

Notice of Special Meeting of the Members on Proposal to Merge

Bourns Employees Federal Credit Union

(Merging)

The Board of Directors of Bourns Employees Federal Credit Union have called a special meeting of the members of this credit union at 1200 Columbia Ave, Room 100, Riverside CA 92507 on August 9th, 2024, at 3 PM The purpose of this meeting is:

1. To consider and act upon a plan and proposal for merging Bourns Employees Federal Credit Union with and into Arrowhead Central Credit Union (hereinafter referred to as the “Continuing Credit Union”), whereby all assets and liabilities of Bourns Employees Federal Credit Union will be merged with and into the Continuing Credit Union. All members of Bourns Employees 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 Bourns Employees 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 Bourns Employees 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 Bourns Employees 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/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 Bourns Employees Federal Credit Union

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 statement 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.

Combined Balance Sheets of Arrowhead Central Credit Union & Bourns Employees Federal Credit Union December 31, 2023

	Arrowhead Central Credit Union	Bourns Employees Federal Credit Union	Arrowhead Combined
ASSETS			
Cash and Cash Equivalents	\$ 282,956,818	\$ 3,303,951	\$ 286,260,769
Investments	837,243,442	18,389,012	855,632,454
Loans - Net of the Allowance for Loan & Lease Losses	1,224,048,409	37,264,497	1,261,312,906
Property & Equipment	22,156,686	675,046	22,831,732
Other Assets	51,598,549	4,707,069	56,305,618
Total Assets	\$ 2,418,003,904	\$ 64,339,575	\$ 2,482,343,479
LIABILITIES AND MEMBERS' EQUITY			
Members' Shares	\$ 2,006,182,008	\$ 58,992,202	\$ 2,065,174,210
Other Liabilities	177,095,305	736,827	177,832,132
	2,183,277,313	59,729,029	2,243,006,342
Members' Equity	234,726,591	4,610,546	239,337,137
Total Liabilities and Members' Equity	\$ 2,418,003,904	\$ 64,339,575	\$ 2,482,343,479
Net Worth Ratio	10.61%	8.76%	10.57%
Probable Asset/Share Ratio	1.12	1.08	1.12

Reason for merger: The Board of Directors has concluded that the proposed merger is desirable and in the best interests of members for the following reasons:

NCUA 6305A

- **Added Convenience, Service, and Access:**

- A wider variety of competitive services and products, including, for example, enhanced loan options and additional checking account products.
- Nineteen branch locations (see below for the complete list of proprietary branch locations).
- In-Branch coin machines
- Instant issue card printing at all branches
- Enhanced ATMs with envelope free technology
- Fully functional a call center available Monday – Friday from 8 AM – 6 PM and Saturday’s from 9 AM – 2 PM
- After hours card support Monday – Friday 6 PM – 10 PM, Saturday’s 2 PM – 6PM, Sunday’s 10 AM – 2 PM
- Saturday hours at select branch locations
- Zelle®: a fast, safe and easy way to send and receive money with friends, family and others you trust.
- Investment services
- Financial Planning: Online tools and team of certified Money Coaches

- **Lower Operating Costs:** The Continuing Credit Union, and consequently the members, will benefit from the economies of scale (including a combined entity totaling more than \$2.4 billion in assets and over 207,000 members); translating into lower operating costs by allowing such costs to be spread over a wider membership base.

- **Employee Retention:** All qualified employees of Bourns Employees Federal Credit Union will be offered employment by Continuing Credit Union following consummation of the merger.

- **Continuation of Federal Deposit Insurance:** If the merger is consummated (by the approval of the members), your deposits with Bourns Employees Federal Credit Union will continue to be federally insured by the National Credit Union Administration.

Net worth: The net worth of a merging credit union at the time of a merger transfers to the continuing credit union. Arrowhead Central Credit Union has a higher net worth than Bourns Employees Federal Credit Union.

Share adjustment or distribution:

Bourns Employees 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 Bourns Employees Federal Credit Union's net worth is unnecessary because its net worth is lower than the Continuing Credit Union and will not result in a variance in Continuing Credit Union's net worth.

As noted above, the Continuing Credit Union will provide the members with access to a greater number of credit union branches, including the following Branch locations:

23971 Lake Drive
Crestline, CA 92325

1580 Industrial Park Avenue
Redlands, CA 92346

750 N. Diamond Bar Blvd, Suite 111
Diamond Bar, CA 91765

1432 S. Riverside Ave
Rialto, CA 92376

6170 Hamner Avenue
Eastvale, CA 91752

1200 Columbia Ave
Riverside, CA 92507

16944 S. Highland Avenue
Fontana, CA 92336

6135 Van Buren Boulevard
Riverside, CA 92503

4747 AZ-95
Fort Mohave, AZ 86426

575 E. Hospitality Lane
San Bernardino, CA 92408

7201 Boulder Ave.
Highland, CA 92346

24325 Crenshaw Boulevard
Torrance, CA 90505

27949 Greenspot Road, Suite C
Highland, CA 92346

81 W. Foothill Boulevard
Upland, CA 91786

5531 E. Stearns Street
Long Beach, CA 90815

12748 Amargosa Road
Victorville, CA 92392

5275 Holt Boulevard
Montclair, CA 91763

15445 Eighth St
Victorville, CA 92395

1001 W. Broadway Street
Needles, CA 92363

33598 Yucaipa Boulevard, Suite 1
Yucaipa, CA 92399

8686 Haven Avenue
Rancho Cucamonga, CA 91730

ATM Information: Please note that as a member of the Continuing Credit Union, the CO-OP ATM Network will continue to be available to you.

The main office of the continuing credit union will be as follows:

8686 Haven Avenue
Rancho Cucamonga, CA 91730

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 collection with the merger. The following individuals have received or will receive such compensation:

Name	Title	Description of increase	Amount
Edward Casanova	Chief Executive Officer	Retention Bonus, PTO Payout	\$110,813
Renee Byrom	Finance & Operations Manager	Salary Adjustment, Retention Bonus, PTO Payout	\$44,495
Le My Hoang	Mortgage Lending Manager	Salary Adjustment, Retention Bonus, PTO Payout	\$28,889
Mary Kassel	Branch Manager	Salary Adjustment, Retention Bonus, PTO Payout	\$34,071
Christina Gallegos	Member Service & Consumer Loan Supervisor	Salary Adjustment, Retention Bonus, PTO Payout	\$25,152

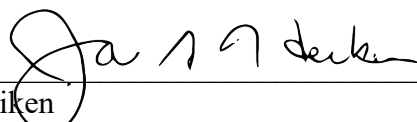
The merger must have the approval of a majority of members of the credit union who vote on the proposal.

Enclosed with this Notice of Special Meeting is a Ballot for Merger Proposal. If you cannot attend the meeting to personally deliver your ballot, please complete the ballot and return it to:

Bourns Employees Federal Credit Union
c/o Turner, Warren, Hwang & Conrad AC
100 North First Street, Suite 202
Burbank, CA 91502

Please use the enclosed, postage-paid envelope so that it is received by the third-party auditing firm no later than August 9th, 2024. To be counted, your ballot must reach us by the date and time announced for the meeting. Also, if required, the Credit Union will make application to the Commissioner of the California Department of Financial Protection and Innovation for approval of the merger pursuant to California Financial Code Section 15201(b).

BY ORDER OF THE BOARD OF DIRECTORS:



Jim Heiken
Board Chairperson

06/14/2024

Date