

Notice of Meeting of the Members of Tri State Area Federal Credit Union

The Board of Directors of Tri State Area Federal Credit Union has called a special meeting of the members of this credit union at 85 Washington Ave., Bennington, VT 05201, December 2, 2024, at 5:00pm. The purpose of this meeting is:

1. To consider and act upon a plan and proposal for merging Tri State Area Federal Credit Union with and into Heritage Family Federal Credit Union (hereinafter referred to as the "Continuing Credit Union"), whereby all assets and liabilities of Tri State Area Federal Credit Union be merged with and into the Continuing Credit Union. All members of Tri State Area 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 Tri State Area 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 Tri State Area Federal Credit Union, subject to the approval of members, to do all things and to execute all agreements, documents, and other papers necessary to carry out the proposed merger.

The Board of Directors of Tri State Area 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 may submit them to the National Credit Union Administration (NCUA) at <https://www.ncua.gov/support-services/credit-union-resources-expansion/credit-union-merger-resources/comments-proposed-credit-union-mergers>. You may also mail your comments to: National Credit Union Administration, Office of Credit Union Resources and Expansion, 1775 Duke Street, Alexandria, VA 22314. The NCUA will post comments received from members on its website, along with the member's name, subject to the limitations and requirements of its regulations.

Other Information Related to the Proposed Merger:

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

Reasons for merger: The Board of Directors has concluded that the proposed

merger is desirable and in the best interests of members for a number of reasons, such as better pricing and services, additional products, enhanced convenience and account access and lower operating costs as a larger combined institution. The merged credit union will also achieve economies of scale which will permit it to better compete in the increasingly competitive financial services industry. By joining together, Tri State Area Federal Credit Union and Heritage Family Federal Credit Union will retain their members-first philosophy and be better positioned to serve members now and into the future. As a result, the Board of Directors has determined that the opportunity to merge with Heritage Family Federal Credit Union is in the best interest of the members.

If the merger is approved by the members, your savings with the Continuing Credit Union will remain federally insured by the National Credit Union Share Insurance Fund (NCUSIF), an arm of the National Credit Union Administration, and backed by the full faith and credit of the United States Government.

Net worth: The net worth of a merging credit union at the time of a merger transfers to the continuing credit union. Tri State Area Federal Credit Union (8.26%) has a lower net worth ratio than Heritage Family Federal Credit Union (11.43%).

Share adjustment or distribution: Tri State Area 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 Tri State Area Federal Credit Union's net worth is unnecessary because Tri State Area has a lower net worth ratio than Heritage Family Federal Credit Union.

Locations of merging and continuing credit union: The Tri State Area Federal Credit Union main branch location in Hoosick Falls, New York, and the branch location in Bennington, Vermont, will remain open following the merger. In addition, Heritage Family has ten branch locations in the service area, resulting in twelve branch locations for members of the Continuing Credit Union.

28 Church Street, Hoosick Falls, NY 12090
85 Washington Avenue, Bennington, VT 05201
30 Allen Street, Rutland, VT 05701
50 West Street, Rutland, VT 05701
206 Pleasant Street, Bennington, VT 05201
1340 Franklin Street, Brandon, VT 05733
643 Main Street, Castleton, VT 05735
67 Washington Street, Fair Haven, VT 05743
1337 Hooksett Road, Hooksett, NH 03106
2826 VT Route 100, South Londonderry, VT 05155
198 Main Street, Ludlow, VT 05149
11 Baker Farm Road, Manchester, VT 05255

Changes to services and member benefits: The credit unions have made no post-merger plans to reduce branch facilities, ATM network access, or existing accounts and services offerings currently offered or available to Tri State Area Federal Credit Union members.

Member Approval and Ballot:

Please note that the proposed merger must have the approval of the majority of members who vote. In accordance with its Bylaws, Tri State Area Federal Credit Union is conducting the member vote on the merger proposal through a mail-in or in-person ballot to the Tri State Area Federal Credit Union members. The ballot distribution, collection, custody and tabulation will be conducted by an independent third party company, A.M. Peisch & Company, LLP.

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:

A.M. Peisch & Company, LLP
P.O. Box 460
Rutland, VT 05702

To be counted, your Ballot must be received by December 2, 2024 at 5:00pm. You may also cast your vote in-person at the meeting. Branches cannot accept ballots or mail ballots for members.

BY THE ORDER OF THE BOARD OF DIRECTORS:



Chairman
Michael Slattery

9/25/2024
Date

HFCU and TSAFCU

Summary Balance Sheet Monthly Comparison

As of June 30, 2024

	June 2024	June 2024	June 2024
	HFCU	TSAFCU	Combined
TOTAL LOANS	\$538,072,609	\$22,803,109	\$560,875,718
TOTAL ALLOWANCE FOR LOAN LOSSES	(\$5,690,280)	(\$125,423)	(\$5,815,703)
TOTAL NET LOANS OUTSTANDING	\$532,382,329	\$22,677,686	\$555,060,015
TOTAL CASH AND CASH EQUIVALENTS	\$4,343,083	\$1,741,717	\$6,084,800
TOTAL INVESTMENTS	\$190,653,569	\$15,386,904	\$206,040,473
TOTAL FIXED ASSETS	\$18,063,819	\$1,722,144	\$19,785,963
TOTAL OTHER ASSETS	\$11,197,364	\$220,416	\$11,417,780
TOTAL NCUSIF	\$0	\$378,241	\$378,241
TOTAL ASSETS	\$756,640,164	\$42,127,108	\$798,767,272
TOTAL DIVIDENDS PAYABLE	\$0	\$22	\$22
TOTAL FUNDS BORROWED	\$61,260,000	\$0	\$61,260,000
TOTAL OTHER LIABILITIES	\$10,321,605	\$178,195	\$10,499,800
TOTAL MEMBER DEPOSITS	\$621,862,215	\$38,672,711	\$660,534,926
TOTAL LIABILITIES	\$693,443,820	\$38,850,928	\$732,294,748
TOTAL EQUITY	\$63,196,344	\$3,276,180	\$66,472,524
TOTAL LIABILITIES & EQUITY	\$756,640,164	\$42,127,108	\$798,767,272
Net Worth	\$83,306,082	\$3,718,117	\$87,024,199
Net Worth Ratio	11.01%	8.83%	10.89%

Ballot for Merger Proposal

Name of Member: _____

Account Number: _____

Your credit union must receive this ballot by **12/2/24**

Please mail it to:

A.M. Peisch & Company, LLP

P.O. Box 460

Rutland, VT 05702

I have read the Notice of Special Meeting for the members of Tri State Area 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.

Member Signature

Date

Member Name (printed)