Detailed explanation of the reason for the merger.

There are a number of reasons for the merger of North Island Financial Credit Union ("NICU") with and into California Credit Union ("CCU"). This is a partnership between two strong, healthy credit unions to create a new organization that will be well positioned to grow and increase member value over the long term.

CCU and NICU originated in separate areas of Southern California (Los Angeles and San Diego) and thus have different historical footprints. CCU currently maintains 13 proprietary branches and ATMs in the Los Angeles area while NICU currently maintains 10 branches and ATMs in the San Diego area. With this geographic diversity, each credit union's membership would benefit greatly from full access to the additional proprietary branches and ATMs of the other credit union. The synergy between the two branch networks will result in no branch closures or consolidations being necessary and reduced expansion costs for each credit union. Moreover, members of the Continuing Credit Union will have access to access to their accounts through 24 branches with full service Saturday banking, 30,000+ fee free ATMs and 24-hour telephone, digital and mobile banking.

By combining the two financially strong credit unions, the combined continuing credit union will be able to leverage the economies of scale which will ultimately benefit its members. Following the merger, members of both credit unions will benefit from the combined total of approximately 23 branches, multiple ATMs, over $2.8 billion in assets, and a staff of approximately 66. In addition, members of the combined continuing credit union will have enhanced products and services available to them as well as access to more branches throughout Southern California. Also, by combining and integrating the two credit unions' separate tactical plans and initiatives, technology, systems, infrastructure and human resources, the combined continuing credit union will be able to, over time, reduce operating expenses and help increase capital and return on assets.

Culturally, both credit unions align well as they both have strong ties and long histories with their respective fields of membership and communities, which will help facilitate a successful integration. To that end, leadership...
With the foregoing in mind, as well as the fact that the combined continuing credit union will continue each credit union’s long history of serving Southern California, the merger is a perfect fit.

☑ Proposed effective date of the merger.

January 1, 2017

☑ Current financial statements for both credit unions.

(b)(4)
See attached.

☒ Current delinquent loan summary for both credit unions.

See attached.

☒ Current analysis of the adequacy of the Allowance for Loan and Lease Losses for both credit unions.

See attached.

☒ Consolidated financial statement, including an assessment of the net worth of each credit union before the merger and the net worth of the continuing credit union after the merger.

See attached.

☒ Explanation of any proposed share adjustment.

There will be no adjustment in shares due to the fact that after all one-time merger costs (including early contract termination fees, related cancellations/buyouts, prepaid expenses, and depreciation) as well as accounting for the combined continuing credit union's extensive infrastructure, product offerings, and online and mobile technology, are accounted for the difference between the credit unions' probable asset share ratios will not be material, or otherwise will not result in the combined continuing credit union having a larger ratio. Moreover, members of the continuing credit union will be able to receive additional products and services resulting from the combined continuing credit union.

☒ Explanation of any provisions for reserves, undivided earnings, or dividends.

The merging credit union's reserves and undivided earnings will be transferred to the combined continuing credit union as a result of the merger. The merging credit union will continue paying dividends consistent with past practices until the merger is completed.

☒ Provisions for notifying and paying creditors.
Explanation of any changes to insurance, such as life savings and insurance of member accounts.

Not applicable.

Copies of the merging and continuing credit unions' fields of membership.

See attached.

Information on where the members will be served. The location of the continuing credit union office(s) and/or plans to serve the members through the merging credit union's existing office(s).

(b)(4); (b)(8)

CCU currently maintains a number of branches and ATMs in the Los Angeles area and NICU currently maintains a number of branches and ATMs in the San Diego
If the merging credit union has $50 million or more in assets on its latest call report, a statement about whether the two credit unions intend to make a Hart-Scott-Rodino Act prem erger notification filing with the Federal Trade Commission and, if not, why not.

*The merging credit union has approximately [(b)(4)]* in assets. The credit unions intend to file a Hart-Scott-Rodino Act prem erger notification filing with the Federal Trade Commission. Currently, it appears that the filing fee will be [(b)(4)] for such application. The application is currently being prepared by both credit unions. Should either the NCUA or the DBO have questions, do not hesitate to contact the credit unions.

One primary contact person at both the merging and continuing credit unions and their mailing addresses, e-mail addresses, and phone numbers (for questions or notification of merger decisions).

Ronald L. McDaniel, President/CEO
California Credit Union
701 North Brand Boulevard
Glendale, CA 91203
Telephone No. (818) 291-5509
Email: [(b)(6)]

Stephen O'Connell, President/CEO
North Island Financial Credit Union
P. O. Box 85833
San Diego, CA 85833
Telephone No.: (858) 769-7900
Email: [(b)(6)]
If the merging credit union is state-chartered and the continuing credit union is federally chartered, evidence that all assets and liabilities meet requirements of the Federal Credit Union Act.

The continuing credit union is a California State Chartered credit union.

If applicable, evidence your State Supervisory Authority approves of the proposed merger.

We are currently waiting for DBO confirmation of the merger.

If the continuing credit union is nonfederally insured, proof that the accounts of the merging credit union will be accepted for coverage by the nonfederal insurer.

Not applicable.

If the continuing credit union is nonfederally insured or noninsured, a written statement from the continuing credit union that it “will fully comply with the requirements of 12 U.S.C. Part 1831t(b), including all notification and acknowledgment requirements.”

Not applicable.

Description of any merger related financial arrangements required to be disclosed to the NCUA and/or members of the merging credit union.

Required Forms-Federal and State Chartered Credit Unions

NCUA 6302. Merger Resolution: Continuing Credit Union.

NCUA 6303. Merger Resolution: Merging Credit Union.

NCUA 6304, Merger Agreement – submit the proposed merger agreement addressing any share adjustments with the initial application. Submit an executed copy which is
signed, dated, and notarized, after the effective date of the merger. Merging and
Continuing Credit Unions.

☐ NCUA 6311, Probable Asset/Share Ratio Computation: Continuing Credit Union.

☐ NCUA 6312, Probable Asset/Share Ratio Computation: Merging Credit Union.

**Additional Required Forms-Merging Federal Credit Unions**

For Federal credit unions merging into a federally insured credit union:

☐ NCUA 6305A, Notice of Special Meeting of the Members on Proposal to Merge.

☐ NCUA 6306A. Ballot for Merger Proposal.

For Federal credit unions merging into a nonfederally insured credit union:

☐ NCUA 6305B, Notice of Special Meeting on Proposal to Merge and Convert to
Nonfederally Insured Status.

☐ NCUA 6306B, Ballot for Merger Proposal and Conversion to Nonfederally Insured
Status.

For Federal credit unions merging into a credit union with no deposit insurance:

☐ NCUA 6305C, Notice of Special Meeting on Proposal to Merge and Terminate Federal
Insurance.

☐ NCUA 6306C, Ballot for Merger Proposal and Termination of Federal Insurance.
<table>
<thead>
<tr>
<th>Pre Fair Value</th>
<th>Continuing Credit Union</th>
<th>Morphing Credit Union</th>
<th>Continuing Credit Union Combined Credit Union</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>California Credit Union</td>
<td>North Island Financial CU</td>
<td>#60784</td>
</tr>
<tr>
<td></td>
<td>IG0784</td>
<td>#36451</td>
<td>#60784</td>
</tr>
<tr>
<td>Interest Income</td>
<td>$128,746</td>
<td>$298,397</td>
<td>(b)/(4)</td>
</tr>
<tr>
<td>interest on Cash Balances</td>
<td>$38,488,429</td>
<td>$60,301,951</td>
<td></td>
</tr>
<tr>
<td>interest on Member Loans</td>
<td>$2,741,052</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>income from investments</td>
<td>$5,771,070</td>
<td>$2,772,633</td>
<td></td>
</tr>
<tr>
<td>Total Interest Income</td>
<td>$47,124,916</td>
<td>$33,353,581</td>
<td></td>
</tr>
<tr>
<td>Int. on Borrowed Money</td>
<td>$939,949</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Dividend on Shares</td>
<td>$3,774,412</td>
<td>$1,209,154</td>
<td></td>
</tr>
<tr>
<td>Total Interest Expense</td>
<td>$5,714,356</td>
<td>$1,209,822</td>
<td></td>
</tr>
<tr>
<td>Net Interest Income</td>
<td>$42,400,557</td>
<td>$32,143,659</td>
<td></td>
</tr>
<tr>
<td>Net Real Estate Rental Income</td>
<td>$2,394,355</td>
<td>$1,210,717</td>
<td></td>
</tr>
<tr>
<td>Service Fee Income</td>
<td>$4,978,996</td>
<td>$4,146,096</td>
<td></td>
</tr>
<tr>
<td>Gain/(Loss) Sale of Loans</td>
<td>$3,521,181</td>
<td>$401,878</td>
<td></td>
</tr>
<tr>
<td>Gain/(Loss) Sale of Investments</td>
<td>$337,718</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Net Loan Servicing Income</td>
<td>$641,651</td>
<td>$426,656</td>
<td></td>
</tr>
<tr>
<td>Other Income</td>
<td>$7,736,664</td>
<td>$8,381,094</td>
<td></td>
</tr>
<tr>
<td>Total Non-Interest Income</td>
<td>$12,256,257</td>
<td>$20,756,220</td>
<td></td>
</tr>
<tr>
<td>Non-Interest Expenses</td>
<td>(b)/(4)</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Net Income before Provision for Loan Losses</td>
<td>$9,569,433</td>
<td>$10,097,725</td>
<td></td>
</tr>
<tr>
<td>Provision for Loan Losses</td>
<td>$541,424</td>
<td>$(594,000)</td>
<td></td>
</tr>
<tr>
<td>Net Income</td>
<td>$9,088,009</td>
<td>$10,503,725</td>
<td></td>
</tr>
</tbody>
</table>
### Pre Fair Value

<table>
<thead>
<tr>
<th>Description</th>
<th>Continuing Credit Union</th>
<th>Merging Credit Union</th>
<th>Merging Credit Union Fair Value Adjustments (f)</th>
<th>Continuing Credit Union Combined Credit Union</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/30/2015</td>
<td>$10,877,658</td>
<td>$18,355,205</td>
<td>$19,038,201</td>
<td>$20,877,658</td>
</tr>
<tr>
<td>Cash - Interest Bearing Investments</td>
<td>$1,518,807</td>
<td>77,333,282</td>
<td>153,102,429</td>
<td>230,911,412</td>
</tr>
<tr>
<td>Credit Card Loans</td>
<td>$2,628,064</td>
<td>$19,038,201</td>
<td>$20,666,265</td>
<td>$21,666,265</td>
</tr>
<tr>
<td>Auto Loans</td>
<td>$2,628,064</td>
<td>$15,157,639</td>
<td>16,784,201</td>
<td>18,411,834</td>
</tr>
<tr>
<td>Used Vehicle Loans</td>
<td>$2,628,064</td>
<td>44,270,556</td>
<td>45,897,112</td>
<td>47,523,668</td>
</tr>
<tr>
<td>Total Loans</td>
<td>$2,628,064</td>
<td>125,316,875</td>
<td>137,944,031</td>
<td>140,572,096</td>
</tr>
<tr>
<td>Loans Receivable</td>
<td>$2,628,064</td>
<td>211,366,033</td>
<td>223,992,094</td>
<td>226,618,157</td>
</tr>
<tr>
<td>Net Loans</td>
<td>$2,628,064</td>
<td>836,660,797</td>
<td>849,327,454</td>
<td>861,994,111</td>
</tr>
<tr>
<td>Real Estate Loans Held for Sale</td>
<td>$2,628,064</td>
<td>3,561,812</td>
<td>3,923,624</td>
<td>4,285,436</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>$2,628,064</td>
<td>54,469,756</td>
<td>57,031,572</td>
<td>59,593,328</td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>$2,628,064</td>
<td>9,607,478</td>
<td>10,115,055</td>
<td>10,622,633</td>
</tr>
<tr>
<td>Other Assets</td>
<td>$2,628,064</td>
<td>27,976,459</td>
<td>30,543,914</td>
<td>33,110,373</td>
</tr>
<tr>
<td>Other Intangibles</td>
<td>$2,628,064</td>
<td>27,976,459</td>
<td>30,543,914</td>
<td>33,110,373</td>
</tr>
<tr>
<td>Total Intangible Assets</td>
<td>$2,628,064</td>
<td>27,976,459</td>
<td>30,543,914</td>
<td>33,110,373</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$2,628,064</td>
<td>90,113,928</td>
<td>92,680,484</td>
<td>95,247,048</td>
</tr>
</tbody>
</table>

### Liabilities & Equity

<table>
<thead>
<tr>
<th>Description</th>
<th>Continuing Credit Union</th>
<th>Merging Credit Union</th>
<th>Merging Credit Union Fair Value Adjustments (f)</th>
<th>Continuing Credit Union Combined Credit Union</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrowings</td>
<td>$150,000,000</td>
<td>$15,029,927</td>
<td>$16,548,739</td>
<td>$16,548,739</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>$150,000,000</td>
<td>$15,029,927</td>
<td>$16,548,739</td>
<td>$16,548,739</td>
</tr>
<tr>
<td>Regular Shares</td>
<td>$587,320,622</td>
<td>$102,958,253</td>
<td>$115,587,088</td>
<td>$128,145,341</td>
</tr>
<tr>
<td>Money Market Shares</td>
<td>$12,240,067</td>
<td>$46,104,819</td>
<td>$58,345,886</td>
<td>$64,450,695</td>
</tr>
<tr>
<td>Share Drafts</td>
<td>$193,642,716</td>
<td>$312,757,694</td>
<td>$344,400,410</td>
<td>$376,151,104</td>
</tr>
<tr>
<td>Share Certificates</td>
<td>$84,900,660</td>
<td>$118,233,395</td>
<td>$131,134,055</td>
<td>$144,267,450</td>
</tr>
<tr>
<td>Total Member's Shares</td>
<td>$289,809,939</td>
<td>$54,401,562</td>
<td>$62,581,539</td>
<td>$67,083,091</td>
</tr>
<tr>
<td>Total Equity</td>
<td>$1,157,270,642</td>
<td>$1,054,445,444</td>
<td>$1,169,540,884</td>
<td>$1,173,084,728</td>
</tr>
<tr>
<td>Total Liabilities &amp; Equity</td>
<td>$1,157,270,642</td>
<td>$1,054,445,444</td>
<td>$1,169,540,884</td>
<td>$1,173,084,728</td>
</tr>
</tbody>
</table>

(1) The Fair Value adjustments reflected above are derived from the preliminary Wilsey Wims fair value estimate of NECU's assets and liabilities as of September 30, 2015. For combined statement purposes as of December 31, 2015, the high level fair value valuation analysis was used with the assumption of no change in the fair value of NECU's assets and liabilities adjusted for capital as December 31, 2015. A detailed fair value analysis will be completed using the actual merger date.
Merger Resolution

California Credit Union
(Continuing)

Resolution
The Board of Directors believes our credit union should merge with North Island Financial Credit Union (merging credit union).

Our credit union will assume the merging credit union's shares and liabilities. The merging credit union will transfer to our credit union all of its assets, rights, and property. All members of the merging credit union will receive shares in our credit union, which will stay in business under its present charter.

Certification
We, the Board Presiding Officer and Secretary of this credit union, are authorized to:

- Seek National Credit Union Administration and/or California Department of Business Oversight approval of the merger.
- Execute and deliver the merger agreement on the effective date of the merger.
- Execute all agreements and other papers required to complete the merger.

We certify to the National Credit Union Administration and/or California Department of Business Oversight that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Directors of our credit union at a meeting held under our bylaws on March 23, 2016. A quorum was present and voted. The resolution is duly recorded in the minutes of the meeting and is still in full force and effect.

Walter Greene, Chairman of the Board

Date 03/23/2016

Victor Hanson, Secretary

Date 03/23/2016
Merger Resolution

North Island Financial Credit Union
(Merger)

Resolution
The Board of Directors believes our credit union should merge with California Credit Union (continuing credit union).

The continuing credit union will assume the shares and liabilities of our credit union. Our credit union will transfer to the continuing credit union all of our assets, rights, and property. All members of our credit union will receive shares in the continuing credit union, which will stay in business under its present charter.

Certification
We, the Board Presiding Officer and Secretary of this credit union, are authorized to:

- Seek National Credit Union Administration and/or California Department of Business Oversight approval of the merger.
- Execute and deliver the merger agreement on the effective date of the merger.
- Execute all agreements and other papers required to complete the merger.

We certify to the National Credit Union Administration and/or California Department of Business Oversight that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Directors of our credit union at a meeting held under our bylaws on March 24, 2016. A quorum was present and voted. The resolution is duly recorded in the minutes of the meeting and is still in full force and effect.

Alfred L. Pellerin, Chairman of the Board

Rebecca Collier, Secretary

Date

3/24/2016
PLAN OF MERGER OF
NORTH ISLAND FINANCIAL CREDIT UNION INTO
CALIFORNIA CREDIT UNION

This Plan of Merger is agreed to between California Credit Union, a California state-chartered credit union, the continuing/surviving credit union ("Surviving Credit Union"), and North Island Financial Credit Union, a California state-chartered credit union, the merging/disappearing credit union ("Disappearing Credit Union"). The parties agree as follows:

1. Disappearing Credit Union shall merge with and into Surviving Credit Union.

2. Each membership in the Disappearing Credit Union shall be converted into a membership in the Surviving Credit Union. Each membership in the Surviving Credit Union shall remain a membership in the Surviving Credit Union.

3. The following amendment to the bylaws of the Surviving Credit Union shall be effected by the filing of this Plan of Merger:

   Section 300 of the bylaws of the Surviving Credit Union ("Field of Membership") is amended as provided in Attachment "A." Such change shall be effected by the filing of this Plan of Merger.

4. The articles of incorporation of the Surviving Credit Union, as in effect immediately prior to the effective date of the merger, shall remain the articles of incorporation of the Surviving Credit Union.

5. 

6. There will be no adjustment in shares due to the fact that after all one-time merger costs (including early contract termination fees, related cancellations/buyouts, prepaid expenses, and depreciation) as well as accounting for the combined Surviving Credit Union's extensive infrastructure, product offerings, and online and mobile technology, are accounted for the difference between the credit unions' probable asset share ratios will not be material, or otherwise will not result in the combined continuing credit union having a larger ratio. Moreover, members of the Surviving Credit Union will be able to receive additional products and services resulting from the combined Surviving Credit Union.
7. Upon consummation of the merger, the Surviving Credit Union shall succeed, without other transfer, to all the rights and property of the Disappearing Credit Union and shall be subject to all the debts, liabilities, and obligations of the Disappearing Credit Union in the same manner as if incurred by the Surviving Credit Union.

3. All prepaid insurance premiums of the Disappearing Credit Union will be applied to the Surviving Credit Union in any equitable manner to which CUMIS or Berkeley Regional Insurance Company (or other applicable insurance carrier) may agree.

9. Any action or proceeding pending by or against the Disappearing Credit Union may be prosecuted to judgment, which shall bind the Surviving Credit Union, or the Surviving Credit Union may be proceeded against or substituted in its place.

IN WITNESS WHEREOF, the parties hereto have executed this Plan of Merger on March 24, 2016.

North Island Financial Credit Union
(Merging/Disappearing Credit Union)
(S)________________________
Alfred E. Pellerin
Chairman of the Board
(S)________________________
Rebecca Collier
Secretary
California Credit Union
(Continuing/Surviving Credit Union)
(S)________________________
Walter Greene
Chairman of the Board
(S)________________________
Victor Hanson
Secretary
ATTACHMENT "A"

As a result of the merger with North Island Financial Credit Union ("Disappearing Credit Union"), the following amendments to Section 300 of the Bylaws of California Credit Union are affected by the filing of this Plan of Merger:

1. Section 300, subsection (i) is revised to read as follows:
   
   (i) Members of immediate family or household of members of this credit union which includes their spouses or domestic partners.

2. Section 300, subsection (m) is added to read as follows:

   (m) Persons retired as pensioners or annuitants of any groups listed herein.

3. The following Field of Membership of Disappearing Credit Union shall be added to Section 300:

   (n) As a result of the Merger of North Island Financial Credit Union into this Credit Union, the following is hereby added:
   
   (i) Any and all persons who live, regularly work, currently attend school or currently worship in San Diego County, California, as well as any businesses, corporations, and other legal entities in San Diego County, California.

   (ii) Any and all persons who live, regularly work, currently attend school or currently worship in Orange County, California, as well as any businesses, corporations, and other legal entities in Orange County, California.

   (iii) Any and all persons who live, regularly work, currently attend school or currently worship in Riverside County, California, as well as any businesses, corporations, and other legal entities in Riverside County, California.
CERTIFICATE OF MERGER

The undersigned certify that:

1. They are the Chairman of the Board and Secretary of NORTH ISLAND FINANCIAL CREDIT UNION ("Merging Credit Union").

2. A plan of merger with CALIFORNIA CREDIT UNION has been duly approved by the board of directors of the credit union.

3. A copy of the plan of merger is attached hereto and a copy of the written approval by the Commissioner of the Department of Business Oversight is attached hereto.

4. If the credit union is the surviving credit union in the merger, this paragraph 4 does not apply. If the credit union is the merging credit union in the merger, check whether paragraph A, B or C below is applicable:

☐ A. The total number of members of the merging credit union is ________ and the plan of merger has been duly approved by the required vote of the members pursuant to Section 15201 (a) or (b) of the Financial Code.

☐ B. The total number of members of the merging credit union is ________ and the plan of merger has been duly approved by the required vote of the members pursuant to National Credit Union Administration Rules.

☐ C. No vote of the members of the merging credit union was required, the Commissioner of the Department of Business Oversight having approved the merger pursuant to subdivision (c) of Section 15201 of the Financial Code.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this Certificate are true and correct of our own knowledge.

DATE: ___________ 2016

[Name]
Chairman of the Board

[Name]
Secretary

(b)(4)
SUPPLEMENTAL MERGER AGREEMENT

This SUPPLEMENTAL MERGER AGREEMENT ("Agreement") is made and entered into and is effective this March 30, 2017 ("Effective Date")., by and between CALIFORNIA CREDIT UNION, a California state-chartered credit union (herein "CCU"), and NORTH ISLAND FINANCIAL CREDIT UNION, a California state-chartered credit union (herein "NICU").

RECITALS:

WHEREAS, CCU and NICU are each engaged in the business of the lawful activities of a credit union;

WHEREAS, CCU and NICU desire to set forth their intention to merge upon approval and/or consent of the California Department of Business Oversight ("DBO"), the National Credit Union Administration ("NCUA"), the Federal Trade Commission ("FTC"), if applicable, and the members of NICU;

WHEREAS, the proposed transaction shall be implemented through a merger of NICU into CCU;

WHEREAS, the Credit Union formed by the Merger of CCU and NICU as of and after the Merger Date is hereinafter referred to, from time to time, as the "Combined Credit Union";

WHEREAS, following the Merger Date, the name of the Combined Credit Union shall be "California Credit Union." The Combined Credit Union shall have regional headquarters located in San Diego, CA and Glendale, CA;

WHEREAS, subject to regulatory limitations, the Fields of Membership of both Credit Unions would be combined together, forming a new Field of Membership for the Combined Credit Union. The organizational charter, bylaws and deposit insurance for the Combined Credit Union would be that of CCU and, as appropriate, CCU will take the appropriate action to amend its Bylaws to increase the size of the Board of Directors to accommodate the agreed upon representations described herein;

WHEREAS, CCU and NICU are committed to continuing to provide a competitive line of quality financial products and services to the members and potential members of the Combined Credit Union;

WHEREAS, the members of both Credit Unions will benefit from the combined staff, branches and products and services available to all members of the Combined Credit Union;

WHEREAS, among other things, the purpose of the Merger will be (1) to combine the energies and resources of both Credit Unions for the betterment of the members of both Credit Unions; and (2) to take steps to assist in providing for the future viability of credit union services for the members of CCU and the members of NICU;
WHEREAS, the contemplated date for consummation (close) of the Merger (the “Merger Date”) is anticipated to be December 1, 2016, or as soon as practical;

WHEREAS, each Credit Union acknowledges that the other Credit Union is federally insured;

WHEREAS, NICU will conduct the member vote on the Merger. Members of NICU will, at a mutually agreeable time, be advised of the intention to merge and only those members will need to vote on the proposed Merger as required under applicable law;

WHEREAS, the parties hereto wish to set forth certain agreements, terms and conditions, hereinafter set forth, for such Merger, which are in addition to the merger forms required by the DBO, the NCUA, and the FTC, if applicable;

WHEREAS, each party desires that the other party continue its operations subject to the terms of this Agreement in its normal course of business until the Merger Date, which for purposes of this Agreement shall mean the date on which both parties consummate the Merger under NCUA’s Merger Agreement (Form 6304) and the receipt by the DBO of the DBO approved Plan of Merger filed with the California Secretary of State;

WHEREAS, the terms and conditions set forth herein are supplemental to the contemplated regulatory merger documents; and

WHEREAS, this Agreement is intended to be the final, complete, and exclusive statement of the terms of the parties hereto. This Agreement supersedes all other prior and contemporaneous agreements and statements, whether written, oral, express or implied, pertaining in any manner to the matters addressed or otherwise referred to herein, and it may not be contradicted by evidence of any prior or contemporaneous statements or agreements;

NOW, THEREFORE, in consideration of the mutual covenants contained herein and with the intention of being legally bound hereby, the parties hereto agree as follows:

1. **Intention to Merge.**

   The Recitals set forth above are incorporated by this reference as set forth in full.

   On the basis of the representations and warranties and subject to the terms and conditions hereinafter set forth herein, CCU and NICU hereby agree that they intend NICU to merge into CCU based upon fulfillment of the terms and conditions of this Agreement and approval of the DBO, the NCUA, the FTC, if applicable, the members of NICU and/or any other required approvals as well as the execution of the merger forms required by the DBO and the NCUA and the required “Plan of Merger” as mandated by the DBO.

2. **Representations and Warranties of NICU.** NICU represents and warrants to CCU the following:
2.1 Due Organization of NICU.

2.1.1 To the best of NICU's knowledge, it is a credit union duly organized, validly existing and in good standing under the laws of the State of California and is qualified to do business and has full power and authority, corporate and otherwise, to carry on its business in the jurisdictions and in the manner in which such business has been and is now being conducted.

2.1.2 To the best of NICU's knowledge, (a) all corporate and other proceedings required to be taken by or on the part of NICU and its Board of Directors to authorize and execute this Agreement and to carry out the terms of this Agreement have been or will be taken on or before the date this Agreement is executed, and (b) this Agreement is a valid and binding obligation of NICU and enforceable in accordance with its terms.

2.2 Subsidiaries. To the best of NICU's knowledge, it has no shares or investments in stock, securities or other assets which are impermissible under the law. To the best of NICU's knowledge, its subsidiaries, if any, have been properly formed and are lawfully being operated pursuant to state and federal law. To the best of NICU's knowledge, it is not a partner, joint venturer or associate in any other business with any other business or firm.

2.3 Real Property, Tangible Personal Property and Corporate Name.

2.3.1 To the best of NICU's knowledge, on the Merger Date it will have good and marketable title to all of its real and personal property, subject to no mortgage, lien, claim, security interest, encumbrance or charge whatsoever, other than those in existence as of the date of this Agreement.

2.3.2 To the best of NICU’s knowledge, it has full right, title and ownership of its corporate name and that of any subsidiary, and such corporate name(s) is not being infringed upon or claimed by any other person or entity.

2.4 Governmental Authority. To the best of NICU's knowledge, it possesses valid and current permits, licenses and/or franchises from whatever governmental agencies require the same and have jurisdiction over its business. To the best of NICU's knowledge, NICU has complied with all statutes, regulations, rules and other orders of all governmental departments or agencies having jurisdiction over it or its business. To the best of NICU's knowledge, NICU has not received any notice from any governmental authority or agency which would, in any way, adversely affect its business.

2.5 Contracts and Agreements. NICU agrees to make available upon CCU's request, copies of any and all material contracts, or other documents, if any, to which NICU is, as of the date of this Agreement, a party. To the best of NICU's knowledge, all such contracts are valid and binding obligations of the parties thereto in accordance with their respective terms and, to the best of NICU's knowledge, there are no liabilities arising from any default by NICU heretofore, in any of such contracts. Prior to the Merger Date, NICU will use its best efforts to obtain and deliver to CCU any and all consents to transfer any such contracts as may be necessary.
to effectuate the Merger or take other action (such as termination) as mutually agreed upon by NICU and CCU.

2.6 Access to Books, Records and Information. NICU has and will permit CCU and its authorized representatives to have full access to the books and records of NICU as reasonably possible taking into account legal privileges or other restrictions and will make available to CCU and its authorized representatives such financial and operating data and other information as CCU shall reasonably request prior to the Merger Date. NICU hereby authorizes representatives of CCU to investigate the assets of NICU. NICU agrees that any investigation or inquiry made by CCU pursuant to this Agreement shall not in any way affect or lessen the representations and warranties made by NICU in this Agreement; provided, however, that CCU will advise NICU if such investigation or inquiry reveals any material violation of this Agreement.

2.7 Labor, Benefit, and Employment Agreements. To the best of NICU’s knowledge, there are no collective bargaining agreements or other labor agreements to which NICU is a party. NICU will provide CCU with access to its records with regard to any pension plans or other employment, profit sharing, deferred compensation, bonus, stock option, stock purchase, retainer, consultant, retirement, welfare or incentive plans or contracts or other “fringe benefits” for employees, as permitted by law.

2.8 Litigation and Disputed Items.

2.8.1 Except with respect to the matter of SDCCU v. Roark, et al., to the best of NICU’s knowledge, neither NICU nor any of its current officers, directors or employees are engaged in any pending litigation or other proceedings in their capacities as officers, directors, or employees of NICU, nor are any of them subject to any existing judgment, settlement, order or decree, other governmental action or proceedings in their capacities as officers, directors, or employees of NICU, or are aware of any other circumstance (including, but not limited to, bond claim(s)) which would (a) materially and adversely affect the operation of the properties or business of NICU up to the Merger Date, or the Combined Credit Union, or (b) prevent, hamper or make illegal the transactions contemplated by this Agreement.

NICU agrees to provide full disclosure to CCU of any litigation, disputed items or other circumstances which subsequently arise or come to its attention after the date of this Agreement which would (a) materially and adversely affect the operation of the properties or business of NICU up to the Merger Date or the Combined Credit Union, or (b) prevent, hamper or make illegal the transactions contemplated by this Agreement. If such disclosure is made subsequent to the date of this Agreement, notwithstanding anything else herein, CCU, in its sole discretion, may terminate this Agreement.

2.8.2 To the best of NICU’s knowledge, there are no creditors of NICU to whom NICU has assigned such assets as would constitute a “Bulk Sale” under the California Uniform Commercial Code, Section 6101, et seq.
2.9 Taxes. To the best of NICU's knowledge, it is not delinquent in the payment of any withholding taxes, other taxes, penalties, interest, assessments or other governmental charge.

2.10 Violation of Other Instruments. To the best of NICU's knowledge, the consummation of the transactions contemplated by this Agreement will not result in a breach of any term or provision of or constitute a default under any contract, agreement, mortgage or note, or the Charter or Bylaws of NICU which breach or default would have any material effect on the Combined Credit Union. Further, to the best of NICU's knowledge, the consummation of the anticipated Merger contemplated by this Agreement will not result in a breach of any agreement, instrument or understanding to which NICU is a party or by which it is bound which breach or default would have any material effect on the Combined Credit Union.

2.11 Membership Vote. The vote of NICU's members on the Merger proposal will be true and accurate to the best of NICU's knowledge such that NICU can proceed with the Merger if approved by its members.

2.12 Correctness of Representations and Warranties. The representations and warranties of NICU herein contained shall be true and correct on and as of the date of this Agreement, and NICU shall give notice in writing to CCU if any of the representations and warranties under this Agreement become untrue between the date of this Agreement and the Merger Date.

2.13 Additional Commitments of NICU. NICU agrees to exercise its best efforts to satisfy any DBO requirements to assure that the Combined Credit Union's Field of Membership includes persons or entities currently served by NICU prior to the Merger Date.

3. Representations and Warranties of CCU. CCU represents and warrants to NICU the following:

3.1 Due Organization of CCU.

3.1.1 To the best of CCU's knowledge, it is a credit union duly organized, validly existing and in good standing under the laws of the State of California and is qualified to do business, and has full power and authority, corporate and otherwise, to carry on its business in the jurisdictions and in the manner in which such business has been and is now being conducted.

3.1.2 To the best of CCU's knowledge, (a) all corporate and other proceedings required to be taken by or on the part of CCU and its Board of Directors to authorize and execute this Agreement and to carry out the terms of this Agreement have been or will be taken on or before the date this Agreement is executed, and (b) this Agreement is a valid and binding obligation of CCU and enforceable in accordance with its terms.

3.2 Subsidiaries. To the best of CCU's knowledge, it has no shares or investments in stock, securities or other assets which are impermissible under the law. To the best of CCU's knowledge, its subsidiaries, if any, have been properly formed and are lawfully being.
Operated pursuant to state and federal law. To the best of CCU’s knowledge, it is not a partner, joint venturer or associate in any other business with any other business or firm.

3.3 Real Property, Tangible Personal Property and Corporate Name.

3.3.1 To the best of CCU’s knowledge, on the Merger Date it will have good and marketable title to all of its real and personal property, subject to no mortgage, lien, claim, security agreement, encumbrance or charge whatsoever other than those in existence as of the date of this Agreement.

3.3.2 To the best of CCU’s knowledge, it has full right, title and ownership of its corporate name and that of any subsidiary, and such corporate name(s) is not being infringed upon or claimed by any other person or entity.

3.4 Governmental Authority. To the best of CCU’s knowledge, it possesses valid and current permits, licenses and/or franchises from whatever governmental agencies require the same and have jurisdiction over its business. To the best of CCU’s knowledge, CCU has complied with all statutes, regulations, rules and other orders of all governmental departments or agencies having jurisdiction over it or its business. To the best of CCU’s knowledge, CCU has not received any notice from any governmental authority or agency which would, in any way, adversely affect its business.

3.5 Contracts and Agreements. CCU agrees to make available upon NICU’s request, copies of any and all material contracts, or other documents, if any, to which CCU is, as of the date of this Agreement, a party. To the best of CCU’s knowledge, all such contracts are valid and binding obligations of the parties thereto in accordance with their respective terms and, to the best of CCU’s knowledge, there are no liabilities arising from any default by CCU heretofore in any of such contracts.

3.6 Access to Books, Records and Information. CCU has and will permit NICU and its authorized representatives to have as full access to the books and records of CCU as reasonably possible taking into account legal privileges or other restrictions and will make available to NICU and its authorized representatives such financial and operating data and other information as NICU shall reasonably request prior to the Merger Date. CCU hereby authorizes representatives of NICU to investigate the assets of CCU. CCU agrees that any investigation or inquiry made by NICU pursuant to this Agreement shall not in any way affect or lessen the representations and warranties made by CCU in this Agreement; provided, however, that NICU will advise CCU if such investigation or inquiry reveals any violation of this Agreement.

3.7 Labor, Benefit, and Employment Agreements. To the best of CCU’s knowledge, there are no collective bargaining agreements or other labor agreements to which CCU is a party. CCU will provide NICU with access to its records with regard to any pension plans or other employment, profit sharing, deferred compensation, bonus, stock option, stock purchase, retiree, consultant, retirement, welfare or incentive plans or contracts or other "fringe benefits" for employees, as permitted by law.
3.8 Litigation and Disputed Items.

3.8.1 To the best of CCU's knowledge, neither CCU nor any of its current officers, directors or employees are engaged in any pending litigation or other proceedings in their capacities as officers, directors, or employees of CCU, nor are any of them subject to any existing judgment, settlement, order or decree, other governmental action or proceedings in their capacities as officers, directors, or employees of CCU, or are aware of any other circumstance (including but not limited to bond claim(s)) which would (a) materially and adversely affect the operation of the properties or business of CCU up to the Merger Date or the Combined Credit Union, or (b) prevent, hamper or make illegal the transactions contemplated by this Agreement.

3.8.2 To the best of CCU's knowledge, there are no creditors of CCU to whom CCU has assigned such assets as would constitute a "Bulk Sale" under the California Uniform Commercial Code, Section 6101 et seq.

3.9 Taxes. To the best of CCU's knowledge, it is not delinquent in the payment of any withholding taxes, other taxes, penalties, interest, assessments or other governmental charge.

3.10 Violation of Other Instruments. To the best of CCU's knowledge, the consummation of the transactions contemplated by this Agreement will not result in a breach of any term or provision of or constitute a default under any contract, agreement, mortgage or note or the Charter or Bylaws of CCU which breach or default would have any material effect on the Combined Credit Union. Further, to the best of CCU's knowledge, the consummation of the anticipated Merger contemplated by this Agreement will not result in a breach of any agreement, instrument or understanding to which CCU is a party or by which it is bound which breach or default would have any material effect on the Combined Credit Union.

3.11 Correctness of Representations and Warranties. The representations and warranties of CCU herein contained shall be true and correct on and as of the date of this Agreement, and CCU shall give notice in writing to NICU if any of the representations and warranties under this Agreement become untrue between the date of this Agreement and the Merger Date.

3.12 Additional Commitments of CCU. CCU agrees to exercise its best efforts to satisfy any DBO requirements to assure that the Combined Credit Union's Field of Membership includes persons or entities currently served by CCU and NICU prior to the Merger Date.

4.1 Transfer of Assets and Assumption of Liabilities. NICU will deliver to CCU all documents or instruments and take all such other actions as may reasonably be necessary in order to fully vest in the Combined Credit Union and perfect its title in and to all of the tangible and intangible properties, assets, business, legal rights, legal claims and/or causes of action owned by NICU including, but not limited to, any right to recovery owned by NICU under any insurance policy and/or bond. Moreover, upon the Merger Date, CCU agrees to assume the liabilities of NICU, including but not limited to the liabilities of NICU’s current Board of Directors and officers and all of NICU’s employees to the extent acting in an official capacity to NICU and to the fullest extent permitted by applicable state law.

4.2 Further Documents. CCU agrees with NICU, and NICU agrees with CCU, that they will make, execute, acknowledge and deliver, or cause to be done, made, executed, acknowledged and delivered, all such further acts, assignments, transfers or other documents which may be required or appropriate to consummate the Merger.

4.3 Membership Approval. NICU will conduct the member vote on the Merger in compliance with applicable laws and regulations and NICU’s Bylaws. Members of NICU will, at a time mutually agreed to by NICU and CCU, be advised of the intention to merge and only those members may vote on the proposed Merger. NICU will work collaboratively with CCU regarding the communication strategy and process for the vote on the Merger.

4.4 Combined Credit Union Leadership Employees of CCU and NICU. The Board of Directors of CCU and the Board of Directors of NICU welcome and admire the service of the employees of each Credit Union and
4.6.3 **Conflict of Interest.** Board members and volunteers of the Combined Credit Union must be cognizant of the potential for conflicts of interest. For example, a conflict may occur whenever a board member has a relationship with the Combined Credit Union, is a stakeholder in a business that is a provider of services to the Combined Credit Union or has a relationship with any employee of the Combined Credit Union or other volunteer. When a conflict of interest appears to be of concern, the entire board of the Combined Credit Union should evaluate the situation to determine if any action is required in accordance with sound corporate governance principles.

4.7 **Branches and ATMs.** CCU acknowledges that NICU currently maintains a number of branches and ATMs in the San Diego area. CCU currently maintains a number of branches and ATMs in the Los Angeles area.

4.8 **Name and Logo.** Following the Merger Date, the name of the Combined Credit Union shall be “California Credit Union.” The Combined Credit Union shall have regional headquarters located in San Diego, CA and Glendale, CA.
Both Credit Unions have strong ties and long histories with their respective communities. NICU serves members of the Navy, other branches of the Armed Forces, and individuals in the communities of San Diego, Orange, and Riverside Counties. CCU has a strong relationship with the educational community in Los Angeles County, as well as individuals throughout Los Angeles County. It is the intention of both Credit Unions to honor these relationships and continue to diligently serve these relationships in the Combined Credit Union. Indeed, it is the intention of both Credit Unions that by pooling their resources, the Combined Credit Union will be able to better serve those members and communities. All segments currently included in the field of membership of each Credit Union will be retained in the Combined Credit Union.

In that spirit, the name “California Credit Union” embraces members of each Credit Union better than “North Island Credit Union” and, therefore, California Credit Union was chosen as the name of the Combined Credit Union.

4.9 Conduct Pending Merger. Pursuant to Paragraph 5.1 of this Agreement, it is anticipated that during the merger process the

4.10 Service to CCU Members and NICU Members. As soon as practicable following the Merger Date, CCU members and NICU members shall have access to the full range of products and services of the credit union formed by the combination of CCU and NICU (subject to the terms and conditions for such products and services).

4.11 Articles of Incorporation, Bylaws and Policies. As of the Merger Date, the Articles of Incorporation, Bylaws, and policies of the Combined Credit Union shall be the Articles of Incorporation, Bylaws, and policies of CCU. The Board of Directors of CCU has adopted a Bylaw amendment to establish a “range” for the number of Board positions, effective upon approval of the membership and approval of the DBO. In addition, the Board of Directors of CCU has adopted a Bylaw amendment to establish a “range” for the number of Supervisory Committee positions, effective upon approval of the DBO. CCU agrees to pursue membership approval at its April 2016 annual meeting and required regulatory approvals, as applicable, to effectuate the foregoing Bylaw amendments.

4.12 Mutual Cooperation of CCU and NICU. CCU and NICU agree to exercise their best efforts to satisfy any DBO, NCUA and/or FTC requirements to facilitate prompt regulatory review and approval of the Merger. Pursuant to such commitment, CCU and NICU shall work together and cooperate towards prompt preparation and completion of a required “Plan
of Merger' as mandated by the DBO, a required 'Merger Agreement' [NCUL Act 6304] as mandated by the NCUL and any other regulatory documentation required to effect the Merger. Each Credit Union shall bear their own fees and costs associated with such work subject to the provisions of Section 11 of this Agreement.

5. **Covenants and Agreements.**

5.1 **Conduct Pending Merger.** As of the date of this Agreement and until the Merger Date, CUCU and NCUL each agree to:

5.1.1 Carry on their respective business in substantially the same manner as heretofore conducted; and not make any purchase or sale or voluntarily introduce any method of operation with respect to its business which is not substantially consistent with prior practices or is other than in the ordinary and usual course of its business, unless it has obtained the written consent of the other Credit Union. Notwithstanding anything else herein, each Credit Union agrees that it shall not incur or contract for any expenses beyond their annual budget and expenses without the written approval of the other Credit Union.

5.1.2 Use their best efforts to maintain their respective business organizations intact; to promote, preserve and protect their properties and business; preserve the confidence of their suppliers and members; and to obtain all necessary consents and agreements from all such other parties whose consent and agreement to any assignment of contract rights is a condition precedent to the legal ownership of such rights by the Combined Credit Union on terms no less favorable to the Combined Credit Union than the present terms enjoyed.

5.1.3 Pay their respective taxes, assessments, liabilities and obligations as the same shall become due.

5.1.4 Not incur any material obligation or liability other than current liabilities and obligations incurred in the ordinary and usual course of business as heretofore conducted or as contemplated by this Agreement, nor enter into any transaction or execute any agreement or other obligation relating to their business other than in the ordinary course of business as heretofore conducted or as contemplated by this Agreement unless it has obtained the other Credit Union's prior written consent or as otherwise provided for in this Agreement. A list of events, which is by no means exhaustive, which are to be considered to be "other than in the ordinary course of business" under this Agreement includes the purchase and sale of capital assets (other than property owned due to normal foreclosure or repossessions on delinquent loans to members); the execution of a purchase or sale of data processing equipment and services; or any other change affecting data processing equipment and services; changes in personnel and their positions including changes in pay ranges and benefits, severance pay and so forth; and any changes, amendments or the termination of any insurance policies, bonds and endorsements thereto each Credit Union has as of the date of this Agreement; and changes or amendments in employee retirement and/or benefit plans.
5.1.5 From the date of this Agreement up to and through the Merger Date, each Credit Union agrees that it will not, directly or indirectly, accept, or solicit offers or proposals from potential merger candidates other than the Merger contemplated under this Agreement, without the written consent of the other Credit Union party hereunder. Notwithstanding the foregoing, each Credit Union understands that it may in the interim receive an unsolicited proposal to merge by a third party credit union. In such event, the Credit Union will undertake to examine the unsolicited proposal in accordance with its duties under applicable state and/or federal law and will advise the other Credit Union as to the receipt of the unsolicited proposal. The Credit Union shall also advise the other Credit Union of its response to the third party credit union after its deliberation and consideration of the unsolicited proposal.

5.2 Confidential Information. Each Credit Union agrees to maintain the confidentiality of the other party’s confidential/proprietary information that becomes available to the other and, accordingly, have executed a separate Non-Disclosure Agreement (“NDA”), which is attached hereto at Exhibit “A” and incorporated by this reference.

5.2.1 Confidentiality of CCU.

(a) CCU reaffirms its agreement to maintain the confidentiality of NICU’s confidential/proprietary information that becomes available to CCU pursuant to the terms of the NDA. CCU agrees that the terms of this Agreement, any financial information and proprietary information provided by, or on behalf of one or the other, prior to, contemporaneously with, or subject to, this Agreement are confidential subject to the restrictions of the NDA.

(b) CCU agrees that it will, in advance, require each of its officers, directors and employees who obtain, or are in a position to obtain, any confidential information in connection with the Merger, to sign an Acknowledgment form agreeing to be bound to the NDA (the “Acknowledgment”). Upon NICU’s request, CCU will provide to NICU a copy of each such executed Acknowledgment.

(c) CCU agrees that in the event of a termination of this Agreement, CCU will safeguard and keep confidential and not use for any purpose, any information (unless readily ascertainable from public or published information or trade sources) obtained from NICU concerning the business of NICU, and will return to NICU any statements, documents or other written information obtained from NICU in connection therewith, pursuant to the terms of the NDA.

(d) CCU agrees that in all circumstances, the timing and content of any announcements, press releases or public statements concerning the proposed Merger will only be with the joint approval of both CCU and NICU.

5.2.2 Confidentiality of NICU.

(e) NICU reaffirms its agreement to maintain the confidentiality of CCU’s confidential/proprietary information that becomes available to NICU pursuant to the terms of the NDA. NICU agrees that the terms of this Agreement, any financial information and
proprietary information provided by, or on behalf of one or the other, prior to, contemporaneously with, or subject to, this Agreement are confidential subject to the restrictions of the NDA.

(b) NICU agrees that it will, in advance of receipt, require such of its officers, directors and employees who obtain, or are in a position to obtain, any confidential information in connection with the Merger, to sign an Acknowledgment (as defined in Section 5.2.1(b) above). Upon CCU's request, NICU will provide to CCU a copy of each such executed Acknowledgment.

c) NICU agrees that in the event of a termination of this Agreement, NICU will safeguard and keep confidential and not use for any purpose any information (unless readily ascertainable from public or published information or trade sources) obtained from CCU concerning the business of CCU and will return to CCU any statements, documents, or other written information obtained from CCU in connection therewith pursuant to the terms of the NDA.

d) NICU agrees that in all circumstances, the timing and content of any announcements, press releases or public statements concerning the proposed Merger will only be with the joint approval of both CCU and NICU.

6. Conditions Precedent to the Obligations of CCU. The obligations of CCU under this Agreement are made expressly subject to the satisfaction, on or prior to the Merger Date, of all of the above conditions and those conditions set forth hereinafter compliance with which or the occurrence of which may be waived in whole or in part by CCU in writing.

6.1 Accuracy of Representations and Warranties.

6.1.1 All representations, warranties, covenants and agreements of NICU or its employees, officers, directors and/or agents contained in this Agreement shall, in all material respects and to the best of their knowledge, be true and correct, performed and satisfied on and as of the date of this Agreement and shall, in all material respects and to the best of their knowledge, be true and correct on and as of the Merger Date with the same force and effect as though such representations and warranties had been made on and as of the Merger Date.

6.1.2 CCU shall not have discovered any material error, misstatement, or omission in a schedule, representation or warranty or material failure to perform or satisfy any such covenant or condition.

6.1.3 There shall have been delivered to CCU on the Merger Date such other certificates and other documents with respect to the foregoing as CCU, consistent with the terms of this Agreement, may reasonably request, such certificates to be executed by the officers and directors of NICU certifying compliance with the covenants and conditions contained herein.

6.2 Destruction or Loss. Between the date of this Agreement and the Merger Date, there shall not have occurred any material damage, destruction or loss (whether or not
covered by insurance) materially and adversely affecting any of the properties or business of NICU.

6.3 Approval of Merger by Governmental Authorities. The Merger shall have been approved by the DBO, the NCUA, the FTC and/or any other government agency required to approve the Merger, and that all required documents and resolutions have been duly executed, with fully executed copies exchanged by all parties, and approved by the respective Board of Directors of each party as of the Merger Date.

7. Conditions Precedent to the Obligations of NICU. The obligations of NICU under this Agreement are made expressly subject to the satisfaction on or prior to the Merger Date of all of the above conditions and those conditions set forth hereinafter, compliance with which or the occurrence of which may be waived in whole or in part by CCU in writing.

7.1 Accuracy of Representations and Warranties.

7.1.1 All representations, warranties, covenants and agreements of CCU or its employees, officers, directors and or agents contained in this Agreement shall, in all material respects and to the best of their knowledge, be true and correct, performed and satisfied on and as of the date of this Agreement, and shall, in all material respects and to the best of their knowledge, be true and correct on and as of the Merger Date with the same force and effect as though such representations and warranties had been made on and as of the Merger Date.

7.1.2 NICU shall not have discovered any material error, misstatement, or omission in a schedule, representation or warranty or material failure to perform or satisfy any such covenant or condition.

7.1.3 There shall have been delivered to NICU on the Merger Date such other certificates and other documents with respect to the foregoing as NICU, consistent with the foregoing terms of this Agreement, may reasonably request, such certificates to be executed by the officers and directors of CCU certifying compliance with the covenants and conditions contained herein.

7.2 Destruction or Loss. Between the date of this Agreement and the Merger Date, there shall not have occurred any material damage, destruction or loss (whether or not covered by insurance) materially and adversely affecting any of the properties or business of CCU.

7.3 Approval of Merger by Governmental Authorities. The Merger shall have been approved by the DBO, the NCUA, the FTC and/or any other government agency required to approve the Merger, and that all required documents and resolutions have been duly executed, with fully executed copies exchanged by all parties, and approved by the respective Board of Directors of each party as of the Merger Date.

8. Incorporation by Reference. Any and all Exhibits and appendices hereto shall be attached on or before the Merger Date and at such time shall become a part of this Agreement and shall be incorporated herein as if attached on the date of this Agreement.
9. **Non-salvage of Representations and Warranties.** The representations and warranties made herein shall not survive beyond the Merger Date or any lawful termination of this Agreement.

10. **Due Diligence; Due Diligence Period.**

10.1 Each Credit Union shall have access to the books and records of the other Credit Union for the purpose of conducting a confidential due diligence examination during a defined due diligence period (the "Due Diligence Period"). The parties have a goal of completing the Due Diligence Period by January 31, 2016; however, the parties agree that the Due Diligence Period will not end until such time as both parties agree in writing that the Due Diligence Period has ended.

10.2 Each Credit Union's staff will conduct their due diligence examination in cooperation with the staff of the other Credit Union.

10.3 NICU will allow CCU, through its designee (which may include CCU's employees, third party auditors or other appointed representatives), to have access to such books and records. CCU's due diligence examination of NICU shall be completed within the Due Diligence Period.

10.4 CCU will allow NICU, through its designee (which may include NICU's employees, third party auditors or other appointed representatives), to have access to such books and records. NICU's due diligence examination of CCU shall be completed within the Due Diligence Period.

10.5 Except as provided herein, or as otherwise limited by law or regulation, all documents that are deemed to be essential to the due diligence process will be made available to both Credit Unions to be examined as necessary or requested in order for both Credit Unions to reasonably assure the safety and financial soundness of the Merger.

11. **Expenses Prior to the Merger Date/Termination.**

11.1 **Expenses Prior to Merger Consummation.** Prior to the Merger Date, both Credit Unions agree to pay the costs and expenses associated with the Merger on an equal (shared) basis, including those fees and costs for mutually acceptable counsel, accountants, media consultants, governance consultants, merger consultants and other consultants, as well as the fees and costs related to consummating the Merger (including any regulatory fees and costs such as fees in connection with the FTC application). Each Credit Union will be individually responsible for paying all fees and expenses connected with accountants, auditors and consultants relating to each Credit Union's individual due diligence work or such other work undertaken solely for a respective Credit Union party hereto.

11.2 **Termination During Due Diligence Period.** During the Due Diligence Period pursuant to Paragraph 10.1, each Credit Union may, at its sole option, terminate this
Agreement (and the Merger process), with or without Cause, upon written notice to the other Credit Union. In the event of termination during the Due Diligence Period, both parties shall discontinue all further Merger discussions, withdraw all applications with any agency or entity in connection with the Merger and each Credit Union shall bear its own costs and expenses in accordance with the allocation methodology set forth in Paragraph 11.1.

11.3 Termination by Mutual Agreement or Termination Due to Non-Approval. Following the Due Diligence Period, this Agreement may be terminated by mutual agreement or due to a “Termination Due to Non-Approval” at any time prior to the Merger Date. In such event, both parties shall discontinue all further Merger discussions, withdraw all applications with any agency or entity in connection with the Merger and each Credit Union shall bear its own costs and expenses in accordance with the allocation methodology set forth at Paragraph 11.1. “Termination Due to Non-Approval” shall mean: (a) a tally of the votes of the members of NICU on the proposed Merger into CCU in which there are insufficient votes in favor of the Merger; or (b) a final determination by a regulatory or share insurance agency or entity (e.g., DBO, NCUA, and/or FTC) disapproving the Merger of NICU into CCU.

11.4 Termination Due to Material Adverse Change. Following the Due Diligence Period, this Agreement may be terminated due to a “Material Adverse Change” at any time prior to the Merger Date. A Material Adverse Change shall mean any change, effect, occurrence or development that individually, or in the aggregate, has or would reasonably be expected to have a material adverse effect on the operations or finances of the Combined Credit Union other than a situation which would give rise to a Termination for Cause (which situation shall be addressed under Paragraph 11.6 below). The parties will have thirty (30) days from such written notice to discuss the conditions described as a Material Adverse Change and to evaluate whether the Merger should continue. If the parties do not agree in writing to continue with the Merger by the end of the thirty (30) day period, then both parties shall discontinue all further Merger discussions, withdraw all applications with any agency or entity in connection with the Merger and each Credit Union shall bear its own costs and expenses in accordance with the allocation methodology set forth in Paragraph 11.1.

11.5 Termination Without Cause.

(a) Following the Due Diligence Period, if either Credit Union unilaterally terminates this Agreement Without Cause, then such Credit Union shall undertake to reimburse all of the other Credit Union’s out-of-pocket costs and expenses associated with this Merger incurred on or after the Effective Date of this Agreement as well as the other Credit Union’s fees and expenses connected with third party accountants and auditors relating to the other Credit Union’s own individual due diligence work incurred on or after the Effective Date of this Agreement. A termination “Without Cause” shall include any unilateral termination of this Agreement other than a termination as contemplated at Paragraphs 11.2, 11.3, 11.4 or 11.6. In such event, both parties shall discontinue all further Merger discussions and withdraw all applications with any agency or entity in connection with the Merger. It is understood that both parties will be responsible for their own consequential damages except as pursuant to Paragraph 11.5(b).
11.6 Termination For Cause. Following the Due Diligence Period, either Credit Union party may terminate this Agreement for Cause by giving written notice to the Credit Union in substantial or material breach of the Agreement. In such event, the Credit Union in breach shall have thirty (30) days to "cure" the breach. In the event that such breach is not "cured," the Credit Union in substantial or material breach shall reimburse the other Credit Union's costs and expenses associated with this Merger incurred on or after the Effective Date of this Agreement as well as the other Credit Union's fees and expense connected with third party accountants and auditors relating to the other Credit Union's own individual due diligence work incurred on or after the Effective Date of this Agreement. A termination for "Cause" is defined as a substantial or material breach of this Agreement including but not limited to a material non-disclosure. In such event, both parties shall discontinue all further Merger discussions and withdraw all applications with any agency or entity in connection with the Merger.


12.1 Accounting entries and other agreed upon provisions. Prior to the Merger Date, CCU and NICU shall cooperate to mutually prepare and present a detailed listing of accounting entries and other provisions that shall be entered into the books and records of NICU on or before the Merger Date. CCU and NICU shall present such accounting entries to Board of Directors of CCU and the Board of Directors of NICU for their mutual approval/concurrence.

12.2 Notices. Any notice or demand required or permitted to be given hereunder shall be in writing and shall be deemed effective seventy-two (72) hours after having been deposited in the United States mail, postage prepaid, registered or certified, return receipt requested, and addressed to each party in the following manner:

CCU: Chairman of the Board
California Credit Union
701 North Brand Boulevard
Glendale, CA 91203

With a copy to:

Mr. Ron McDaniel, President CEOMorning Star Credit Union
701 North Brand Boulevard
Glendale, CA 91203
Any party may change the address to which such notices are to be addressed by giving the other party notice in the manner set forth herein.

12.3 Assignment. The rights and obligations under this Agreement are personal to CCU and NICU, respectively, and may not be assigned to any other party. Pursuant thereto, this Agreement shall inure to the benefit of and bind the Credit Union parties hereto, their successors and assigns.

12.4 No Third Party Beneficiary. This Agreement is for the benefit of, and may be enforced only by, CCU and NICU, and their respective successors and permitted transferees and assignees, and is not for the benefit of, and may not be enforced by, any third party.

12.5 Governing Law. This Agreement is executed and delivered and is intended to be performed in the State of California, and all rights and duties in connection herewith shall be construed, enforced and governed by the laws of said state, except to the extent that federal laws or regulations may apply.

12.6 Dispute Resolution. In the event of any dispute, controversy or claim regarding any provision of this Agreement, any Exhibit, or Addendum hereto, which the parties are unable to resolve by negotiations between them, the parties agree to try in good faith to settle the dispute by mediation administered by JAMS, Inc. ("JAMS") under its Commercial Mediation Rules. If the parties are unable to resolve such dispute, controversy or claim through mediation, such dispute, controversy or claim shall be submitted to binding arbitration in accordance with the then existing rules of JAMS. Any award made by JAMS may be enforced as a final judgment in any court of competent jurisdiction. The site for said mediation or arbitration shall be Los Angeles County, California.

12.7 Agreement Drafted by Both Parties. This Agreement shall not be construed as if it had been prepared by either party, but rather as if it were jointly prepared.

12.8 Severability. In the event that any provision in this Agreement shall be held invalid or unenforceable, such provision shall be severable from this Agreement, however such invalidity or unenforceability shall not be construed to have any effect on the remaining provisions of this Agreement.
12.9 Modification. All such representations of the parties hereto to each other are contained in this Agreement, and no claims shall be made by any of the parties hereto upon any representations not contained herein; it being the intention of the parties to incorporate within this Agreement their full and complete understanding. This Agreement may not be modified or amended, except by a writing signed by all of the parties hereto.

12.10 Integration. This Agreement is intended to be the final, complete, and exclusive statement of the terms of the parties hereto. This Agreement supersedes all other prior and contemporaneous agreements and statements, whether written or oral, express or implied, pertaining in any manner to the matters addressed or otherwise referred to herein, and it may not be contradicted by evidence of any prior or contemporaneous statements or agreements.

12.11 Captions. The title or headings of the various sections, articles and sections hereof are intended solely for convenience of reference and are not intended and shall not be deemed for any purpose whatever to modify or explain or place any construction upon any of the provisions of this Agreement.

12.12 Number. Throughout this Agreement, wherever the context so requires, the singular shall include the plural, and the masculine gender shall include the feminine and neuter genders, and vice versa.

12.13 Counterparts. This Agreement may be executed in counterparts, each of which is hereby declared to be an original; all, however, shall constitute but one and the same Agreement.

[Signatures on next page]
IN WITNESS WHEREOF, each of the parties hereto have executed this Agreement as of the Effective Date set forth above.

CALIFORNIA CREDIT UNION
("CCU")

Chairperson of the Board of Directors

Walton Greene, P.A.

Print Name

2/24/6

Date

(b)(6)

Secretary of the Board of Directors

Victor Hanson

Print Name

1

Date

NORTH ISLAND FINANCIAL CREDIT UNION
("NICU")

Chairperson of the Board of Directors

Print Name

Date

Secretary of the Board of Directors

Print Name

Date

(b)(4)
IN WITNESS WHEREOF, each of the parties hereto have executed this Agreement as of the Effective Date set forth above.

CALIFORNIA CREDIT UNION
(“CCU”)

Chairperson of the Board of Directors

Print Name

Date

Secretary of the Board of Directors

Print Name

Date

NORTH ISLAND FINANCIAL CREDIT UNION
(“NICCU”)

Chairperson of the Board of Directors

Eugene Pellerin
Print Name

Date 3/14/2016

(b)(6)

Secretary of the Board of Directors

Rebecca Collier
Print Name

Date

(b)(6)
CALIFORNIA CREDIT UNION / NORTH ISLAND FINANCIAL CREDIT UNION

BUSINESS AND JOINT STRATEGIC MIGRATION PLAN

This Business and Joint Strategic Migration Plan (the "Plan") outlines the strategic direction California Credit Union ("CCU") and North Island Financial Credit Union ("NICU") will take as a new, combined credit union (the "Continuing Credit Union") upon completion of their proposed merger.

The presentation herein is necessarily at a high level. Detailed strategic and business plans will be developed later in the merger integration process.

Due Diligence
Financial Analysis of the Merger | Exhibits

As further addressed below, the Credit Unions have prepared Pro Forma Merger Financial Statements. Exhibit (A) is attached hereto as Exhibit "A". Above and beyond this, the Credit Unions can be seen. is attached hereto as Exhibit "B". As "C".

Combined Service Area / FOM and Key Markets

The Credit Unions are excited to take this next step with one very clear and simple goal:

Because each Credit Union originated with different FOM groups, each Credit Union’s strong ties to and long histories with their respective communities make the combination an excellent fit.

Founded in 1940, NICU originated with members of the Navy, other branches of the Armed Forces, and individuals primarily in San Diego County but also Orange and Riverside Counties, as well as later expanding to additional employer groups. NICU’s key markets today are individuals in the communities of San Diego, Orange and Riverside Counties.

Founded in 1933, CCU originated with and has a continued strong relationship with the education community of Los Angeles County, as well as serving school district employees, LACOE employees, current and retired educators, students, alumni and PTA/PTSA members in California.

The combined Continuing Credit Union’s FOM will retain all segments currently included in the FOM of each Credit Union, and the key markets.
Accordingly, the additional economies of scale discussed below will assist the combined Continuing Credit Union in being the primary financial institution for a greater number of Members than would be the case for the two legacy credit unions independently.

Branch Network Analysis

As noted above, CCU and NICU originated in separate areas of Southern California (Los Angeles and San Diego) and thus have different historical footprints. CCU currently maintains 13 proprietary branches and ATMs in the Los Angeles area while NICU currently maintains 10 branches and ATMs in the San Diego area. With this geographic diversity, each Credit Union’s Membership would benefit greatly from full access to the additional proprietary branches and ATMs of the other Credit Union. The synergy between the two branch networks will

The Credit Unions’ branch locations are as follows:
As part of a broader member service strategy, the combined Continuing Credit Union will

Other Distribution Channels

In addition to increased branch access, legacy Members of both Credit Unions will benefit from other (enhanced) distribution channels. While Members of both Credit Unions currently have access to enhanced 24-hour banking, online banking and mobile banking, as well as consumer, auto and home loans, the combination of the two Credit Unions will over time allow the combined Continuing Credit Union to
Key Competitors / Market Factors

CCU and NICU each face significant competition from other financial institutions. By combining resources, the combined Continuing Credit Union’s increased assets will improve its overall competitiveness. Increased efficiency will be vital in confronting the combined Continuing Credit Union’s competitors, which the Credit Unions have identified as follows:

- MUFG Union Bank
- Bank of America
- Chase Bank
- Wells Fargo
- SchoolsFirst Federal Credit Union
- Navy Federal Credit Union
- San Diego County Credit Union
- California Coast Credit Union
- Mission Federal Credit Union

Products Analysis

CCU and NICU have reviewed the products and services of each Credit Union and have determined that there is an anticipated and expected degree of overlap between each Credit Union’s products and services. The combined Continuing Credit Union will
The preliminary Post-Merger Organization Chart, which is subject to change, is attached hereto at Exhibit "D".

Through the process, the Credit Unions will continue to adhere to regular, enterprise wide training of its Board, committee members and employees.

Leadership: Qualifications and Experience of Key Senior (Executive) Management

experience as evidenced by the CVs included in Exhibit “E”.

Procedure for Notifying Members with Accounts at Both Institutions

The Credit Unions have conducted a review of their records to identify Members of the combined Continuing Credit Union who may have total share balances in excess of the NCUA’s existing share insurance limits. As of March 2016, the Credit Unions have identified that there are no affected Members. The Credit Unions will continue to monitor their records throughout the merger process in order to identify affected Members, if any.

With the above in mind, the Credit Unions anticipate that there will be few if any Members with total share balances in excess of the NCUA’s existing share insurance limits after the merger. Even so, the Credit Unions have developed procedures to notify any affected Member. If the Credit Unions identify any affected Members, once the Credit Unions receive approval of the merger from the NCUA and the DBO, select Credit Union personnel will call any affected
Members to report the approval of the merger and to emphasize the continued insurability of their accounts. The Credit Unions will also send out customized letters to any affected Members with specific details as to how his or her share balance is in excess of the NCUA’s insurable limits and will include with the letter the NCUA’s “Your Insured Funds” brochure for the Member’s ready reference. The letter will also include the name and telephone number of authorized Credit Union representative(s) qualified to assist them should they have any questions or concerns.

CUSOs

CCU currently has a CUSO, California Members Title Insurance Company (CMTIC), that provides title and escrow needs, including a complete suite of Title Insurance, Escrow Services and Closing Services. With the merger, CMTIC will have the opportunity to provide services throughout NICU’s service area, allowing for expanded non-interest income opportunities in NICU’s San Diego market.

Plan for Future Mergers

While the Continuing Credit Union would remain unmerged to mergers with other credit unions that would benefit the Members of the combined Continuing Credit Union, CCU is not now in any such conversations, nor are any such conversations being actively pursued.
December 16, 2016

SENT BY EMAIL

Ms. Jan Lynn Owen
Commissioner
Department of Business Oversight
1515 K Street, Suite 200
Sacramento, CA 95814-4052

Dear Ms. Owen:

I approve the merger proposal of North Island Financial Credit Union (North Island) into California Credit Union (California). You may now notify the officials of our approval of the merger.

As required by the NCUA Rules and Regulations, §708b.108(b), the board of directors of the continuing credit union shall certify completion of the merger. I enclosed a copy of our Certification of Completion of Merger (NCUA 6309). Please have the continuing credit union complete this form and return it to this office within 30 days after the effective date of the merger with all required documents as listed on the 6309.

The effective date of the merger is the date of the executed Merger Agreement, NCUA 6304 (copy enclosed), when the continuing credit union assumes the merging credit union’s assets, liabilities, and shares. As such, the date the records are consolidated will be the effective date the continuing credit union records on page one of the 6304 and at the top of the 6309. Final financial statements should be based on the acquisition method of accounting in compliance with GAAP, and include the assumptions used in documenting the fair value of the merging credit union.

Upon receipt of the above, we will cancel the federal share insurance certificate of North Island and transfer their share insurance capitalization deposit to California’s account.

If you have any questions, please contact the Division of Supervision in this office.

Sincerely,

Cherie L. Freed
Regional Director

V/DOS (b)(6)
SCU #60784-K2
Enclosures

cc: Ronald McDaniel, President/CEO, California Credit Union
Stephen O’Connell, President/CEO, North Island Credit Union

Federal Reserve
CERTIFICATION OF VOTE ON MERGER PROPOSAL OF

NORTH ISLAND FINANCIAL CREDIT UNION
(Merging)

We, the undersigned officers of North Island Financial Credit Union, certify that our Board of Directors completed the following actions:

1. At a meeting held on February 7, 2017, adopted a resolution approving the merger of this credit union with California Credit Union (continuing credit union).

2. Not more than 90 or less than 30 days before the date of the vote, copies of the Notice of Special Meeting and Ballot for Merger Proposal, as approved by the Department of Business Oversight, were delivered in person or mailed to our members.

3. Pursuant to said Notice and Ballot, a special vote of the Members of this credit union was duly taken pursuant to the Notice to consider and act upon the proposal for the merger of this credit union.

4. That the Notice of Special Meeting set forth the merger proposal and any changes in federally insured status.

5. Conducted the membership vote with a majority of the members voting on the merger as follows:

   \[
   \begin{align*}
   \text{Number of total membership} & \quad \text{Number of members present at the special meeting} \\
   \text{Number of members present who voted in favor of the merger} & \quad \text{Number of members present who voted against the merger} \\
   \text{Number of additional written ballots in favor of the merger} & \quad \text{Number of additional written ballots opposed to the merger}
   \end{align*}
   \]

   Without duplication of the written ballot or vote of any member, a majority of the members of this credit union who voted on the proposal approved the merger.

6. That the results of the Special Meeting of the Members of this credit union are recorded in the minutes of a meeting of the Board of Directors.

This certification signed the ___ day of, 2017

Alfred R. Pellegrini, Chairman of the Board

Rebecca Collier, Secretary
Certification of Completion of Merger into

California Credit Union

We, the undersigned officers of the above-named credit union, certify to the National Credit Union Administration as follows:

1. The merger of our credit union with North Island Financial Credit Union was completed as of March 1, 2017 (date of the executed merger agreement) according to the terms and plan approved by this Board of Directors by a resolution adopted at the meeting held on March 23, 2016. We previously provided a certified copy of the resolution to the National Credit Union Administration.

2. We completed all required steps for the merger and transferred the merging credit union’s assets.

Attached to this certification are the following documents:

1. Financial reports for each credit union immediately before the completion of the merger.
2. A consolidated financial report for the continuing credit union immediately after the completion of the merger.
3. The charter of the merging federal credit union (if available).
4. The insurance certificate for the merging federally insured credit union (if available).
5. A copy of the executed merger agreement, Form NCUA 6304.

This certification signed the 1st day of March, 2017.

(b)(6)
Walton Greene, Chairman of the Board

(b)(6)
Victor Hanson, Treasurer

(b)(4)
## Combined Financial Statement
### As of March 1st, 2017

<table>
<thead>
<tr>
<th></th>
<th>California Credit Union</th>
<th>North Island Credit Union</th>
<th>California Credit Union</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash ($300 Acct No. 730A)</td>
<td>$14,702,831</td>
<td>$17,264,567</td>
<td>$30,967,398</td>
</tr>
<tr>
<td>Cash in Other Financial Institutions ($300 Acct No. 730B)</td>
<td>77,255,140</td>
<td>119,005,434</td>
<td>196,320,574</td>
</tr>
<tr>
<td>Investments ($300 Acct No. 7951)</td>
<td>222,828,380</td>
<td>189,846,831</td>
<td>362,675,211</td>
</tr>
<tr>
<td>Loans Held for Sale ($300 Acct No. 003)</td>
<td>4,154,800</td>
<td>130,000</td>
<td>4,304,800</td>
</tr>
<tr>
<td>Total Loans Outstanding ($300 Acct No. 025B)</td>
<td>1,224,314,412</td>
<td>899,686,562</td>
<td>2,123,780,974</td>
</tr>
<tr>
<td>(Less) ALL ($300 Acct No. 719)</td>
<td>6,433,114</td>
<td>3,743,706</td>
<td>10,176,820</td>
</tr>
<tr>
<td>Net Loans</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreclosed and Repossessed Assets ($300 Acct No. 798A)</td>
<td>1,216,681,299</td>
<td>895,922,856</td>
<td>2,112,604,155</td>
</tr>
<tr>
<td>Fixed Assets ($300 Acct No. 007 and 008)</td>
<td>2,577,460</td>
<td>565,515</td>
<td>3,142,975</td>
</tr>
<tr>
<td>NCUIF Capitalization Deposit ($300 Acct No. 794)</td>
<td>61,585,459</td>
<td>55,759,375</td>
<td>119,744,834</td>
</tr>
<tr>
<td>Identifiable Intangible Assets ($300 Acct No. 009D1)</td>
<td>11,693,463</td>
<td>4,957,464</td>
<td>21,650,927</td>
</tr>
<tr>
<td>Goodwill ($300 Acct No. 020D2)</td>
<td>153,353</td>
<td>153,189</td>
<td>153,189</td>
</tr>
<tr>
<td>All Other Assets ($300 Acct No. 009)</td>
<td>34,611,320</td>
<td>38,974,725</td>
<td>73,586,045</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$1,647,490,152</td>
<td>$1,277,700,120</td>
<td>$2,925,190,272</td>
</tr>
</tbody>
</table>

|                |                         |                           |                         |
| **Liabilities/Equity** |                         |                           |                         |
| Accounts Payable and Other Liabilities ($300 Acct No. 825) | $38,801,235             | $17,608,115               | $56,404,350             |
| Notes Payable ($300 Acct No. 880C) | 160,000,000             | -                         | 160,000,000             |
| Total Shares ($300 Acct No. 01E) | 1,327,435,025           | 1,117,312,046             | 2,444,747,071           |
| Regular Reserves ($300 Acct No. 924) | 16,458,719              | 47,717,966                | 54,176,685              |
| Undivided Earnings ($300 Acct No. 940) | 183,517,365             | 96,039,414                | 289,556,799             |
| Gain from Bargain Purchase ($300 Acct No. 431) | 0                   | -                         | 0                       |
| Other Comprehensive Income ($300 Acct No. 9458) | (36,383,404)           | (36,383,404)              | (36,383,404)            |
| Unrealized Gain (Loss) on AFS Investment ($300 Acct No. 945) | (2,318,785)            | (971,841)                 | (3,318,629)             |
| Equity Acquired in Merger ($300 Acct No. 656A) | -                       | -                         | -                       |
| **Total Liabilities + Equity** | $1,647,490,152          | $1,277,700,120            | $2,925,190,272          |

The information being submitted now is the book value of each entity with a consolidated balance sheet. Due to the size and complexity of the transaction, the fair value analysis is not available at this time. The analysis is expected to be completed by the middle of April, at which time a finalized schedule will be submitted.
November 6, 2008

Dear Board of Directors:

Enclosed is a new Share Insurance Certificate (Certificate) for your credit union. It reflects the temporary increase in coverage from $100,000 to $250,000 on member share accounts through December 31, 2009.

Display the Certificate prominently in your credit union’s office. You may make copies if you have more than one location.

If the increased $250,000 coverage lapses after December 31, 2009, as planned, we will issue a new Certificate to you reflecting the then current amount of share insurance coverage.

Please retain your current Certificate with your credit union’s permanent records. It may be needed for future reference.

If you have any questions, please contact the Division of Insurance at (602) 302-6000.

Sincerely,

(b)(6)

Melinda Love
Regional Director

Enclosure
Merger Agreement

This agreement, made and entered into this 1st day of March, 2017, by and between California Credit Union (continuing credit union) and North Island Financial Credit Union (merging credit union).

The continuing credit union and the merging credit union agree to the following terms:

1. The merging credit union will transfer to the continuing credit union all of its assets, rights, and property.

2. The continuing credit union will assume and pay all liabilities of the merging credit union. In addition, the continuing credit union will issue all members of the merging credit union the same amount of shares they currently own in the merging credit union, subject to the following share adjustments (if any):

   There will be no adjustment in shares due to the fact that after all one-time merger costs (including early contract termination fees, related cancellations, buyouts, prepay expenses and depreciation) as well as accounting for the combined continuing credit union's extensive infrastructure, product offerings, and online and mobile technology, are accounted for the difference between the credit unions' probable asset share ratios will not be material, or otherwise will not result in the combined continuing credit union having a larger ratio. Moreover, members of the continuing credit union will be able to receive additional products and services resulting from the combined continuing credit union.

California Credit Union (continuing)

by: Walton Greens, Chairman of the Board

(b)(6)

by: Victor Hanson, Treasurer

(b)(6)

North Island Financial Credit Union (merging)

by: Alfred E. Pellerin, Chairman of the Board

(b)(4)

Jeff Stone, Treasurer

CT-104 (6-05)
Merger Agreement

This agreement, made and entered into this 1st day of March, 2017, by and between California Credit Union (continuing credit union) and North Island Financial Credit Union (merging credit union).

The continuing credit union and the merging credit union agree to the following terms:

1. The merging credit union will transfer to the continuing credit union all of its assets, rights, and property.

2. The continuing credit union will assume and pay all liabilities of the merging credit union. In addition, the continuing credit union will issue all members of the merging credit union the same amount of shares they currently own in the merging credit union, subject to the following share adjustments (if any):

   There will be no adjustment in shares due to the fact that after all one-time merger costs (including any contract termination fees, related cancellations, buyouts, prepaid expenses, and depreciation) as well as accounting for the combined continuing credit union's extensive infrastructure, product offerings, and online and mobile technology, are accounted for the difference between the credit unions' probable asset share ratios will not be material or otherwise will not result in the combined continuing credit union having a larger ratio. Moreover, members of the continuing credit union will be able to receive additional products and services resulting from the combined continuing credit union.

California Credit Union (continuing)

by: Waltho Groene, Chairman of the Board

North Island Financial Credit Union (merging)

by: [b](6)

Allied E. Pellerin, Chairman of the Board

by: [b](6)

Jeff Stone, Treasurer

[b](4)
April 5, 2017

Mr. Ronald McDaniel
President/CEO
California Credit Union
701 N Brand Blvd
Glendale, CA 91203-1295

Dear Mr. McDaniel:

This letter acknowledges receipt of the Certification of Completion of Merger (NCUA 6309) for the merger of North Island Financial Credit Union, Charter No. 68452, into your credit union. The effective date of the merger was March 1, 2017.

Effectively April 5, 2017, the merging credit union’s charter is cancelled. You may notify the surety company to cancel the bond coverage on the merging credit union.

Sincerely,

Kimberly Twieg
Director of Supervision

V/DOS (b)(6)
SCU 60784-M3 / SCU 68452-M3

cc: SSA California

Federal Reserve Bank of San Francisco

1230 West Washington Street Suite 301 - Tempe, AZ 85281 - Phone 623-302-9000 - Fax 623-302-9024 - Email region5.ncu.gov