

**SOUTHWEST HERITAGE CREDIT UNION  
ANNUAL MEMBERSHIP MEETING MINUTES  
AUGUST 20, 2020**

The Seventieth annual membership meeting was opened by Valerie Newsom, Chairman. Chairman Newsom apologized for the delay in holding the meeting. This year's meeting was held via Zoom to ensure members could attend safely.

Neil Dobmeier gave the invocation.

Chairman Newsom determined that a quorum of the membership was present in person and via Zoom. Chairman Newsom reported that the minutes of the 2019 Annual Meeting were available online with the Annual Report and asked for a motion to approve the minutes as presented. A motion was made and seconded. There being no discussion, a vote was called and unanimously carried.

Chairman Newsom introduced the members of the Board of Directors and Advisory Board members who were present. The meeting was turned over to President Ronny Haynes.

President Haynes thanked the members for their continued support of the credit union and for joining the annual meeting online. President Haynes reported that the credit union had a very successful year. Membership had grown to more than 11,000 members, 5 branches and 2 ATMs. The credit union board and employees have a strong commitment to the credit union's mission and core values. President Haynes thanked the board for their service to ensure the credit union exceeds goals. President Haynes discussed how data security has become more important than ever. We are seeing more and more fraudulent activity. President Haynes encouraged all members to protect their personal information and utilize the online services provided to keep account information safe and secure. President Haynes stated that we are looking forward to offering more products and services in 2020 and will continue to work through the challenges that are already being presented.

Director Edgar Baiza Jr. gave the credit committee report stating that \$65M in new loans was originated in 2019, resulting in a net increase of \$1.9M. It was also reported that total charge offs were \$1.1M and total recoveries were \$330k; resulting in a net loss of \$760k. All loan reports are reviewed monthly by the credit committee.

Treasurer Charles Coon gave the audit report. It was reported that the annual audit was completed by the Cornerstone Credit Union League, CU Resources for the 2019 calendar year. All general ledger accounts and lending and collection procedures were found to be in satisfactory condition. The Texas Credit Union Department performed a 15-month regulatory examination effective December 2019. The accounting, lending and compliance areas were found to be in satisfactory condition with no safety and soundness concerns noted.

Chairman Newsom asked if there was any old business. None reported.

Chairman Newsom asked if there was any new business. None reported.

Nominating Committee Chair Cathy George presented the nominations for the board. The nominations were: Chris Garrett and Stewart McKeehan. Chairman Newsom asked for the directors to be accepted by acclamation. A vote was taken by members in person and online, all voting affirmative.

There being no further business before the membership, Chairman Newsom declared the meeting adjourned.

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Cathy George, Secretary

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Valerie Newsom, Chairman