SOUTH BAY CREDIT UNION

# Minutes of the Seventy-Third Annual Meeting of the Members

April 24, 2026

Board members present – Chris Otey, Chair; Stephanie Ertman, Vice Chair; Brian Lundin, Secretary; Viki Copeland, Chuck Garland, Tom Light, Nikki Wesley, Tarek Shaer, and Annie Flippo, Board members.

Supervisory Committee members present – Dan Inskeep, Chair; Angelia Parrish, and Renee Michel, members.

Excused absences – Moe Awadallah, Supervisory Committee associate member.

Unexcused absences – None.

## Welcome Remarks and Call to Order

Board Chairman Chris Otey welcomed members and guests to South Bay Credit Union's 73rd Annual Membership Meeting. Chairman Otey called the meeting to order at 12:03 p.m. on the afternoon of Friday, April 24, 2026, via Zoom. Chairman Otey noted that the meeting would be conducted in accordance with the rules and regulations of the State of California's Department of Business Oversight, Financial Institutions Division. All comments were limited to three (3) minutes, and the meeting was recorded for the official minutes. Members were invited to submit questions or comments using the Zoom Raise Your Hand or Chat features, to be addressed following the presentation. Members were reminded not to share personal or private information during the public forum and to contact sbcu@southbaycu.com with personal questions. Nominations from the floor were not permitted per the Credit Union Bylaws.

## Introduction of Officials

Chairman Otey introduced the Board of Directors and Supervisory Committee members in attendance.

## Ascertainment of a Quorum

Secretary Brian Lundin stated that a quorum was present with 22 members in attendance. The Credit Union Bylaws require a minimum of 15 members to be present to constitute a quorum.

## Approval of the 2025 Annual Membership Meeting Minutes

Chairman Otey noted that the minutes of South Bay Credit Union's Annual Meeting held on April 25, 2025, had been distributed via email and made available on the Credit Union's website for review and download. Members were asked for any additions, deletions, or corrections. Hearing no objections, Chairman Otey waived the reading of the minutes and declared them approved as printed.

## Chairman's Report

Chairman Otey reported that South Bay Credit Union entered 2026 well-capitalized at 9.64%. During 2025, the Credit Union came close to its membership growth goal, achieved its stretch goal for net income, and met its goals for consumer and mortgage lending.

The annual report theme, *"Good Vibes and Bright Futures,"* reflected the Credit Union's conservative management approach and continued commitment to its mission of uplifting South Bay communities by empowering members to live better and do better. Chairman Otey emphasized that these financial results provide a solid foundation for continued investment in members and support the Credit Union's ability to help members reach their financial goals at every stage of life.

Chairman Otey also highlighted the Credit Union's community partnerships, which engage local families, support small businesses, and demonstrate its "people helping people" philosophy. He expressed gratitude to

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the professional team for consistently putting members' interests first and thanked members for their continued trust in the Board's stewardship.

## Supervisory Committee Report

On behalf of Supervisory Committee Chair Angelia Parrish, Chairman Otey invited her to present the Committee's report.

Chair Parrish reported that, for the fiscal year ended June 30, 2025, the Supervisory Committee retained Turner Warren Hwang and Conrad CPAs, an independent accounting firm, to perform the annual opinion audit. An abbreviated summary of the Credit Union's financial condition was included in the annual report, with the full audited financial statements available upon request.

The Committee also oversaw Mainsail Consulting's quarterly internal audit procedures. Based on the positive audit results, the Supervisory Committee concluded that South Bay Credit Union's operations were safe, sound, and in conformity with applicable laws and regulations, and that internal controls and policies were effectively protecting the Credit Union and its members.

## President and Chief Executive Report

Paris Chevalier thanked those in attendance and reviewed the Credit Union's accomplishments during 2025. She explained that the annual report theme, *"Good Vibes and Bright Futures,"* reflected both the year's accomplishments and the Credit Union's role as a long-term financial partner and an important part of the South Bay community.

Chevalier noted that South Bay Credit Union embodies the best of the credit union movement by combining high-value products, personal service, and strong community relationships. This approach supports member engagement and loyalty and enables continued investment in technology, security, and infrastructure to provide an excellent member experience.

Chevalier highlighted several ways the Credit Union continued to deliver value to members in 2025, including, Completely fee-free Choice, Carefree, and Plus Checking accounts. Competitive rates on Money Market accounts and share certificates. Competitive auto loan rates and special offers on fixed-rate and adjustable-rate mortgages. A HELOC promotion offering 0% interest for six months, which continued throughout the year due to its popularity.A special holiday loan at 11.00% APR to help members manage holiday expenses. Free credit score access and related financial tools through online banking.

2025 Highlights: Good Vibes and Great Neighbors

Chevalier discussed the Credit Union's continued commitment to the South Bay community through partnerships with youth-focused organizations, local businesses, and community groups.

Highlights included sponsoring the first basketball court at the Hit Factory and strengthening partnerships with BeGr8 Basketball and local Little Leagues. The Credit Union also began a partnership with South Coast Botanic Garden to sponsor its largest exhibits for 2026.

The Credit Union continued promoting financial literacy through its participation in Bite of Reality, a hands-on financial education simulation attended by more than 400 high school seniors. It also supported Lemonade

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Day through its partnership with the Lomita Chamber of Commerce, helping promote entrepreneurship and financial literacy among young people.

In addition, the Credit Union continued supporting neighbors in need by restocking a food pantry and organizing a holiday food drive benefiting Community's Child.

Chevalier reported that South Bay Credit Union ended 2025 well-capitalized at 9.64%, with net income of $708,000, achieving its stretch goal. Total loans were approximately $122 million, meeting the Credit Union's lending goal for the year. Total shares ended at nearly $141 million, an increase of approximately $5.1 million from the prior year.

## Election of Volunteers

Chairman Otey presented the slate of candidates approved by the Nominating Committee for election to the Credit Union's volunteer leadership positions.

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| Board of Directors (2 open seats, 3-year terms) | Stephanie Ertman<br>Brian Lundin |
| Supervisory Committee (1 open seat, 3-year term) | Moe Awadallah |

The slate of candidates was declared elected by acclamation. Congratulations were extended to the newly elected Officials along with a special thank you to the Nominating Committee.

## Adjournment

Chairman Otey thanked Paris, staff, and the management team for a wonderful year. He asked if there were any comments or questions from the membership. Hearing none, the meeting was adjourned at 12:15 p.m.

Chris J Otey

Chris Otey, Chairman

Brian Lundin, Secretary