



## **BYLAWS OF MUNICIPAL CREDIT UNION**

### **ARTICLE I - NAME**

The name of the credit union shall be the Municipal Credit Union (“MCU” or the “Credit Union”). MCU’s principal place of business is located within the County of New York, in the State of New York.

### **ARTICLE II - PURPOSE**

MCU is a credit union organized under the New York Banking Law (the “Banking Law”) for the purposes of promoting thrift among its members and creating a source of credit for them at fair and reasonable rates of interest. MCU is dedicated to the philosophy of “people helping people” and will strive to promote the financial well-being of its members and their families by providing quality products and services.

### **ARTICLE III – MEMBERSHIP**

**SECTION 1.** Membership at the Credit Union is limited to those persons listed below. The Credit Union’s Board of Directors (the “Board”) may amend this Article by resolution in order to add groups to the Credit Union’s field of membership, in accordance with applicable law.

Field of membership is limited to the following persons:

- A. Any person who is employed (or still maintains a pension or annuity with):
  - a. by the City of New York, New York or the City of Yonkers, New York or
  - b. by any of the Counties or Boroughs within the City of New York, or
  - c. by the New York City Department of Education, or
  - d. by the Board of Higher Education, or
  - e. by the New York City Health and Hospitals Corporation, or
  - f. by the New York City Housing Authority, or
  - g. in any authority now or hereafter organized and existing pursuant to the Public Authorities Law, Laws 1939, Chapter 870, or acts amendatory thereof, where said authority has jurisdiction solely of functions within the city of New York, or
  - h. in any agency operating within the greater New York City metropolitan area and which is, at least in part, funded by the City of New York, the State of New York, or one of the agencies, subdivisions or departments thereof, or

- i. by any individual, employer, agency, partnership, corporation, or other entity with which the Credit Union maintained a payroll deduction type relationship as of April 10, 1986, or
  - j. by or in any hospital, nursing home, health facility, and their affiliates, either private or public, located in the State of New York, or
  - k. by insurance companies who offer health related insurance in the State of New York, or
  - l. by the Federal Government provided such employee works within the territorial limits of the City of New York, or
  - m. by companies that produce and/or supply hospitals in the State of New York with medical and other type health care products, or
  - n. by private colleges located in the City of New York and private and public colleges in the counties of Nassau, Suffolk, Westchester, or
  - o. by Aramark Corporation at Nyack Hospital in Nyack, New York, or
  - p. by the City of Mt. Vernon, New York, or
  - q. by Kawasaki Rail Car, Inc., or
  - r. by the Credit Union, or
  - s. as cemetery workers working within the City of New York, or
  - t. as social workers and counselors at private centers and not-for-profit shelters located in the City of New York, or
  - u. by the Archdiocese of New York and Brooklyn, or
  - v. as taxi dispatchers for airports in the City of New York, or
  - w. as aircraft fuelers and maintenance workers in the City of New York, or
  - x. by St. Peter's Church in Yonkers, New York, or
  - y. as an officer or employee of the State of New York employed in the City of New York.
- B. Any person who is enrolled as a student at:
- a. a college, university, school, or institution, in the City University of New York (CUNY) education system; or
  - b. St. John's University (Attending Campuses Located in New York State).
- C. All members of St. Peter's Church in Yonkers, New York shall be eligible for membership in the Credit Union, or
- D. Any incorporated or unincorporated organization composed principally of persons eligible to membership in the Credit Union and that organization's employees.
- E. Any person who is a family member of such member described herein. For the purposes of this paragraph, "family member" means a person related by blood, marriage or living in the same household with a person within the field of membership and their lineal ancestors and descendants including persons so related by adoption, siblings, stepparents, stepchildren and stepsiblings; and "household" means persons living in the same residence and maintaining a single economic unit;
- F. Any person who resides, works, worships or attends school within the following counties in the State of New York: Bronx, Richmond, Queens, Kings, New York.
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G. Any other persons or entities approved by the New York State Department of Financial Services (“DFS”) to be included in MCU’s field of membership.

**SECTION 2.** Once an individual attains membership with MCU, that individual shall remain a member for the remainder of their lifetime, unless such member withdraws from MCU or is expelled by the Board. Any member who leaves the field of membership and who has not withdrawn or been expelled may retain membership. Any person who is eligible for membership by reason of the fact that he or she is an employee of a common employer or of MCU shall not become ineligible, after the termination of such employment, as long as he or she receives a pension or annuity from, or under, a plan or other arrangement established by such common employer or MCU.

**SECTION 3.** A member desiring to withdraw from MCU shall file a written notice of his/her intention to withdraw.

**SECTION 4.** A member who fails to complete payment of one share within six (6) months of his/her admission to membership, or within six (6) months from an increase in the par value of shares, or a member who reduces his/her 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 six (6) months of the reduction will be considered to have withdrawn from membership in MCU. Any member who withdraws from membership for any reason, including voluntarily or as prescribed in this paragraph, shall not be relieved thereby of any remaining liability to MCU.

**SECTION 5.** The Board, by majority vote, at any meeting, may expel a member as provided in Article XI of the Banking Law, and in accordance with MCU’s Member Expulsion Policy. In the event of the expulsion of a member for any cause, such expelled member shall not be relieved thereby of any remaining liability to MCU.

#### **ARTICLE IV - MEETINGS OF MEMBERS**

**SECTION 1.** The annual meeting of the members, for the purpose of electing Directors, and transacting such other business as may properly come before the meeting, shall be held during the first quarter of each calendar year, at a place located within the counties of New York, Queens, Kings, Bronx, Richmond, Westchester, Nassau or Suffolk, as determined by the Board. The time and place for such meeting shall be fixed by the Board at a Directors’ meeting held at least three (3) months prior to such annual meeting.

**SECTION 2.** Any new business shall be stated in writing and filed with the Secretary at least ninety days (90) before such annual meeting, and all business so stated, proposed and filed, shall be reviewed by the Board and at their discretion considered at the annual meeting.

**SECTION 3.** Fifteen persons present at any members’ meeting duly called shall constitute a quorum. If no quorum is present, an adjournment may be taken to a date not fewer than 7 nor more than 14 days thereafter. The members present at any such adjourned meeting will

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constitute a quorum, regardless of the number of members present. The same notice must be given for the adjourned meeting as is prescribed in section 7 of this article for the original meeting, except that such notice must be given not fewer than 5 days previous to the date of the meeting as fixed in the adjournment.

**SECTION 4.** The conduct of all meetings shall be governed by the Roberts Rules of Order Newly Revised (“RONR”). If there is any conflict between such RONR and the provisions of these Bylaws or the Banking Law, the provisions of these Bylaws or the Banking Law shall prevail.

**SECTION 5.** Votes at meetings of members shall be cast in person or mail ballot, as determined by the Board. All members shall have one (1) vote irrespective of the number of shares held at MCU. Unless otherwise provided for in applicable provisions of the Banking Law or in these Bylaws, a vote of the majority of members present at a meeting shall be the act of the Credit Union.

**SECTION 6.** Special meetings of the members shall be called upon the order of the Board, or the Supervisory Committee, upon majority vote, or upon the written request of 25 members or five percent (5%) of the members as of the date of the request over the age of 18, and in good standing as defined in the MCU membership policy, whichever is larger; provided that no more than 500 members may be required to make such written request. Special meetings of the members may be held at any location permitted for the annual meeting as stated in Section 1 of this Article. Any special meeting shall be called by the Chairman of the Board within ninety (90) days of the order of the Board or the Supervisory Committee or written request of members as provided in the previous sentence. Notice of such special meetings shall be as provided in these Bylaws. No business other than that specified in the notice of the meeting shall be transacted at a special meeting.

**SECTION 7.** Notice of the time and place of any members’ meeting shall be posted conspicuously in all offices and branch locations of MCU as well as on the official website of MCU where it may be viewed by the members, at least thirty (30) days prior to such meeting. Such notice shall contain the date, time and place of such meeting. In addition, said Notice shall be made known to the members in such other manner as, in the discretion of the Board, shall provide the members with adequate notice.

**SECTION 8.** The order of business at the annual meeting of the members shall be as follows:

- Ascertainment that a quorum is present.
  - Reading and approval (or correction) of the minutes of the previous meeting.
  - Report of the Chairman.
  - Report of the Chief Executive Officer
  - Report of the Supervisory Committee.
  - Unfinished business.
  - New business other than elections.
  - Election of members of the Board.
  - Adjournment.
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The members assembled at any annual meeting may amend the above order upon a majority vote of the members present at the meeting.

**SECTION 9.** The Board, at least 120 days prior to the annual meeting, shall appoint a nominating committee of three (3) members in accordance with criteria approved and established by the Board. It shall be 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. Such committee shall make nominations for Directors in writing and deliver to the Secretary such written nominations at least 90 days prior to such annual meeting, which nominations shall be posted conspicuously in all offices and branch locations of MCU, as well on the official website of MCU at least 75 days prior to such annual meeting. Any further nominations for Directors may be made on written petition of one percent (1%) of the members at the time of the nomination over the age of 18 and in good standing as defined in the MCU membership policy, provided that the number of such members required to make such nominations shall not be less than 20 nor more than 500. Any such nominations by members shall be filed with the Secretary at least 45 days prior to such annual meeting and further posted by the Secretary in the manner provided above. 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. Notice of said nominations shall be given to members as provided in Section 7 of this Article. Thereafter, no nominations shall be filed. No nominations from the floor shall be accepted.

To be eligible to sign a nominating petition as provided in this Article, a person must have been a member of MCU for at least ninety (90) days immediately preceding the date of the signing of the petition.

**SECTION 10.** When a meeting of the members is held to elect Board members and the number of candidates seeking Board membership is greater than the number of seats available, there will be a mail ballot vote. The tellers of election shall be representatives of a duly qualified and independent firm or association of professional auditors, arbitrators, or election tellers, whose appointment shall be subject to the approval of the Board. Ballots will be distributed to all members age 18 or older and in good standing as defined by MCU's Membership Policy and shall set forth the names of the candidates for the Board and the candidates for other separately identified offices or committees. Electronic mail may be used to provide the notice of ballot to members who have opted to receive notices or statements electronically.

**SECTION 11.** Each member shall have one vote irrespective of the number of shares which he holds. Proxy votes are prohibited.

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## **ARTICLE V - DIRECTORS**

**SECTION 1.** The Board shall consist of not less than five (5) and not more than nine (9) members, as set by resolution of the Board, and each Director shall be the owner of at least one (1) share on the books of MCU and are elected as follows:

Directors elected at the annual meeting shall be elected for terms of not longer than three (3) years. No member of the Board shall serve on the Supervisory Committee.

**SECTION 2.** A meeting of the newly elected Board shall be held after the annual meeting of the members, and the Board shall elect from its number the following officials, who shall be the executive officers of the Board. The four highest ranking Directors shall be, in order:

- The Chairperson of the Board who is to have the title of Chair.
- The Vice Chairperson of the Board who is to have the title of Vice Chair.
- The Financial Officer who is to have the title of Treasurer.
- The Recording Officer who is to have the title of Secretary.

The Board shall be responsible for the hiring of an individual as Chief Executive Officer (“CEO”) who shall be responsible for managing the operations of MCU, The Board shall work with the CEO and Chief Human Resources Officer (“CHRO”) to ensure that the CEO contract is being adhered to annually. The CHRO shall advise the Board as to salary increases and bonus payouts for the CEO and record Board approval as part of the official minutes in advance of any change to the CEO compensation.

The Board shall also appoint after each annual meeting, a Supervisory Committee. Supervisory Committee members appointed by the Board shall serve until the subsequent annual meeting unless removed from office by the Board for cause. Vacancies on the Supervisory Committee shall be filled by the Board.

The Board shall meet at least once in each month.

**SECTION 3.** The Chair, or in his/her absence the highest ranking Director, as defined in Section 2 of this Article, may call a special meeting of the Board at any time; and shall do so upon request of a majority of the Directors then holding office. The Chair, or in his/her absence the highest ranking Director, shall fix the time and place of special meetings. Notice of all meetings shall be given in such manner as the Board may from time to time prescribe.

**SECTION 4.** The Board shall have the general direction and control of the affairs, funds, and records of MCU and shall be responsible for performing all the duties customarily performed by boards of directors, including those duties specifically required by law or regulation. Specific duties include, but not by way of limitation, the following:

- Directing the affairs of MCU in accordance with the requirements of the Banking Law and the regulations promulgated thereunder, these Bylaws, directives of the Superintendent of Financial Services, and sound business practices.
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- Establishing programs to achieve the purpose of MCU as stated in Article II of these Bylaws.
- Fixing the maximum number and classes of shares, share drafts, and share certificates which may be held by, and the maximum amount which may be lent to, any member subject to any restrictions in Article XI of the Banking Law and the regulations promulgated thereunder.
- Declaring dividends to all members pursuant to Article XI of the Banking Law.
- Determining the types of loans to be granted, maximum loan amounts, maturity and repayment schedules, rates of interest to be charged, and types of collateral accepted.
- Establishing a loan collection policy and authorizing the charge-off of uncollectable loans.
- The Board shall have the power to approve, upon recommendation of the CEO, the compensation policy and strategy, and to reimburse Committee Members for reasonable and proper costs incurred while carrying out the responsibilities of their positions to the extent permitted by Article XI of the Banking Law and to make rules pertaining thereto.
- The Board shall from time to time, but at least annually, review the adequacy of and fix the amount of the blanket surety bond which shall be required on all officers controlling funds.
- Directing the deposit or investment of funds, except loans to members.
- A member shall have the right, upon written request, of a review by the Board of a loan application which has been denied.

**SECTION 5.** Though the Board shall be ultimately responsible, the CEO shall be designated by the Board to be responsible for the administration of the membership application process to ensure the guidelines as set forth in these Bylaws are complied with. The CEO shall submit to the Board at each monthly meeting a summary report of approved or pending applications for membership since the previous monthly meeting

**SECTION 6.** Vacancies on the Board occasioned by resignations, deaths or other causes shall be filled by the Board for the period of the unexpired term, in accordance with Section 1 of this Article. Any Director who misses two consecutive meetings, or three meetings within a calendar year, shall have their position as Director reviewed by the Board, to determine whether removal is necessary. Any Director who misses three consecutive meetings, without cause, shall be deemed to have resigned his or her position.

**SECTION 7.** Any Director or Committee Member who, after his/her election, ceases to be the owner of at least one (1) share on the books of MCU must cure the disqualification within thirty (30) days or vacate his/her office. Any such Director shall not be eligible for re-election as a Director for a period of one (1) year from the date of the next succeeding annual meeting.

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**SECTION 8.** A majority of the number of Directors (inclusive of any vacancies) shall constitute a quorum for the transaction of business at any meeting thereof.

**SECTION 9.** Action by the Board. Any action required or permitted to be taken by the Board or any committee thereof may be taken without an in person meeting if all Directors of the Board or the committee participate in a meeting of the Board or such committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time.

## **ARTICLE VI OFFICERS AND THEIR DUTIES**

**SECTION 1.** The executive officers of the Board of MCU shall be as defined in Article V, Section 2, of these Bylaws. Unless sooner removed as herein provided, the officers shall hold office until the next meeting of the Board following the next annual meeting of members, and until the election of their respective successors.

**SECTION 2.** The duties of the Chair shall be to preside at meetings of the members and of the Board and to perform the usual duties connected with that office.

**SECTION 3.** The Vice Chair shall have and exercise all the powers, authority and duties of the Chair during the absence of the latter or his/her inability to act, and such other duties as the Board may, from time to time, prescribe.

**SECTION 4.** Subject to such limitations and control as may be imposed by the Board, the Treasurer shall have custody of all funds, securities, books of account, other valuable papers and other assets of MCU. (S)he shall be responsible for providing and maintaining full and complete records of all the assets, liabilities and financial transactions of MCU. (S)he shall sign all checks, drafts and notes drawn by MCU, provided, however, that the Board may by resolution, designate other authorized signatories on all checks, drafts, notes or written instruments drawn by MCU, including but not limited to the CEO.

A copy of any report required by the Superintendent of Financial Services or of any report made by the Supervisory Committee shall be submitted by the CEO at the next meeting of the Board following its preparation. The CEO shall be responsible for performing all such other duties as customarily pertain to the CEO or as (s)he may be directed to perform by resolution of the Board consistent with the Banking Law and regulations and these Bylaws.

**SECTION 5.** One or more authorized signors, as determined and appointed by the Board, may also act as CEO during temporary absence of the CEO or in the event of his/her temporary inability to act. Authorized signors may not hold the office of Chair or Vice Chair.

**SECTION 6.** The Secretary shall keep correct records of all meetings of the members, of the Board, and of joint meetings of the Directors and the Supervisory Committee. (S)he shall perform all other duties incident to his/her office.

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**SECTION 7.** The Board may appoint one or more assistant secretaries, none of whom may also hold office as Chair, Vice Chair, or Treasurer, and may authorize them under direction of the Secretary to perform any of the duties devolving on the Secretary.

**SECTION 8.** The Treasurer shall ensure the financial reports are completed in accordance with the Bylaws.

**SECTION 9.** Directors, Board officers, Board Committee Members and senior operating officers of MCU (collectively, “Fiduciaries”) owe a fiduciary duty to MCU and must discharge the duties of their respective positions: (1) In good faith; (2) With the care an ordinarily prudent person in a like position would exercise under similar circumstances; (3) In a manner the Fiduciary reasonably believes to be in the best interests of MCU, and (4) At all times in accordance with the provisions and requirements of all applicable law, including but not limited to the Banking Law.

**SECTION 10.** Directors, Board officers, Board Committee Members and senior operating officers are required to protect and hold confidential, all non-public information obtained due to their position with MCU absent the express or implied permission of the Board to disclose such information. Accordingly, no Director, Committee Member or employee of MCU shall:

- a) use Confidential Information for personal benefit or to benefit persons or entities outside the Credit Union;
- b) disclose Confidential Information to a party or parties adverse to MCU or where such disclosure would harm of the interests of MCU; and
- c) disclose Confidential Information outside the Credit Union, either during or after service as a Director of MCU, except with authorization of the Board or as may be otherwise required by law or duty.

“Confidential Information” is all non-public information entrusted to or obtained by a Director, Board officer, Board Committee Member or senior operating officer by reason of his or her position with MCU. It includes, but is not limited to, non-public information that might be of use to competitors or harmful to MCU or its clients if disclosed, such as:

- a) Non-public information (“NPI”) marked as NPI; or
  - b) Non-public information reasonably known to be of such a nature; or
  - c) Non-public information about MCU’s financial condition, prospects or plans, its marketing and sales programs and research and development information, as well as information relating to mergers and acquisitions, and divestitures; or
  - d) Non-public information concerning possible transactions with other companies or information about MCU’s customers, suppliers or joint venture partners, which MCU is under an obligation to maintain as confidential; or
  - e) Non- public information about discussions and deliberations relating to business issues and decisions, between and among employees, officers and Directors; or
  - f) Non-public information defined in any applicable law or regulation, including, but not limited to, the Graham Leach-Bliley Act and its Implementing Regulations (“Graham Leach-Bliley”), the Interagency Guidelines for Establishing Information Security
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Standards (“Interagency Guidelines”), Appendix A to 12 CFR Part 748 (“Part 748”), and Part 500 of the New York Department of Financial Services Regulations (“Part 500”).

## **ARTICLE VII – SUPERVISORY COMMITTEE**

**SECTION 1.** The Supervisory Committee shall consist of three (3) or more members, appointed by the Board, as provided for in Article V, Section 2 of these Bylaws, and each such member shall be an owner of at least one (1) share on the books of MCU. The Supervisory Committee shall meet and audit the books of MCU once each fiscal year in conformity with the requirements of Article XI of the New York Banking Law, at the close of any quarter and not less than six (6) months after the date of the previous such audit shall make reports of same to the members, and shall perform such other duties as are prescribed in the Banking Law.

**SECTION 2.** The Supervisory Committee shall verify or cause to be verified, the members’ accounts with the records of the Treasurer not less frequently than once every two (2) years.

**SECTION 3.** The Supervisory Committee shall, at frequent intervals, inspect the securities, cash and accounts of MCU and make annual reports of the same to members. They shall review the acts of the Board and of the officers as often as may be deemed necessary.

**SECTION 4.** The Supervisory Committee shall also make such reports to the Superintendent of Financial Services as are required by the Banking Law and as directed by said Superintendent. The Supervisory Committee shall also act in conformity with any and all laws, and regulations governing the affairs of MCU.

**SECTION 5.** The Supervisory Committee shall make or cause to be made such supplementary audits as it deems necessary or as maybe ordered by the Superintendent of Financial Services.

**SECTION 6.** The Supervisory Committee shall: (i) review with the independent auditor the scope and planning of the audit prior to the audit’s commencement; (ii) upon completion of the audit, review and discuss with the independent auditor: any material risks and weaknesses in internal controls identified by the auditor; any restrictions placed on the scope of the auditor’s activities or access to requested information; any significant disagreements between the auditor and management; and the adequacy of MCU’s accounting and financial reporting processes; (iii) annually consider the performance and independence of the auditor; and (iv) report on the Supervisory Committee’s activities to the Board.

**SECTION 7.** The minutes, work papers and schedules, and reports required of the Supervisory Committee, shall be filed and preserved with the records of MCU.

**SECTION 8.** Any Supervisory Committee member who ceases to be the owner of at least one (1) share on the books of MCU must cure the disqualification within thirty (30) days or vacate his/her office.

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## **ARTICLE VIII CONFLICT OF INTEREST**

**SECTION 1.** No Director, Committee Member, officer, agent, or employee of MCU may participate in any manner, directly or indirectly, in the consideration or determination of any question affecting his or her pecuniary interest, being defined as an interest that a he/she has in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to him/her or another person with whom the person is associated or the pecuniary interest of any corporation, partnership, or association (other than this Credit Union) in which he or she, or any family member, is directly or indirectly interested. If the Board receives a matter affecting any Director's interest, the Director must withdraw from the consideration or determination of that matter. If the remaining qualified Directors present at the meeting plus the disqualified Director or Directors constitute a quorum, the remaining qualified Directors, by majority vote, may exercise with respect to this matter all the powers of the Board. In the event of the disqualification of any member of the Supervisory Committee, that Committee member must withdraw from the deliberation or determination. MCU's Bylaws, policies and procedures relating to conflicts of interest shall conform with the requirements of all applicable federal and New York law, including but not limited to the applicable provisions of the Banking Law.

## **ARTICLE IX – INDEMNIFICATION**

**SECTION 1.** MCU may to the fullest extent now or hereafter permitted by law, indemnify any person made, or threatened to be made, a party to any action or proceeding by reason of the fact that he or she or his or her decedent was a Director, officer, employee or agent of MCU, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorney fees. No indemnification may be made to or on behalf of any such person if (a) his or her acts were committed in bad faith or were the result of his or her active and deliberate dishonesty and were material to such action or proceeding or (b) he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled in the transaction or matter in which indemnification is sought.

## **ARTICLE X - CAPITAL**

**SECTION 1.** The capital of MCU shall consist of the payments and dividends credited to shareholders of their shares.

## **ARTICLE XI - SHARES**

**SECTION 1.** The number of shares which may be issued by MCU shall be unlimited. The maximum amount of shares that may be held by any one member will be established from time to time by resolution of the Board.

**SECTION 2.** The par value of shares is \$.01.

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**SECTION 3.** Share may be paid for in full at the time of subscription.

**SECTION 4.** Whenever payments made by a member upon installment shares shall equal the par value of a share, (s)he shall become the owner of a fully paid share, and be eligible to apply for all the benefits of membership.

**SECTION 5.** Every member shall, at the time of his/her admission to membership affix his/her signature to a signature card which shall state the date of his/her admission and his/her address. A member, other than an individual, shall cause a duly authorized official to sign the signature card. This card shall be preserved among the records of the Credit Union for a period of at least six (6) years from the date of the closing or escheating of the account.

**SECTION 6.** Shares may be transferred to any person eligible for membership, subject to the approval of the Board. No transfer shall be permitted if the transferor is indebted to the Credit Union.

**SECTION 7.** The money credited on shares may be withdrawn at any time by written instrument executed by the withdrawing member in such form as the Board may prescribe; but the Board may require a member at any time to give fourteen (14) days' notice in writing of his/her intention to withdraw the whole or any part of the amount paid in by him/her on account of shares. MCU shall notify the Superintendent of Financial Services the same day that such withdrawal notice requirement is put into effect. In the event funds are not available to meet the requests, such withdrawals shall be honored as funds become available in the order in which the notices were filed.

**SECTION 8.** No officer, Director, attorney, accountant, Committee Member, clerk, or agent of MCU shall, as an individual, discount or directly or indirectly purchase from another member a share in MCU.

**SECTION 9.** MCU may impose a lien on the shares and certificates of any member and upon the dividends and interest payable thereon for and to the extent of any loans made to him/her, or any dues and fines payable by him/her.

## **ARTICLE XII – LATE FEES**

**SECTION 1.** Any borrower who is delinquent in making a required payment on a loan may be charged a late fee as permitted under New York law. Such late fees shall be collectible from co-makers, endorsers, guarantors, and sureties, if not paid by the borrower. The Board will assess late fees and review the fee schedule as appropriate.

## **ARTICLE XIII – POWER TO BORROW**

**SECTION 1.** MCU may borrow money in such amount and in such manner as is permitted by the Banking Law.

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## **ARTICLE XIV- DIVIDENDS**

**SECTION 1.** Dividends may be declared by a majority of the Board in the manner prescribed in Article XI of the Banking Law and may be paid for any period and on any basis authorized by the applicable provisions of the Banking Law.

## **ARTICLE XV- INVESTMENT OF FUNDS**

**SECTION 1.** The capital, surplus account, reserve for bad debts, undivided profits, and all other funds of MCU, shall be invested as ordered by the Board within the limitations of the Banking Law.

## **ARTICLE XVI - LOANS**

**SECTION 1.** The Loan Officers shall act on applications for loans from members pursuant to the policies and standards set by the Board.

**SECTION 2.** Notwithstanding the above, the Board has the authority to impose any additional credit consideration deemed necessary and/or appropriate to enable the Credit Union to adequately and prudently carry out its lending function.

**SECTION 3.** Applications for extensions of credit, except for those made for a revolving credit line, shall state the purpose for which the money is to be borrowed and when an individual acts as guarantor on a note, that no consideration has passed or will pass from the borrower to the guarantor for his/her guarantee.

**SECTION 4.** No officer, Director, Committee Member or employee of MCU, shall borrow from MCU either directly or indirectly, or become a co-maker, endorser, surety, or guarantor, for any loan from MCU, except as permitted in the Banking Law. The rates of interest charged on loans shall be set by the Board.

**SECTION 5.** All loan agreements shall set forth the items required to be disclosed by the Act of Congress entitled "Truth in Lending Act" and the regulations thereunder, as such Act and regulations from time to time be amended.

**SECTION 6.** A borrower shall take no part in the consideration of his/her loan application and shall not attend any committee or Board meeting while his/her application is under consideration.

## **ARTICLE XVII – EVIDENCE OF SHARE OWNERSHIP**

**SECTION 1.** At least annually and at other times upon request and otherwise in compliance with applicable law, each member shall receive a detailed statement evidencing transactions and the amount of shares and loan balances.

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**ARTICLE XVIII - LIABILITY**

**SECTION 1.** The members shall not be equally and ratably liable for the payment of the debts of MCU.

**ARTICLE XIX – AMENDMENT OF BYLAWS**

**SECTION 1.** The Bylaws of MCU may be changed or amended, with the prior approval of the Superintendent of Financial Services as provided by the Banking Law.

**ARTICLE XX – NON-DISCRIMINATION**

**SECTION 1.** In all of its dealings, neither MCU nor its duly authorized agents shall discriminate against any individual or group for reasons of race, color, creed, sex, age, ethnicity, national origin, marital status, sexual preference, mental or physical disability or any other category protected by state or federal law.

IN WITNESS of the adoption of the foregoing Bylaws hereinbefore set forth as the Bylaws of the:

**MUNICIPAL CREDIT UNION**

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