



74A CENTENNIAL LOOP | P.O. BOX 866 | EUGENE, OREGON 97440
541 683-5665 | 800-709-5665 | FAX: 541 683-7126 | WWW.LANECO.ORG

Dear Member of Laneco Federal Credit Union:

On behalf of the Board of Directors of Laneco Federal Credit Union (LFCU), I am pleased to share exciting news. We have received regulatory approval to pursue a merger with Central Willamette Credit Union.

The LFCU Board of Directors unanimously voted in favor of putting this forward for approval by the membership. However, the final decision is up to you. You are being asked to vote on a proposal for a merger with Central Willamette Credit Union, an Oregon state-chartered credit union with headquarters located in Albany, Oregon.

Unlike bank mergers that are designed to make money for stockholders, this merger represents a partnership between two credit unions that are committed to members and the communities we serve. If approved, LFCU members will have increased access to branches, products and services.

Your vote is very important, and a merger between Laneco Federal Credit Union and Central Willamette Credit Union must have the approval of a majority of members of LFCU. In the materials accompanying this letter, you will find a Notice of Special Meeting, a ballot to cast your vote, and other information related to the proposed merger. Should you require additional information, please direct questions to our attention at 541-683-5665 or 800-709-5665 or email us at laneco@laneco.org.

To be counted, your ballot must reach us by the date and time stated on the enclosed ballot.

We greatly appreciate your membership and thank you for your support.

Sincerely,

LANECO FEDERAL CREDIT UNION

A handwritten signature in blue ink that reads "Manetta M Deggelman". The signature is fluid and cursive, with a long horizontal stroke at the end.

Manetta Deggelman, Board Chair
LFCU Board of Directors

NOTICE OF SPECIAL MEETING OF THE MEMBERS OF LANECO FEDERAL CREDIT UNION

The Board of Directors of Laneco Federal Credit Union has called a Special Meeting of the Members of Laneco Federal Credit Union at Laneco Federal Credit Union, 74A Centennial Loop, Eugene, OR 97401 on June 7, 2024, at 12 o'clock pm (noon).

Purpose of Special Meeting & Member Action

The purpose of the Special Meeting & Member Action is:

1. To consider and act upon a Merger Plan and proposal for merging Laneco Federal Credit Union (LFCU) of Eugene, Oregon with Central Willamette Credit Union (CWCU) of Albany, Oregon (Continuing Credit Union) whereby all assets and liabilities of Laneco Federal Credit Union will be merged with and into the Continuing Credit Union. All members of Laneco 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 Laneco 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 Laneco 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 Laneco 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 an electronic ballot accessed at www.laneco.cuballot.com or the enclosed mail ballot to vote on the proposed Merger. You may also cast your vote in person at the meeting.

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 Laneco 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.

You have the right to vote on the proposed merger by written or electronic ballot prior to the Special Meeting.

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 in the best interests of members. The proposed merger will benefit their respective memberships by achieving operational cost savings and improving the operational and financial strength of the Continuing Credit Union, ultimately enhancing member value.

Benefits to the LFCU Membership will include:

- Increased convenience and improved service resulting from the additional eight facilities of CWCU in the Willamette Valley of Oregon.
- Expanded accounts & commercial deposit accounts, loan products, cash management, and more extensive business services to serve local businesses and members. Access to the CUDL indirect lending network.
- Expansion of home mortgage and commercial real estate loan services through more robust lending products and programs.

Benefits to CWCU Credit Union membership will include:

- Increased convenience and improved service resulting from the additional facility of LFCU in Eugene, Oregon.
- Increased returns to member from additional capital and savings and efficiencies of the merged credit unions.

Benefits to the Combined Organization will include:

- Increased capital and financial strength ensuring long-term sustainability.
- Enhanced member value through expanded financial product and service offerings, distribution channels, and competitive rates and fees.
- Additional cost savings in operations, resulting from consolidated back-office support functions, and greater market presence and bargaining power.

Banking and financial services is a competitive industry. By joining together, LFCU and CWCU will be better positioned to offer competitive financing and enhanced services for our members. Merging these two strong organizations will combine shared values and will provide members additional financial protection against future economic downturns.

Net Worth. CWCU's net worth as of September 30, 2023 was \$77,167,168 and net worth ratio was 14.89% with LFCU's at \$1,432,314 and 7.78%. The combined net worth projection for the Continuing Credit Union as of September 30, 2023 is \$78,599,482 or 14.66% net worth ratio. Upon the merger, the net worth of LFCU, as merging credit union will transfer to the Continuing Credit Union. LFCU, the Merging Credit Union, does not have a higher net worth ratio than CWCU, the Continuing Credit Union

No Share Adjustment. Laneco 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 Laneco Federal Credit Union's net worth is unnecessary.

The Directors of LFCU and CWCU have carefully analyzed the assets and liabilities of the Credit Unions and have appraised each Credit Union's share values. It is the opinion of the Board of Directors of LFCU and CWCU that the merger should be completed without any adjustment in shares of the members of LFCU upon completion of the merger. Based on the current financial and statistical reports, the Credit Unions have made a joint appraisal of assets and liabilities to determine the value of shares in each Credit Union. An analysis of the share values of LFCU, CWCU, and the combined probable asset/share ratio value of the Continuing Credit Union are as follows: LFCU 108.45%; CWCU 108.54%; and Continuing Credit Union 108.50% The Credit Unions have determined that the shares in each Credit Union are substantially equal in value and no share adjustments are warranted.

Locations of Merging and Continuing Credit Union. Laneco Federal Credit Union's main office at 74A Centennial Loop, Eugene, OR 97401 will remain open.

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 Laneco Federal Credit Union members. The Continuing Credit Union may analyze the future branching/ATM network offering to members.

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, CEO or the four most highly compensated employees have received or will receive in anticipation of or upon completion of the Merger. No merger related financial arrangement or other financial incentive has been offered or provided to any official (Board or Supervisory Committee Member) management staff or employee of LFCU or CWCU in connection with the approval or consummation of the Merger.

Summary of Merger Plan. In addition, enclosed is a Summary of the Merger Plan which provides important Merger information including: the organization of the Board of Directors and Supervisory Committee; information on Senior Management and existing contracts and benefit plans; information on products and services anticipated after the Merger; and an itemized estimate of the direct costs of the merger.

Effective Date. Subject to approval by the Oregon DFR, NCUA and members of LFCU, the Credit Unions have planned an effective date for the merger of July 1, 2024.

Merger Approval and Ballot. In order to accomplish the merger, it is necessary to obtain approval of a simple majority of the members of LFCU who vote on the proposal. In accordance with its Bylaws, LFCU is conducting the member vote on the merger proposal through a mail and electronic ballot to the LFCU members. The ballot distribution, collection, custody and tabulation will be conducted entirely by an independent third-party company. Enclosed with this Notice of Special Meeting is a Ballot for Merger Proposal. Please complete the Ballot and return electronically or by U.S. Mail to CU Ballot. Your electronic or mail ballot must be received by no later than the business day prior to the Special Meeting, June 7, 2024. Electronic or mail Ballots received after this date and time will not be counted. You may also cast your vote in person at the meeting.

BY THE ORDER OF THE BOARD OF DIRECTORS:


Manetta Deggelman, Board Chair

Date: 3-13-2024

Summary Plan of Merger of Laneco Federal Credit Union and Central Willamette Credit Union

Introduction

The Board of Directors of Laneco Federal Credit Union ("LFCU"), as Merging Credit Union, and Central Willamette Credit Union ("CWCU"), as Continuing Credit Union, approved the Merger of the two Credit Unions and have entered an agreement to merge, subject to the approval of the members of LFCU and final approval by the Oregon Division of Financial Regulation ("DFR") and the National Credit Union Administration ("NCUA"). In connection with the Merger, the following information is provided in addition to the Merger and financial information set forth in the Notice of Special Meeting.

Board of Directors

On the effective date of the merger, the Board of Directors will consist of nine (9) Directors including the current members of CWCU and one (1) current member of LFCU appointed as an Associate Director.

Supervisory Committee

The Continuing Credit Union plans to retain the current size of its Supervisory Committee of three (3) members. On the effective date of the merger, the Supervisory Committee of the Continuing Credit Union shall be comprised of the three (3) current members of the CWCU Supervisory Committee.

Management and Employees

The Credit Unions intend to offer employment to all employees of LFCU as of the merger date, subject to CWCU's current employment policies and procedures and the future business needs of the Continuing Credit Union. LFCU employees will be offered a compensation and benefit package that is consistent in value and benefit, to the extent reasonably possible, as offered by CWCU to its employees. Stacie Wyss-Schoenborn, currently the President/CEO of CWCU, will continue as President/CEO of the Continuing Credit. Loreen Ervin, currently the Manager/CEO of LFCU, will continue as an executive of the Continuing Credit Union.

Insurance

There will be no changes in the \$250,000 of federal share insurance coverage of members' accounts through the National Credit Union Share Insurance Fund unless a member has accounts at both LFCU and CWCU in excess of the share insurance limit. In this case, affected members will receive a separate notice explaining the federal share insurance coverage related to their account(s). Credit Union staff will encourage the affected members to meet with appropriate Credit Union staff who will attempt to work with the members in an effort to maximize their deposit insurance coverage.

Branch Offices

After the merger, the Continuing Credit Union will continue all current full-service branches of LFCU and CWCU. Below is a list of the locations of all current branches of LFCU and CWCU that will continue after the merger. None of the CWCU branches are within a reasonable proximity (<20 miles) of the LFCU Main Office Branch.

Current Laneco Federal Credit Union Office	
Main Office	74A Centennial Loop, Eugene, OR 97401

Current Central Willamette Credit Union Offices	
Albany Waverly	645 Waverly Drive SE, Albany, OR 97332
Albany Pacific	905 29 th Avenue SW, Albany, OR 97321
North Albany	621 NW Hickory Street, Albany, OR 97321
Corvallis	555 NE Circle Blvd., Corvallis, OR 97330
Lebanon	625 N 5 th Street, Lebanon, OR 97355
South Salem	4093 Commercial Street SE #110, Salem, OR 97302
Salem-Lancaster	852 Lancaster Drive SE, Salem, OR 97317
Newport	150 NE 20 th Street, Newport, OR 97365

Products & Services

Upon or following the merger, members of LFCU can expect many of the existing accounts and services provided by LFCU will continue to be provided by CWCU. Also, CWCU may offer additional accounts and services not currently available from LFCU. The Credit Unions will determine the types of accounts and services that will be available and offered to the LFCU members, including the terms and fees for such accounts and services. Prior to any changes for LFCU, CWCU will provide all LFCU affected accountholders of any material changes in terms in the accounts and services to be provided by CWCU. The following is a summary of consumer and business accounts and services that CWCU provides.

CWCU Products and Services
Consumer
Savings <ul style="list-style-type: none"> • Membership Savings • Youth Membership Savings • First-Time Homebuyer Savings • IRA Deposit/Certificates • Rainy Day Savings • Money Market Plus • Choice Money Market • Certificates of Deposit
Checking <ul style="list-style-type: none"> • Simply Free Checking • MyChecking • 50+ Interest Checking • Direct Interest Checking • Premier Interest Checking

CWCU Products and Services
<p>Lending</p> <ul style="list-style-type: none"> • New and Used Vehicle Loans – Vehicle, RV, Boat, Motorcycle, Trailer and ATV • Home Mortgage Loans • Home Equity Loans • Home Equity Lines of Credit • Personal Loans & Lines of Credit • Savings Secured • Indirect Lending
<p>Cards</p> <ul style="list-style-type: none"> • VISA ATM/Debit Card • Visa Credit Cards – Signature Rewards, Platinum and Platinum Secured
<p>Electronic Services</p> <ul style="list-style-type: none"> • Online Banking • Bill Pay • Mobile Banking • Mobile Check Deposit • Email Alerts • Text Alerts • eStatements • Person to Person Transfers • Account to Account • Telephone Banking • Direct Deposit
Business
<p>Deposit Accounts & Services</p> <ul style="list-style-type: none"> • Business membership • Simply Free Business Checking • Premier Business Interest Checking • Commercial Checking

Merger Expenses

The estimated expenses paid or to be incurred by the Credit Unions in connection with conducting the Merger including the special meeting costs and postage, printing, marketing and printing and postage, accounting fees, environmental assessments, consulting fees, legal fees and regulatory filing fees is \$58,250.

Financial Information of LFCU and CWCU

Regulatory Call Report (5300) Information

The following is key financial information from the Call Reports (5300) of LFCU and CWCU as of September 30, 2023:

Key Information	LFCU	CWCU
Total Loans	\$7,831,161	\$390,706,007
Total Assets	\$18,401,183	\$517,625,828
Total Deposits	\$16,942,093	\$448,202,566
Total Equity	\$1,432,314	\$77,167,168
Average Shares per Member	\$10,536	\$23,784
Average Loan per Member	\$4,870	\$11,144
Ratios		
Net Worth/Total Assets	7.78%	14.89%
Delinquent Loans/Total Loans	0.00%	0.83%
Loan/Shares	46.22%	87.17%

The following is an overview of the combined year to date income statement for September 30, 2023:

Key Information	LFCU	CWCU
Total Interest Income	\$411,762	\$16,267,141
Total Interest Expense (COF)	\$1,324	\$2,043,692
Fee and Other Operating Income	\$74,429	\$5,691,292
Operating Expense	\$428,972	\$14,443,623
Provisions for Loan Losses	\$7,938	\$1,889,540
Net Income	\$47,957	\$3,581,578
Ratios		
Net Charge Offs	0.07%	0.27%
ROA YTD	0.34%	0.92%
Net Operating Expense	3.04%	3.14%

The complete 5300 Regulatory Reports for Laneco Federal Credit Union and Central Willamette Credit Union are available at www.ncua.gov.

Combined Financial Information

The following is an overview of the individual balance sheets of LFCU and CWCU as of September 30, 2023, and a combined balance sheet showing what the Continuing Credit Union would have held at September 30, 2023.

Assets	LFCU	CWCU	Combined
Total Cash	\$1,554,002	\$11,475,712	\$13,029,714
Total Investments	\$8,481,502	\$81,623,547	\$90,105,049
Total Loans	\$7,831,161	\$390,706,007	\$398,537,168
Other Assets	\$534,518	\$33,820,562	\$34,355,080
Total Assets	\$18,401,183	\$517,625,828	\$536,027,011
Liabilities and Equity			
Borrowings	\$0.00	\$24,559,645	\$24,559,645
Accounts Payable and Other Liabilities	\$26,776	\$6,574,954	\$6,601,730
Total Deposits	\$16,942,093	\$448,202,566	\$465,144,659
Total Equity	\$1,432,314	\$38,288,663	\$39,720,977
Total Liabilities and Equity	\$18,401,183	\$517,625,828	\$536,027,011

BALLOT FOR MERGER PROPOSAL

Name of Member: _____ Account Number: _____

Laneco Federal Credit Union must receive this ballot (electronic or mail) by June 6, 2024.

Please return the Ballot:

Electronic: *www.laneco.cuballot.com*

Mail to: CU Ballot, PO Box 3156, Dublin, OH 43016

Special Meeting: Bring it to the Special Meeting

I have read the Notice of Special Meeting for the members of Laneco Federal Credit Union. The meeting will be held on June 7, 2024, 12 pm, to consider and act upon the merger proposal described in the Notice of Special Meeting.

Vote. I vote on the proposal as follows (*check one box*):

Approve the proposed Merger and authorize the Laneco Federal Credit Union Board of Directors to take all necessary actions to accomplish the merger.

Do not approve the proposed Merger.

Member Signature

Date

Member Name (Printed)