

CONSUMERS COOPERATIVE ASSOCIATION
1075 Tri-State Parkway
Gurnee, Illinois 60031

BYLAWS OF THE CONSUMERS COOPERATIVE ASSOCIATION
AN ILLINOIS NOT FOR PROFIT CORPORATION

ARTICLE I
CORPORATE PURPOSE

The purpose of the Consumers Cooperative Association ("Corporation") shall be those set forth in the Articles of Incorporation and shall include:

1. To provide sponsorship for Consumers Cooperative Credit Union, including all of the Credit Union's branches and locations, to support the Credit Union's efforts to provide financial services and increase the financial wellbeing of its members.
2. To promote and encourage the development of consumer cooperative activities which include without limitation educational, social, and cultural efforts that address the financial needs of the Corporation's members.
3. To promote charitable and educational goals as the same relate to the endeavors the Corporation shall elect to undertake. The Board of Directors of the Corporation shall be charged with the accomplishment of these goals and is authorized and directed to engage in such consumer cooperative activities, charitable activities and educational activities as they deem, to be consistent with the purpose of the Corporation, which activities may include, but shall not be limited to the following:
 - A. The establishment of scholarship and fellowship programs and similar grants for the purpose of promoting the study or research of subjects relevant to the advancement of the betterment of the members of the Corporation and the betterment of individuals, communities and organizations supported by the Corporation.
 - B. The establishment and operation of such seminars, courses of instruction, forums, panels, and programs for instruction or education, lectures or other similar programs as may be necessary and provident for the carrying out of the purposes of the Corporation. The Corporation will engage members in furtherance of its goals to assist members in the enhancement of their financial knowledge and awareness of the benefits of being members of the Corporation.

ARTICLE II
MEMBERSHIP

SECTION 1. QUALIFICATION AND ADMISSION OF MEMBERS

Membership is open to all. Any individual or organization that pays the membership fee as provided herein and agrees to be bound by the Articles of Incorporation, these Bylaws and the rules, policies and regulations as may be prescribed from time to time by the Board of Directors, is eligible for membership in the Corporation. The Directors shall prescribe the form and manner in which application may be made for membership. Notwithstanding the initial membership fee, no member or Director shall pay any ongoing dues or fees. Membership in the Corporation is perpetual. At the death of a member, the spouse or survivor may become a member and the membership fee shall be waived by the Corporation.

SECTION 2. MEMBERSHIP FEES

Payment of a \$5.00 non-refundable membership fee is required for membership. Membership shall be automatic and without any fee for those members of credit unions who merge with Consumers Cooperative Credit Union. Each member is limited to one vote. However, each member of a family may serve on the boards and committees of the Corporation. No member may serve on the Board of Directors of the Consumers Cooperative Association and the Board of Directors of the Consumers Cooperative Credit Union at the same time.

SECTION 3. PROPERTY RIGHTS

No member will have any right, title or interest in any of the property or assets of the Corporation, including any earnings or investment income of the Corporation, nor will any of the property or assets be distributed to any member on the Dissolution of the Corporation.

SECTION 4. LIABILITY OF MEMBERS

No member of the Corporation will be personally liable for any of the Corporation's debts, liabilities or obligations, nor will any member ever be subject to any assessment.

SECTION 5. MEMBERSHIP MEETINGS

The membership shall meet at least once a year, for the purpose of electing a Board of Directors as set forth in these Bylaws. In addition, new business, any outstanding old business and the accountability of the Corporation's funds and assets shall be made transparent to the members at the annual meeting. Special meetings of the members may be called by the Board of Directors for the purpose or purposes stated in the call of the meeting. Not less than ten (10) days before the date of the meeting, written notice stating the place, date and time of the annual meeting, and in the case of a special meeting, the purpose or purposes for which the meeting is called, shall either (i) be delivered personally, by mail or by electronic mail to each member of record, or (ii) be posted in each branch office of Consumers Cooperative Credit Union. A quorum to conduct the annual or any special membership meeting is ten (10) members present or ten percent (10%) of the membership, whichever is less. There shall be no proxy voting or voting by mail at any membership meeting."

ARTICLE III BOARD OF DIRECTORS

SECTION 1. GENERAL POWERS

The affairs of the Corporation shall be managed by its Board of Directors.

SECTION 2. NUMBER, TENURE AND QUALIFICATIONS

- A. The Board of Directors shall consist of nine (9) persons elected at large by the membership at the annual meeting of the members.
- B. The term of office for Directors shall be three (3) years and there shall be no tenure restrictions. The Directors shall be divided into three (3) classes with each class represented by three (3) Directors. At each annual meeting of the members, the number of Directors equal to the number of the class whose terms are expiring at the time of such meeting shall be elected to hold office until the third succeeding annual meeting. Each Director shall hold office for the Term for which he/she is elected and until his or her successor is elected and qualified.

- C. A Director may resign at any time by giving written notice to the Chairman or the Secretary of the Corporation. A resignation is effective when the notice is given, unless the notice specifies a future date. The pending vacancy may be filled before the effective date, but the successor shall not take office until the effective date.

SECTION 3. ELECTION PROCEDURE

- A. At least Ninety (90) days prior to each election, the Chairman of the Corporation shall appoint a Nominating Committee consisting of not fewer than three (3) Directors from the board. The Nominating Committee shall serve for a term of one (1) year commencing with the date of such appointment, unless sooner discharged by the Chairman. It shall be the duty of the Nominating Committee to select at least one eligible candidate for each vacancy, including any unexpired term vacancy not filled by the Board of Directors. The nominations of the Nominating Committee shall be reported to the Chairman at least thirty (30) days prior to the election.
- B. At a physical meeting held for the election of Directors, the Chairman of the Board shall place the nominations of the Nominating Committee before the members. A call for nominations from the floor shall be made and acted upon accordingly. If there are no Nominations from the floor, the Nominations shall then be closed.
- C. If there is only one nominee for each office, the election may proceed by unanimous consent.
- D. If there is more than one nominee for each office, the elections shall be determined by plurality vote and shall be by secret ballot. Tellers shall be appointed by the Chairman to collect all completed ballots and the ballots will be tallied by the same CPA firm Consumers Cooperative Credit Union employs to certify its election results.

SECTION 4. MEETINGS

An annual meeting of the members shall be at such time and place as the Board of Directors may provide by resolution. Regular meetings of the Board of Directors shall be monthly on a date, time and location agreed upon by a majority of the board. The Board of Directors may provide, by resolution, the time and place at which additional regular meetings of the Board shall be held without notice other than such resolution.

SECTION 5. SPECIAL MEETINGS

Special meetings of the Board of Directors may be called by or at the request of the Chairman or any three Directors. The person or persons authorized to call special meetings of the board may fix any place as the location for holding any special meeting of the Board called by them.

SECTION 6. NOTICE

Notice of any annual or special meeting of the Board of Directors shall be given at least ten (10) days prior thereto by written notice to each Director at his/her address as shown by the records of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed with postage prepaid. If the notice is given via E-mail such notice shall be deemed to be delivered when the recipient records receipt of the E-mail. Notice of any special meeting of the Board of Directors may be waived in writing signed by the person or persons entitled to the notice either before or after the time of the meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except when a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. In the case of a special meeting or when required by statute or by these

Bylaws, the purpose for which the meeting is called shall be specified in the notice of waiver or notice of such meeting.

SECTION 7. QUORUM

One half of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; provided that if less than one half of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting to another time without further notice. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting; provided, however, withdrawal of Directors from any meeting shall not cause failure of a duly constituted quorum at that meeting.

SECTION 8. MANNER OF ACTING

- A. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors; unless the act of a greater number is required by statute, these Bylaws or the Articles of Incorporation.
- B. Unless specifically prohibited by the Articles of Incorporation or By-laws, any action required to be taken at a meeting of the Board of Directors, or any other action which may be taken at a meeting of the Board of Directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all the Directors entitled to vote with respect to the subject matter thereof. Any such action shall have the same effect as the unanimous vote, and may be stated as such in any document filed with the Secretary of State.
- C. Unless specifically prohibited by the Articles of Incorporation or Bylaws, any action which may be taken at a meeting of the Board of Directors may be taken by mail ballot as follows: at the request of any Director, the Chairman shall reduce the issue presented to writing in the form of a ballot designed as such and set forth necessary boxes in which the Directors may indicate their approval or disapproval of the matter to be voted upon. The ballot shall be distributed to the Directors by first class mail at least 15 days prior to the deadline for action on the issue, which deadline shall be established by the Chairman and specified in the ballot. The ballots shall be delivered or mailed to the Chairman and the Chairman shall count the ballots returned on or before the deadline, tally the results and announce the results at the next meeting of the Directors. Until such meeting, the Corporation may proceed to act on the issue presented based upon the results of the tally of the ballots, provided that at least a majority or other requisite percentage of the Directors have cast a vote in support of the action to be taken. The record of the mail balloting process shall be filed by the Secretary with the minutes of the proceedings of the Board.
- D. Unless specifically prohibited by the Articles of Incorporation or Bylaws, any action which may be taken at a physical meeting of the Board of Directors or of any committee of the Board of Directors may be taken by conference telephone call or other communications equipment provided all persons participating in the meeting can hear each other and adequate and contemporaneous minutes of the meeting are taken. The minutes of such meeting shall be filed with the corporate records of the Board of Directors. Participation in such a meeting shall constitute attendance and presence in person at the meeting of the person or persons so participating.

SECTION 9. VACANCIES

Any vacancy occurring in the Board of Directors may be filled at an annual election or at a special meeting, of the Board of Directors called for that purpose; provided, however, that vacancies may also be filled by the Chairman with the approval of the Board of Directors at a regular meeting. A Director elected by the members or appointed by the Board of Directors or Chairman, to fill an unexpired term vacancy shall hold office for the remainder of the unexpired term of his or her predecessor in office.

SECTION 10. COMPENSATION

The Directors shall not receive any stated salary for their services, but by resolution of the Board of Directors, a fixed sum and reimbursement of expenses of attendance, if any, may be allowed for each regular or special meeting of the Board, provided that nothing herein contained shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving reasonable compensation therefore.

SECTION 11. COMMITTEES

Except for the Nominating Committee, the Chairman of the Board may designate or appoint one or more committees each of which shall consist of two or more Directors appointed by the Chairman, which committees, to the extent provided in such resolution, shall have and exercise the authority of the Board of Directors in the management of the Corporation to the extent allowed under the applicable provisions of the laws of the State of Illinois. All committee appointments are subject to the approval of the Board. The designation and appointment of any such committee or committees and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon it or him/her by law. Unless the appointment by the Chairman requires a greater number, a majority of any committee present at a meeting shall constitute a quorum, and a majority of a quorum is necessary for committee action. A committee may act by unanimous consent in writing without a meeting and, subject to the provisions of the Bylaws or actions by the Board of Directors, the committee by majority vote of its members shall determine the time and place of meetings and the notice requirements therefor. A committee may also act by conference telephone call or other communications equipment as provided in the Bylaws, or by mail ballot in accordance with the procedure established in the Bylaws for such manner of acting by the Board of Directors.

ARTICLE IV OFFICERS

SECTION 1. OFFICERS

The officers of the Corporation shall be Chairman, a Vice Chairman, a Treasurer, a Secretary and such other officers and assistant officers as shall hereafter be provided for by the Board of Directors. Any two offices may be held by the same person, except the offices of Chairman and Secretary. No person shall be eligible for election to the office of Chairman who has not served as a Director consecutively since the immediately preceding annual meeting.

SECTION 2. ELECTION, TERM OF OFFICE AND TENURE

The Chairman, Vice Chairman, Treasurer and Secretary shall be elected annually by the Board of Directors from among their number at the annual organization meeting of the Board of Directors. Each officer shall hold office until his/her successor shall have been duly elected and shall have qualified or until his/her death or until he/she resigns or has been removed in the manner hereinafter provided. Election of an officer shall not in and of itself create any contractual obligation by and between the officer and the Corporation.

SECTION 3. VACANCIES

If the Chairman, Vice Chairman, Secretary or Treasurer resigns or is removed the Board of Directors shall fill the position in a timely manner.

SECTION 4. REMOVAL

The Board of Directors may, by a two-thirds vote of the Board, suspend or remove, or both, for cause, any or all officers or any members of any committees for failure to perform their duties, but only after that person has been given an opportunity to be heard. If a Director or a committee member fails to attend three consecutive regular meetings of the Board or Committee respectively without good cause, his/her office may be declared vacant by the Board and the vacancy filled as herein provided.

SECTION 5. CHAIRMAN

The Chairman shall perform the general executive duties usually pertaining to such office. Subject to the direction and control of the Board of Directors, he/she shall be in charge of the business and affairs of the Corporation, and he/she shall discharge all duties incident to the office of Chairman and such other duties as may be assigned to the Board of Directors. He/she shall preside at all meetings of the Board of Directors and shall be an ex-officio member of all committees, except as otherwise specifically provided by the Board of Directors. Except in those instances in which the authority to execute a document or documents, on behalf of the Corporation is expressly prohibited by the Board of Directors or these Bylaws, he/she may execute, on behalf of the Corporation, any contracts, deeds, mortgages, bonds or other instruments which the Board of Directors has authorized to be executed. He/she may vote all securities, which the Corporation is entitled to vote except as and to the extent such authority shall be vested in a different officer or agent of the Corporation by the Board of Directors.

SECTION 6. VICE CHAIRMAN

The Vice Chairman shall assist the Chairman in the discharge of his/her duties as the Chairman and may direct and shall perform such other duties as from time to time may be assigned to him/her by the Chairman or by the Board of Directors. In the absence or disability of the Chairman, the Vice Chairman shall perform the duties of the Chairman and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chairman.

SECTION 7. TREASURER

The Treasurer shall be the principal financial and accounting officer of the Corporation. He/she shall keep proper books of accounts and records of securities and other evidences of property and interest therein of any name or nature belonging to the Corporation and shall perform all duties usually incident to such office. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his/her duties in such sum with such surety or sureties as the Board of Directors shall determine.

SECTION 8. SECRETARY

The Secretary shall record the minutes of the meetings of the Board of Directors and shall maintain said minutes in one or more books provided for that purpose; shall see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; shall be the custodian of the corporate records; shall perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him/her by the Chairman or the Board of Directors.

SECTION 9. OTHER OFFICERS

Any other officers appointed by the Board of Directors shall exercise such powers and perform such duties as the Board of Directors may provide. If required by the Board of Directors, such other officers shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine.

ARTICLE V

CONTRACTS, DRAFTS, DEPOSITS AND FUNDS

SECTION 1. CONTRACTS

The Board of Directors may by resolution authorize any officer or officers, agent or agents, of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into contracts or execute and deliver any instruments in the name of and on behalf of the Corporation. The resolution shall state the extent of such authority, which may be general or confined to specific instances.

SECTION 2. DRAFTS, CHECKS, NOTES, ETC.

All drafts, checks or other orders for the payment of money, and notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation in such manner as shall, from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer and countersigned by the Chairman, Vice Chairman or Secretary of the Corporation.

SECTION 3. DEPOSITS

All funds of the Corporation shall be deposited within one week of receipt to the credit of the Corporation in such credit unions, banks, trust companies, savings and loan associations or other depositories as the Board may select. Such deposits may be withdrawn on behalf of the Corporation by such officer or officers as shall from time to time be authorized to do so by resolution of the Board of Directors.

ARTICLE VI

GIFTS AND CONTRIBUTIONS

SECTION 1. ACCEPTANCE

The Board of Directors may accept, on behalf of the Corporation, any contribution, gift, bequest or devise for the general purpose or any special purpose within the scope of purposes of the Corporation, as set forth in the Articles of Incorporation, the Bylaws and any amendments thereto. The source of any contribution, gift, bequest or devise shall not be restricted as long as it shall be for the general purposes of or for any special purpose within the scope of purposes of the Corporation as set forth in its Articles of Incorporation, the Bylaws and any amendments thereto.

SECTION 2. PLEDGES

Pledges of future contributions shall be accepted in the same manner and on the same basis as contributions.

SECTION 3. RESTRICTIONS ON PURPOSES

Except as provided in this section or as set forth in applicable laws or regulations, all contributions shall be used without restriction for the purposes specified in the Articles of Incorporation, the Bylaws and any amendments thereto. Prior to receipt or acceptance of a contribution, the Board of Directors may approve a restriction on the use of the contributions (including, a restriction on the territory in which the contribution is to be used) if requested by the contributor and if the restriction is consistent with and within the scope of the purposes of the Corporation as set forth in the Articles of Incorporation or Bylaws; provided, however, that no restriction shall impose any condition which requires return, transfer or conveyance of any part of all of the contributed assets (a) by reason of the dissolution of the Corporation, or (b) for any other reason that might cause the contributed assets to be used for the purposes other than those specified in the Articles of the Incorporation and the Bylaws, or (c) for any purpose or reason which might cause the status of the Corporation's finances to be compromised.

SECTION 4. RECOGNITION OF CONTRIBUTORS

The Board of Directors may establish specific procedures for the recognition of contributions made to the Corporation, which may include but shall not be limited to, the awarding of certificates, plaques or emblems.

ARTICLE VII FISCAL YEAR REVIEW OR AUDIT

SECTION 1. FISCAL YEAR

The fiscal year of the Corporation shall end on the 31st day of December of each year.

SECTION 2. REVIEW OR AUDIT

The Board of Directors shall engage a licensed certified public accountant or licensed certified public accounting firm to perform on an annual basis: (i) a review, consisting of an agreed-upon procedures engagement, to determine that the Corporation's accounting records and reports are prepared promptly and accurately reflect operations and results; or (ii) an external independent audit of the Corporation's financial statements. A report of such review or audit shall be submitted to the Directors at a regular meeting of the Board of Directors.

ARTICLE VIII CAPITAL STOCK–CORPORATE SEAL

The Corporation shall not have capital stock but shall have a corporate seal, which should have inscribed thereon the name of the Corporation and the words "Corporate Seal, Illinois."

ARTICLE IX AMENDMENTS

Power to alter, amend or repeal the Bylaws or adopt new Bylaws shall be vested in the Board of Directors unless otherwise provided in the Articles of Incorporation or Bylaws. Such action may be taken at a regular or special meeting for which written notice of the purpose shall be given.

ARTICLE X

LIMITED LIABILITY OF DIRECTORS, OFFICERS AND PERSONS WITHOUT COMPENSATION

SECTION 1. LIMITED LIABILITY OF DIRECTORS AND OFFICERS

No Directors or officers of the Corporation shall in any way be personally liable for any debt or obligation incurred by or on behalf of or imposed upon the Corporation. No Directors or officers serving without compensation shall be liable, and no cause of action may be brought, for damages resulting from the exercise of judgment or discretion in connection with the duties or responsibilities of such director or officer unless the act or omission involved willful or negligent conduct.

SECTION 2. LIMITED LIABILITY OF PERSONS WITHOUT COMPENSATION

No person or organization including without limitation any Director, officer, employee or agent of Consumers Cooperative Association who, without compensation renders service to or for the Corporation shall be liable, and no cause of action may be brought, for damages resulting from an act or omission in rendering such services unless the act of omission involved willful or negligent conduct.

SECTION 3. DEFINITION OF COMPENSATION

For purposes of this Article, the term "Compensation" does not include reimbursement of reasonable expenses incurred in the execution of the duties of a Director, officer or agent of the Corporation or receipt by Directors, in accordance with Article III section 10 of the Bylaws, of a fixed sum and reimbursement of expenses for attending regular or special meetings of the Board.

ARTICLE XI

INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

SECTION 1. POWER TO HOLD HARMLESS

The Corporation shall have power to indemnify any person or organization who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he/she is or was a Director, officer, employee or agent of the Corporation, or who is or was serving at the request of the Corporation as Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgements, fines and amounts paid in settlement actually and reasonably incurred by him/her in connection with such action, suit or proceeding if such person acted in good faith and in a manner he/she reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his/her conduct was unlawful. The termination of any action, suit or proceeding by judgement or settlement of any action, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he/she reasonably believed to be in or not opposed to the best interest of the Corporation or, with respect to any criminal action or proceeding, that the person had reasonable cause to believe his/her conduct was unlawful.

SECTION 2. REIMBURSEMENT AUTHORIZED

To the extent that a Director, officer, employee, or agent of the Corporation has been successful, on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1 above, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him/her in connection therewith.

SECTION 3. DETERMINATION IF REIMBURSEMENT IS PROPER

Any indemnification under Section 1 above (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case, upon a determination that indemnification of the Director, officer, employee or agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Section 1 above. Such determination shall be made:

- A. By the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or
- B. If such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion.

SECTION 4. ADVANCE OF EXPENSES

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding, as authorized by the Board of Directors in the specific case, upon receipt of a written promise or stipulation by or on behalf of the Director, officer, employee or agent to repay such amount to the Corporation if it shall ultimately be determined that he/she is not entitled to be indemnified by the Corporation as authorized in this Article.

SECTION 5. NON-EXCLUSIVITY

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any contract, agreement, vote of disinterested Directors, or otherwise, both as to action in his/ her official capacity and as to action in another capacity while holding, such office, and shall continue as to a person who has ceased to be a Director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

ARTICLE XII DISSOLUTION

Upon dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all liabilities of the Corporation, as required pursuant to the applicable provisions of Illinois law, as the same may exist from time to time, dispose of all of the assets of the Corporation for charitable or educational purposes to such organizations and entities as shall, at the time, qualify as organizations exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code of 1986, laws amendatory or supplementary thereto, or any corresponding provisions of any future United States Internal Revenue law.