

**O BEE CREDIT UNION  
ANNUAL MEMBERSHIP MEETING MINUTES  
May 6, 2023**

The meeting was called to order at 10:00 a.m. by Board Chair Jason Gordon. This meeting was held virtually via Zoom. Presenters for the meeting were: Board Chair Jason Gordon, Supervisory Committee Chair Martha Prestin, President/CEO James Collins, and CMO Lee Wojnar.

Jason Gordon led the Pledge of Allegiance.

Jason Gordon appointed Steve Blankenship, Director, to act as Parliamentarian.

A quorum was declared.

Jason Gordon introduced each of the Board members, followed by the members of the Supervisory Committee.

It was moved and seconded to dispense with the reading of the minutes of the 2022 Annual Meeting, and that they are approved.

Steve Blankenship reported on behalf of the Nominating Committee. Mr. Blankenship reported that three incumbents have agreed to serve on the Board for another three-year term ending in 2026:

Position #1	Christy Kriegsman
Position #2	Will Saunders
Position #3	Joy Johnston

The Supervisory Committee had two positions to fill, and the following have agreed to serve on the Supervisory Committee for another three-year term ending in 2026:

Position # 1	Sonja Winkelman
Position # 2	Bruce Cramer

There are two methods for a Credit Union member to volunteer to serve on the Board or Supervisory Committee. The bylaws specify that any qualified member who wishes to be a candidate for the Credit Union's Board of Directors or Supervisory Committee may collect the signatures of one hundred and fifty Credit Union members and submit a petition to the Nominating Committee. Or you may let the Nominating Committee know of your interest in serving when a Board or Committee position comes open. If more than one petition is received, the nominee is decided by a mail ballot. This year no petitions for the Board or Supervisory Committee were received by the committee. As there are no contested positions, these Credit Union members are elected by general consent to serve a three-year term.

Board Chair Jason Gordon delivered the Board Chair's Report. Jason welcomed everyone to this meeting and expressed appreciation for all who attended. Today we reflect on our accomplishments and look forward to a bright future. Jason states in 2023, serving our communities remains a priority. Plans include broadening access to basic banking, diversifying our business loan offerings, improving online services, and increasing charitable giving. Further, our strategic plan directs management to maintain a solid net worth while investing in talent, expanding services, growing membership and supporting those

affected by the pandemic. Jason says that your trust in us today allows us to make a meaningful impact on our community, adding that when you bank with O Bee, you help us shape a brighter future for all. Jason reports that in 2022, our team volunteered hundreds of hours in our community working with food banks, soup kitchens, canine search and rescue training, Adopt-a-Road projects, Habitat for Humanity and various other nonprofit initiatives. This is largely due to the generous stipend that O Bee offers all employees to go out into the community and give back. Jason reports on the “kindness project” introduced last year where members who showed kindness in our branches had the opportunity to win \$100 each week. This was received with great enthusiasm, and it was great to see the ongoing ripple effect of kindness. Thankfully the Berenstain Bears were able to return to classrooms after the pandemic two-year hiatus. This free program introduces children to the four pillars of financial education: save, share, spend, and earn. It’s hugely popular.

Jason announces that last year, we supported the development of an independent feature documentary about the iconic, groundbreaking Rainier beer TV commercials which ran from 1974 to 1987. The documentary celebrates the legendary red Rainier brand. As a main sponsor, we eagerly anticipate the film's completion in 2024. We are proud to help preserve our community’s brewing legacy. Looking ahead, we remain dedicated to our mission: enhancing the financial well-being of our members and making a lasting positive impact within our community. We acknowledge there are challenges ahead but are confident in the ability to overcome them with the knowledge, experience and resilience we've always shown. Jason then introduced Martha Prestin, Chair of the Supervisory Committee.

Martha Prestin, Chair of the Supervisory Committee, gave their committee’s annual report, stating the committee is charged with the responsibility of ensuring the credit union is operating within federal and state laws. The committee also ensures the Board of Directors and management have established practices and procedures sufficient to safeguard member assets. The committee utilizes a full-time internal auditor. Also, they periodically hire outside for other review services. Another responsibility of the Supervisory Committee is to obtain an annual outside audit of the credit union’s financial records. The committee has retained the services of the public accounting firm of Doeren Mayhew to perform this audit. The auditors issued a formal opinion that the financial records of the preceding year are in accordance with generally accepted accounting principles. Copies of the most recent audit report are available for review at the administrative office building during normal business hours.

Martha announces that beginning in 2023, we are seeking two (2) volunteer Advisory Supervisory Committee Members (non-voting positions) that provide an opportunity for you to learn about the supervisory committee. These positions are also an opportunity to provide input to the committee. If you are interested, please contact this credit union and we will provide you with more information. Thank you for allowing us to serve as your Supervisory Committee; we will continue to work diligently to ensure that O Bee remains a safe and sound institution ready to meet your financial needs. Martha introduced the next speaker, James Collins, President and CEO.

James began his report speaking of 2022. He states the big highlight of 2022 was extraordinary loan growth at almost 40%. He states this is a record far beyond what we've ever seen before. The most significant increases for our members were in auto lending. That was a bounce back from 2021, when there were essentially no autos to buy. He states there were also very large increases in home equity lines of credit and mortgage loans. While deposits were strong, extra funds we’d had from COVID were depleted, causing us to borrow from the Federal Home Loan Bank to handle the loan growth.

James states inflation became a problem in 2022. He shows that while inflation is expected to be around 2%, this year it reached 9%. He explains how this creates problems for many of our members, as costs outpace wages. James reports on the consolidation within the cannabis industry, especially in Washington state. Our cannabis businesses have dropped from 282 businesses to 259, and while those

businesses had increased deposits during COVID, those have backed off as well. The result is O Bee is less reliant on cannabis income and fees than we were in 2021.

James notes that 2023 saw bank failures in March and April, with possibly more to come. He shares the commonalities of those banks who failed: they had long-term low-rate bonds instead of loans on their balance sheets; high deposits during COVID were invested in long-term US Treasuries (that paid 2% - 2.5%). Today, those Treasuries are closer to 5%. He explains that if those banks wanted to sell their bonds to pay depositors, they had to be sold at a large discount. Lastly, these banks had a very high percentage of uninsured deposits (90%). In contrast, O Bee only has approximately 7% of deposits that are uninsured. James underscores that not only do we have a very low rate of uninsured deposits, we have no bonds and our deposits are invested back into the community through loans.

James adds that the Federal Reserve has increased short term interest rates by about 4.75%. He explains what O Bee does to ensure we can handle such interest rate increases, is to stress test our credit union quarterly. We are required to test for a 3% interest rate increase however, we test at higher levels and those tests show we are still profitable. For anyone looking for CDs, we believe our latest rate increase places us at the top of what is offered in our local market.

Interest rates are predicted to fall between .50% and .75% between now and the end of the year. The question becomes - are we going to have a recession? James states everyone has an opinion about this. The Conference Board says yes and looking at the US Treasury inverted yield curve (that is what happens if you look at their 2 and 10-year bonds) that says yes too, and he notes that has never been wrong. James says he would expect a recession by the end of the year as well. He conveys that you have our promise to support our members through whatever comes our way like we did in the last big recession of 2008 - 2011.

More highlights for 2022 include being ranked the #1 Credit Union by Showcase Magazine. Because our whole online and mobile banking system was being sunsetted, we replaced it with a state-of-the-art system that works seamlessly across mobile, tablet and desktop platforms. We introduced Flash Cash loans, exclusively offered to existing members for \$700 - \$4,000 with no credit pull. Instead, your relationship with O Bee is evaluated, and how you've been managing your accounts. If you're a member in good standing, you can get one of these loans. James reports that O Bee is a Community Development Financial Institution (CDFI). What that means is that we have been certified as investing in our community by lending to those in moderate- and low-income markets (64% of our lending was to these markets). As such, we received \$10 million in capital to help us lend even more. Our Business Services team is working to provide some enhancements for small business owners. We have a Diversity, Equity, Inclusion and Belonging committee that is working to make our employees reflect our membership and communities.

James welcomes any questions, and Lee returns as the speaker to explain how to ask a question using the Q & A button at the bottom of the screen. Jenni is selected to read the questions aloud. Here are the questions:

- **Will share deposit interest rates increase?** James reports that right now, we still have a lot of loan demand, so we are looking for more deposits. We are primarily looking at CD's and he believes you will start to see some of the other rates start to slowly increase. Our money markets and CDs have seen increases that are quite dramatic.
- **Will there be another event on the O Bee website, not Zoom, again for 2023?** Jenni says that at this time, we do not have any other member events planned on a digital platform, but Lee will have a very exciting announcement for you later in this presentation, so please stay tuned!

Next, Jason expressed a special thank you to the O Bee family, our valued members, the Board of Directors, the Supervisory Committee, and to the management and staff, the Annual Meeting committee and our Marketing Department for today. This brings us to the end of the business meeting and states the meeting is adjourned. He says Lee will now provide his special announcement.

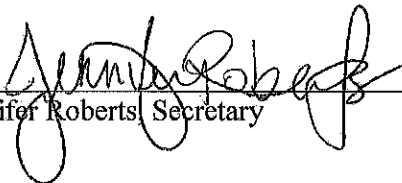
Lee recounts the "old days" when the Olympia Brewery used to have a large annual picnic. He announces that we are offering a picnic to our membership at this year's Tumwater Brewfest! You will have the opportunity to purchase highly discounted tickets when you use your O Bee debit or credit card. You'll be able to enter our special VIP tent to meet our Board of Directors, meet our staff and ask any questions you may have. There will be more to come on this event in the coming months.

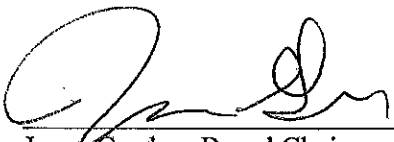
Lee thanked everyone again for attending today and moved on to the prize drawings. The winners were:

\$50.00	– Ashley B
\$100.00	– Sharon S.
\$150.00	– Kari S. was deemed ineligible for this prize. A new winner was selected for this prize, and the winner is Phil W.
\$500.00	– Derek P.

Winners were asked to electronically raise their hands, and our staff would communicate with them regarding their winnings.

Respectfully submitted,

  
Jennifer Roberts, Secretary

  
Jason Gordon, Board Chair