



BYLAWS
May 2025

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Approved by the Oregon Department of Consumer and Business Services Division of Financial Regulation effective May 23, 2025.

Article I Name and Mission

Section 1 The name of this credit union shall be OnPoint Community Credit Union.

Section 2 The purpose of OnPoint Community Credit Union is to promote the financial well-being of our members by being the preferred provider of consumer services and to ensure the safety and soundness of our credit union.

Article II Qualifications for Membership

Section 1 Membership in the Credit Union shall be limited to:

- A. Oregon Field of Membership. Persons who live or work in, or organizations located within, the adjacent counties of Benton, Clackamas, Clatsop, Columbia, Coos, Crook, Curry, Deschutes, Douglas, Gilliam, Hood River, Jackson, Jefferson, Josephine, Klamath, Lane, Lincoln, Linn, Marion, Morrow, Multnomah, Polk, Sherman, Tillamook, Wasco, Washington, Wheeler and Yamhill counties in Oregon. Members of the immediate family of such persons as permitted under Oregon Revised Statute 723.172(4).
- B. Washington Field of Membership. Persons who live, work, worship, or go to school in the qualified communities described as school districts within the State of Washington as follows: Battle Ground, Camas, Evergreen, Green Mountain, Hockinson, La Center, Ridgefield, Vancouver, and Washougal (located in Clark County); Mill A, Mount Pleasant, Skamania, and Stevenson-Carson (located in Skamania County); Castle Rock, Kalama, Kelso, Longview, Toutle Lake, and Woodland (located in Cowlitz County); and Adna, Boistfort, Centralia, Chehalis, Evaline, Morton, Mossyrock, Napavine, Onalaska, Pe Ell, Toledo, White Pass, and Winlock (located in Lewis County). Members of the immediate family of such persons as permitted under WAC 208-472-015(4)(d).

Section 2 Each application for membership must be in writing.

Section 3 An applicant shall not be admitted to membership until:

- A. It shall have been determined that the applicant is eligible for membership.
- B. The applicant's application for membership shall have been approved.
- C. The applicant shall have qualified as a member by paying any entrance fee or membership fee, or both, established by the Board of Directors.
- D. The applicant has purchased one or more shares of stock as prescribed by the Board of Directors.

Section 4 Business and nonbusiness organizations composed of individuals who are eligible for membership, or whose employees are eligible for membership, may be

admitted to membership and participate in the services of the Credit Union subject to such conditions as the Board of Directors may establish.

Section 5 In order to remain qualified for membership, a member must maintain at least one share in the Credit Union. Once qualified, however, a member in good standing shall remain a member of the Credit Union regardless of whether the member currently meets the field of membership qualifications set forth in Section 1. A person who withdraws all shares shall be deemed to have terminated membership in the Credit Union and shall immediately cease to be a member of the Credit Union.

Section 6 It shall be the duty of each member (a) to keep the Credit Union informed of the member's current address, (b) to comply with applicable law and these Bylaws, (c) to refrain from any willful destruction or damage to Credit Union property, and (d) to act with civility in all dealings with officers, employees, volunteers and other members of the Credit Union.

Section 7 The Credit Union may suspend or deny all services to any member who, in the opinion of Credit Union management, engages in any of the following activities:

- A. Harassing, abusive or threatening behavior or actions to any Credit Union official, committee member, member, employee or agent,
- B. Any for-cause event described in Section 8 below, or
- C. Any other reason that poses a safety or soundness threat to the Credit Union.

In the event of a suspension or denial of service, the member will be notified in writing in accordance with Credit Union policies. If the member resolves the issue(s) that led to the denial or suspension of services in a manner that is acceptable to the Credit Union, Credit Union services may be restored.

Section 8 A member may be expelled for cause in accordance with the Credit Union's policies. For the purposes of this section, "for cause" includes, but is not limited to:

- A. Having been convicted of a criminal offense;
- B. Failing to comply with the member duties under the Credit Union Bylaws;
- C. Failing to carry out the member's engagements with the Credit Union;
- D. Failing to carry out the member's payment obligations with the Credit Union or becoming insolvent or bankrupt;
- E. Failing to comply with the provisions of the Act, Credit Union Bylaws or policies; or

- F. Threatening, harassing or abusing any Credit Union official, committee member, member, employee or agent.

The Credit Union shall notify the persons of their expulsion, and the reasons upon which it is based. Upon request, the Credit Union shall allow a person an opportunity to be heard and to seek reinstatement. Persons seeking reinstatement must notify the Credit Union, in writing, of the reasons for reinstatement. Such request shall be considered by the Board of Directors or a committee designated by the Board of Directors. Decisions made by the Board shall be final, and shall be recorded in the Credit Union's records. Amounts paid in on shares or deposited in the Credit Union by a member who has been expelled shall be paid to the member after deducting any amounts due to the Credit Union, as permitted by applicable law. Expulsion does not relieve a member from any outstanding liabilities owed to the Credit Union.

Article III **Shares, Deposits and Liability**

- Section 1 The par value of each share shall be \$5.00. The Board of Directors may establish a minimum number of shares required for initial membership or for continuation as a member in good standing.
- Section 2 The minimum/maximum amount in shares or deposits, which may be owned by any one member, may be established from time to time by the Board of Directors.
- Section 3 Shares may be transferred only from one member account to another. The Board of Directors may require payment to the Credit Union as a fee for each such transfer, and if so required, such fee shall apply to all transfers.
- Section 4 Money paid in on shares, or deposit accounts, may be withdrawn as provided in these Bylaws on any day when payment may be made; but the Board of Directors shall have the right at any time to require members to give sixty (60) days' notice of intention to withdraw the whole or any part of the amounts so paid in by them. However, advance blanket approval may be given for the withdrawal of any funds owned by borrowers, co-makers, endorsers, or guarantors that are not pledged as required security at the time applications are made for such withdrawals. Such approval shall not have precedence over any notice period required to be given as provided by this section.
- Section 5 A member who reduces the member's share or deposit account balances below a minimum established by the Board of Directors may be assessed a service charge upon authorization of the Board. Before such charge is levied, such member shall be sent a written notice to the member's last known address, which notice shall provide that unless the share or deposit account balances are increased to at least the required minimum or withdrawn within thirty (30) days of the date of the notice, the member's balance(s) shall be assessed a service charge; provided, however, that a notice need not be sent to a member whose balance(s) is less than \$5.00.

- Section 6 Shares, deposits and any other savings instruments may be issued in the name of a minor or in trust in such way and manner as the Board of Directors may determine.
- Section 7 Shares, deposits, and any other savings instruments issued in the name of a minor shall be held for the exclusive right and benefit of the minor, and free from the control or lien of all other persons, except creditors, and shall be paid together with dividend thereon, to the person in whose name the account shall be issued. The receipt of acquittance of the minor shall be valid and sufficient release and discharge to the Credit Union for the shares or any part thereof.
- Section 8 Shares, deposits, and any other savings instruments may be issued in joint tenancy with the right of survivorship, with any person designated by the member but no person so designated a joint tenant shall be permitted to vote, obtain loans, or hold office unless the designated joint tenant is within the field of membership and is a qualified member. Any savings instruments so issued and additions thereto of whatever nature shall be payable by the Credit Union on the death of the deceased member to the surviving joint tenants, and the payment and receipt of acquittance of the same to said surviving joint tenants shall be a valid and sufficient release and discharge to the Credit Union of all amounts so paid.
- Section 9 Money paid in or paid out on account of shares or deposits, loans, interest, fees, or charges shall be evidenced by a form of receipt or statement of accounts.
- Section 10 Members shall be notified in writing before changes occur in the terms, service charges, or conditions for withdrawal of any share or deposit account. Furthermore, members shall be notified in writing before the change occurs of decreases in the interest rate on any share or deposit account, except an account that by its terms provides for a variable or indexed rate of interest.

Article IV Meetings of Members

- Section 1 The annual meeting of the members shall be held not later than April 1 of each year at such time and manner that is conveniently accessible to the members and as the Board of Directors shall designate.
- Section 2 At least seven (7) days before the date of any annual or special meeting of the members, the Board Secretary shall cause written notice thereof to be mailed to each member's household at the member's address as the same appears on the records of the Credit Union. Notice of any special meeting shall state the purpose for which it is to be held, and no business other than that related to this purpose shall be transacted at the meeting.
- Section 3 Special meetings of the members may be called by the Board Chair, the Board of Directors, or by the Supervisory Committee if authorized by a majority vote of the members of said committee; and shall be called by the Board Chair within thirty (30) days of the receipt of a written request of two percent (2%) of the

membership as of the date of the request. The notice of such special meeting shall be given as provided in Section 2 of this Article.

Section 4 The order of business at annual meetings of members shall be established by the Board Chair in conjunction with the President/CEO. Once it has been determined that a quorum is present, the members assembled may suspend any order of business established upon a majority vote of those present; however, no other motions from the floor shall be introduced at the meeting.

Section 5 Except as hereinafter provided, at annual or special meetings fifteen (15) members shall constitute a quorum. If no quorum is present, an adjournment may be taken to a date not fewer than ten (10) nor more than thirty (30) days thereafter. The members present at any such adjournment meeting shall constitute a quorum regardless of the number of members present. The same notice shall be given for the adjourned meeting as is prescribed in Section 2 of this Article for the original meeting, and such notice shall be given not fewer than five (5) days prior to the date of the meeting as fixed in the adjournment.

ARTICLE V Elections

Section 1 The Board Chair shall appoint a Nominating Committee of not fewer than five members, no more than half of whom shall be current Board members.

Section 2 The Board Secretary shall provide notice to all members of the conditions and procedures pertaining to Director nominations, applications and elections, including the names of all members of the Nominating Committee.

Section 3 All applications for the Director position(s), including those of members at large and incumbents, shall be received by August 31. Applications must include background information, resume, and a statement describing why an applicant desires to serve and how the applicant may contribute to OnPoint and the work of the Board. The applications of incumbents and members in good standing shall be forwarded by management to the Nominating Committee by August 31.

Section 4 Nominating Committee role and responsibilities shall include:

- A. Verification that each candidate is a member of the Credit Union in good standing, preferably for a minimum of one year, has no felony conviction, and generally satisfies the qualifications for the Director position.
- B. Recommendation of one candidate for each vacancy by identifying the individual that best fits the Director Position Description and qualifications. The Committee shall interview each applicant, including incumbents, who meet the position qualifications, membership requirements, and have the experience to serve in the Director position. These qualifications include specific knowledge, skills and experience the Board has identified as key competencies necessary for the Director position.
- C. Recommendation of one name for each vacant position to the Board will occur not later than November 30.

- (1) If at any time a majority of the Nominating Committee determines there is an insufficient number of candidates to forward to the Board, additional applications will be solicited at the direction of the Board.
- (2) If the Board determines that a candidate recommended by the Nominating Committee is not acceptable, the Board may request additional candidate(s) be forwarded by the Nominating Committee and/or seek additional applicants including candidate(s) not advanced by the Nominating Committee.

Section 5 The Board shall review and evaluate the qualifications of the nominee(s) recommended by the Nominating Committee as provided in Section 4 above. The Board shall then select one nominee where there is one vacancy, two nominees where there are two vacancies or three nominees where there are three vacancies.

As an alternative to being a Board-selected nominee, a member in good standing for a minimum of one year may petition the Board to be placed on the ballot. The petition must include the names and signatures of a minimum of one percent (1%) of the total membership. Membership size will be available September 1 to determine the number of signatures necessary. Petitioners are subject to the same provisions in Section 4a above. Completed petitions must be received by August 31 for consideration.

Board decisions on nominees to be placed on the ballot are final and may not be appealed.

Section 6 All elections shall be by printed or electronic ballot and shall be determined by plurality vote. No nominations shall be made from the floor at the annual meeting. If there is only one nominee for each vacancy, the Board Chair may declare the nominees elected by general consent at the annual meeting and ballots will not be required for the election.

Section 7 No member shall be entitled to vote by proxy.

Section 8 A member that is not a natural person may vote through an agency duly authorized in writing for the purpose.

Section 9 Regardless of the number of shares held, no member shall have more than one vote.

Section 10 The Board of Directors may, from time to time, establish a minimum age as a qualification for voting. Current minimum age as determined by the Board is 18 years of age.

Section 11 The Board of Directors, in its sole discretion, may authorize the use of absentee and/or mail ballots exclusively or in conjunction with the procedures authorized in this Article, subject to such conditions as the Board may establish.

Section 12 Within fifteen (15) days after their election or appointment, a record of the names and addresses of the members of the Board, the Board's Executive Committee, the Chief Credit Officer, the Security Officer, and the Supervisory Committee shall be forwarded to the Director of the Department of Consumer and Business Services in such manner as shall be required by the Director.

Article VI Board of Directors

Section 1 All of the Directors shall be members of the Credit Union and of legal age. The number of Directors shall be seven (7), nine (9) or eleven (11), as determined by the Board of Directors by Board resolution from time to time. The size of the Board of Directors may only be changed to a number outside of this range by amendment of these Bylaws. No reduction in the number of Directors may be made unless corresponding vacancies exist as a result of deaths, resignations, expirations of terms of office, or other action provided by these Bylaws. A copy of a bylaw amendment covering any increase or decrease in the number of Directors shall be filed with the Director of the Department of Consumer and Business Services.

Section 2 Elections of Directors to the Board shall be staggered so that approximately one-third of the Directors are elected at each annual meeting. All terms shall be for three (3) years. Directors shall serve for three (3) years or until their successors are elected or appointed, whichever is longer. A Director who has served four (4) consecutive or nonconsecutive terms on the Board of Directors may not be elected for another term or appointed to further serve as a Director.

Section 3 Any vacancy on the Board, including a vacancy resulting from an expansion of the size of the Board or Supervisory Committee shall be filled by a vote of a majority of the Directors then holding office. The appointee shall serve for the remainder of the term (unexpired portion of the term) of the Director being replaced or until the next annual meeting if the Board of Directors so determines at the time of appointment. If a vacancy or vacancies result in the number of Directors holding office to be less than five (5), then the Board of Directors shall promptly fill the vacancy or vacancies so that the number of Directors holding office is not less than five (5).

Section 4 The Board of Directors shall hold at least six regular meetings, with at least one of the six regular meetings to be held each quarter, during each calendar year. Regular meetings do not include the Credit Union's annual meeting, committee meetings, or special meetings. The Board Chair, or in the Chair's absence, the Board Vice-Chair, shall fix the time and place of special meetings unless the Board prescribes otherwise. Notice of all meetings of the Board of Directors shall be given in such manner as the Board of Directors may from time to time prescribe.

Section 5 A majority of the number of Directors then holding office shall constitute a quorum for the transaction of business at any meeting thereof and actions approved by a majority of the Directors at which a quorum is present shall be the official actions of the Board of Directors. In the event a quorum is not present at

a duly called meeting, an Executive Committee comprised of the Board Chair, Vice Chair, and Secretary shall be empowered to conduct business at the meeting. If any member of the Executive Committee is not present, that member must be replaced by the member(s) of the Executive Committee present with a member of the Board of Directors in attendance. Regular and special meetings of the Board of Directors and the Executive Committee are not open to attendance by the general membership of the Credit Union.

- Section 6 The Board of Directors may elect from its own members an Executive Committee of not less than three (3) persons consisting of the Board Chair, Vice Chair, and Secretary to act for it in the interim between Board meetings on any duties the Board chooses to delegate to the Executive Committee.
- Section 7 The Board of Directors may authorize the appointment of one or more individuals to approve applications for membership under such conditions as the Board and these Bylaws may prescribe.
- Section 8 The Board of Directors shall have the general direction of the business affairs, funds and records of the Credit Union. In addition to the duties customarily performed by Boards of Directors and those set forth elsewhere in these Bylaws, the Board of Directors shall conform to the duties set forth in the Oregon Credit Union Act in the section titled "Duties of Directors."
- Section 9 Board Action Without a Meeting. The Board of Directors may take action on a matter, without a meeting, by taking action through electronic means (i.e. video conference or email, etc.), if the request for and notice of action is provided to all members of the Board. An action shall be approved if a majority of the Board approves the action. The action shall be recorded by one or more consents describing the action taken, executed by each Director and included in the Board meeting records.
- Section 10 Voting by Proxy. A director may vote by proxy on a Board action inside of, or without, a meeting, provided that protocols established in policy by the Board for this purpose are met.
- Section 11 A Director may resign at any time by delivering a written notice to the Board of Directors or to the Secretary. Subject to the provisions of this Section 9, a resignation is effective when written notice is delivered unless the notice specifies a later effective date or an effective date determined upon the happening of an event or events. Once delivered, a letter of resignation is irrevocable unless revocation is permitted by the Board of Directors.

Upon acceptance of his or her position as a Director, each Director shall concurrently deliver a binding irrevocable letter of resignation, which resignation shall be effective upon the earlier occurrence of (i) the date provided in a written notice of such Director's desire to resign on a specified effective date, or (ii) upon a finding of either an intentional or grossly negligent violation of the Code of Conduct of material significance in accordance with the procedures set forth

below. Nothing provided herein shall substitute or otherwise prevent the members, the Supervisory Committee, or the Director of the Department of Consumer and Business Services from exercising any of their respective rights and duties to take actions in accordance with these Bylaws and the Oregon Credit Union Act.

Any complaint of a material violation of the Code of Conduct against a Director must be in writing and supported by credible and relevant evidence (“Written Complaint”). The Written Complaint, once received, shall be promptly delivered to the Board Chair and the Executive Committee. Upon receipt of a Written Complaint, the following actions shall be taken:

- A. Evaluation. Within twenty-one (21) days of receiving the Written Complaint (the “Evaluation Period”), the Executive Committee (without the participation of the Director against whom the Written Complaint has been made if that Director is also serves on the Executive Committee, in which case the Board Chair, or if the Board Chair is the subject of the Written Complaint, in which case the Board Vice Chair shall appoint another Director to serve on the Executive Committee for purposes of this Section 9.A.) with the advice and assistance of counsel, shall review the Written Complaint and make a determination as to whether the Written Complaint is supported by credible and relevant evidence sufficient to initiate an investigation. During the Evaluation Period, the Director against whom the Written Complaint has been made (the “Charged Director”) shall be informed of the Written Complaint. At the discretion of the Executive Committee as the case may be, the Charged Director may also be asked to comment, orally or in writing, concerning the allegations in the Written Complaint during the Evaluation Period. If it is determined that the Written Complaint against the Charged Director is not supported by credible and relevant evidence, then the Written Complaint may be dismissed without a formal investigation. The Executive Committee will inform the Board of Directors of such action at its next regularly scheduled meeting.
- B. Investigation. If at the end of the Evaluation Period it is determined that the Written Complaint is supported by credible and relevant evidence, then an investigation shall be initiated (the “Investigation Period”). During the Investigation Period, the Board of Directors shall initiate an investigation of the Written Complaint to determine whether a violation may have occurred by the Charged Director. The Board of Directors shall have the discretion to delegate the investigation to a committee of not less than three (3) Directors (the “Investigative Committee”). In addition, the Board of Directors, or the Investigative Committee, as the case may be, shall have the authority to engage counsel, who may also be the Credit Union’s current counsel, to conduct the investigation set forth in this Section 9 under its supervision. During the Investigation Period, the Board of Directors, or the Investigative Committee, as the case may be, shall obtain and collect any credible and relevant evidence related to the Written Complaint. The Board of Directors, or the Investigative Committee, as the case may be, shall attempt to

determine (1) the precise nature of the violation that is the subject of the Written Complaint, (2) whether there is any factual basis to support the alleged violation, and (3) whether such violation, if proven by a preponderance of the evidence, would constitute an intentional or grossly negligent material violation of the Code of Conduct.

If it is determined by the substantial weight of the evidence during the Investigation Period that the Charged Director did not commit a material violation of the Code of Conduct, the Written Complaint may be dismissed without any further action. Otherwise, at the next regular meeting of the Board of Directors following the end of the Investigation Period, the Board of Directors shall determine, in its sole and absolute discretion, whether the information obtained could reasonably be interpreted to constitute a material violation of the Code of Conduct (“Preliminary Determination”) and that a hearing should be held. The Charged Director may not participate in the Preliminary Determination. Reasonable efforts shall be taken to complete the investigation during an Investigation Period of sixty (60) days or less.

- C. Hearing and Due Process. Once the Board of Directors has made the Preliminary Determination that there is sufficient evidence to support that a material violation of the Code of Conduct by the Charged Director may have occurred and that a hearing should be held, the Board of Directors shall provide the Charged Director with at least twenty (20) days advance written notice of the date of the hearing and that a Preliminary Determination of a violation of the Code of Conduct by the Charged Director has been made. At the request of the Charged Director, but subject to all available privileges, the Charged Director shall be provided with copies of written summaries of witnesses’ statements and other evidence relevant to the alleged violation of the Code of Conduct. At the hearing, the Charged Director shall be provided a reasonable opportunity to testify and to present evidence and defenses before the Board of Directors. Testimony by witnesses, other than the Charged Director, may be permitted only with the consent of the Board of Directors in its sole and absolute discretion. After considering the evidence at the hearing, the Board of Directors shall make a decision by majority vote (excluding the participation of the Charged Director) on whether the claims against the Director have been proven by a preponderance of the evidence.
- D. Results. After conducting the hearing, the Board of Directors shall determine whether to accept or reject the resignation or take other actions. In the event that the resignation is accepted by the Board of Directors, the effective date of the resignation shall be the date on which the Board of Directors accepts the resignation. The Director who is the subject of such investigation or review shall not participate in the Board of Directors’ deliberations and decision on the matter.

Section 12 Directors may be reasonably compensated for services rendered to the Credit Union in their capacity as a Director, to the extent permitted by law and in accordance with a policy established by the Board. Also, Directors may be

reimbursed for necessary expenses incurred during the performance of their duties in accordance with a policy established by the Board.

Article VII Executive Officers and Their Duties

- Section 1 The executive officers of the Credit Union shall be a Board Chair, one or more Vice Chairs, a Treasurer, and a Secretary, all of whom shall be elected by the Board. The Chair and Vice Chair shall be elected by the Board of Directors from their number. If more than one Vice Chair is elected, the Board shall determine their rank as First Vice Chair, Second Vice Chair, etc. The Secretary and Treasurer shall be elected at the option of the Board of Directors either from its members or from the membership of the Credit Union.
- Section 2 Any person elected to fill a vacancy caused by the death, resignation, or removal of an officer shall be elected by the Board to serve for the unexpired term of such officer and until his/her successor is duly elected and qualified.
- Section 3 The Board Chair shall preside at meetings of the members and at meetings of the Board of Directors unless disqualified through suspension by the Supervisory Committee; and together with the Treasurer, shall sign all conveyance of property. The Chair shall perform such other duties as customarily appertain to the office of Chair or as directed to perform by the Board of Directors not inconsistent with the provisions of the Oregon Credit Union Act or these Bylaws.
- Section 4 The Board Vice Chair shall assume the duties of the Board Chair, during the absence or inability of the Chair to act.
- Section 5 Except where the Board of Directors otherwise provides, the Treasurer shall be the President/CEO of the Credit Union under the control and direction of the Board of Directors. Before entering upon said duties, a proper bond with good and sufficient surety shall be given as otherwise herein provided, conditioned upon the faithful performance of those duties. Subject to such limitations and control as may be imposed by the Board of Directors, the Treasurer shall direct the custody of all funds, securities, valuable papers and other assets of the Credit Union. Except as otherwise provided in Section 6 of this Article, the Treasurer shall sign all checks, drafts, notes and other obligations of the Credit Union and shall provide full and complete records of all assets, liabilities, income, and expenses of the Credit Union. Within fifteen (15) days after the close of each month, the Treasurer shall submit to the Board of Directors a financial statement showing the condition of the Credit Union as of the end of the month. The Treasurer shall submit such financial reports as the Director of the Department of Consumer and Business Services may require.
- Section 6 The Secretary shall prepare and maintain complete minutes of all meetings of the members and of the Board of Directors and shall give or cause to be given, in the manner provided by these Bylaws, proper notice of all of the meetings of the members and shall perform all duties assigned by the Board of Directors not inconsistent with the provisions of law or these Bylaws.

Article VIII **Chief Credit Officer**

- Section 1 The Board shall authorize the appointment of a Chief Credit Officer who may delegate to a loan officer or officers, the power to approve loans, subject to such limitations or conditions as prescribed by the Board of Directors.
- Section 2 The Chief Credit Officer or loan officer shall inquire carefully into the character and financial condition of each applicant for a loan and the applicant's sureties, if any, to ascertain the applicant's ability to repay full and promptly the obligations incurred and to determine whether the loan sought is for the proper purpose and will be of probable benefit to the borrower. The Chief Credit Officer shall endeavor diligently to assist applicants in solving their financial problems.
- Section 3 Subject to the limits imposed by these Bylaws and the general policies of the Board, the Chief Credit Officer or a loan officer shall determine the security, if any, which shall be required for each loan and the terms upon which it shall be repaid.

Article IX **Security Officer**

- Section 1 The Board shall authorize the appointment of a Security Officer who shall have the primary responsibility for the installation, maintenance, and operation of security devices and for the development and administration of a security program which equals or exceeds the standards prescribed by the Bank Protection Act and any additional standards prescribed by NCUA.
- Section 2 The responsibilities of the Security Officer shall include, but not be limited to, assurances that (1) security and safety precautions are implemented to minimize the probability and potential for loss, and (2) emergency planning is developed to minimize the effects of adverse situations that may occur.

Article X **Supervisory Committee**

- Section 1 The Supervisory Committee shall be appointed by the Board and shall consist of not fewer than three (3) members of the Credit Union. No employee of the Credit Union may be appointed to the Committee. Regular terms of Committee members shall be for three (3) years and until the appointment and qualification of their successors.
- Section 2 The Supervisory Committee shall choose from among their number a Chair and a Secretary. The Secretary of the Supervisory Committee shall prepare and have custody of complete records of all actions taken by it. The offices of Chair and Secretary may be held by the same person.
- Section 3 The Supervisory Committee shall conform to the duties set forth in the Oregon Credit Union Act in the section titled "Duties of supervisory committee; verification of member accounts." They also have responsibility for suspension and removal of officials, as set forth in the Oregon Credit Union Act.

Section 4 Supervisory Committee members may be reasonably compensated for services rendered to the Credit Union in their capacity as Supervisory Committee members, to the extent permitted by law and in accordance with a policy established by the Board. Also, Supervisory Committee members may be reimbursed for necessary expenses incurred during the performance of their duties in accordance with a policy established by the Board.

Article XI Loans to Members

Section 1 Loans shall be restricted to members and each loan shall be made upon such security and terms as the Chief Credit Officer or loan officer shall have approved in keeping with that policy established by the Board of Directors.

Section 2 The rate of interest shall be fixed from time to time by the Board of Directors in compliance with Oregon Revised Statutes or applicable Federal regulations.

Section 3 A borrower may repay his/her loan prior to maturity, in whole or in part, on any business day.

Section 4 Applications for loans shall be made on forms provided by the Credit Union and shall in each case set forth the purpose for which the loan is desired, the security, if any, and such other data as may be required.

Section 5 No loan shall be made to any member in excess of the maximum lending limit specified within the Loan Policy established by the Board of Directors.

Section 6 Loans may be made to the Directors, members of the Supervisory Committee and employees of the Credit Union, provided any such loan complies with the Oregon Credit Union Act and all current requirements with respect to loans to other borrowers.

Section 7 In determining the amount of loans to be made to a member, loans for which that member is a guarantor or surety shall be included, as well as loans to persons who are not individuals if the individual member is a principal or owner or the loan is for that member's benefit.

Article XII Reserves

Section 1 From the gross earnings of the Credit Union, the percentage specified by the Oregon Credit Union Act shall be set aside as a reserve fund until such fund is equal to the required percentage of the outstanding loans and risk assets.

Section 2 The reserve fund shall belong to the Credit Union and shall be used to meet losses except those resulting from an excess of expenses over income and shall not be distributed except on liquidation of the Credit Union or in accordance with a plan approved by the Director of the Department of Consumer and Business Services. The Board of Directors may increase the proportion of the gross earnings to be set aside and may transfer part or all of the undivided earnings to the reserve fund.

Section 3 In addition to the regular reserve, special reserves may be established from time to time by the Board of Directors or as may be required by the Director of the Department of Consumer and Business Services, the administrator of the National Credit Union Administration (if member accounts are insured by the National Credit Union Share Insurance Fund), or by regulation.

Section 4 In addition to the regular reserve and any special reserve that may be required, a reserve for loan losses shall be maintained. Funds shall be allocated each month to this reserve sufficient to maintain an amount at least equal to the Credit Union's best estimate of expected losses in the liquidation of currently outstanding loans.

Article XIII Dividends

Section 1 Dividends may be declared after making provisions for the required reserves from the remaining net and/or undivided earnings at such rates and upon such classes of shares as determined by the Board or as delegated to and determined by management.

Section 2 A member may be deemed to have only one (1) duly paid share for each \$5.00 paid in.

Article XIV Deposits and Investments

Section 1 Funds not used in loans to members may be invested in accordance with the Oregon Credit Union Act section titled "Investment of funds."

Section 2 All funds of the Credit Union, except for petty cash and cash change funds authorized by Sections 3 and 4 of this Article, shall be deposited in such qualified depository or depositories as the Board may from time to time designate.

Section 3 All disbursements of funds of the Credit Union shall be made by checks, written instruments, wire transfers, or other electronic means signed by the Treasurer or a signature duly authorized by the Board of Directors.

The Board may provide for the establishment and replenishment of a petty cash fund.

Section 4 Establishment of a cash fund for the purpose of making change, payment of share withdrawals and similar transactions may be authorized by the Board.

Article XV General

Section 1 All power, authority, duties and functions of the members, Directors, officers and employees of the Credit Union pursuant to the provisions of these Bylaws, shall be exercised in strict conformity with the provisions of applicable laws, regulations and the Bylaws of the Credit Union.

Section 2 The officers, Directors, members of committees and employees of the Credit Union shall hold in confidence all transactions of the Credit Union with its

members and all information respecting their personal affairs, except to the extent deemed reasonably necessary such confidential information about members and their affairs may be disclosed as permitted by applicable law.

Section 3 Notwithstanding any other provisions in these Bylaws, any Director of the Credit Union may be removed from office by the affirmative vote of two-thirds (2/3) of the members of the Credit Union present at a regular or at a special meeting called for the purpose, but only after an opportunity has been given for the Director to be heard.

Section 4 No Director, committee member, officer, agent, or employee of the Credit Union shall in any manner directly or indirectly, participate in the deliberation upon the determination of any question affecting their pecuniary interest or the pecuniary interest of any corporation, partnership, or association (other than the Credit Union's) in which they are directly or indirectly interested. In the event of the disqualification of any Director respecting any matter presented to the Board for deliberation or determination, such Director shall withdraw from such deliberation or determination; and in such event the remaining qualified Directors present at the meeting, if constituting a quorum with the disqualified Director, 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 Supervisory Committee, such committee member shall withdraw from such deliberation or determination.

Section 5 All books of account and other records of the Credit Union shall at all times be available to the Directors and committee members of the Credit Union. The charter and Bylaws of the Credit Union shall be made available for inspection by any member.

Article XVI Indemnification of Directors, Supervisors and Employees

Section 1 Definitions. For purposes of this Article:

- A. "Expenses" shall include reasonable attorney's fees and costs.
- B. "Liability" means the obligation to pay a judgment, settlement, penalty, fine (including an excise tax assessed with respect to an employee benefit plan), or reasonable expenses incurred with respect to a proceeding.
- C. "Official capacity" means:
 - (1) when used with respect to a Director, the office of Director in the Credit Union;
 - (2) when used with respect to a Credit Committee member, Supervisory Committee member or other committee position established by the Board of Directors, the office or position of Credit Committee member, Supervisory Committee member or other committee position established by the Board of Directors; and

- (3) when used with respect to an employee, the employee relationship undertaken by the employee on behalf of the Credit Union. "Official capacity" does not include service for any other foreign or domestic corporation or any partnership, joint venture, trust, employee benefit plan, or other enterprise.
- D. "Party" includes an individual who was, is, or is threatened to be made a named defendant or respondent in a proceeding.
- E. "Proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal.
- F. "Covered Individual" means any current or former member of the Board of Directors, Credit Committee, Supervisory Committee, or any other committee position established by the Board of Directors, or an employee.

Section 2

Authority to Indemnify and Standard of Conduct.

Except as provided below in subsection D., the Credit Union shall indemnify an individual made a party to a proceeding because he or she is or was a Director, Supervisor, other committee member or employee against any and all liability and reasonable expenses incurred in or arising out of the proceeding if he or she was fully successful on the merits or otherwise in the defense of any such proceedings or if he or she met the applicable standard of conduct.

- A. Standard of Conduct: Non-Criminal Proceedings. The Covered Individual must have conducted himself or herself in good faith, and reasonably believed either:
 - (1) in the case of conduct in his or her official capacity with the Credit Union, that his or her conduct was in the Credit Union's best interests; or
 - (2) in all other cases, that his or her conduct was at least not opposed to its best interest.
- B. Standard of Conduct: Criminal Proceedings. The Covered Individual must have conducted himself or herself in good faith, and had no reasonable cause to believe that his or her conduct was unlawful, and reasonably believed either:
 - (1) in the case of conduct in his or her official capacity with the Credit Union, that his or her conduct was in its best interests; or
 - (2) in all other cases, that his or her conduct was at least not opposed to its best interest.
- C. The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the Covered Individual did not meet the standard of conduct described in this Section.

- D. OnPoint Community Credit Union will not indemnify a Covered Individual under this Section:
- (1) in connection with a proceeding by or in the right of the Credit Union in which the Covered Individual was adjudged liable to the Credit Union; or
 - (2) in connection with any other proceeding charging improper personal benefit to him or her, whether or not involving action in his or her official capacity, in which he or she was adjudged liable on the basis that personal benefit was improperly received by him or her.

Section 3 Determination and Authorization of Indemnification.
The Credit Union shall indemnify a Covered Individual as provided under Section 2 of this Article, until a court of competent jurisdiction in the specific case makes a determination that indemnification of the Covered Individual is not permissible under the circumstances or because he or she has not met the applicable standard of conduct set forth in Section 2 of this Article.

Section 4 Advance for Expenses.

- A. The Credit Union shall pay for or reimburse the reasonable expenses incurred by a Covered Individual who is a party to a proceeding in advance of final disposition of the proceeding if:
- (1) the Covered Individual furnishes the Credit Union with a written affirmation of his or her good faith belief that he or she has met the applicable standard of conduct described in Section 2. of this Article; or
 - (2) the Covered Individual furnishes the Credit Union with a written undertaking, executed personally or on his or her behalf, to repay the advance if it is ultimately determined that he or she is adjudged liable to the Credit Union or did not meet the applicable standard of conduct.
- B. The undertaking required by subsection A.2 of this Article must be an unlimited general obligation of the Covered Individual, but need not be secured and may be accepted without reference to financial ability to make repayment.
- C. Determinations and authorizations of payments under this Section shall be made in the manner specified in Section 3 of this Article.
- D. The Board may waive the requirement for a Covered Individual to provide a written undertaking in Section A(2) above.

Section 5 Application of this Article.

- A. Indemnification of or advance for expenses to a Covered Individual is not exclusive of all other rights to which the Covered Individual is entitled to under the Credit Union's charter, Bylaws, or any other agreement or vote

of the Board of Directors, or insurance purchased by OnPoint Community Credit Union on behalf of the Covered Individual.

- B. The Credit Union may purchase and maintain insurance on behalf of an individual who is or was a director, officer, employee, or agent of the Credit Union, or who, while a director, officer, employee, or agent of the Credit Union, is or was serving at the request of the Credit Union as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, against liability asserted against or incurred by the individual in that capacity or arising from the individual's status as a director, officer, employee, or agent, whether or not the Credit Union would have the power to indemnify the individual against the same liability under the provisions of this Article XVI or under the laws of the State of Oregon.

Article XVII **Amendments of Bylaws and Charter**

Section 1 Amendments of these Bylaws may be adopted by the affirmative vote of two-thirds (2/3) of the members of the Board of Directors of a duly held meeting thereof if the members of the Board have been given at least seven (7) days notice of said meeting and the proposed amendment or amendments.

Section 2 Amendments shall become effective upon approval in writing by the Director of the Department of Consumer and Business Services.