

Trey Grayson  
Secretary of State  
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09/29/2005 2:05:41 PM  
Fee Receipt: \$15.00

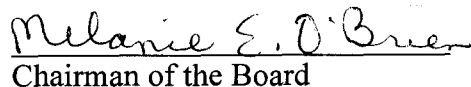
ARTICLES OF MERGER

The undersigned Marietta Megerle and Darryl Strong, Chairman and Secretary/Treasurer, respectively of the Covington City Employees' Credit Union Inc., and Melanie O'Brien and Jennie Miley, Chairman of the Board and Secretary Treasurer, respectively of C&O United Credit Union Inc. hereby certify as follow:

1. Attached hereto as Exhibit "A" is a true and correct copy of the Plan and Agreement to Merge Covington City Employees' Credit Union Inc. with and into C&O United Credit Union Inc. dated as of July 29, 2005.
2. Pursuant to the terms in the Agreement, Covington City Employees' Credit Union Inc. is to be merged with and into C&O United Credit Union Inc. with the C&O United Credit Union Inc. being the Continuing Credit Union.
3. Approval of the members of the C&O United Credit Union Inc. (continuing) is not required to consummate the merger.
4. The members of the Covington City Employees' Credit Union Inc. were duly notified of a special meeting called to explain the merger proposal and voted in the majority, either by actual vote at said meeting, held July 20, 2005, or by ballot, according to the requirements of KRS290.710.
5. The effective date of the Merger shall be the 1<sup>st</sup> day of October, 2005.

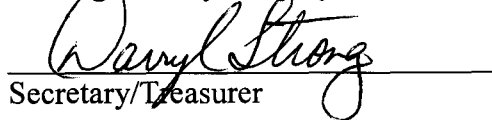
IN WITNESS WHEREOF, we have hereunto set forth our hands as of the 29<sup>th</sup> day of July, 2005.

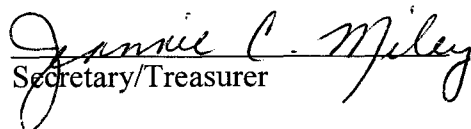
  
Chairman of the Board

  
Chairman of the Board

**Covington City Employees' Credit Union Inc**

**C&O United Credit Union Inc.**

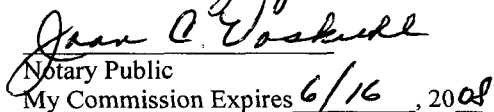
  
Secretary/Treasurer

  
Secretary/Treasurer

**Covington City Employees' Credit Union Inc.**

**C&O United Credit Union Inc.**

Sworn to and subscribed before me at  
Covington Kentucky  
on the 29 day of July, 2005

  
Notary Public  
My Commission Expires 6/16, 2008

**COMMONWEALTH OF KENTUCKY  
OFFICE OF FINANCIAL INSTITUTIONS**

**IN RE:** Application to merge the Covington City Employees Credit Union, Covington, Kentucky into the C&O United Credit Union, Edgewood, Kentucky.

**INTRODUCTION**

1. On or about August 2, 2005, the Office of Financial Institutions ("Office") received an application to merge the Covington City Employees Credit Union, Covington, Kentucky, ("Covington") into the C&O United Credit Union, Edgewood, Kentucky ("C&O").
2. Office staff reviewed the Application on or prior to August 10, 2005.

**FINDINGS OF OFFICE REVIEW**

1. Applicants seek to merge Covington into C&O. Covington has approximately 375 members.
2. Covington has not grown or prospered in recent years as has been reported and commented upon by Office Examiners. Covington is not large enough to offer services now offered by C&O and will not be able to offer such services in the future. Covington could be impacted negatively by its current state of affairs and this could result in its decline. However, a merger with C&O would avail Covington members of C&O's larger array of services.
3. Covington does not enjoy a position of strength in part because its operations are limited in size and scope. It is not large enough to prosper on its own. Due to this fact, Covington has sought to voluntarily merge with another credit union. This credit union (C&O) will be the surviving credit union. It is strong and will be able to much better serve the members

of Covington. The surviving credit union (C&O) is in relatively close proximity (geographically) to the merging credit union (Covington).

4. On May 24, 2005, the Board of Directors of Covington held a meeting at 2015 Rogers Street, Covington, Kentucky, at which the Board voted upon a resolution approving a merger with C&O. A quorum of the Board of Directors was present (four (4)) and the Board adopted the resolution by a unanimous vote of four (4) to zero (0). The vote of Covington's Board of Directors was certified to the Office by a written document executed July 29, 2005.

5. Copies of the Notice of Special Meeting of the Members and Ballot for Merger Proposal, and copies of the Merger Plan were delivered in person or mailed to all members of Covington in accordance with KRS 290.710(2). The Notice apprised members that the question of approval by members of a merger with C&O would be voted upon at the meeting. The meeting pursuant to the Notice was held July 20, 2005 at 7:00 p.m., with 29 members being in attendance. A vote on the merger was held at said meeting and 19 members voted in favor of the merger, and three members voted against the merger. Additional written votes were tabulated at the meeting. In the final count, 69 votes were counted in favor and 10 votes were counted against the merger. A majority of the members who voted at the special called meeting did vote in favor of the merger. These actions were certified to the Office by written document dated July 29, 2005.

6. The National Credit Union Administration ("NCUA"), the independent federal agency that insures credit union share accounts, has a request before it to approve the merger. Pursuant to a letter dated August 10, 2005 a copy of which was received by the Office on August 15, 2005, the NCUA has approved the merger herein. This Order is expressly conditioned upon

such approval by the NCUA being made final.

7. The Board Chairman and the Secretary/Treasurer of Covington executed a certificate of merger on July 29, 2005, which set forth all of the following:

- (a) The time of the meeting of the board of directors at which the plan was agreed upon;
- (b) The vote in favor of the adoption of the plan;
- (c) A copy of the resolution or other action by which the plan was agreed upon;
- (d) The time and place of the meeting of the members at which the plan agreed upon was approved; and
- (e) The vote by which the plan was approved by the members.

8. The certificate and a copy of the plan of merger agreed upon were forwarded to the executive director.

9. Said copies will be certified by the executive director, and returned to both credit unions within thirty (30) days of approval of the merger by the executive director.

10. The office of the surviving credit union (C&O United Credit Union, Edgewood, Kentucky) will be located at 3029 Dixie Highway, Edgewood, Kentucky 41017-2362. The merger was permitted pursuant to KRS 290.710(2).

11. The merger will benefit Covington as well as C&O. It will not impact operations in the surviving credit union in any negative way.

#### CONCLUSIONS OF LAW

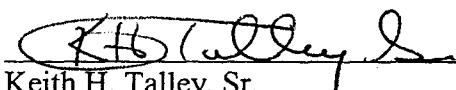
Covington City Employees Credit Union, Covington, Kentucky and the C&O United Credit Union have satisfied the requirements set forth in KRS 290.710 for Covington City

Employees Credit Union, Covington, Kentucky to merge with the C&O United Credit Union, Edgewood, Kentucky.

**ORDER**

The Application for merger of Covington City Employees Credit Union, Covington, Kentucky into C&O United Credit Union, Edgewood, Kentucky is hereby **APPROVED**.

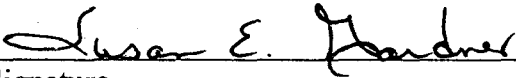
So **ORDERED** this 17<sup>th</sup> day of August 2005.



Keith H. Talley, Sr.  
Deputy Executive Director  
Office of Financial Institutions  
1025 Capital Center Drive, Suite 200  
Frankfort, KY 40601

**CERTIFICATE OF SERVICE**

I hereby certify that a true copy of this **ORDER** was mailed via United States Mail to Darryl B. Strong, Secretary/Treasurer, Covington City Employees Credit Union, 1929 Madison Avenue, Covington, Kentucky 41014, and Ms. Alla Holland, CEO, C & O United Credit Union, 3029 Dixie Highway, Edgewood, Kentucky 41017-2362, on this the 18<sup>th</sup> day of August 2005.

  
\_\_\_\_\_  
Signature

Name (Printed): Susan Gardner

Position: Administrative Specialist III

Office of Financial Institutions  
1025 Capital Center Drive, Suite 200  
Frankfort, KY 40601  
(502) 573-3390