of the Board of Directors to the extent specified by the Board of Directors, except that the

Board of Directors may not delegate to another committee any duties, responsibilities or authority of the supervisory committee, and no committee may be authorized to amend the credit union's charter or these bylaws

100.9 Loan Officers

(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 Civic. No individual may disburse funds of Civic for any application or share withdrawal which the individual has approved as a loan officer.

(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.

(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.

(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 terms 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.

Note: The Credit Committee was eliminated, and the lending powers delegated to the loan officers effective March 20, 1988.

Note: Under the authority granted by the Act, Section 113(13), the Board has appointed a Loan Review Committee to act on its behalf.

100.10 Supervisory Committee

(1) Appointment and membership.

(a) The Supervisory Committee is appointed by the Board from among the members of Civic, one of whom may be a Director other than the financial officer or the compensated officer of the Board.

(b) The Board determines the number of members on the Committee, which may not be fewer than 3 nor more than 5.

Note: The number of members of the Supervisory Committee was initially set at 3. The number of members on the Supervisory Committee was increased from 3 to 5 at the Board's meeting on December 14, 1990. The number of members of the Supervisory Committee was decreased from 5 to 3 at the Board's meeting on May 22, 1992. The number of Supervisory Committee members was increased from 3 to 5 at the Board's meeting on May 20, 2011.

(c) No member of the Loan Review Committee, if applicable, or any employee of Civic may be appointed to the Committee.

- (d) Regular terms of Committee members are for periods of 1 year as the Board determines provided, however, that all regular terms are 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.

Note: The term of office was set at one year by resolution adopted April 17, 1984.

(2) Officers of Supervisory Committee. The Supervisory Committee members choose from among their number a Chairman 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 Chairman and Secretary may be held by the same person.

(3) Duties of Supervisory Committee. 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 this assistance. It will prepare and forward to the Administration required reports.

(4) Verification of accounts. The Supervisory Committee will cause the verification of the accounts of members with the records of the Financial Officer from time to time and not less frequently than as required by the Act and regulations. The Committee must maintain a record of this verification.

(5) Powers of Supervisory Committee - removal of Directors and Loan Review Committee members. By unanimous vote, the Supervisory Committee may suspend until the next meeting of the members any Director or Board officer. 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 7 nor more than 14 days after the suspension. The Chairman of the Committee acts as Chairman of the meeting unless the members select another person to act as Chairman.

(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 provisions of the Act, the regulations, or of the charter or the Bylaws of Civic, or to consider any practice of Civic which the Committee deems to be unsafe or unauthorized.

100.11 Organization Meeting

(1) Initial meeting. When application is made for a federal charter, the subscribers to the organization certificate must meet for the purpose of electing a Board and a Loan Review Committee, if applicable. Failure to commence operations within 60 days following receipt of the approved organization certificate is cause for revocation of the charter unless a request for an extension of time has been submitted to and approved by the Regional Director.

(2) Election of Directors and Loan Review Committee. The subscribers elect a Chairman and a Secretary for the meeting. The subscribers then elect from their number, or from those eligible to become members of Civic, a Board and a Loan Review Committee, if applicable, all to hold office until the first annual meeting of the members and until the election and qualification of their respective successors. If not already a member, every person elected under this section or appointed under

§100.11(3), must qualify within 30 days by becoming a member. If any person elected as a Director or committee member or appointed as a Supervisory Committee member does not qualify as a member within 30 days of election or appointment, the office will automatically become vacant and be filled by the Board.

(3) Election of Board officers. Promptly following the elections held under the provisions of §100.11(2), the Board must meet and elect the Board officers who will 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. The Board also appoints a Supervisory Committee at this meeting as provided in §100.10(1), of these Bylaws and a Loan Review Committee, if applicable. The members so appointed hold office until the first regular meeting of the Board following the first annual meeting of the members and until the appointment and qualification of their respective successors.

100.12 Loans and Lines of Credit to Members

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

(2) Delinquency. Any member whose loan is delinquent may be required to pay a late charge as determined by the Board.

100.13 Dividends

(1) Power of Board to declare dividends. The Board establishes dividend periods and declares dividends as permitted by the Act and applicable regulations.

100.14 Reserved

100.15 Expulsion and Withdrawal

(1) Expulsion procedure. A credit union may expel a member in one of three ways. The first way is through a special meeting. Under this option, a credit union must call a special meeting of the members, provide the member the opportunity to be heard, and obtain a two-thirds vote of the members present at the special meeting to expel a member. The second way to expel a member is under a nonparticipation policy given to each member that follows the requirements found in the Act. The third way to expel a member is by a two-thirds vote of a quorum of the directors of the credit union. A credit union can only expel a member for cause and through a vote of the directors of the credit union if it follows the policy for expulsion in section 2.

(2) A credit union's directors may vote to expel a member for cause if the credit union has provided a written copy of this Article or the optional standard disclosure notice to each member of the credit union. The communication of the policy, along with all notices required under this section, must be legible, written in plain language, reasonably understandable by ordinary members, and may be provided electronically only in the case of members who have elected to receive electronic communications from the credit union.

If a member will be subject to expulsion, the member shall be notified in writing in advance, along with the reason for such expulsion. The notice must include, at

minimum, (i) relevant dates, (ii) sufficient detail for the member to understand the grounds for expulsion, (iii) the member's right to request a hearing, (iv) how to request a hearing, (v) the procedures related to the hearing, (vi) notification that, if a hearing is not requested, membership will terminate after 60 calendar days, and (vii) if applicable, a general statement on the effect of expulsion related to the member's accounts or loans at the credit union. The notice cannot include only conclusory statements regarding the reason for the member's expulsion. The notice must also tell the member that any complaints related to the member's potential expulsion should be submitted to NCUA's Consumer Assistance Center if the complaint cannot be resolved directly with the credit union. The FCU must maintain a copy of the provided notice for its records. The notice shall be provided in person, by mail to the member's address, or, if the member has elected to receive electronic communications from the credit union, may be provided electronically.

A member shall have 60 calendar days from the date of receipt of a notification to request a hearing from the board of directors of the credit union. A member is not entitled to attend the hearing in person, but the member must be provided a meaningful opportunity to present the member's case orally to the FCU board through a videoconference hearing. The member may choose to provide a written submission to the Board instead of a hearing with oral statements. If a member cannot participate in a videoconference hearing, then the FCU may offer a telephonic hearing. If a member does not request a hearing or provide a written submission, the member shall be expelled after the end of the 60-day period after receipt of the notice. If a member requests a hearing, the board of directors must provide the member with a hearing. At the hearing, the board of directors may not raise any rationale for expulsion that is not explicitly included in the notice to the member.

After the hearing, the board of directors of the credit union must hold a vote within 30 calendar days on expelling the member. If a member is expelled, either through the expiration of the 60-day period or a vote to expel the member after a hearing, written notice of the expulsion must be provided to the member in person, by mail to the member's address, or, if the member has elected to receive electronic communications from the credit union, may be provided electronically. The notice must provide information on the effect of the expulsion, including information related to account access and any deductions by the credit union related to amounts due. The notice must also tell the member that any complaints related to their expulsion should be submitted to NCUA's Consumer Assistance Center if the complaint cannot be resolved directly with the credit union. The notice must also state that the member has an opportunity to request reinstatement.

A member expelled under this authority must be given an opportunity to request reinstatement of membership. The FCU may act on a reinstatement request through a majority vote of a quorum of the directors of the credit union, a majority vote of the members of the credit union present at a special meeting, or a majority

vote of members at an annual meeting, provided the annual meeting occurs within 90 days of the member's reinstatement request. If the FCU holds a meeting of the members to vote on the reinstatement request, an in-person vote is not required. An FCU is only required to hold a board vote or special meeting in response to a member's first reinstatement request following expulsion.

FCUs are required to maintain records related to any member expelled through a vote of the directors of the credit union for six (6) years.

(3) The term cause in this Article means

- (a) a substantial or repeated violation of the membership agreement of the credit union;
- (b) a substantial or repeated disruption, including dangerous or abusive behavior, to the operations of a credit union, as defined below; or
- (c) fraud, attempted fraud, or conviction of other illegal conduct in relation to the credit union, including the credit union's employees conducting business on behalf of the credit union.

If the FCU is considering expulsion of a member due to repeated non-substantial violations of the membership agreement or repeated disruptions to the credit union's operations, the credit union must provide written notice to the member at least once prior to the notice of expulsion, and the violation or conduct must be repeated within two years after having been notified of the violation. The written notice must state the specific nature of the violation or conduct and that if the violation or conduct occurs again, the member may be expelled from the credit union.

Dangerous or abusive behavior includes the following: (1) violence, intimidation, physical threats, harassment, or physical or verbal abuse of officials or employees of the credit union, members, or agents of the credit union. This only includes (a) actions while on credit union premises or otherwise related to credit union activities, and through use of telephone, mail, email, or other electronic method; (b) behavior that causes or threatens damage to credit union property; or (c) unauthorized use or access of credit union property. Expressions of frustration with the credit union or its employees through elevated volume and tone; expressions of intent to seek lawful recourse, regardless of perceived merit; or repeated interactions with credit union employees are insufficient to constitute dangerous or abusive behavior. Additionally, members cannot be expelled due to or in retaliation for their complaints to the NCUA or any other regulatory agency or law enforcement, and members who are employees or former employees of the FCU cannot be expelled for any protected whistleblower activities.

(4) Expulsion or withdrawal does not relieve a member of any liability to the credit union. The credit union will pay all of the member's shares upon the member's expulsion or withdrawal less any amounts due to the credit union.

(5) An expulsion of a member pursuant to section 2 shall be done individually, on a case-by-case basis, and neither the NCUA Board nor any credit union may expel a class of members.

100.16 Minors

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 Civic.

100.17 General

(1) **Compliance with law and regulation.** All power, authority, duties, and functions of the members, Directors, officers, and employees of Civic, pursuant to the provisions of these Bylaws, must be exercised in strict conformity with the provisions of applicable law and regulations, and of the charter and the Bylaws of Civic.

(2) **Confidentiality.** The officers, Directors, members of committees and employees of Civic must hold in confidence all transactions of Civic with its members and all information respecting their personal affairs, except when permitted by state or federal law.

(3) **Removal of Directors and committee members.** Notwithstanding any other provisions in these Bylaws, any Director or committee member of Civic 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 to be heard.

(4) **Conflicts of interest prohibited.** No Director, committee member, officer, agent, or employee of Civic may participate in any manner, directly or indirectly, in the deliberation upon or the determination of any question affecting his or her pecuniary or personal interest or the pecuniary interest of any corporation, partnership, or association (other than Civic) 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 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 this matter, by majority vote, all the powers of the Board. In the event of the disqualification of any member of the Loan Review Committee, if applicable, or the Supervisory Committee, that committee member must withdraw from the deliberation or determination.

(5) **Records.** Copies of the organization certificate of Civic, 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 organization certificate 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 Civic. The minutes of the meetings of the members, the Board, and the committees must be signed by their respective chairmen or presiding officers and by the persons who serve as secretaries of those meetings. All copies and records maintained under this section may be stored physically or electronically provided that the information is readily accessible to the directors, committee members,

members, and the Administration. Moreover, signatures may be provided electronically where permissible under federal or state law.

(6) Availability of Civic records. All books of account and other records of Civic must be available at all times to the Directors and committee members of Civic provided they have a proper purpose for obtaining the records. The charter and Bylaws of Civic must be made available for inspection by any member and, if the member requests a copy, it will be provided for a reasonable fee.

(7) Member contact information. Members must keep Civic informed of their current address or, if the member has elected to receive electronic communications, their current email address.

(8) Indemnification.

- (a) Civic may elect to indemnify to the extent authorized by the laws of the state of North Carolina.
- (b) Civic may purchase and maintain insurance on behalf of its officials against any liability asserted against them and expenses reasonably incurred by them in their official capacities and arising out of the performance of their official duties to the extent such insurance is permitted by North Carolina state law.
- (c) The term "official" in this bylaw means a person who is a member of the Board of Directors, Loan Review Committee, Supervisory Committee, or other volunteer committee (including elected or appointed loan officers or membership officers), as established by the Board of Directors.

100.18 Amendments of Bylaws and Charter

(1) Amendment procedures. The board may adopt amendments of these bylaws by an affirmative two-thirds vote of the directors. Written NCUA approval is required for the amendment of the bylaws to become effective. After adopting amendments, the credit union will update the bylaws posted on its website (if such credit union maintains a website) and ensure that members seeking to inspect the bylaws receive the most current version of the bylaws. To adopt amendments to the credit union's charter, board members must vote at a duly held meeting after receiving prior written notice of the meeting and a copy of the proposed amendment or amendments with the notice. Written NCUA approval is required for the amendment to the charter to become effective. *This section was changed to reflect the then current NCUA Model Bylaws on October 11, 2024.*