

KANSAS CORPORATE CREDIT UNION

TERMS AND CONDITIONS OF MEMBERSHIP CAPITAL ACCOUNT

- 1) A membership capital account is not subject to share insurance coverage by the NCUSIF or other deposit insurer.
- 2) A membership capital account is not releasable due solely to the merger, charter conversion or liquidation of the member credit union. In the event of a merger, the membership capital account transfers to the continuing credit union. In the event of a charter conversion, the membership capital account transfers to the new institution.

In the event of liquidation, the membership capital account may be released to facilitate the payout of shares with the prior written approval of NCUA.

- 3) A member credit union may withdraw membership capital with three years' notice.
- 4) Membership capital cannot be used to pledge borrowings.
- 5) Membership capital is available to cover losses that exceed retained earnings and paid-in capital.
- 6) Where the corporate credit union is liquidated, membership capital accounts are payable only after satisfaction of all liabilities of the liquidation estate including uninsured obligations to shareholders and the NCUSIF.
- 7) Where the corporate credit union is merged into another corporate credit union, the membership capital account will transfer to the continuing corporate credit union. The three-year notice period for withdrawal of the membership capital account will remain in effect.
- 8) The membership capital balance will be adjusted one time annually in relation to the member credit union's prior year-end assets.