

NOTICE OF SPECIAL MEETING OF THE MEMBERS OF COULEE DAM FEDERAL CREDIT UNION

The Board of Directors of Coulee Dam Federal Credit Union has called Special Meeting of the Members of Coulee Dam Federal Credit Union at 402 N Columbia Ave, Coulee Dam, Washington on June 21, 2021, at 5:30 o'clock p.m.

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 Coulee Dam Federal Credit Union of Coulee Dam, Washington with Spokane Teachers Credit Union of Spokane, Washington (Continuing Credit Union) whereby all assets and liabilities of Coulee Dam Federal Credit Union will be merged with and into the Continuing Credit Union. All members of Coulee Dam 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 Coulee Dam 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 Coulee Dam 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 Coulee Dam 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 mail ballot to vote on the proposed Merger. If you wish to vote electronically you may do so at <https://cdfcu.cuballot.com>. 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/services/Pages/resources-expansion/comments-proposed-merger.aspx> or NCUA, 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.

You have the right to vote on the proposed merger by written 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 CDFCU Membership will include:

- Increased convenience and improved service resulting from the additional 28 facilities of STCU in Central and Eastern, Washington and North Idaho.
- Expanded accounts & services including: additional checking accounts and credit debit cards, electronic services, mortgage loans, commercial services, to serve individual and local business members.

Benefits to STCU Credit Union membership will include:

- Increased convenience and improved service resulting from the additional 5 Central Washington locations.
- 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, CDFCU and STCU 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. STCU's net worth as of December 31, 2020 was \$389.9 million and net worth ratio was 9.43% with CDFCU's at \$12.5 million and 7.43%. The combined net worth projection for the Continuing Credit Union as of December 31, 2020 is \$402.4 million and 9.48% net worth ratio. Upon the merger, the net worth of CDFCU, as merging credit union will transfer to the Continuing Credit Union.

No Share Adjustment. Coulee Dam 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 Coulee Dam Federal Credit Union's net worth is unnecessary. The Directors of CDFCU and STCU 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 CDFCU and STCU that the merger should be completed without any adjustment in shares of the members of CDFCU 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 CDFCU, STCU, and the combined probable asset/share ratio value of the Continuing Credit Union are as follows: CDFCU 108%; STCU 112%; and Continuing Credit Union 112% 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. Coulee Dam Federal Credit Union's main office at: 402 N. Columbia Ave., Coulee Dam, Washington will remain open. All branch offices of Coulee Dam Federal Credit Union will remain open following the Merger.

Changes to Services and Member Benefits. The Credit Unions have made no post-merger plans to reduce branch facilities, ATM network access, or existing loan accounts currently offered or available to Coulee Dam Federal Credit Union members. The Continuing Credit Union may analyze the future branching and ATM network offering to members and will convert existing deposit accounts, credit and debit cards and electronic services to those offered by STCU.

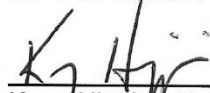
Merger-related Financial Arrangements. NCUA Regulations require merging credit unions to disclose certain increases in compensation that any of the Merging Credit Union's officials, CEO or the four most highly compensated employees have received or will receive in anticipation of or upon completion of 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 CDFCU 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 Washington DFI, NCUA and members of CDFCU, the Credit Unions have planned an effective date for the merger of October 1, 2021.

Merger Approval and Ballot. In order to accomplish the merger, it is necessary to obtain approval of a simple majority of the members of CDFCU who vote on the proposal. In accordance with its Bylaws, CDFCU is conducting the member vote on the merger proposal through a mail, electronic or in person ballot to the CDFCU members. The ballot distribution, collection, custody and tabulation will be conducted 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 by U.S. Mail to the Special Meeting. Your mail ballot must be received by no later than midnight of the third (3rd) business day prior to the Special Meeting, June 21, 2021. Mail Ballots received after this date and time will not be counted. You may also cast your vote in person at the meeting until 6:00 p.m. or online at <https://cdfcu.cuballot.com>.

BY THE ORDER OF THE BOARD OF DIRECTORS:



Kerry Higgins, Board Chair
Date: 4/9/21

Summary Plan of Merger of Coulee Dam Federal Credit Union and Spokane Teachers Credit Union

Introduction

The Board of Directors of Coulee Dam Federal Credit Union ("CDFCU"), as Merging Credit Union, and Spokane Teachers Credit Union ("STCU"), 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 CDFCU and final approval by the Washington Department of Financial Institutions ("DFI") 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 the current nine (9) current members of STCU. One (1) current Board member of CDFCU will join as a non-voting advisory Board position.

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 STCU Supervisory Committee. One (1) current Supervisory Committee member of CDFCU will join as a non-voting advisory Supervisory Committee position.

Management and Employees

The Credit Unions intend to offer employment to all employees of CDFCU as of the merger date, subject to STCU's current employment policies and procedures and the future business needs of the Continuing Credit Union. CDFCU employees will be offered a compensation and benefit package that is consistent in value and benefit, to the extent reasonably possible, as offered by STCU to its employees. Ezra Eckhardt, currently the President/CEO of STCU, will continue as President/CEO of the Continuing Credit. Colleen Manley, the current President/CEO of CDFCU will continue to be employed by STCU.

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 CDFCU and STCU 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. CDFCU and STCU are reviewing options to extend the current CDFCU excess share insurance coverage for accounts exceeding \$250,000.

Branch Offices

After the merger, the Continuing Credit Union will continue all current full service branches and loan offices of CDFCU and STCU. The following is a list of the locations of all current and planned branches of CDFCU and STCU:

Current Coulee Dam Federal Credit Union Branch	
Main Branch	402 N. Columbia Ave., Coulee Dam, WA 99116
Almira Branch - CLOSED	20 N. 3 rd St., Almira, WA 99103
Brewster Branch	106 State Street #97, Brewster, WA 98112
Bridgeport Branch - CLOSED	1130 Columbia Street, Bridgeport, WA 98113
Creston Branch	290 Watson St, NW, Creston, WA 99117
Omak Branch	323 S. Main St., Omak, WA 98841
Republic Branch	84 Delaware Ave., E, Republic, WA 99166

Current Spokane Teachers Credit Union Branches	
Airway Heights Branch	10811 W. Hwy 2, Airway Heights, WA 99001
Bonner County Branch	477123 Hwy 95, Ponderay, ID 83852
Cheney Branch	2718 First St., Cheney, WA 99004
Coulee City Branch	309 W. Main St., Coulee City, WA 99115
Crossroads Branch	2712 N. Ramsey Road, Coeur d'Alene, ID 83815
Downtown Coeur d'Alene Branch	401 E. Front Ave., Suite 100, Coeur d'Alene, ID 83814
Downtown Spokane Branch	207 N. Wall St., Spokane, WA 99201
Hutton Branch – TEMP. CLOSED	9 S. Washington St., Spokane, WA 99201
Indian Trail Branch	8703 N. Indian Trail Road, Spokane, WA 99208
Liberty Lake Branch	2201 N. Madson Road, Liberty Lake, WA 99019
Main Branch	106 W. Nora Ave., Spokane, WA 99205
Medical Liberty Lake Branch	120 S. Broad St., Medical Lake, WA 99022
Moran Prairie Branch	5711 S. Hailee Lane, Spokane, WA 99223
Newport Branch	202 W. Walnut St., Newport, WA 99156
North Spokane Branch	207 E. Hastings, Road, Spokane, WA 99218
Northtown Square Branch	4727 N. Division St., Suite 105, Spokane, WA 99207
Othello Branch	450 E. Main St., Othello, WA 99344
Pasco Branch	5677 Rd 68, Pasco, WA 99301
Post Falls Branch	3903 E. Primrose Lane, Post Falls, ID 83854
Qualchan Branch	4233 S. Cheney-Spokane Road, Spokane, WA 99224
Queensgate Branch	2590 Queensgate Dr., Richland, WA 99352
Rathdrum Branch	15573 Vera St., Rathdrum, ID 83858
Ritzville Branch	108 E. 1 st Ave., Ritzville, WA 99169
Silver Lake Branch	6704 N. Government Way, Dalton Gardens, ID 83815
South Spokane Branch	820 E. 29 th Ave., Spokane, WA 99203

Current Spokane Teachers Credit Union Branches	
South Valley Branch	13211 E. 32 nd Ave., Spokane Valley, WA 99216
Southgate Branch	4707 W. Hildebrand Blvd., Kennewick, WA 99337
Spokane Valley Branch	13501 E. Sprague Ave., Spokane Valley, WA 99216

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 \$217,000.

Financial Information of CDFCU and STCU

Regulatory Call Report (5300) Information

The following is key financial information from the Call Reports (5300) of CDFCU and STCU as of December 31, 2020:

Key Information	CDFCU	STCU
Total Loans	\$94,106,812	\$3,298,638,328
Total Assets	\$180,199,670	\$4,092,963,002
Total Deposits	\$164,628,788	\$3,443,401,832
Total Equity	\$12,531,900	\$389,900,947
Average Shares per Member	\$11,314	\$15,808
Average Loan per Member	\$6,467	\$15,143
Ratios		
Net Worth/Total Assets	7.43%	9.43%
Delinquent Loans/Total Loans	0.27%	0.10%
Loan/Shares	57%	96%

The following is an overview of the combined year to date income statement for December 31, 2020:

Key Information	CDFCU	STCU
Total Interest Income	\$5,793,352	\$143,199,053
Total Interest Expense (COF)	\$158,431	\$26,608,622
Fee and Other Operating Income	\$1,923,701	\$35,017,828
Operating Expense	\$6,064,927	\$103,316,011
Provisions for Loan Losses	\$815,632	\$13,979,135
Net Income	\$678,063	\$34,313,113
Ratios		
Net Charge Offs	\$423,009	\$5,036,594
ROA YTD	0.38%	0.84%
Net Operating Expense	3.37%	2.52%

The complete 5300 Regulatory Reports for Coulee Dam Federal Credit Union and Spokane Teachers Credit Union are available at www.ncua.gov.

Combined Financial Information

The following is an overview of the individual balance sheets of CDFCU and STCU as of December 31, 2020, and a combined balance sheet showing what the Continuing Credit Union would have held at December 31, 2020.

Balance Sheet	CDFCU	STCU	Combined
Assets			
Total Cash	\$16,582,588	\$413,858,802	\$429,146,345
Total Investments	\$64,940,792	\$259,814,319	\$324,755,111
Net Loans	\$92,811,767	\$3,273,729,117	\$3,366,540,884
Other Assets	\$5,864,523	\$145,560,764	\$151,425,287
Total Assets	\$180,199,670	\$4,092,963,002	\$4,273,162,672
Liabilities and Equity			
Borrowings	\$0	\$214,765,481	\$214,765,481
Accounts Payable and Other Liabilities	\$3,038,982	\$44,894,742	\$47,933,724
Total Deposits	\$164,628,788	\$3,443,401,832	\$3,608,030,620
Total Equity	\$12,531,900	\$389,900,947	\$402,432,847
Total Liabilities and Equity	\$180,199,670	\$4,092,963,002	\$4,273,162,672