

January 10, 2012

Dear Southeast Corporate member:

Southeast Corporate and Corporate One wish you and your credit union a very successful 2012. We are optimistic that the coming year will bring great things to our members/owners, and we remain confident that the merger between our two organizations will benefit your credit union along with all the other members of Southeast Corporate, as well as the membership of Corporate One. As we progress forward into the New Year, we wanted to provide you with a quick review and update on our proposed merger, and request that those credit unions that have not returned their non-binding letters of commitments, do so as soon as possible.

First, we want to let you know of our most recent milestone. On January 10, 2012, the boards of directors of Southeast and Corporate One officially signed the Definitive Merger Agreement. This is an important step in the merger process as it is this agreement that governs the terms and conditions that binds our organizations in a merger. The Agreement also formalizes many of the details of the proposed merger, and having this framework document completed will make the transition to the combined organization even easier for you, our owners.

As we drafted the Definitive Merger Agreement, our number one goal continued to be the preservation of your collective \$63 million in member capital shares (MCS) at Southeast. As we have communicated to you, in order for the merger to succeed, thereby preserving your capital while maintaining Corporate One's already strong capital position, \$75 million in total perpetual contributed capital (PCC) is necessary. Therefore, as part of the merger, Southeast members are being asked to convert their existing MCS to PCC and, in many cases, provide additional capital to become a Partner member at Corporate One. A Partner membership is based on Corporate One's capital methodology of 90 basis points of assets, capped at \$900,000. (*Partner members enjoy preferential pricing and rates, access to the balance sheet, sufficient lines of credit, and other benefits not afforded to non-Partner members.*)

Critical to the merger process is our ability to demonstrate strong member support for a commitment of the \$75 million in total PCC that is necessary. To help gauge the level of support, all Southeast members have been provided with and were asked to sign a non-binding letter of commitment. By signing this non-binding letter of commitment, you are indicating that your credit union intends to support the merger by becoming a partner member at Corporate One with PCC based on the 90 basis points of assets/\$900,000 cap capital methodology.

We are very encouraged by the support indicated by the number of signed non-binding letters of commitment received thus far; however, the support of **ALL** our members is needed. If you have not returned your signed letter and intend to subscribe to PCC at Corporate One's Partner membership level, we ask that you sign and return the non-binding letter of commitment as soon as possible. If you need a copy of the non-binding letter of commitment, please contact our Member Services area at 800-342-0203, Option 1.

To assist with your decision to commit your capital, we have recorded a condensed version of the town hall meetings held last fall, which details the specifics of our merger plans and the importance of attaining the \$75 million of PCC in order for the merger to proceed. We strongly encourage you to view this virtual town hall with your staff and Board of Directors as it contains critical information needed to make an informed decision to support this merger. The virtual town hall is available at www.secorp.org.

Finally, the merger process is progressing according to schedule. Our next steps include:

- Submission of the final merger application to the NCUA in January.
- A membership vote to approve the merger and the official capital subscription process, which should begin after the NCUA reviews and considers our final application.

We will continue to update you as the merger progresses. As always, thank you for your support and patience as we work through the merger details and the NCUA's approval process.

Best regards,



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Enclosure