



Notice of Special Meeting of the Members of Live Life Federal Credit Union

The Board of Directors of Live Life Federal Credit Union approved a proposition to merge with Credit Union 1 and have called a special meeting of the members of this credit union at Live Life Federal Credit Union located at 34200 Utica Road, Fraser, MI 48026 on Thursday August 15, 2024, at 5:00 pm.

Purpose of the Meeting:

1. To consider and act upon a proposal to merge Live Life Federal Credit Union with Credit Union 1, (hereinafter referred to as the “Continuing Credit Union”), whereby all assets and liabilities of Live Life Federal Credit Union will be merged with and into the Continuing Credit Union. All members of Live Life Federal Credit Union will become members of the Continuing Credit Union and will be entitled to and will receive shares in the Continuing Credit Union for the shares they own in Live Life Federal Credit Union on the effective date of the merger.
2. To ratify, confirm and approve the action of the Board of Directors in authorizing the officers of Live Life Federal Credit Union, subject to approval of members, to carry out and execute all agreements, documents, and other papers necessary to carry out the proposed merger.

The Board of Directors of Live Life Federal Credit Union encourages you to attend the meeting and vote on the proposed merger. Whether or not you expect to attend the meeting, we urge you to sign, date and promptly return the enclosed ballot to vote on the proposed merger.

If you wish to submit comments about the merger to share with other members, you submit them to the National Credit Union Administration (NCUA) at the following link:

<https://www.ncua.gov/support-services/credit-union-resources-expansion/resources/comments-proposed-credit-union-mergers>

Or mail to:

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

RE: Member-to-Member Communication for Live Life Federal Credit Union

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

Other Information Related to the Proposed Merger

The Board of Directors has carefully analyzed the assets and liabilities of the participating credit unions and appraised each credit union's share values. The appraisal of the share values appears on the attached individual and consolidated financial statements of the participating credit unions. In addition, the following information applies to the proposed merger:

Reasons for merger: The Board of Directors concluded that the proposed merger is desirable and in the best interest of members because Credit Union 1 operates with the technology and systems that align with our members' needs. Their internal core values align with our own and give us confidence our membership will experience a much-needed upgrade in the quality of service we are unable to provide in this economic environment. We believe a synergy exists between the two credit unions and this partnership will benefit all involved.

Net worth: The net worth of a merging credit union at the time of a merger transfers to the continuing credit union. Live Life Federal Credit Union has a lower net worth ratio than Credit Union 1.

Share adjustment or distribution: Live Life Federal Credit Union will not distribute a portion of its net worth to its members in the merger. The board of directors has determined a share adjustment, or other distribution of Live Life Federal Credit Union's net worth is unnecessary because the members of Live Life Federal Credit Union will have a host of updated services and options with Credit Union 1 that we are unable to provide in this economic environment.

Locations of merging and continuing credit union: Live Life Federal Credit Union main office at 34200 Utica Road, Fraser, MI 48026 will remain open and become a part of Credit Union 1's nationwide branch locations. The continuing credit union branch locations will be as follows:

1. 200 E. Champaign Avenue, Rantoul, IL
2. 828 S. Wolcott, Chicago, IL (UIC)
3. 750 S. Halsted, Room 220C, Chicago, IL
4. 9441 Kedzie Avenue, Evergreen Park, IL
5. 4749 Lincoln Mall Drive, Ste. 101, Matteson, IL
6. 863 N. Milwaukee Avenue, Unit 500, Vernon Hills, IL
7. 450 E 22nd Street, Suite 250, Lombard, IL (Corporate Headquarters of CU1)
8. 6 West North Avenue, Suite 100, Northlake, IL
9. 2466 W. Wabash, Suite 240, Springfield, IL
10. 2032 N. Halsted, Chicago, IL
11. 1140 East Howard Street, B3, South Bend, IN (Notre Dame)
12. 2651 Paseo Verde Parkway, Henderson, NV (West Operations Center)
13. 2091 N. Decatur Road, Decatur, GA (East Operations Center)
14. 680 Union Street, Hobart, IN
15. 604 13th Avenue East, Bradenton, FL
16. 34200 Utica Road, Fraser, MI 48026 (LLFCU)

ATM information: Please see www.creditunion1.org for ATM related information.

Changes to services and member benefits: In addition to your current service(s), you will have expanded service offerings in the form of consumer and commercial lending, which includes real estate lending services. In addition, a refreshed and recently updated online and mobile banking platform.

Effective date of merger: The proposed effective date of this merger is December 31, 2024, or such earlier or subsequent date as approved by the Parties, Directors, Division of Financial Institutions for the State of Illinois and the National Credit Union Administration or any successor agency thereto.

Employee Representation: Employees of Live Life Federal Credit Union will be offered employment with Credit Union 1.

Merger-related financial arrangements: NCUA Regulations require merging credit unions to disclose certain increases in compensation that any of the merging credit union's officials or the five most highly compensated employees have received or will receive in connection with the merger. Based upon the valuable institutional knowledge, skills, and experience of the following persons, and their continued contributions to the best efforts and success of the merger post-merger, each will be provided the following at the close of the merger:

Karla Haglund, President and CEO – annual compensation will increase by \$33,000 and will receive a one-time merger bonus of \$75,000.

Traoney Harris, EVP and COO – annual compensation will increase by \$32,000 and will receive a one-time merger bonus of \$10,000.

Please note that the proposed merger must be approved by the majority of the members who vote. Enclosed with this Notice of Special Meeting is a Ballot for Merger Proposal. If you cannot attend the meeting, please complete the Ballot and return it to Live Life Credit Union, Attn: Supervisory Committee, 34200 Utica Road, Fraser, MI 48026.

To be counted, your Ballot must be received by Thursday August 15, 2024, at 5:00pm.

BY ORDER OF THE BOARD OF DIRECTORS:



President

6/4/2024

Date

NCUA 6305A

Ballot for Merger Proposal

Name of Member: _____

Account Number: _____

Live Life Federal Credit Union must receive this ballot by Thursday August 15, 2024, at 5:00 pm.

Please mail it to the following address (or bring it to the Special Meeting):

Live Life Federal Credit Union
Attn: Supervisory Committee
34200 Utica Road
Fraser, MI 48026

I have read the Notice of Special Meeting for the members of Live Life Federal Credit Union. The meeting will be held on the above date to consider and act upon the merger proposal described in the notice. I vote on the proposal as follows (check one box):

☐ Approve the proposed merger and authorize the Board of Directors to take all necessary action to accomplish the merger.

☐ Do not approve the proposed merger.

Signed: _____

Member's Name

Date: _____

Balance Sheet
As of December 31, 2023

	<u>CU1</u>	<u>LLFCU</u>	<u>Combined</u>
Current Assets:			
Total Loans	\$ 1,193,091,978	\$ 43,972,882	\$ 1,237,064,860
Deferred Costs/Fees	5,493,713	-	5,493,713
Allowance	(12,716,923)	(269,870)	(12,986,793)
Total Loans (Net)	1,185,868,768	43,703,012	1,229,571,780
Cash	349,125,243	19,488,420	368,613,663
Investments	51,681,903	501,325	52,183,228
Other Assets	91,490,648	1,465,192	92,955,840
Total Current Assets:	1,678,166,562	65,157,949	1,743,324,511
Fixed Assets Net	20,862,106	2,550,071	23,412,177
Total Assets	1,699,028,668	67,708,020	1,766,736,688
Current Liabilities:			
Accounts Payable	63,556,814	133,301	63,690,115
Notes Payable	65,379,487	3,553,345	68,932,831
Members Equity:			
Regular Shares	442,629,781	10,886,327	453,516,108
Money Market Shares	125,446,815	-	125,446,815
High Yield Savings	233,713,435	-	233,713,435
Checking	334,578,603	34,335,497	368,914,101
Certificates	258,372,619	13,747,000	272,119,619
IRA Shares and IRA Certificates	42,428,301	-	42,428,301
Total Shares:	1,437,169,555	58,968,824	1,496,138,380
Reserves	17,531,207	651,880	18,183,087
Undivided Earnings	105,533,972	4,658,788	110,192,761
Unrealized G/L - AFS	-	(26,775)	(26,775)
Net Income	9,857,633	(231,344)	9,626,289
Total Capital:	132,922,812	5,052,550	137,975,362
Total Liabilities	\$ 1,699,028,668	\$ 67,708,020	\$ 1,766,736,688

Income and Expense Statement
Year-to-Date December 2023

	<u>CU1</u>	<u>LLFCU</u>	<u>Combined</u>
Loan Income	\$ 58,151,280	\$ 1,521,378	\$ 59,672,658
Investment Income	12,493,612	417,283	12,910,895
Other Income	<u>20,439,798</u>	<u>2,029,358</u>	<u>22,469,157</u>
Total Income	91,084,690	3,968,020	95,052,710
Compensation/Benefits	39,217,611	1,355,091	40,572,703
Meetings, Travel & Conference	1,461,687	20,355	1,482,043
Office Occupancy	5,203,815	263,702	5,467,517
Office Operations	10,998,430	422,973	11,421,403
Educational & Promotional	2,530,783	51,486	2,582,269
Loan Servicing Expense	4,434,959	170,264	4,605,223
Professional Services	3,211,379	1,075,863	4,287,243
Provision for Loan losses	(182,577)	33,733	(148,843)
Member Insurance	-	-	-
Operating Fees and Association Dues	134,177	10,588	144,765
Depreciation & Amortization	2,645,451	-	2,645,451
Misc Operating Expenses	<u>(20,754)</u>	<u>19,540</u>	<u>(1,214)</u>
Total Operating Expenses	69,634,963	3,423,595	73,058,558
Operating Income/(Loss) Before Dividends	<u>21,449,727</u>	<u>544,425</u>	<u>21,994,152</u>
NCUA Stabilization	-	-	-
Gain/(Loss) on Disposition of Assets	6,978,237	-	6,978,237
Other Non-Operating Income/(Loss)	<u>-</u>	<u>-</u>	<u>-</u>
Income/(Loss) Before Dividends	28,427,964	544,425	28,972,389
Dividend Expenses	16,387,048	649,340	17,036,388
Interest on Borrowed Money	<u>2,183,283</u>	<u>126,429</u>	<u>2,309,711</u>
Net Income	<u>\$ 9,857,633</u>	<u>\$ (231,344)</u>	<u>\$ 9,626,289</u>
Probable Asset/Share Ratio	1.09	1.09	1.09
Net Capital/Asset Ratio	8.80%	7.46%	8.75%
Net Capital/Asset Ratio (excluding AFS)	8.80%	7.50%	8.75%
Delinquency Ratio	1.31%	4.11%	1.41%

Form 6311 - Probable Asset/Share Ratio
Proposed Merger between Live Life Federal Credit Union and Credit Union 1
As of December 31, 2023

	<u>Credit Union 1</u>	<u>LLFCU</u>	<u>Combined</u>
Additions:			
Cash	\$ 349,125,243	\$ 19,488,420	\$ 368,613,663
Loans (Net)	1,185,868,768	43,703,012	1,229,571,780
Investments	51,681,903	501,325	52,183,228
Fixed Assets	20,862,106	2,550,071	23,412,177
Other assets	<u>91,490,648</u>	<u>1,465,192</u>	<u>92,955,840</u>
Total (A)	1,699,028,668	67,708,020	1,766,736,688
Deductions:			
Notes Payable	65,379,487	3,553,345	68,932,831
Accounts Payable	63,556,814	133,301	63,690,115
Other recorded Liabilities	-	-	-
Contingent and/or Unrecorded Liabilities	-	-	-
Subsidiary Ledger Differences (Losses)	-	-	-
Other Losses	<u>-</u>	<u>-</u>	<u>-</u>
Total (B)	128,936,301	3,686,645	132,622,946
Net Value of Assets (A-B)	<u>\$ 1,570,092,367</u>	<u>\$ 64,021,375</u>	<u>\$ 1,634,113,742</u>
Total Shares	1,437,169,555	58,968,824	1,496,138,380
Probable Asset/Share Ratio	1.09	1.09	1.09