

August 10, 2018

Dear Members,

I have an exciting announcement for members who were not able to attend the special membership meeting that we held on Tuesday, July 31st. **CentralAlliance will merge with CoVantage Credit Union on January 1, 2019.** This decision was approved by members who attended the special meeting, and who voted overwhelmingly in favor of joining CoVantage. While the CACU Board of Directors and I understand there may be a sense of loss due to no longer being known as CentralAlliance Credit Union, we are celebrating that we will continue to serve you as a strong credit union. In choosing CoVantage, we believe we've found a partner that will do a wonderful job of meeting your financial needs well into the future.

Over the years, CentralAlliance Credit Union has been very successful in maintaining what regulators consider to be a high level of capital. This capital represents the funds we've set aside to help keep our credit union strong during difficult times. With the upcoming merger, rather than transfer this extra capital to CoVantage, we have elected to give a portion back to you, our member-owners. To do this, the CACU Board of Directors has decided to provide a patronage payment to current members who were active members of CACU as of 12/31/2017. The amount each member will receive will be based on a date prior to when merger discussions began. This patronage payment will be deposited as a dividend into each eligible member's primary share account in December of this year. We are proud to be able to distribute over \$6M to our membership.

While the actual merger with CoVantage occurs on January 1, 2019, some work needs to be done to bring our two credit unions together. On January 31, 2019, we will complete the merger by converting our records into the computer systems used by CoVantage. Until then, we'll continue to operate as we do today, with the same staff, hours, and services. In the coming months, you'll receive more information from us and CoVantage explaining what to expect and when; and I anticipate you will be pleased with what they offer. For example, with CoVantage you'll have access to a wider variety of products with enhanced features; an extensive network of ATMs and a full-service contact center with hours from 7am-7pm.

We look forward to continuing to serve you, in the months and years ahead.

Sincerely,



Tonni Larson

CEO, CentralAlliance Credit Union