

California Community Credit Union Bylaw Provisions

The provisions below are excerpts from California Community Credit Union's Bylaws as approved by the California Department of Business Oversight, Division of Financial Institutions. These excerpts do not include all of the terms and provisions in the Bylaws. They relate to membership in the credit union, member meetings, proxies and voting director and supervisory committee nominations and qualification requirements applicable to director and supervisory committee nominees as well as certain rules, regulations and procedures applicable to members and meetings (all of which are qualified in their entirety by reference to California Community Credit Union's Articles of Incorporation, as amended, the Bylaws and applicable law):

MEMBERSHIP

SECTION 300 QUALIFICATIONS. The field of membership shall be limited to those having the following common bond:

1. Employees of the California State Health and Welfare Agency and of departments within the Agency who work in the following counties in California:

Alpine, Butte, Colusa, El Dorado, Glenn, Lassen, Modoc, Nevada, Placer, Plumas, Sacramento, Shasta, Sierra, Siskiyou, Sutter, Tehama, Yolo and Yuba.
2. Employees of the California State Department of Corporations who work in Sacramento County, California; (7-25-74)
3. State credit union examiners employed by the California State Department of Corporations who work in California, except those who work in or have headquarters in San Francisco or Los Angeles, California; (10-8-59)
4. Persons who participate in the Business Enterprise Program within the Department of Rehabilitation, California State Health and Welfare Agency, who work in Agency buildings in the counties listed in item 1, above; (12-9-86)
5. Retiree and senior citizen members of the Royal Account Group in Sacramento, County, California; (8-19-85)
6. Employees of the following companies who work in Sacramento, California:

ABC Plumbing, Heating, Cooling (11-25-87)
Alliance Electric (2-10-88)
American River Speech and Hearing Associates (11-23-93)
Artesian Development Company (11-8-88)
Bear Tavern Construction, Inc. (12-11-87)
Bonney & Gordon, Inc. (10-19-88)
Burkett's Office Supplies, Inc. (7-29-88)
California Lender's and Attorneys' Services (8-12-92)
Capital Sheet Metal (2-22-88)
Cascade Rock, Inc. (3-11-88)

Century 21 Gage Realty (1-26-89)
CF MotorFreight (5-7-96)
Chapman Appliance Service (11-25-87)
Creative Awareness Center (3-28-88)
Dean F. Unger, AIA, Inc. (1-26-89)
Geo. C. Foss Co. (4-1-88)
George Gudie Heating & Air Conditioning, Inc. (6-4-90)
L. Archie Harris, Inc. (6-14-88)
Louis H. Nicolaus Optical Co., Inc. (11-25-91)
McCurry Companies (4-27-93)
P. G. P. Enterprises (7-21-88)
Pacific Builders, Inc. (3-26-93)
Pluto Security & Patrol, Inc. (3-13-89)
Rainbow Daycare Inc. (3-29-90)
Roscoe D. Cook, Inc. (2-22-88)
Sacramento Hilton Inn (9-26-88)
Sacramento No. 3, Inc. d.b.a. The Firehouse
Sacramento Utilities Supply Company (3-13-89)
Shasta Linen Supply (6-14-88)
Special Security Investigators, Inc. (3-13-89)
Town & Country Village Management Group (7-28-88)
Valley Industrial Services (7-12-88)
Valley X-Ray, Inc. (2-10-88)
Wells Fargo Guard Service (7-28-88)

7. Employees of the following companies who work in Rancho Cordova, California:

Clinton Leasing & Sales, Inc. (2-6-91)
CVL RV Specialists (1-26-95)
Sierra Asphalt, Inc. (2-13-89)

8. Employees of the following companies who work in West Sacramento, California:

Forsyth Marble, Inc. (6-14-88)

9. Employees of Rio Linda Hardware, Nursery & Building Supply who work in Rio Linda, California:
(2-22-88)

10. Employees of the following companies who work in Fair Oaks, California:

Bell Hardware and Nursery (2-26-88)

11. Dues-paying members of the Insurance Women of Sacramento Inc. in Sacramento, California, who qualify for membership in accordance with its constitution and bylaws as of November 8, 1988

12. Professional and Associate members of the National Association of Professional Saleswomen, Sacramento Valley Chapter, in Sacramento California who qualify for membership in accordance with Article IV, Sections 1A. & B. of its bylaws as of December 9, 1988;

13. Employees of Villa Ornamental Iron who work in Sacramento, California; (1-10-89)
14. Dues-paying members of the Sacramento Opera Association in Sacramento, California, who qualify for membership in accordance with its bylaws and as set forth in the Board policies and procedures as of June 28, 1989; employees of the Sacramento Opera Association who work in Sacramento, California;
15. Regular and Student members of the Sacramento Hairdressers' Guild in Sacramento, California who qualify for membership in accordance with Article II, Section 2.01 (a) of its bylaws as of May 3, 1990 and who live in the Greater Sacramento Area in California
16. Employees of Elk Grove Water Works, Inc. who work in Elk Grove, California; (1-24-90)
17. Employees of the following State of California organizations who work in Sacramento, California:

California Governor's Office of Criminal Justice Planning (1-22-91)
Office of Real Estate Appraisers (1-12-96)
18. Employees of Aqua Sierra Controls Inc. who work in Auburn, California; (3-13-91)
19. Dues paying members of the Valley Villagers Department 56 Collectors' Club in Sacramento, California, who qualify for membership in accordance with its constitution and Article II Section I of its bylaws as of April 30, 1993;
20. Natural person, voting members of the California Association of Employers in Sacramento, California, who qualify for membership in accordance with its constitution and bylaws as of November 9, 1993;
21. Employees of the State of California - Youth and Adult Correctional Agency, Department of Corrections who work in the following counties in California:

Amador County (11-23-93)
El Dorado County (11-23-93)
Placer County (11-23-93)
Sacramento County (11-23-93)
San Joaquin County (11-29-93)
Yolo County (11-23-93)
22. Employees and board members of the Association of California Symphony Orchestras who work in Sacramento, California and natural person members of the Association of California Symphony Orchestras in Sacramento, California who qualify in accordance with Article II of its Bylaws; (12-20-93)
23. Natural person, voting members of the California Association of Sheet Metal and Air Conditioning Contractors in Sacramento, California, limited to a maximum of 2,500 persons, who qualify for membership in accordance with its constitution and bylaws as of November 14, 1994;

24. Natural person members of the California Independent Oil Marketers Association in West Sacramento, California, limited to a maximum of 2,500 persons, who qualify for membership in accordance with its constitution and bylaws as of July 8, 1996;
25. Spouses of persons who died while within the field of membership of this credit union; employees of this credit union; persons retired as pensioners or annuitants from the above employment; members of their immediate families; and organizations of such persons.
26. Other credit unions organized under either federal or state laws appertaining to credit unions.
27. Individuals that live in, regularly work in or worship in the County of Sacramento, California; (1/21/98)
28. UCFW, Local 588 AFL-CIO; (merger - 1/24/03)
29. Bakers and Confectionery Workers' Union Local 85; (merger - 1/24/03)
30. Bread Delivery Drivers, Teamsters' Union, Local 150; (merger - 1/24/03)
31. B.A.C. Local 3 of California; (merger - 1/24/03)
32. Painters and Tapers Union, Local 487; (merger - 1/24/03)
33. Sacramento Central Labor Council AFL-CIO; (merger - 1/24/03)
34. American Federation of Labor and Congress of Industrial Organizations; (merger - 1/24/03)
35. Valley Clerks Trust Fund, Union 487; (merger – 1/24/03)
36. Southwestern States Council; (merger 1/24/03)
37. Sacramento-Sierra's Building and Construction Trades Council; (merger – 1/24/03)
38. Members of the member-unions of the Coalition of Organized Labor; (merger – 1/24/03)
39. Public Employees' District Council and its Affiliated Local Unions; (merger – 1/24/03)
40. General Teamsters, Professional, Health Care and Public Employees Local 137; (merger – 1/23/03)
41. United Public Employees of California Local 792; (merger – 1/24/03)
42. Individuals that live in, regularly work in, or worship in Stanislaus County; (11/18/2003)
43. Individuals who live in, regular work in, or worship in Placer County; (11/18/2003)

SECTION 301 COMPENSATION FOR SECURING MEMBERS. No commission or compensation shall be paid for securing members except as permitted by the California Credit Union Law.

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

SECTION 303 ADMISSION TO MEMBERSHIP.

- (a) Each applicant for membership shall pay a uniform required entrance fee that shall be fixed by the Board of Directors from time to time in the credit union's written capital structure policy.
- (b) Each applicant for membership shall purchase and maintain in the credit union a minimum of one (1) full regular share of this credit union. Par value of one (1) share shall be \$1.00. *(Amended: 6/15/2010)*
- (c) An applicant shall be admitted to membership by the affirmative vote of one of the following: A majority of the Board of Directors, a chairman of the membership committee, membership officer or an executive committee. The applicant shall not become a member until he or she shall have qualified for membership in the manner provided by subsections (a) and (b) of this section.
- (d) A member may withdraw from membership in the credit union at any time. A withdrawing member shall give sixty (60) days' notice of intention to withdraw shares and thirty (30) days' notice of intention to withdraw certificates of funds.

SECTION 304 INACTIVE MEMBER STATUS. Any member whose share account balance falls below the stated value of the membership share established by the Board of Directors, pursuant to subsection (b) of Section 303, and who has no outstanding loan balance, may be transferred to inactive status. Such member shall have no voting rights, and no right to notice of meetings of members. Such inactive members shall not count as members for the determination of quorums or required votes, and need not be sent annual reports or financial statements, except upon request. When an inactive member increases his or her membership share balance to the amount established by the Board of Directors, or borrows from the credit union, he or she shall cease to be an inactive member.

SECTION 305 EXPULSION OF INACTIVE MEMBERS.

- (a) At the time a member is placed on inactive member status, pursuant to Section 304, the member shall be given notice of the change in membership by first class letter or registered mail at the last known address in the credit union's records. The member shall be given ninety (90) days in which to increase the amount in the share account to the level set forth in Section 304 or to take such other specified appropriate action as will remove the member from inactive status.
- (b) In the notice of the transfer to inactive membership status, the credit union shall advise the member of the following:
 - (1) The member shall receive notice of the actions necessary to remove the member from inactive member status and notice that failure to take the action necessary to remove the member from inactive member status will result in expulsion of the member from the credit union.
 - (2) The member has a right to present his or her views in person or in a written statement to the Board of Directors as to the reasons the member should not be expelled from the credit union. The member shall be permitted to have the meeting or make the written

statement to the Board of Directors prior to the expiration of the ninety (90) day period, but, in any event, not less than five (5) days prior to the expiration of the ninety (90) day period.

- (3) The member shall receive notice that he or she may appeal the decision of the Board of Directors by requesting within thirty (30) days of such expulsion that the Board of Directors call a special meeting of the members for the purpose of reviewing, for approval or disapproval, the expulsion of the member, and that any expulsion may be revoked by a two-thirds vote of the members present at the meeting; and,
 - (4) The expulsion of the member shall not relieve the member of his or her duty or obligation owed to the credit union.
- (c) Whenever a member is expelled pursuant to the provisions of Section 304, all funds due such member shall be paid to such member, and pending such payment shall be placed in a reserve account. The credit union shall keep a record of the funds, including dividends earned, that are the property of each member of the credit union whose share account is transferred to the reserve account. Dividends shall be paid at the dividend rate declared for regular shares in the credit union unless the amount in the member's share account is below the amount specified in section 1301 of these bylaws. In the event that a member who has been transferred to inactive member status cannot be located before the expiration of the period specified in the California Unclaimed Property Law (Calif. Civil Procedure Code Section 1300 et seq.), such funds remaining in the member's account plus any dividends earned shall be paid to the State of California pursuant to the Unclaimed Property Law.

SECTION 306 WITHDRAWAL FROM MEMBERSHIP IN THE CREDIT UNION. Any member may withdraw from membership in the credit union subject to the provisions of these bylaws, particularly Section 308 of these bylaws.

SECTION 307 EXPULSION FROM MEMBERSHIP IN THE CREDIT UNION. A member may be expelled as provided for in subsection (b) of Section 611 and Section 613 of these bylaws. Conviction of a criminal offense, failure to carry out his or her contracts with this credit union, refusal to comply with the provisions of the California Credit Union Law or of these bylaws, shall be cause for the expulsion of any member.

SECTION 308 LIABILITY OF WITHDRAWING OR EXPELLED MEMBER. A member who withdraws or is expelled shall not be relieved of any liability or obligation to this credit union.

MEETING OF MEMBERS

SECTION 400 TIME OF THE ANNUAL MEETING.

- (a) The annual meeting of the members shall be held in April or May of each year on a date as set by the Board of Directors and notification to the membership will take place in the 1st Quarter Newsletter. Annual meetings shall be held at such place in the state as may be determined by the Board of Directors and designated in the notice of such meetings. (*Revised 2/26/2003*)

- (b) If, in any year, the election of directors is not held at the annual meeting of the shareholders or an adjournment of the meeting, the Board of Directors shall call a special meeting of the members as soon thereafter as is reasonably possible, but not more than sixty (60) days from the date of the annual meeting, for the purpose of holding the elections and transacting such other business as may properly be brought before the meeting.

In the event the Board of Directors fails to call a special meeting within sixty (60) days after the date set for the annual meeting, any member may petition the superior court of the county in which the credit union has its principal office to order such a meeting after giving notice to the credit union and giving it an opportunity to be heard. At such meeting, the members elect directors and transact all other business properly brought before the meeting.

- (c) No change in the time or place of a meeting for the election of directors may be made within ten (10) days of the date for which the meeting is scheduled. Written notice of any change in the date of such meeting must be given to each member of record at least ten (10) days prior to the date for which any such meeting is rescheduled.
- (d) Any annual or special members' meeting may be adjourned by the affirmative vote of a majority of the members present in person or by proxy. An adjournment may be voted regardless of whether a quorum is present. When a members' meeting is adjourned for more than forty-five (45) days, notice of the adjourned meeting must be given as in the case of an original meeting.

When a meeting is adjourned for less than forty-five (45) days, no notice of the time and place of the adjourned meeting need be given other than by announcement at the meeting which the adjournment voted, unless after the adjournment a new record date is fixed for the adjourned meeting.

SECTION 401 SPECIAL MEETINGS. Special meetings of the members may be called by a majority vote of the Board of Directors or supervisory committee; and upon written request of ten (10) members or three percent of the membership, whichever is greater, the Board of Directors shall hold a special meeting as provided herein:

- (a) The date for the special meeting shall be fixed by the Board of Directors at a date not less than thirty-five (35) nor more than ninety (90) days after the vote by the Board of Directors or the written request of the requisite number of members of the credit union.
- (b) Notice of the special meeting and the conduct of the special meeting shall be in accordance with applicable law and these bylaws.
- (c) If notice of the special meeting is not given within twenty (20) days after the receipt of the written request for a special meeting by the requisite number of members, the persons entitled to call the meeting may give the notice or the superior court of the county in which the credit union has its principal office, shall summarily order the credit union to give the required notice after giving notice to the credit union and affording it an opportunity to be heard.

SECTION 402 ADJOURNMENT FOR WANT OF A QUORUM. If at any annual or special meeting of the members no quorum is present, the meeting shall be adjourned to a date not less than seven (7) nor more

than fifteen (15) days thereafter; at which time, those present shall constitute a quorum for the transaction of business.

SECTION 403 NOTICE OF ANNUAL, SPECIAL OR ADJOURNED MEETING.

- (a) At least ten (10) but not more than ninety (90) days before the date of any annual or special meeting of the members, the secretary of the credit union shall mail, or cause to be mailed to each voting member, a notice which shall set forth the hour, day and place of such meeting. If the notice mailed to members is not sent by first class or certified mail, such notice shall be mailed not less than twenty (20) days before the meeting.
- (b) Upon a special meeting called by the Board of Directors or upon the written request of 10 members or 3 percent of the members whichever is greater, the secretary of the credit union shall cause notice of the time, date, place and purpose of the special meeting to all members entitled to vote by first class mail sent to the address on the records of the credit union not more than twenty (20) days nor less than ten (10) days from the date of the specially called meeting.

SECTION 404 TIME AND PLACE OF SPECIAL OR ADJOURNED MEETING. The time and place of any special meeting or a meeting of the members that is adjourned shall be determined by the Board of Directors, or supervisory committee if called pursuant to 14552 of the Credit Union Law. No meeting may be adjourned for more than forty-five (45) days.

SECTION 405 WAIVER OF NOTICE. Any meeting of members, whether annual, special or adjourned, at which a quorum is present, may be held without prior notice at any place or time if all the members entitled to vote, who are not present at such meeting, shall in writing waive notice thereof before, during or after the meeting. Voting and attendance shall constitute a waiver of notice for any member present at that meeting.

SECTION 406 QUORUM. Fifteen (15) members present in person or by proxy, who are entitled to vote at any regular or special or adjourned meeting of members, shall constitute a quorum for the transaction of business at any such meeting of the members.

SECTION 407 VOTING RIGHTS. Irrespective of the number of shares held by him or her, no member shall have more than one vote. No member under 18 years of age may vote in any election of this credit union.

SECTION 408 MAIL VOTING BY WRITTEN BALLOT. There shall be no mail ballots for any voting.

SECTION 409 ORDER OF BUSINESS. The order of business at the annual or adjourned meeting thereof shall be:

- (a) Roll call.
- (b) Reading and approval or correction of the minutes of the last meeting.
- (c) Report of the directors.
- (d) Report of the chief financial officer.
- (e) Report of the credit manager.
- (f) Report of the supervisory committee.
- (g) Unfinished business.
- (h) New business, other than elections.

- (i) Elections.
- (j) Adjournment.

SECTION 410 MANNER OF CONDUCTING ANY ANNUAL OR SPECIAL MEETING OF THE MEMBERS. At any annual or special meeting of the members, subject to the provisions of Sections 409 and 503 of these bylaws, the meeting shall be conducted in accordance with Robert's Rules of Order.

ELECTIONS

SECTION 500 BALLOT. All persons present in person or by proxy at any election shall vote by ballot when there is more than one nominee for each vacant office.

SECTION 501 NOMINATIONS AND ELECTION PROCEDURES; CLOSE OF NOMINATIONS.

- (a) The Board of Directors of this credit union shall establish by resolution and make available to the members of this credit union reasonable nomination procedures which shall include:
 - (1) A reasonable means of nominating persons for election as directors.
 - (2) A reasonable opportunity for a nominee to communicate to the members the nominee's qualifications and the reasons for the nominee's candidacy.
 - (3) A reasonable opportunity for all nominees to solicit votes.
 - (4) A reasonable opportunity for all members to choose among the nominees.
- (b) Notwithstanding the provisions of the resolution developed by the Board of Directors pursuant to subsection (a) of this section, the close of nominations for the vacancies on the Board of Directors and any committee required to be elected by the members shall close at midnight not more than one hundred-twenty (120) days and not less than fifty (50) days prior to the date of the annual meeting set pursuant to Section 400 of these bylaws.
- (c) Only natural person members will be allowed to vote.

SECTION 502 INSPECTORS OF ELECTION.

- (a) At least thirty (30) days prior to the annual meeting to elect directors and committee members, the Board of Directors shall appoint three inspectors of election.
 - (1) Determine the number of persons eligible to vote;
 - (2) Determine the authenticity, validity and effect of proxies to be cast in the election and if provided in procedures developed by the Board of Directors pursuant to Section 408 of these bylaws, to determine the authenticity, validity and effect of written ballots distributed to all members by mail pursuant to Section 7513 of the Corporations Code;
 - (3) Distribute and collect ballots at a meeting of the members, and, if provided for in procedures developed by the Board of Directors pursuant to Section 408 of these bylaws,

the inspectors of election may distribute and collect or supervise the distribution and collection of written ballots distributed to all members by mail pursuant to Section 7513 of the Corporations Code;

- (4) Tally and announce the results of the election in connection with a vote to elect directors at a meeting of the members;
 - (5) Hear and determine all challenges and questions arising in connection with the right to vote;
 - (6) Determine when the polls shall close in connection with a vote at a meeting of the members;
 - (7) Do such other acts as may be proper to conduct the election or vote with fairness to all members.
- (b) If the inspectors refuse to act or fail to appear at the meeting of the members, any member entitled to vote and present, either in person or by proxy, may request and the chairman of the meeting shall appoint three, or as many as may be necessary to replace inspectors who have refused to act or failed to appear. Inspectors appointed at the meeting shall then perform all duties and exercise the authority and responsibilities set out in this section of the bylaws.
- (c) The inspectors of election shall perform their duties impartially, in good faith, to the best of their abilities, and as expeditiously as practical. The decision, act or certificate of a majority is effective in all respects as the decision, act or certificate of all

SECTION 503 ORDER OF ELECTIONS.

- (a) Election of supervisory committee members.
- (b) Election of directors.

SECTION 504 NOTICE OF RESULTS OF ELECTIONS. Within ten (10) days after their election or appointment, the names and addresses of all persons elected or appointed to office shall be forwarded to the Commissioner of the Department of Business Oversight, State of California, as required by the special Credit Union Rules and Regulations issued by the Commissioner of the Department of Business Oversight.

BOARD OF DIRECTORS

SECTION 600 NUMBERS OF MEMBERS, QUALIFICATIONS, COMPENSATION.

The Board of Directors shall consist of an odd number of directors of not less than five (5), and no more than nine (9), each of whom shall be a member of this credit union in his or her own right and shall be at least eighteen (18) years of age. Within the foregoing range, the number of directors may be changed by resolution of the Board. A copy of this resolution of the Board fixing the number of directors at any one time shall be filed with the official copy of the bylaws of this Credit Union, and shall be filed with the of the Department of Business Oversight. No member of the Board of Directors shall serve as a member of the Supervisory Committee, Credit Manager, or Loan Officer, nor receive compensation for services as a

director. A director may be compensated for services performed as an employee if this Credit Union pursuant to Section 14410(c) of the California Financial Code. *(Revised 6/13/2013)*

SECTION 601 TERM OF OFFICE. At the first annual meeting, elections to the Board of Directors shall be held in such a manner that the term of office of three (3) directors shall expire at the end of one year, the term of office of three (3) directors shall expire at the end of two years, and the term of office of two (2) directors shall expire at the end of three years. Thereafter, unless sooner suspended or removed as provided for in the California Credit Union Law or these bylaws, members of the Board of Directors shall serve from the time of their election for a period of three years and until their successors shall have been elected. Whenever the number of members of the Board of Directors is increased or decreased by amendment to these bylaws, this section shall likewise be amended to provide that, insofar as possible, the term of office of an equal number of directors shall expire each year. *(Revised 6/13/2013)*

SECTION 602 MEETING TO ELECT OFFICERS. The Board of Directors shall hold a meeting within ten (10) days after the annual meeting for the purpose of electing their officers pursuant to Section 700 of these bylaws.

SECTION 603 QUORUM; BOARD OF DIRECTORS. A majority of the number of directors as set forth in Section 600 shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

SECTION 604 MEETINGS.

- (a) Regular meetings of the Board of Directors may be called by the chairman or in his absence, the vice chairman or any two directors upon notice given in such manner as the Board of Directors may from time-to-time establish by resolution recorded in the minutes of the Board of Directors, specifying the date, time and place of the regular meeting of the Board of Directors provided that the Board of Directors shall meet each month to transact the business of the credit union.
- (b) Special meetings of the Board of Directors may be called by the chairman or vice chairman at any time and shall be called upon the written request of any three directors, provided that:
 - (1) Notice of any special meetings of the board shall be held upon four (4) days' notice to all members of the Board of Directors by first class mail or by 48 hours' notice delivered personally or by telephone or telegraph; and
 - (2) Notice of a special meeting of the board may not be dispensed with except that such notice may be waived as provided in Section 605 of these bylaws.
- (c) In the event of the adjournment of any meeting of the Board of Directors for more than twenty-four (24) hours to another time and place, whether or not a quorum is present, notice of the adjournment of the meeting to another time or place shall be given to the directors who were not present at the time of adjournment.
- (d) Subject to requisite notice of the meeting, nothing in these bylaws shall prevent members of the board from conducting or participating in a meeting through use of conference telephone or similar communications equipment so long as all members participating in such meeting can hear

one another. Participation in such a conference meeting shall constitute the presence of the director at the meeting.

SECTION 605 WAIVER OF NOTICE. Notice of a meeting of the Board of Directors, need not be given to any director who signed a waiver of notice thereof or a written consent to holding the meeting or an approval of the minutes thereof whither before, during or after the meeting, or who attends the meeting without protesting prior thereto or at the commencement of the meeting.

SECTION 606 ABSENCE FROM MEETINGS. Unless excused there from, the office of any director shall be declared vacant if such director is absent from three (3) consecutive regular meetings of the Board of Directors and such vacancy shall be filled as provided for in Section 608.

SECTION 607 VACANCIES CAUSED BY SUSPENSION. It shall be a special duty of the Board of Directors to temporarily fill any and all vacancies on the Board of Directors caused by reason of suspension by the supervisory committee, pending a meeting of the members to determine whether to affirm such suspension and vacate the office, or to reinstate such member or members.

SECTION 608 VACANCIES OTHER THAN THOSE CAUSED BY SUSPENSION. Any vacancy on the Board of Directors, caused by any reason other than suspension by the supervisory committee shall be filled by vote of a majority of the remaining directors; but any director so elected shall hold office until the next annual meeting of the members, at which meeting a director shall be elected to complete the unexpired term (unless the term expires at the end of such meeting).

SECTION 609 GENERAL POWER AND DUTY. The Board of Directors shall have the duty of general management of the affairs, funds and records of this credit union and shall possess all express or implied powers and duties conferred or imposed upon them under applicable law and regulations or elsewhere in these bylaws which are not specifically reserved to or conferred or imposed upon the members of the credit union.

SECTION 610 EXECUTIVE COMMITTEE. The Board of Directors may appoint an executive committee of no fewer than 3 directors, and delegate to such committee the power to approve membership applications. With the written approval of the Commissioner, the executive committee may act for the Board of Directors in the purchase and sale of securities, investment and withdrawal of funds, in borrowing funds and in making loans to other credit unions in accordance with applicable law and regulations.

SECTION 611 SPECIAL DUTIES. It shall be the special duty of the directors:

- (a) To act upon all applicants for membership unless such duty has been delegated to the chairman of a membership committee, membership officer or to an executive committee as provided in subsection (c) of Section 304 of these bylaws;
- (b) To expel members for cause, subject to the procedural provisions of Section 613 and, provided that any member so expelled may appeal from the decision of the Board of Directors at a special meeting of the members called to consider such expulsion and that it shall be the duty of the Board of Directors to call such special meeting if such request is made by the expelled member within thirty (30) days of such expulsion.

- (c) To obtain adequate surety bond coverage for the treasurer and any assistant treasurer and the credit manager, and to obtain adequate fidelity bond coverage for each officer and employee having control or access to funds owned by or pledged with this credit union, subject to the provisions of the California Credit Union Law;
- (d) To fix from time to time:
 - (1) The rate of interest to be paid on certificates for funds;
 - (2) The rate of interest to be charged for loans; and
 - (3) Any service charge permitted by the California Credit Union Law or these bylaws:
 - (i) The Board of Directors has authorized the President to adjust certificate, IRA and money market rates to correspond with the current market rates. Such adjustments must be ratified at the next meeting of the Board of Directors.
 - (ii) The Board of Directors has authorized the President to increase/decrease loan rates as much as one per cent (1%) between meetings of the Board of Directors. Such adjustments must be ratified at the next meeting of the Board of Directors.
- (e) To declare and authorize the payment of dividends on shares in accordance with the credit union's written capital structure policy and to authorize the payment of interest refunds to borrowing members as provided in Section 1300 of these bylaws;
- (f) To review from month to month the accounts of members delinquent in their payments on loans and to require, if deemed necessary, additional security to be given by the borrower, and if such security is not furnished as required, to disclose the loan due and payable and to take action to collect same.
- (g) To adopt amendments to these bylaws in accordance with the provisions of Section 1701 of these bylaws;
- (h) To direct the deposit or investment of funds, except loans to members;
- (i) To acquire membership in other credit unions in the name of this credit union;
- (j) To purchase, hold or sell in the name of this credit union real and personal property subject to the provisions of the California Credit Union Law and applicable regulations;
- (k) To establish the position of credit manager at the time of his or her employment;
- (l) To borrow money in the name of this credit union subject to the provisions of the California Credit Union Law;
- (m) To perform such other duties as these bylaws or any amendment thereto may prescribe.

SECTION 612 SPECIAL POWERS. The directors shall have the power:

- (a) To fix the amount of charges which shall be assessed members for failure to make payments on loans when due, subject to the provisions of the California Credit Union Law;

- (b) To suspend or waive the payment of any charges;
- (c) To call special meetings of the members;
- (d) To purchase a corporate seal which shall have inscribed upon its circumference the words, "California Community Credit Union, Sacramento County, California, incorporated August 26, 1997.
- (e) To authorize in the name of this credit union, membership in the California Credit Union League and pay dues thereto.
- (f) To establish the record date for the purpose of determining the members entitled to vote at any meeting of the members provided that such record date shall not be more than sixty (60) days before the date for the annual meeting set pursuant to Section 400 of these bylaws.
- (g) To designate, in addition to those officers required to be elected pursuant to subdivision (a) of section 14454 of the Financial Code, such officers as may be necessary to conduct the affairs of the credit union, their titles and duties by resolution of the board, provided that such additional officers designated by resolution shall serve at the pleasure of the board, subject to rights under any contract of employment for the appointed officers.
- (h) To provide, notwithstanding subdivision (b) of Section 14500 of the Financial Code, by resolution of a majority of the members of the Board of Directors, that the general manager and chief executive officer of the credit union shall not be the chairman of the board.

SECTION 613 PROCEDURE FOR EXPULSION OF A MEMBER. Any member who is to be expelled by the Board of Directors pursuant to Sections 304, 305 and 307 and subsection (b) of Section 611 of these bylaws shall be accorded a fair and reasonable hearing prior to such expulsion.

OFFICERS AND THEIR DUTIES

SECTION 700 OFFICERS' TITLES.

- (a) The officers of this credit union shall consist of a chairman, one or more vice chairmen, secretary and treasurer. The offices of secretary and treasurer may be held by the same person.
- (b) In addition to those officers elected pursuant to subsection (a), the Board of Directors may designate such officers as may be necessary to conduct the affairs of the credit union, their titles and duties by resolution, provided that such officers appointed pursuant to this subsection shall serve at the pleasure of the board, subject to rights under any contract of employment for such appointed officers.

SECTION 701 TERM OF OFFICE. Unless sooner suspended or removed as provided for in the California Credit Union Law or these bylaws, the officers elected pursuant to subsection (a) of Section 700 of these bylaws and subdivision (a) of Section 14500 of the Financial Code, shall hold office from the time of their election until the meeting of the Board of Directors and until their successors shall have qualified for office.

SECTION 702 DUTIES OF THE CHAIRMAN. The chairman shall preside at all meetings of the Board of Directors, shall countersign all notes of this credit union, and shall perform such other duties as may be prescribed by resolution of the Board of Directors.

SECTION 703 DUTIES OF VICE CHAIRMAN. The vice chairman, or vice chairmen in order, shall have and exercise all the powers, authority and duties of the chairman during the absence or inability of the latter, and shall perform such other duties as may be prescribed by resolution of the Board of Directors.

SECTION 704 DUTIES OF TREASURER. Subject to such direction, limitations, controls, and delegations as may be imposed by the board, the treasurer shall.

- (a) Before entering upon his or her duties, be provided with adequate surety bond coverage in an amount to be determined by the Board of Directors from time to time, conditioned upon the honest performance of his or her duties, subject to the provisions of the California Credit Union Law;
- (b) Subject to such limitations and controls as may be imposed by the Board of Directors, the treasurer shall have custody of funds, securities, valuable papers and all other property of this credit union, except his or her own bond, which shall be in the custody of such other person as the Board of Directors may designate;
- (c) Sign all checks, drafts, notes, releases and other instruments and obligations of this credit union;
- (d) Provide and maintain a full and complete record of accounts, in books belonging to this credit union, showing all transactions of this credit union, its assets, liabilities and financial conditions, and shall see that all expenditures are duly authorized; and
- (e) Within 21 days after the close of each month, prepare and submit to the Board of Directors, and supervisory committee, a financial statement showing the condition of this credit union, including a detailed statement of delinquent loans as of the close of business at the end of each month.

SECTION 705 DUTIES OF ASSISTANT TREASURER. The Board of Directors may authorize one or more persons to act as assistant treasurers. Any person appointed in this capacity shall, under the direction of the treasurer, perform any or all of the duties of the treasurer, including the signing of checks. Any assistant treasurer may be designated as acting treasurer during the absence or disability of the treasurer. Whenever any assistant treasurer is designated as acting treasurer, the acting treasurer shall be under the direction of the board pursuant to Section 704 of these bylaws.

SECTION 706 PRESIDENT AND CHIEF EXECUTIVE OFFICER.

- (a) Notwithstanding subdivision (b) of Section 14500 of the Financial Code, the Board of Directors of the credit union may, upon a motion approved by a majority of board members, employ a president manager and chief executive officer who is not a member of the board, and who shall be under the direction and control of the board subject to any rights of the president and chief executive officer under an employment contract. The president and chief executive officer may be assigned any or all of the responsibilities of the treasurer pursuant to Section 704. The

president and chief executive officer employed pursuant to this subsection shall be designated as the president of the credit union.

- (b) Where the president and chief executive officer employed by the credit union is also a member of the Board of Directors, nothing shall preclude the designation of the president and chief executive officer as the "chairman of the board" and "president" of the credit union if that person is elected chairman of the board pursuant to Section 14454 or at a subsequent election of officers held after filling any vacant seat on the Board of Directors whether such vacancy is created by resignation, declaration of vacancy pursuant to Section 14452 of the Financial Code, death, disability or as otherwise permitted pursuant to the California Credit Union Law.

SECTION 707 DUTIES OF SECRETARY. The secretary shall prepare and maintain full and correct records of all meeting of the members and of the Board of Directors. He or she shall give or cause to be given, in the manner prescribed in Section 403 of these bylaws, proper notice of all meetings of the members, prepare and maintain a list of the names and addresses of all persons eligible to vote on any matter that may be presented to the members for their approval or disapproval or to vote for the election of directors or any committee required to be elected by the members of this credit union and shall perform such other duties as may be prescribed by resolution of the Board of Directors or by applicable law or regulations and these bylaws.

SUPERVISORY COMMITTEE

SECTION 800 NUMBER OF MEMBERS, QUALIFICATIONS, COMPENSATION. The Supervisory Committee shall consist of an odd number of members of not less than three (3), and no more than seven (7), each of whom shall be a member of this credit union in his or her own right and shall be at least eighteen (18) years of age. Within the foregoing range, the number of members may be changed by resolution of the Board. A copy of this resolution of the Board fixing the number of members at any one time shall be filed with the Commissioner of the Department of Business Oversight. No member of the Supervisory Committee shall serve as the credit manager, or as a member of the Board of Directors, no shall he or she be an employee of this credit union. No member of the Supervisory Committee shall receive compensation for his or her services as a member of such committee. *(Revised 3/18/2003)*

SECTION 801 TERM OF OFFICE. At the first annual meeting, elections to the supervisory committee shall be held in such manner that the term of office of one (1) member shall expire at the end of one (1) year, the term of office of two (2) members shall expire at the end of two (2) years, and the term of office of one (2) members shall expire at the end of three (3) years. Thereafter, members of the supervisory committee shall serve from the time of their election for a period of three years and until their successors shall have been elected. Whenever the number of members of the supervisory committee is increased or decreased by amendment to these bylaws, this section shall likewise be amended to provide that insofar as possible the term of office of an equal number of members of the supervisory committee shall expire each year.

SECTION 802 CHAIRMAN AND SECRETARY. The supervisory committee members shall choose from their number a chairman and a secretary. The offices of chairman and secretary may be held by the same person.

SECTION 803 MEETINGS. The supervisory committee shall meet when and as frequently as they, from time to time, may determine by a majority vote, but they shall meet at least once each quarter.

SECTION 804 VACANCIES. Any vacancy on the supervisory committee shall be filled by the remaining members of the committee, but such committee person so elected shall hold office only until the next annual meeting of members, at which meeting a committee person shall be elected to complete the unexpired term (unless the term expires at the time of such meeting).

SECTION 805 JOINT MEETINGS. Upon their own initiative or at the request, by a majority vote of the Board of Directors, the chairman of the supervisory committee shall call a joint meeting of the members of the supervisory committee and the Board of Directors of this credit union. Notice of said meeting shall be transmitted forthwith by the secretary of this credit union.

SECTION 806 POWERS OF COMMITTEE.

- (a) To suspend at any time, by unanimous vote, at a meeting called for the purpose, the Board of Directors or any member thereof, or the credit manager or any officer.
- (b) Within seven days after any suspension pursuant to subsection (a), to cause notice of a special meeting to be given the members to determine whether to affirm such suspension advocate the office, or to reinstate such member or members;
- (c) By a majority vote, to call a meeting of the members to consider any violation of the California Credit Union Law or any practices of the credit union which, in the opinion of the supervisory committee, are unsafe or unauthorized;
- (d) To inspect the securities, cash and accounts of this credit union at any time; and
- (e) To declare vacant, by majority vote, any office of a member of the supervisory committee if such member is absent from three consecutive regular meetings of the supervisory committee, unless excused there from, or is completely inactive as a member of the supervisory committee for a consecutive 12-month period.

SECTION 807 DUTIES OF THE COMMITTEE. It shall be the duty of the supervisory committee:

- (a) At least once a year, to make or cause to be made by an independent auditor of their selection, an audit of the books and records and an examination of the business and affairs of this credit union for the year, and to make a full report of its assets and liabilities, receipts and disbursements to the Board of Directors.