

Expulsion Policy:

It is the policy of the Credit Union that any member may be expelled from membership in the Credit Union for nonparticipation in the affairs of the Credit Union in accordance with the procedures set forth in this policy. Such nonparticipation in the affairs of the Credit Union includes and is limited to the following: (i) a member's failure to make loans to or obtain loans from the Credit Union for any period of six consecutive months; and (ii) a member's failure to restore to par a share account that has fallen below par within a period of six months.

If the balance in a member's share account falls below the par value of one share for any reason (including inactive or dormant fees) and is not restored to par within six months, the credit union management is authorized by this policy to recommend expulsion of the member, refund any balances due and close the member's account.

If a member becomes overdrawn in any type of share account, the credit union may setoff the overdraft against the member's other account(s). This includes the required par value of one prime share. If the required prime share balance is not restored to par within six months, the credit union management is authorized by this policy to recommend expulsion of the member.

If a member has a charged off loan, the credit union may set off the loan against any and all share balances including the required par value of one prime share. If the required prime share balance is not restored to par within six months, the credit union management is authorized by this policy to recommend expulsion of the member.

If a previously-expelled member desires to rejoin the credit union, he or she must submit an application pursuant to Article II of the bylaws. The application may be disapproved and will not be approved unless the previously-expelled member has satisfied all of his or her obligations to the credit union and meets all other requirements for membership.

On a monthly basis, credit union management will submit a list of members that are recommended for expulsion from membership by action of management pursuant to this policy to the Board of Directors.

Effect of Expulsion:

The expulsion or withdrawal of a member does not relieve him or her of liability to the credit union. The amount to be paid to an expelled or withdrawing member shall be determined and paid in a manner specified by the by-laws of this credit union and applicable law. All amounts paid in on shares by expelled or withdrawing members, prior to their expulsion or withdrawal will be paid to them in the order of their withdrawal or expulsion, but only as funds become available and only after deducting any amount due to this credit union.

Effective Date of this Policy:

The effective date of this policy is April 27, 2006. Written notice of this policy as adopted and its effective date will be sent to each credit union member. The notice will be sent not less than 30 days before the effective date of the policy. In addition, notice of this policy will be provided to all new members when they apply for membership.