



Notice of Meeting of the Members of ACU Credit Union

The Board of Directors of ACU Credit Union have called a special meeting of the members of this credit union at the Onstead-Packer Biblical Studies Building, 1850 Teague Blvd, Room #130, Abilene, TX 79699 on December 18, 2024 at 5:30pm. The purpose of this meeting is:

1. To consider and act upon a plan and proposal for merging ACU Credit Union with and into University Credit Union (hereinafter referred to as the "Continuing Credit Union"), whereby all assets and liabilities of ACU Credit Union will be merged with and into the Continuing Credit Union. All members of ACU Credit Union will become members of the Continuing Credit Union and will be entitled to and will receive shares in the Continuing Credit Union for the shares they own in ACU Credit Union on the effective date of the merger.
2. To ratify, confirm and approve the action of the Board of Directors in authorizing the officers of ACU 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 Board of Directors of ACU Credit Union encourages you to attend the meeting and vote on the proposed merger. Whether or not you expect to attend the meeting, we urge you to sign, date and promptly return the enclosed ballot to vote on the proposed merger.

If you wish to submit comments about the merger to share with other members, you may submit them to the National Credit Union Administration (NCUA) at <https://ncua.gov/support-services/credit-union-resources-expansion/credit-union-merger-resources/comments-proposed-credit-union-mergers> or mail to:

NCUA - Office of Credit Union Resources and Expansion 1775 Duke Street
Alexandria, VA 22314

RE: Member-to-Member Communication for ACU Credit Union

The NCUA will post comments received from members on its website, along with the member's name, subject to the limitations and requirements of its regulations.

Other Information Related to the Proposed Merger:

The Board of Directors has carefully evaluated and analyzed the assets and liabilities of the credit unions and the value of shares in both credit unions. The financial statements of both credit unions, as well as the projected combined financial statement of the continuing credit union, follow as separate documents. In addition, the following information applies to the proposed merger.

Reasons for merger: The Board of Directors has concluded that the proposed merger is desirable and in the best interests of members as it will better serve the local communities of University CU and ACU CU and to bring greater financial resources, financial products, delivery channels and other benefits to the depositors, borrowers, customers and members. As a result of the proposed merger, the Continuing Credit Union will be able to offer, and you will be able to expect:

University Community. University Credit Union is a purpose-drive financial cooperative dedicated to giving those in the university community a financial advantage. Bringing the members of ACU Credit Union into a cooperative that understands the needs of the university community that will support its members in their endeavors.

NCUA 6305A (05/20)



More Responsive to Evolving Financial Needs. As a larger institution, the Credit Union will gain the economies of scale and efficiencies in operations, infrastructure, risk management and financial metrics that result from a consolidated organizational structure. It allows for a consolidation of energies and resources of the two credit unions to better serve the members in a competitive and secure environment. As a larger institution it will allow us to be more competitive and with our combined systems, over time, we have the opportunity for increased operating efficiencies and cost savings leading to the potential for more competitive rates and enhance products, services, locations, and technology.

Financial Philosophy. The two institutions share similar philosophies and services so our membership should see minimal changes during the transition. There will be an expansion of the products that will be offered.

Service. The same knowledgeable and friendly staff would be available to serve you after the merger. ACU employees will be offered employment with the Continuing Credit Union. Business will continue as it normally has along with outstanding member service which is vital to both organizations.

Continued Growth. The Continuing Credit Union will be poised to continue growth and prosperity with a clear, forward-thinking vision for the future of the combined organization.

Well-Capitalized. Both institutions are classified as "well capitalized" which is the highest reserve strength category as determined by the NCUA.

Insurance. Member deposits will continue to be federally insured by the National Credit Union Share Insurance Fund, as they are today.

Beyond these immediate benefits, this merger will combine two established entities that share similar values and commitment to the university community, their members, and their financial futures. With the combined vision, people, and capabilities of these two Credit Unions, the members, communities, and employees will receive enduring benefits. The combined entity will leverage its leadership and innovation to offer members competitive products and services, even better than they have today.

Net worth: The net worth of a merging credit union at the time of a merger transfers to the continuing credit union. ACU Credit Union has a higher net worth than University Credit Union, accordingly a share adjustment will be made as set forth below.

Share adjustment or distribution: There will be a distribution in a total amount of Nine Hundred Thousand Dollars (\$900,000), which shall be distributed as follows: (a) Seven Hundred Thousand Dollars (\$700,000) distributed pro rata based on the average daily balances of regular share accounts over the twelve (12) months prior to June 30, 2024, and (b) Two Hundred Thousand Dollars (\$200,000) as an interest rebate, pro rata based on interest paid on loans for the 12 months prior to June 30, 2024. The distribution will be deposited into each eligible member's share account on or prior to the Merger Date. All such members must remain in good standing and maintain a share account with ACU Credit Union up to and as of the Merger Date to be eligible to receive the distribution.

Locations of merging and continuing credit union: ACU Credit Union's main office at 701 College Drive, Abilene, Texas 79601 will remain open. As noted above, the combined Continuing Credit Union will provide members with access to a significantly greater number of credit union branches, including the following Branch locations of the Continuing Credit Union:

- *Westwood Advisory Center:* 1500 S. Sepulveda Blvd., Los Angeles, CA 90025



- *UCLA Advisory Center*: 308 Westwood Plaza (A-Level, across from textbooks), Los Angeles, CA 90095
- *Saint Mary's College Banking Hub*: 1928 St. Mary's Rd, Dryden Hall, Moraga, CA 94556
- *UC Davis Banking Hub Memorial Union*: Memorial Union, Ste 246, 1 Shields Ave., Davis, CA 95616
- *University of California San Diego Banking Hub*: Price Center, 9500 Gillman Dr., La Jolla, CA 92093
- *Santa Clara University Banking Hub*: Benson Memorial Center, 820 Alviso St., Santa Clara, CA 95050

Changes to services and member benefits: Please see above for details.

Please note that the proposed merger must have the approval of the majority of members who vote.

Enclosed with this Notice of Special Meeting is a Ballot for Merger Proposal. If you cannot attend the meeting, please complete the Ballot, and return it to: ACU Credit Union c/o Rudolph A. Munoz, Jr., CPA, 3401 TX-306 Loop Ste A, San Angelo, TX 76904.

To be counted, your Ballot must be received by December 18, 2024 at 5:30 pm. Also, if required, the Credit Union will submit an application to the Commissioner of the California Department of Financial Protection & Innovation for approval of the merger pursuant to California Financial Code Section 15201(b).

BY THE ORDER OF THE BOARD OF DIRECTORS:


Joe Cardini [Oct 18, 2024 14:37 CDT]

Board Chairperson

18/10/24

Date