

# **Notice of Special Meeting of the Members on Proposal to Merge**

## **Valley Hills Federal Credit Union (Merging)**

On March 12, 2024 the Board of Directors of your credit union approved a proposition to merge with Arrowhead Central Credit Union. You are encouraged to attend a special meeting of your credit union at 701 S Mt Vernon Ave, Business Building - Rm B100, San Bernardino, CA 92410 on October 17<sup>th</sup>, 2024 at 5:30 PM.

### **Purpose of the Meeting**

The meeting has two purposes:

1. To consider and act upon a proposal to merge our credit union with Arrowhead Central Credit Union, the continuing credit union.
2. To approve the action of the Board of Directors of our credit union in authorizing the officers of the credit union, subject to member approval, to carry out the proposed merger.

If this merger is approved, our credit union will transfer all its assets and liabilities to the continuing credit union. As a member of our credit union, you will become a member of the continuing credit union. On the effective date of the merger, you will receive shares in the continuing credit union for the shares you own now in our credit union.

The Board of Directors of Valley Hills 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 NCUA, Office of Credit Union Resources and Expansion (CURE) at: <https://www.ncua.gov/support-services/credit-union-resources-expansion/credit-union-merger-resources/comments-proposed-credit-union-mergers> or 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 limitations and requirements of its regulations.

### **Other Information Related to the Proposed Merger**

The directors of the participating credit unions 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 included individual and consolidated financial statements of the participating credit unions.

# Arrowhead Central Credit Union

## Combined Balance Sheets of Arrowhead Central Credit Union & Valley Hills Federal Credit Union

December 31, 2023

	Arrowhead Central Credit Union	Valley Hills Federal Credit Union	Arrowhead Combined
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 282,956,818	\$ 632,468	\$ 283,589,286
Investments	837,243,442	1,100,500	838,343,942
Loans - Net of the Allowance for			
Loan & Lease Losses	1,224,048,409	1,837,652	1,225,886,061
Property & Equipment	22,156,686	7,837	22,164,523
Other Assets	51,598,549	172,405	51,770,954
<b>Total Assets</b>	<b>\$ 2,418,003,904</b>	<b>\$ 3,750,862</b>	<b>\$ 2,421,754,766</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>			
Members' Shares	\$ 2,006,182,008	\$ 3,184,915	\$ 2,009,366,923
Other Liabilities	177,095,305	31,882	177,127,187
	2,183,277,313	3,216,797	2,186,494,110
Members' Equity	234,726,591	534,065	235,260,656
<b>Total Liabilities and Members' Equity</b>	<b>\$ 2,418,003,904</b>	<b>\$ 3,750,862</b>	<b>\$ 2,421,754,766</b>
<b>Net Worth Ratio</b>	<b>10.61%</b>	<b>14.24%</b>	<b>10.62%</b>
<b>Probable Asset/Share Ratio</b>	<b>1.12</b>	<b>1.17</b>	<b>1.12</b>

- **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).
  - Instant issue card printing at all branches
  - Enhanced ATMs with envelope free technology
  - Enhanced online banking services
  - Mobile banking with Remote Deposit Capture
  - Mobile Payments: ApplePay, SamsungPay, GooglePay
  - Access to the COOP Shared branching network
  - Access to 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
- **Employee Representation:** Valley Hills Federal Credit Union employees will not continue post-merger.
- **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 197,000 members); translating into lower operating costs by allowing such costs to be spread over a wider membership base.
- **Continuation of Federal Deposit Insurance:** If the merger is consummated (by the approval of the members), your deposits with Valley Hills Federal Credit Union will continue to be federally insured by the National Credit Union Administration.

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

8686 Haven Avenue  
Rancho Cucamonga, CA 91730

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

1580 Industrial Park Avenue  
Redlands, CA 92346

6170 Hamner Avenue  
Eastvale, CA 91752

1432 S. Riverside Ave  
Rialto, CA 92376

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

33598 Yucaipa Boulevard, Suite 1  
Yucaipa, CA 92399

1001 W. Broadway Street  
Needles, CA 92363

**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

The Board of Directors of both credit unions agree that there will be no adjustment in Valley Hills Federal Credit Union's shares due to the fact that the difference between the credit unions' probable asset share ratios will not be material, or otherwise will not result in Arrowhead Central Credit Union having a larger ratio.

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:

Valley Hills 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 October 03, 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:**



Manuel Loera  
Board Presiding Officer

8/30/2024

Date