



National Credit Union Administration

Credit Union: FIRST CAPITAL FEDERAL CREDIT UNION

Charter Number: 24490

LETTER OF EXEMPTION

This Letter of Exemption certifies that federal credit unions are exempt from all taxes imposed by the United States or by any state, territorial, or local taxing authority, except for local real or personal property tax. Section 122 of the Federal Credit Union Act (12 U.S.C. § 1768) states in relevant part:

The Federal credit unions organized hereunder, their property, their franchises, capital reserves, surpluses, and other funds, and their income shall be exempt from all taxation now or hereafter imposed by the United States or by any State, Territorial, or local taxing authority: except that any real property and any tangible personal property of Federal Credit unions shall be subject to Federal, State, Territorial and local taxation to the same extent as other similar property is taxed.

This exemption from taxation includes, but is not limited to, state or local sales taxes for direct purchases of goods or services by a federal credit union, and hotel occupancy taxes on lodging or meals for employees traveling on official federal credit union business. The exemption applies in instances where the obligation of paying the tax falls on the federal credit union, and payment is made by the federal credit union via direct billing or use of a credit card in the name of the federal credit union.

For a more detailed explanation of the tax exemption please visit the agency's website at: http://www.ncua.gov/GenInfo/GuidesManuals/Tax_Exempt/ExemptExplanation.htm

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael J. McKenna', written over a horizontal line.

Michael J. McKenna
General Counsel

(Revised 8/2011)