

STATE OF OHIO
DEPARTMENT OF COMMERCE
DIVISION OF FINANCIAL INSTITUTIONS

"An Equal Opportunity Employer and Service Provider"

APPLICATION

FOR

A STATE TO STATE

OR

FEDERAL TO STATE

OR

STATE TO FEDERAL

CREDIT UNION MERGER

SUMMARY OF MERGER PROCESS

- 1) The board of the merging credit union makes a decision to merge;
- 2) The board reviews the names of the potential merger candidates and initiates contact with the president or manager of the top three choices to see if they have an interest;
- 3) The board requests the candidates to make a presentation describing the services offered. (Items such as board seats or committee positions, if desired, are negotiable items between the two boards);
- 4) After a tentative agreement to merge is reached, each board will pass a resolution to merge and forward the board resolution form to this office;
- 5) The continuing credit union may include a written request for waiver of the membership vote. Waiver of the membership vote for the merging credit union will be approved only if justification exists and determined to be warranted by the Division.
- 6) Submit the completed merger forms with original signatures, certification of approval of the members, SOS Certificate of Merger and filing fee of \$125 payable to the Ohio Secretary of State.
- 7) If a federally chartered credit union will be the continuing credit union, the merging state-chartered credit union must also complete two affidavits to dissolve the State Charter (Call the office to obtain these documents).
- 8) Upon receipt of all documents and approval by the credit union's insurer, this office will issue final approval and record the appropriate documents with the Secretary of State.

MERGER GUIDELINES

- 1) Selection of potential merger candidates, which should include your top two or three choices only.
Consideration should include the following:
 - Asset size
 - Capital ratio
 - Field of membership
 - Services offered
- 2) Preparation of a board resolution authorizing committee to proceed with merger and make contact with credit unions.
- 3) Presentation to the Board of the credit unions candidates.
- 4) On-site review of the merging credit union by representatives of the continuing credit unions.
- 5) Discussion of the merging credit union's wish list (negotiable items) which might include some or all of the following:
 - Retention of a branch office
 - Retention of employees
 - Board or committee positions
- 6) Presentation of merger proposal to committee or board.
- 7) Review and acceptance of merger agreement by the board.

MERGER PROCEDURES

This procedure is based on Section 1733.34 of the Ohio Credit Union Act and Regulations. The procedure and accompanying forms are designed for guidance in merging credit unions.

The following definitions will apply:

Continuing Credit Union is considered to be the credit union that will continue to be in operation after the merger.

Merging Credit Union is considered to be the credit union that will cease to exist as an operating credit union at the time of the merger.

Supervisor: Superintendent of Financial Institutions

A. PREPARATION OF MERGER PLAN

When a determination has been made to effect a merger, the Superintendent should be notified in writing. The boards of directors should then take the following steps:

1. APPROVAL OF PROPOSAL TO MERGE

- a) The board of directors of each credit union shall, by recorded resolution, approve the proposal to merge.
- b) A joint meeting of the boards of directors or their representatives should be held to prepare the merger plan. If a joint meeting is not possible, the terms of the merger may be developed by whatever means are practicable.
- c) The board of directors shall adopt the merger agreement. Form OCU 201, Resolution of Board of Directors, illustrates the form of resolutions to be adopted by the board of directors of the *continuing* credit union. Form OCU 101, Resolution of Board of Directors, is for use by the *merging* credit unions.

2. MERGER PLAN

Section 1733.34 of the Ohio Credit Union Act should be used as a guide in preparing the plan for the merger. The plan shall also include at least the following items.

- a) **Analysis of Share Values.** At a meeting, the representatives of each credit union shall review current financial and statistical reports. A joint appraisal of assets and liabilities should be made, with special attention of collectability of outstanding loans, to determine the estimated value of shares of each credit union. This analysis of value of shares is necessary to determine whether a share adjustment is needed.
- b) **Share Adjustments.** Agreement shall be reached as to whether there will be share adjustments in any credit union. If members' shares in both credit unions are substantially equal in value, there usually will be no share adjustments in any credit union involved in the merger. In other words, each member will have the same share balance after the merger that he had before.

If the shares in both credit unions have a value of 100 per cent or more but the value of shares in any credit union is higher than in the other, the members whose shares have a higher value may be entitled to an adjustment in connection with the merger. For example, undivided earnings of this credit union might be used to increase, pro rata, the share balances of those members.

A share adjustment may also be made when the credit unions participating in the merger have different dividend periods. Any agreement for adjustment of members' shares shall be included in the plan, with information as to the reason for the adjustment and how it is to be effected.

- c) **Designation of Continuing Credit Union.** The plan shall identify the name of the continuing credit union and where its principal office will be located after the merger.
- d) **Charter Amendments for Continuing Credit Union.** The plan shall contain a statement of proposed amendments to the charter of the continuing credit union. The amendments, if any, will usually pertain to the name of the credit union and the definition of its field of membership. The field of membership must specifically describe the group to be served by the continuing credit union after the merger.
- e) **Verification of Members' Accounts.** It is required that a complete verification of the share and loan accounts of members merging be included in the merger plan.

- f) Nonconforming Assets and Liabilities. If a federal credit union is to be merged into a continuing state credit union and it has any assets or liabilities which do not conform to state requirements, the plan must contain a statement of action that will be taken to eliminate the nonconformity.
- g) Provision for Notification and Payment of Creditors. Agreement shall be reached as to arrangements for notifying and paying creditors of the merging credit union.

NOTE:

An Ohio state-chartered credit union merging into another credit union will be responsible for payment of the annual assessment for the calendar year the merger occurs.

B. SUBMISSION AND APPROVAL OF THE MERGER PROPOSAL

APPLICATION FOR APPROVAL OF MERGER

Upon approval of the merger plan by the boards of directors, the continuing credit union will apply to the Superintendent for approval of the merger. The proposal shall include one copy of each of the items listed below.

- a) The merger plan.
- b) An executed Resolution of Board of Directors. Form OCU 201 will be used by the continuing credit union and form OCU 101 will be used by the merging credit union.
- c) An executed Merger Agreement, Form OCU 300.
- d) Proposed Notice and Ballot of Special Meeting of the Members for the merging credit union (if federal credit union is merging into a state credit union, NCUA must approve the notice and ballot).
- e) Previous month-end financial and statistical reports and a schedule of all delinquent loans, annotated to show all loans estimated to be doubtful of collection.
- f) Combined Statement of Financial Condition, OCU 301.

- g) Evidence that any insuring agency, either NCUA or ASI, is in agreement with the merger.
- h) An executed Secretary of State's Certificate of Merger document.

C. APPROVAL BY MEMBERS

1. Members of the credit unions have the right to vote on the merger proposal in person; by mail ballot or proxy if the Code of Regulation permits, at the annual meeting or at a special meeting to be called for that purpose. A vote of not less than two-thirds of the members of each credit union represented at a meeting of members duly called for such purpose, at which a minimum of 10 per cent of the entire membership of the credit union is present in person or by mail ballot or proxy unless such meeting of members of either credit union has been waived by the Superintendent.

D. NOTICE OF MEMBERS' MEETINGS

Members must be given 30 days advance notice of the meeting at which the proposal is to be submitted.

1. The Notice of Special Meeting of the Members shall:
 - a) Specify the purpose of the meeting and time and place;
 - b) Include a summary of the merger plan, containing as a minimum current financial reports for each credit union, combined financial reports for each credit union, analyses of share values, explanation of any proposed share adjustments, explanation of any changes relative to insurance of member accounts;
 - c) State reasons for the proposed merger;
 - d) Provide name and location of the continuing credit union;
 - e) Inform the members that they have the right to vote on the proposal;
 - f) Be accompanied by a Ballot for Merger Proposal
 - g) State any other vital matters, including any special merger terms, which might influence the members in voting on the merger proposal.

2. A verification of the members' accounts may be conducted in connection with the distribution of the Notice of Special Meeting of the Members.
3. If a mail ballot is used, the ballot must be returned to either a CPA Firm or the Audit Committee Chairperson seven (7) days prior to the date set for the meeting.

E. ACTION AT MEMBERS' MEETING

The meeting provides the members the opportunity to discuss the merger proposal and obtain a full explanation from the officials. The minutes of the meeting should reflect a discussion of the terms of the merger proposal. The minutes should also show the number of members:

- a) qualifying to vote, including all joint account members;
- b) attending the meeting;
- c) voting in favor of the merger;
- d) voting against the merger.

A written record must be kept of the balloting on the merger proposal to assure that no member will vote more than once. This may be accompanied by requiring all voting to be by written ballot.

F. CERTIFICATION OF MEMBERSHIP VOTE

The president and secretary of the credit union shall promptly complete the Certification of Vote on Merger Proposal and submit the form to the Superintendent not later than 10 days following the meeting of the members.

G. COMPLETION OF MERGER

1. If the Superintendent finds the merger proposal equitable, in the best interests of the members of the credit unions, in accordance with the Ohio Credit Union Act and the regulations and this office has received the Approval from the Insurer, the Superintendent will approve the proposal and so inform all interested participants in the merger.

H. APPROVAL BY SUPERINTENDENT

- 1) The Superintendent will approve the merger documents; provide a letter along with approved copies of the merger documents to the continuing credit union to be retained in their files. The Division will file the documents with the Office of the Secretary of State.
- 2) If the Superintendent disapproves the proposal, the credit unions will be informed of the disapproval and the reasons therefor and shall be given an opportunity to submit an amended proposal for reconsideration by the Superintendent.

I. ACTIONS TO BE TAKEN TO MERGE ASSETS AND LIABILITIES

Checking accounts of Merging Credit Unions

- a) Obtain an agreement from the bank as to the amount of service charge for merging the credit union's account for outstanding checks;
- b) Calculate the net amount of cash in the bank to be transferred to the continuing credit union. Issue a check for this amount, payable to the continuing credit union, and have it certified.
- c) Send the bank statements with canceled checks to the continuing credit union.
- d) Issue an order to the bank to stop payments at the end of 90 days on any outstanding check of the merging credit union. At the end of 90 days, remit balance in the merging credit union's account to the continuing credit union.

Closing and Balancing the Books

- a) Entries necessary to record the financial terms of the merger, including any share adjustment, shall be made on the books of each credit union;
- b) The books of the merging credit union, but not the books of the continuing credit union, shall be closed;
- c) Trial balances of the general ledger and the individual share and loan ledger shall be prepared for both merging and continuing credit unions;
- d) After the trial balances have been proved, financial and statistical reports for each credit union shall be prepared.

Entries of the Books of the Credit Union

Entries shall be recorded in the journal and cash record and general ledger of each credit union involved, as of the effective date of the merger, reflecting the transfer of the assets

and liabilities of the merging credit unions to the continuing credit union.

Individual Share and Loan Accounts

The individual share and loan accounts of the merging credit unions may be ruled off, balance brought forward, and transferred to the continuing credit union. Trial balances of the individual share and loan accounts shall then be taken by the continuing credit union to insure that they are in agreement with the general ledger control accounts. The accounts, passbooks, or other statements shall be renumbered to avoid any confusion in identity, and the name of the continuing credit union shall be stamped or written on each individual ledger, passbook, or statement.

Other Books and Records

All the books and records of the merging credit unions shall be transferred to the continuing credit union to be retained for a period of not less than prescribed in the regulations governing credit unions.

Transfer of Assets, Liabilities, and Equity Accounts

All assets, liabilities, and equity accounts of the merging credit unions shall be conveyed or transferred to the continuing credit union with their appropriate legal documents. It may be desirable to obtain the services of an attorney to prepare legal documents required to effect proper transfer and conveyance. Each member's promissory note shall be endorsed payable to the order of the continuing credit union. Steps shall also be taken to register bonds and securities in the name of the continuing credit union. Appropriate receipting shall be made between the treasurers of the credit unions involved.

Surety Bond Coverage

The continuing credit union's surety bond coverage should be reviewed and increased where necessary as of the effective date of the merger to that required by the regulations governing credit unions. The bond coverage of any merging credit union may be canceled as soon as the charter has been canceled.

Cancellation of Charters of Merging Credit Union and Termination of Insurance

If the Superintendent is satisfied that the merger has been accomplished in accordance with the approved plan, he will cancel the charter of the merging credit union. Insurance coverage of the merging credit union ceases as of the effective date of the merger.

RESOLUTION OF BOARD OF DIRECTORS
Form OCU 101

Credit Union, Inc.
(merging)

WHEREAS, the Board of Directors of this credit union is of the opinion that this credit union (hereinafter called the "Merging Credit Union") should merge with

Credit Union, Inc.
(continuing)

(hereinafter called the "Continuing Credit Union"); and

WHEREAS, It is also the opinion of this Board that such merger should be made pursuant to an agreement between the Merging Credit Union and the Continuing Credit Union will continue in business under the same charter it now holds and whereby all of the members of the Merging Credit Union will be entitled to and shall receive shares in said Continuing Credit Union.

NOW, THEREFORE, BE IT RESOLVED, That the President and Secretary of this credit union are authorized to seek approval of the merger by the Superintendent of Financial Institutions.

BE IT FURTHER RESOLVED, That the President of this credit union is hereby authorized and directed to call a Special Meeting of members to consider and act upon the proposed merger and to fix the date of said special meeting of members and the Secretary is authorized to give advance notice of the meeting in accordance with the provisions of the credit union's bylaws.

BE IT FURTHER RESOLVED, That upon approval of the merger by two-thirds of the members of this credit union represented at a meeting of members at which a minimum of ten per cent of the entire membership is present, the President and Secretary are hereby authorized and directed to execute, acknowledge, and deliver said Merger Agreement to the Division of Financial Institutions; and the President and Secretary of this credit union are hereby authorized to do all things and to do and perform any and all acts and to execute all agreements, documents, and other papers which they may consider necessary or proper, or which may be required by the Administrator, to consummate the proposed merger.

CERTIFICATION

We, the undersigned President and Secretary of _____ Credit Union, Inc. hereby certify that the foregoing is a full, true, and correct copy of the resolution adopted by the Board of Directors of said credit union at a meeting duly called and held in accordance with the Code of Regulations or Bylaws of such credit union on _____, at which a quorum was present and voted, and that said resolution is duly recorded in the minutes of said meeting and has not been modified, amended, rescinded, or repealed and is still in full force and effect.

Date

President

Secretary

RESOLUTION OF BOARD OF DIRECTORS
Form OCU 201

Credit Union, Inc.
(continuing)

WHEREAS, the Board of Directors of this credit union is of the opinion that this credit union (hereinafter called the "Continuing Credit Union") should merge with

Credit Union, Inc.
(hereinafter called the "Merging Credit Union"); and

WHEREAS, It is also the opinion of this Board that such merger should be made pursuant to an agreement between the Continuing Credit Union and the Merging Credit Union will continue in business under the same charter it now holds and whereby all of the members of the Merging Credit Union will be entitled to and shall receive shares in said Continuing Credit Union.

NOW, THEREFORE, BE IT RESOLVED, That the President and Secretary of this credit union are authorized to seek approval of the merger by the Superintendent of Financial Institutions.

BE IT FURTHER RESOLVED, That the President of this credit union is hereby authorized and directed to execute, acknowledge, and deliver the Merger Agreement to the Division of Financial Institutions; and the President and Secretary are hereby authorized to do all things and to do and perform any and all acts and to execute all agreements, documents, and other papers which they may consider necessary or proper, or which may be required by the Superintendent, to approve and consummate the proposed merger.

CERTIFICATION

We, the undersigned President and Secretary of _____ Credit Union, Inc. hereby certify that the foregoing is a full, true, and correct copy of the resolution adopted by the Board of Directors of said credit union at a meeting duly called and held in accordance with the Code of Regulations or Bylaws of such credit union on _____, at which a quorum was present and voted, and that said resolution is duly recorded in the minutes of said meeting and has not been modified, amended, rescinded, or repealed and is still in full force and effect.

Date

President

Secretary

NOTICE OF SPECIAL MEETING OF THE MEMBERS OF

(merging) CREDIT UNION, INC.

NOTICE IS HEREBY GIVEN that a special meeting of the members of this credit union has been called and will be held at _____ (City), _____ (County), on _____, _____ for the following purposes:

1. To consider and act upon a plan and proposal for merging this credit union [hereinafter called the "Merging Credit Union(s)"]

WITH

Credit Union, Inc. (hereinafter called the "Continuing Credit Union"), whereby all assets and liabilities of the Merging Credit Union will be transferred to said Continuing Credit Union and all members of the Merging Credit Union will become members of the Continuing Credit Union and will be entitled to and will receive shares in said Continuing Credit Union for the shares they own in the Merging Credit Union on the effective date of the merger.

2. To ratify, confirm, and approve the action of the Board of Directors of this credit union in authorizing the officers of this credit union, subject to the approval of members, to do all things and to execute all agreements, documents, and other papers necessary to carry out the proposed merger.

The directors of the participating credit union have made a careful analysis of the assets and liabilities of the participating credit union and have appraised the value of shares in the credit union. The appraisal of such share values is shown on the attached financial statements of the credit union and combined financial statements of all of the credit unions.

The directors of the participating credit union have reached the conclusion that the proposed merger is desirable for the following reasons:

It is the opinion of the Board of Directors of this credit union that the merger should be completed without any adjustment in shares/with the following adjustment in shares/for the following reasons:

It is proposed that the following amendments to the charter of the Continuing Credit Union will be made:

The office of the Continuing Credit Union will be located at: _____

Also enclosed is a Member Account Verification form. Please check your account balances, complete and sign the verification form, and return it promptly to the Chairman of the Audit Committee at _____, in the enclosed envelope. Do NOT return the verification to the credit union office. If the Member Account Verification is not returned by _____, it will be assumed that your account balances as indicated on the enclosure are correct.

BY THE ORDER OF THE BOARD OF DIRECTORS:

President

Date

NOTICE OF SPECIAL MEETING OF THE MEMBERS OF

CREDIT UNION, INC.
(continuing)

NOTICE IS HEREBY GIVEN that a special meeting of the members of this credit union has been called and will be held at _____ (City), _____ (County), on _____, _____ for the following purposes:

1. To consider and act upon a plan and proposal for merging this credit union [hereinafter called the "Continuing Credit Union"]

WITH

Credit Union, Inc. (hereinafter called the "Merging Credit Union"), whereby all assets and liabilities of the Merging Credit Union will be transferred to said Continuing Credit Union and all members of the Merging Credit Union will become members of the Continuing Credit Union and will be entitled to and will receive shares in said Continuing Credit Union for the shares they own in the Merging Credit Union on the effective date of the merger.

2. To ratify, confirm, and approve the action of the Board of Directors of this credit union in authorizing the officers of this credit union, subject to the approval of members, to do all things and to execute all agreements, documents, and other papers necessary to carry out the proposed merger.

The directors of the Continuing Credit Union have made a careful analysis of the assets and liabilities of the Merging credit union and have appraised the value of shares in that credit union. The appraisal of such share values is shown on the attached financial statements of the credit union and combined financial statements of all of the credit unions.

The directors of the participating credit union have reached the conclusion that the proposed merger is desirable.

It is proposed that the following amendments to the charter of the Continuing Credit Union will be made:

BY ORDER OF THE BOARD OF DIRECTORS:

President

Date

BALLOT FOR MERGER PROPOSAL

Name of Member _____ Account No. _____

I have read the Notice of the special meeting of the Members of _____
Credit Union, Inc. which is to be held on _____, 20 __, to consider
and act upon the merger proposal described therein, and hereby cast my vote on the pro-
posal as follows:

- I vote for the proposed merger and authorize the Board of Directors to
take all necessary action to accomplish the merger.
- I vote against the proposed merger.

(Check the box opposite the statement, which indicates how, you wish to vote.)

Signature

Date

CERTIFICATE OF VOTE ON MERGER PROPOSAL

of

_____ CREDIT UNION, INC.
(continuing credit union)

We, the undersigned officers of the above-named credit union, do hereby certify as follows:

1. That the Board of Directors of this credit union, at a meeting held on _____, 20____, adopted a resolution approving the merger of this credit union with _____ Credit Union, Inc.

2. That copies of the Notice of Special Meeting of the Members and Ballot for Merger Proposal, as approved by the Superintendent, and copies of the merger plan referred to in the Notice, were delivered in person or mailed to each and every member of this credit union in accordance with its Code of Regulations or Bylaws.

3. That, pursuant to said Notice, a special meeting of the members of this credit union was duly held at the time and place fixed in the Notice to consider and act upon the proposal for the merger of this credit union.

4. That, on the date of the special meeting, _____ members were present, representing a quorum, and of those members present, _____ voted in favor of the merger and _____ voted against the merger. A two-thirds majority of the quorum of this credit union approved the merger.

5. That the action of the members of this credit union at the special meeting is fully and completely recorded in the minutes of the meeting and all written ballots of members are on file with the Secretary of this credit union.

This certification signed this _____ day of _____, 20____.

President

Secretary

CERTIFICATE OF VOTE ON MERGER PROPOSAL
OF THE

_____ CREDIT UNION, INC.
(merging credit union)

We, the undersigned officers of the above-named credit union, do hereby certify as follows:

1. That the Board of Directors of this credit union, at a meeting held on _____, 20____, adopted a resolution approving the merger of this credit union with _____ Credit Union, Inc.

2. That copies of the Notice of Special Meeting of the Members and Ballot for Merger Proposal, as approved by the Superintendent, and copies of the merger plan referred to in the Notice, were delivered in person or mailed to each and every member of this credit union in accordance with its bylaws.

3. That, pursuant to said Notice, a special meeting of the members of this credit union was duly held at the time and place fixed in the Notice to consider and act upon the proposal for the merger of this credit union.

4. That on the date of the special meeting _____ members were present, representing a quorum, and of those members present, _____ voted in favor of the merger and _____ voted against the merger. A two-thirds majority of the quorum of this credit union approved the merger.

5. That the action of the members of this credit union at the special meeting is fully and completely recorded in the minutes of the meeting and all written ballots of members are on file with the Secretary of this credit union.

This certification signed this _____ day of _____, 20____.

President

Secretary

MEMBER ACCOUNT VERIFICATION

The balances of my account, Account Number _____, in the _____
_____ Credit Union, Inc. as of _____
_____, 20_____, are correct as show below except as I have indicated dif-
ferences.

Share balance \$ _____

Loan balance \$ _____

Differences: _____

Signature

Date

MERGER AND ACQUISITION AGREEMENT
Form OCU 300

THIS AGREEMENT, including all attached exhibits, by and between _____
_____ Credit Union, Inc., _____, Ohio, (hereinafter
referred to as the Continuing Credit Union), an Ohio corporation created and existing
pursuant to Chapters 1702 and 1733 of the Ohio Revised Code, and _____
_____ Credit Union, Inc., _____, Ohio,
(hereinafter referred to as the Merging Credit Union), a corporation created and existing
pursuant to Ohio law, is entered into this _____ day of _____,
20____.

WHEREAS, Merging Credit Union desires to sell and transfer those assets owned
by it and to transfer all of which are hereinafter enumerated; and

WHEREAS, the parties hereto desire to set forth their understanding with respect
to such transaction;

NOW, THEREFORE, in consideration of the mutual undertakings and covenants
hereinafter set forth, the parties agree as follows:

ARTICLE I
ASSETS ACQUIRED

Section 1.01. Merging Credit Union hereby agrees to sell and Continuing Credit
Union agrees to purchase, and on the Closing Date as hereinafter stated, Merging Credit
Union will transfer and deliver ownership and possession to Continuing Credit Union all
of the assets as follows:

(A) Cash. All cash, including all cash on hand at the Closing Date, and all cash
on deposit, whether in savings or commercial accounts.

(B) Investments. All securities and investments of whatever kind or nature, in-
cluding share accounts in other credit unions.

(C) Loan Portfolio. All loans made by Merging Credit Union, whether or not
represented by notes or other evidences of indebtedness, including any and all reserves,
statutory or otherwise, set up in connection therewith, and all accounts receivable,
whether from borrowers, employees, or any other persons or entities.

(2) Merging Credit Union agrees that Continuing Credit Union, after the Closing
Date, shall have the right and authority to collect for the account of Continuing Credit
union all receivables, including notes and other items transferred hereunder to Continuing
Credit Union as provided herein, and to endorse without recourse and without warranties
of any kind the name of Merging Credit Union on any checks or other evidences of in-
debtedness received by Continuing Credit Union on account of any such notes or other
receivables or other items.

(3) Merging Credit Union agrees that it will transfer and deliver to Continuing
Credit Union any cash or other property that Merging Credit Union may receive on ac-
count of such notes or other receivables or other items after the Closing Date.

(D) Real Estate and Leases. All rights, title and interest in any real property,
whether owned or leased, and wherever situated, including all fixtures and improvements
thereon, owned by Merging Credit Union as of the Closing Date.

(E) Furniture, Fixtures, Equipment, and Supplies. All furniture, fixtures, equipment, and supplies of whatever kind or description, and wherever situated, owned by Merging Credit Union as of the Closing Date, whether the same are reflected on the books of Merging Credit Union or not.

(F) Prepaid or Deferred Expenses and Reserves. All prepaid or deferred expenses and credits of any kind, including, but not limited to, prepaid insurance, fidelity bonds, share account insurance, intangibles or real estate taxes, deposits with the Industrial Commission, Bureau of Unemployment, Compensation, or other deposits, dues, subscriptions and advertising, any and all reserves, statutory or otherwise.

(G) Other Agreements. All rights of Merging Credit Union under any agreements to which Merging Credit Union is a party, including leases of equipment.

(H) Books and Records. All books, records, notes, evidences of indebtedness, insurance policies, payroll records, share registry, accounts and all other records of Merging Credit Union. Continuing Credit Union agrees that Merging Credit Union shall have a right of access to such books and records.

(I) Right to Use Name. Continuing Credit Union shall have the exclusive right to represent that it is carrying on the business in continuation and in succession to Merging Credit Union, including the right to use the corporate name of _____ Credit Union, Inc.

(J) Miscellaneous. All supplies, labels, stationery, and other items owned by Merging Credit Union shall be transferred to Continuing Credit Union.

It is the intention hereof that Merging Credit Union's business as a going concern, its good will and all properties, assets and rights of Merging Credit Union of every kind and description, wherever located, and all notes, contracts and rights thereunder owned by Merging Credit Union or used in its business as of _____ shall be sold and transferred or assigned by Merging Credit Union to Continuing Credit Union.

ARTICLE II LIABILITIES ASSUMED AND EXCEPTIONS

Section 2.01. Subject to the terms and conditions of this Agreement, the Continuing Credit Union shall assume all debts, liabilities, and obligations of Merging Credit Union reflected on Merging Credit Union's books and financial statements supplied pursuant to this Agreement on the Closing Date in accordance with generally accepted accounting principles, other than:

(A) [This space left blank intentionally]

ARTICLE III
PURCHASE PRICE

Section 3.01. The purchase price for the assets purchased hereunder shall be that all members of _____ Credit Union, Inc., shall receive direct full share credit in _____ Credit Union, Inc., for each share, or fraction thereof, owned in _____ Credit Union, Inc.

Section 3.02. All members of _____ Credit Union, Inc. shall become members of _____ Credit Union, Inc.

ARTICLE IV
MERGING CREDIT UNION'S REPRESENTATIONS AND WARRANTIES

Section 4.01. Merging Credit Union has prepared a balance sheet, dated _____ . Such balance sheet has been prepared in conformity with generally accepted accounting principles, applied on a basis consistent with those used by the Merging Credit Union in prior years and will present fairly the financial position of the Merging Credit Union as of the Closing Date. The statements of financial position of the Merging Credit Union as of _____ , which have been furnished to the Continuing Credit Union, are correct and complete and present fairly the financial position of the Merging Credit Union as of the respective dates of such statements and the results of operations of the Merging Credit Union for the periods indicated in such statements. All such statements have been prepared in conformity with generally accepted accounting principles applied on a consistent basis throughout the periods mentioned.

Section 4.02. Merging Credit Union warrants, and will cause its counsel to deliver an opinion to the effect that the Merging Credit Union is a corporation organized and existing pursuant to Ohio law; Merging Credit Union has the full legal right, power, and authority to sell the Continuing Credit Union all assets and property as contemplated by this Agreement, on the terms and conditions contained in this Agreement; and that the execution and delivery of this Agreement by the Merging Credit Union and the performance of all obligations and conditions on the Merging Credit Union's part to be performed hereunder have been, or by the Closing Date shall have been, duly authorized by all necessary corporate and regulatory body action, state or federal.

Section 4.03. Merging Credit Union's assets and liabilities shall be as of its _____ statement with only such changes therefrom, and materially adverse, as are the results of transactions of Continuing Credit Union occurring in the ordinary course of business between said date and the Closing Date.

Section 4.04. To the best of the Merging Credit Union's information and belief, the business premises of the Merging Credit Union conforms to all applicable zoning laws and building and health regulations and the same are in good state of repair. No notice of violation of any building, health, zoning or other regulating laws, statutes, ordinances or regulations relating to Merging Credit Union's property or premises has been received by it and is now outstanding.

Section 4.05. Merging Credit Union is and at the Closing Date will be the lawful owner of the property to be sold to the Continuing Credit Union hereunder; Merging Credit Union has and at the Closing Date will have valid, marketable title thereto, free and clear of any claims, liens, equities or encumbrances and the delivery to the Continuing Credit Union at the Closing Date of appropriate instruments of conveyance will pass title to such property free and clear of any claims, liens, equities, or encumbrances. The sale of the Merging Credit Union's property hereunder will not conflict with or result in a breach of any of the terms of any agreement or instrument to which the Merging Credit Union is a party or by which it is or may be bound or constitute a default thereto, or result in the creation or imposition of any lien, charge or encumbrance on, or given to other any interest or right in any of the assets in business of the Merging Credit Union.

Section 4.06. Merging Credit Union has paid all sales taxes, payroll taxes, and personal and intangible property taxes relating to the business payable or accrued to the date hereof and shall, prior to the Closing Date, pay all taxes payable or accrued as of such date. Immediately after the Closing Date, the Merging Credit Union shall file all final tax returns, whether state or federal, and shall pay the liabilities thereon. As soon as practical after the Closing Date, Merging Credit Union shall deliver tax releases or closing statements from all applicable taxing authorities.

Section 4.07. Merging Credit Union is not a party to any written or oral:

(A) Contract for the employment of any officer or individual employee.

(B) Contract with any labor union.

(C) Continuing contract for the purchase of merchandise, materials, supplies, or equipment except for normal purchases made pursuant to purchase orders in the ordinary course of business.

(D) Pension, profit sharing, retirement plan presently in effect with respect to Merging Credit Union's employees or others.

(E) Contracts for the purchase of capital assets or for their construction.

(F) Contracts for the purchase of ordinary course of business.

The Merging Credit Union has performed all of its obligations required to be performed by it under all contracts and agreements to which it is a party as of the Closing Date hereof, and neither the Merging Credit Union nor any other parties are in default under any contract, agreement, lease or any other document to which the Merging Credit Union is a party, except as the Merging Credit Union has disclosed. Between the date thereof and the Closing Date, the Merging Credit Union will not without the prior written consent of Continuing Credit Union, make any change, modification or alteration in any of its contracts, incur any further obligations or commitments, make any further additions to its properties, or further purchases of merchandise or equipment, except in the ordinary course of business or except to maintain its properties or equipment in normal operating condition.

Section 4.08. To the best of the Merging Credit Union's knowledge, there have been no significant material changes in the method of the conduct of the Merging Credit Union's business, nor have there been any material factors which could result in an adverse effect on the Merging Credit Union.

Section 4.09. With respect to its loan portfolio, the Merging Credit Union has not violated any law, state or federal, including, but not limited to, Truth-In-Lending and/or the Federal Fair Credit Reporting Act, and the Merging Credit Union knows of no fact or

facts other than those disclosed in writing and delivered to the Continuing Credit Union, which would materially affect the value of its loan portfolio.

Section 4.10. Merging Credit Union has in full force and effect policies of insurance and will continue all of such insurance in full force and effect up to and including the Closing Date.

Section 4.11. There are no actions, suits, legal or administrative proceedings or investigations pending against the Merging Credit Union and to the best of the knowledge, information and belief of Merging Credit Union, no such proceedings or investigations are contemplated against Merging Credit Union and Merging Credit Union has complied with all laws, regulations, and ordinances applicable to its business.

Section 4.12. Since the date of the last financial statement supplied to Continuing Credit Union hereunder, Merging Credit Union has not incurred any obligations or liabilities (absolute or contingent) except liabilities and obligations incurred in the ordinary course of business; declared or made any payment of dividends to its members (members); mortgages, pledged or subjected to lien, charge, or any other encumbrance any of its assets, tangible or intangible; sold, transferred or disposed of any of its tangible assets or canceled any debts or claims except in each case in the ordinary course of business; suffered any extraordinary losses or waived any rights of substantial value; or entered into any transaction other than in the ordinary course of business except those transactions specifically referred to in this Agreement, or specifically disclosed in writing to Continuing Credit Union.

Section 4.13. No representation or warranty of Merging Credit Union omits or will omit any material fact necessary to make any representation or warranty made no misleading. the obligations, warranties and representations of Merging Credit Union contained in this Agreement shall be true on and as of the Closing Date as if specifically made thereon and shall survive the closing.

ARTICLE V CONTINUING CREDIT UNION REPRESENTATIONS AND WARRANTIES

Section 5.01. Continuing Credit Union represents and warrants that Continuing Credit Union is a corporation duly organized, existing and in good standing under the laws of the State of Ohio; that Continuing Credit Union has full legal right, power, and authority to purchase from Merging Credit Union all of the assets contemplated by this Agreement, on the terms and conditions contained in this Agreement; and that the execution and delivery of this Agreement and the performance by Continuing Credit Union of the conditions and obligations on its part to be performed by the Closing Date will be duly authorized by all necessary corporation action.

ARTICLE VI CONDUCT OF BUSINESS PENDING CLOSING

Section 6.01. Merging Credit Union covenants that from the date hereof until the Closing Date its business will be conducted only in the ordinary course, diligently and in the same manner as heretofore; Merging Credit Union will not make any new loans or commitments to make loans; Merging Credit Union will use its best efforts to preserve its

business intact; and Merging Credit Union will diligently try to collect its receivables. Merging Credit Union further covenants it will not enter into or assume any mortgage, security agreement, pledge, conditional sale of other title retention agreement, lien, encumbrance, or any change of any kind in any of its assets, whether now owned or hereafter acquired. Merging Credit Union further covenants that all of its equipment, machinery, fixtures and other property will be kept and maintained in as good condition, repair, and working order as they now are, ordinary wear and tear expected, and Merging Credit Union will duly observe and conform to all terms and conditions upon or under which any of its property is held.

Section 6.02. Merging Credit Union shall give to Continuing Credit Union and to Continuing Credit Union's counsel, accountants, and other representatives, from and after the date hereof, full access at all reasonable times throughout the period prior to the Closing Date to the business premises and the agreements, records, files, and affairs pertaining thereto and will furnish such documents and all such information concerning Merging Credit Union's business affairs as Continuing Credit Union may reasonably request.

Section 6.03. Merging Credit Union will not enter into any contracts or commitments for the future purchase of materials, supplies, or equipment in excess of requirements for normal operating procedures, nor will Merging Credit Union grant any general wage increase, enter into any employment contract or make any change in the compensation of any officer or any employee without the prior written consent of Continuing Credit Union.

ARTICLE VII MEMBERS' MEETING

Section 7.01. Merging Credit Union will either call a meeting of its members to be held prior to the Closing Date, or will obtain the written consent of a sufficient number of members to comply with Ohio law, for the purpose of authorizing and approving this Agreement or receive a membership meeting waiver from the Division of Financial Institutions and the transactions contemplated hereby. Following favorable action by its members, Merging Credit Union shall take all such other corporate action as is required by the laws of Ohio to consummate the transactions contemplated hereby.

ARTICLE VIII AUTHORITY

Section 8.01. Continuing Credit Union and Merging Credit Union recognize and agree that the transaction contemplated by this Agreement may be subject to the regulatory authority of the State of Ohio. Both agree that it is an express condition precedent to the consummation of this Agreement that all approvals required by the State of Ohio (or by the federal government) shall be given.

ARTICLE IX
CLOSING DATE

Section 9.01. Subject to the terms and conditions contained in this Agreement, the closing of this transaction shall take place at _____, Ohio. The term "Closing Date" as herein used shall mean the actual date the merger is approved by the Superintendent of Financial Institutions and filed with the Office of the Secretary

Section 9.02. At the time and place above mentioned, Merging Credit Union shall deliver to Continuing Credit Union all of the cash, receivables, loan portfolio, assignments, bills of sale, insurance policies, resolutions adopted by the members and directors of Merging Credit Union, certificates, and such other instruments or documents as may, in the opinion of counsel for Continuing Credit Union, be necessary to transfer to Continuing Credit Union the various assets and property to be sold and transferred hereunder.

Section 9.03. Also at the closing, Continuing Credit Union shall pay the purchase price as hereinabove specified.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed at _____, Ohio, and _____, Ohio, as of the date first above written.

Continuing Credit Union

Credit Union, Inc.

By _____
President

And _____
Secretary

Merging Credit Union

Credit Union, Inc.

By _____
President

And _____
Secretary

COMBINED STATEMENT OF FINANCIAL CONDITION
Form OCU 301

as of _____

Names of Accounts	Continuing CU	Merging CU	Combined Balance Sheet
ASSETS			
Current Loans			
Cash			
Investments			
All Other Assets			

TOTAL ASSETS			
LIABILITIES AND EQUITY			
Notes Payable			
Accounts Payable			
Shares			

Statutory Reserve			
All Other Reserves			

Undivided Earnings			
Net Income (Loss)			
TOTAL LIABILITIES AND EQUITY			
No. of Accounts/Loans			
No. of Potential Members			
Estimates Shares Value	\$		