

Raymond Federal Bank is becoming Connect Community Bank

202 Duryea Street
PO Box 271
Raymond, WA 98577-0271
(360) 942-3444
Fax (360) 942-3579

1615 Pacific South
PO Box 1076
Long Beach, WA, 98631-1076
(360) 642-4464
Fax (360) 642-2195

1000 W. Robert Bush Drive
PO Box 285
South Bend, WA 98586-0285
(360) 875-5504
Fax (360) 875-5540

May 1, 2024

RE: Important Changes are Coming this Month

Dear Valued Member,

It is with a humble heart and incredible gratitude that I announce some big changes coming this month to our historic financial institution. While this cover letter will give you a high-level outline of these changes, it is important that you review this packet in its entirety to ensure you fully understand what we have been working on; why we are so excited about these updates; and how these changes impact you directly.

Please remember that while our name is changing to better represent our brand; we remain committed to our long history of community development, member service, and our traditional mutual bank business model.

To be clear - we HAVE NOT been acquired by another institution and DO NOT plan to change our business model.

The primary change elements discussed within this packet include:

❖ Branding

- Raymond Federal Bank is changing its name to Connect Community Bank
- The name change conversion will happen after hours the weekend of May 17-19, 2024
- We expect no member impact, but interruptions are possible post conversion

❖ Products/Services

- Account numbers will not change but account types will receive new names
- Account type names and conversion plans are outlined within the packet
- Updated Fee Schedule and Rate Sheet are also included
- No updated fees will be charged until June 1, 2024
- Rebranded debit cards will not be issued at this time but are expected in early 2025
- Current CDs will remain unchanged until maturity but will then roll into the closest term offered. IRA and Municipal CD offerings will have term limitations.
- Some enhancements will not be available until after conversion

❖ Organizational Structure

- We *have not* been acquired or merged with any other financial institution
- We *have not* changed our business model and are committed to staying a portfolio lender
- We have grown our executive leadership team
- Our email addresses will be updated with our name change but we will keep our old emails for an extended period of time to ensure communications are received
- Our phone numbers and fax numbers remain the same

❖ Community Impact

- Connect Community Bank will bolster the institution's long-standing tradition of community development
- We have applied for a special federal designation to be a Community Development Financial Institution
- We continue to work with local non-profits and area leaders to sponsor and support community initiatives

As I stated earlier, please be sure to review this entire packet. We have not only included additional details about the outlined changes but have also provided some important information about what a mutual is and your ownership interest as a member.

Additionally, we acknowledge that changes of this type are never flawless, but we guarantee to do our best to quickly mitigate any issues that may arise.

My direct contact information is below if you have questions or concerns. We appreciate your prompt attention to this matter and know that you will be just as excited about our future as we are.

Our new brand showcases that “**Community is our Middle Name**” and we look forward to proving that every step of the way.

Respectfully,



B. Nichoel Casey, JD
President and Chief Executive Officer
Office: 360-208-2291
nichoel@raymondfederalbank.com



Raymond Federal Bank to Connect Community Bank - Conversion Packet

Brand Changes

History: In 1925, Mr. Claude House, who had come to Raymond in 1907 to work for the Raymond Land Improvement Co., envisioned how a Savings and Loan Association could benefit Pacific County. After months of speaking with other engaged community members, an organizational meeting was called at Walter's Café and on Friday, the 27th of November 1925, Pacific Savings and Loan Association was created.

While the bank has undergone multiple name changes: Pacific Savings and Loan, Raymond Federal Savings and Loan Association, Raymond Federal Bank, and now Connect Community Bank – our commitment to Pacific County, and the contiguous counties Grays Harbor, Lewis, Wahkiakum, and Clatsop has never wavered. We have remained devoted to our traditional savings and loan values by keeping our lending focus in our local communities, maintaining local leadership, and avoiding the industry trend of Wall Street investors and selling mortgage loans as investments.

For almost 100 years, we have existed to CONNECT community, bank, and member resources and opportunities to improve the quality of living, working, and raising families in the areas we serve and on May 17, 2024, we will be making that commitment to connection part of our brand.



Transition: During our after-hours processing that evening, we will transition our core processing system to use our new name, products, and services. Additional information is provided in our Products/Services section on how your account may change, but generally there should be little to no impact for our membership. Every system change comes with the risk of interruptions so we ask for your patience while we work through any issues that may arise during conversion weekend. Also, please remember rebranded debit cards will not be issued at this time but are expected in early 2025.

Product and Service Offerings

Mutual banks have been around since the early 1800s and began to provide working class people a safe place to earn interest and borrow money. Unlike most credit unions, we pay local, state, and federal taxes. Unlike most banks, we are not controlled by stockholders or other direct owners. Rather, our members – the depositors that bank with us – are considered mutual owners. As a result, we don't make decisions based on shareholder interests or Wall Street trends; but instead focus on how we can deliver maximum value to our membership.

Connect Community Bank is committed to keeping our focus on member savings and loan needs and has modified our product offering and expanded our service offerings to better align with this commitment.

General Account Information: As stated in the cover letter, account numbers will not change but account types will receive new names as outlined below. Please be sure to review the updated Fee Schedule and Rate Sheet that are included and note that no updated fees will be charged until June 1, 2024.

Future Enhancements: Additionally, there are a few account enhancements that are forthcoming but may not be available on conversion weekend. These include: remote deposit capture, enhanced website and online banking for consumers, a new online banking site for business members, a smartphone application, adjusted debit card limits, and others. We will send out notices as these items are available and we hope you enjoy them as much as we did designing them.

Savings Accounts: We have consumer and business savings accounts that will earn interest for all members and require \$5.00 to open.

All current 'Statement Savings', 'Money Market', and 'Premier Money Market' accounts will be converted into the CCB Consumer Savings account with the yield and rate information shown on the included rate sheet.

All current 'Business Savings' accounts will be converted into CCB Business Savings with the applicable business type designation.

All interest payments will default to pay into the account earning the interest but may be transferred into another designated internal account. We will no longer be sending physical interest checks. Additionally, along with our current overdraft line of credit, we will now offer overdraft protection as a transfer from savings to checking. We encourage all members to sign up for this service as it is one of the criteria to receive increased interest on your checking account.

Club Accounts: We will now offer club accounts. These are special types of savings account that are distributed annually to your designated internal account on the second Thursday of November. We have a Holiday Club account and a Foundation Club account.

The Holiday Club is generally used to save for the holiday shopping season. Members may set up a periodic transfer and/or use the round up checking account feature (more on that below) so that they save every month to help with extra expenses during the holidays.

The Foundation Club is generally used to donate to charity. Like the Holiday Club account, members may set up a transfer or use a round up checking feature and then donate that money to the Bank's non-profit foundation (more on that in Community Impact section) to be used on community development initiatives.

CDs: We have reduced the number of CD terms offered after conversion. However, current CDs will not change and will mature as originally disclosed. After maturity, CDs will roll over into the nearest term offered at the rate disclosed on the rate sheet at that time. Please see the included rate sheet for additional information.

IRAs: We will continue to offer IRAs to our members, but they will now have an annual fee charged to the IRA plan. For members that have a savings account on their current plan, this account will transition to the savings account outlined above. For members that have IRA CDs in their plan, those CDs will remain at their current rate and terms until maturity – then they will roll over to either a 12/24/36 month CD depending on the closest term to what is active now. Current 18 month CDs will roll into 12 month CDs at maturity.

Consumer Checking: All checking accounts will be converting into a new account type based on member age and relationship. Additionally, all checking account holders over age 13 will be eligible to earn additional interest through Connect pricing when they meet the following criteria:

- (1) Receive a reoccurring Direct Deposit
- (2) Complete ten (10) Debit Card Transactions per month
- (3) Turn on paperless statements in our online banking system
- (4) Sign up for Overdraft Protection with either a transfer from savings or a line of credit.

Connect pricing will be assessed monthly and interest will adjust accordingly if the criteria is not met.

Minors with checking accounts will be transitioning to a 'Learners' checking for ages 0-12 years old and 'Leaders' checking for ages 13-17 years old. After conversion, new adult members will be eligible to open 'Legacy' checking accounts.

As a thank you to our current members - adult accounts will be converting into the 'Limited' checking account so active members at conversion will continue to earn interest in their checking. The 'Limited' accounts are only available for current members and this account type will not be available after conversion.

Finally, after conversion, we will begin a project to identify current members with a continuous 25-year history of having a transactional account. These special members will receive an exclusive invitation to transition into a ‘Legend’ account which earns additional interest and has no account fees.

Round Up: We are very proud to announce a new feature for checking accounts – round up. When you sign up for this feature, your debit card transactions will round up to the nearest whole dollar and that difference will be deposited into the account of your choice. We highly encourage our members to round up into a savings or club account to help achieve your savings goals.

Business Checking: All business checking accounts will be converted into a new account type based on business type. With the exception of non-profit accounts, business checking accounts will be charged a flat monthly fee to reduce the fees charged by the industry practice of analyzed statements. Business checking accounts are non-interest bearing at this time.

Loans: Generally, loans will not be impacted as part of this conversion. However, the system enhancements that we are implementing will improve our ability to service the loans in our portfolio.

The one change that will be coming after conversion, is adjustments to our autopay discount requirements. Moving forward, loan applicants who want the autopay discount will be required to have a Connect Pricing relationship on their checking account. More information about how this change will impact current loan holders is forthcoming so, if you have a current loan with auto pay, please keep an eye out for these updates as we head into the summer.

Organizational Structure

While we have already spoken about our commitment to preserving our mutual business model, we want to highlight a few things about our bank you may not be aware of. But first, please remember - we ***have not*** been acquired or merged with any other financial institution; we ***have not*** changed our business model and are committed to remaining a portfolio lender.

Portfolio Lender: So, what is a portfolio lender? It means that we are one of a very small number of financial institutions left in the country that do not sell our mortgage loans to Wall Street – despite the pressure we get from the industry and regulators.

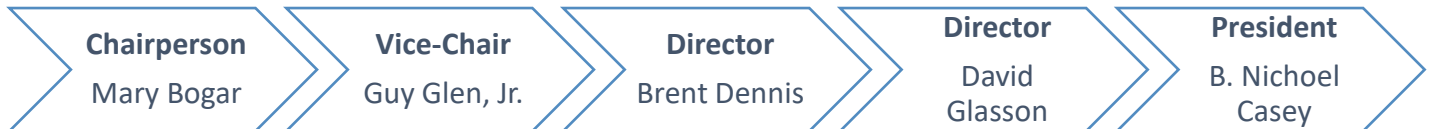
Our bank works by taking member deposits and lending them to other members so they can have access to affordable credit. Because we are owned by our members and not Wall Street investors, when we don’t have enough deposits to make these loans, our only option is to borrow from the federal government at standard industry rates. When we use our lines of credit, the cost of credit is increased for all of our members.

This means that to originate loans, we must have deposits or our cost to be a portfolio lender increases greatly. We know you want us to keep your loans and not sell them to some servicer you don’t know but it is important that all of our members understand the reciprocal relationship that a mutual requires. Put another way, if you want a place to keep your loans local you have to

bank with us – and this is why we will be changing our auto pay discount this summer (as mentioned in the loan section above).

Executive Leadership: Now that you know how we function and why the reciprocal relationship is vital to keeping our business model, let’s talk about how we are structured and our executive leadership team. Leadership guides our highly functioning divisions as they best support our organization and its members. Our leadership team is structured as follows:

Board of Directors



Executive Leadership Team

Organizational Strategy - B. Nichoel Casey, JD - Chief Executive Officer <ul style="list-style-type: none">▪Nichoel leads the executive leadership team to CONNECT our vision and strategy with industry expectations and community needs.
Community Impact - Heather Breen, JD - Chief Impact Officer <ul style="list-style-type: none">▪Heather leads our branding and foundation missions that CONNECT member, bank, and community resources to area development, economic revitalization, and financial education.
Business Development - Rhonda Samplawski - Chief Banking Officer <ul style="list-style-type: none">▪Rhonda leads our committed team of Universal Bankers that are available to CONNECT you with all of our products and service offerings.
Operations (Credit Admin) - Winnie Johnson - Chief Operations Officer <ul style="list-style-type: none">•Winnie leads our knowledgeable operations team that are available to CONNECT with you throughout the loan origination and product servicing processes.
Resource Management - Natasha de la Garza - Chief Financial Officer <ul style="list-style-type: none">▪Natasha leads our committed teams of finance and infrastructure that CONNECT bank resources to our purpose and support of our employees as they diligently work to support our members.
Risk Management - Jane Webb, JD - Chief Legal Officer <ul style="list-style-type: none">▪Jane leads our legal teams that CONNECT industry requirements, policy administration, and auditing to support of our employees as they support our members.

We are exceptionally proud to be one of around a dozen financial institutions in the country to be led by an all-female executive leadership team with a total of over 125 years combined banking experience.

Community Impact

As mentioned in our cover letter, Connect Community Bank will bolster the institution's long-standing tradition of community development. We will do this by continuing to work with local non-profits to support community interests, continuing to work with the local education system to improve financial education, and by moving forward with our decision to develop a non-profit foundation that is designated a Community Development Financial Institution.

Non-Profits: Over the last two years, we have met with multiple local non-profits to determine how we can benefit our community. Some of the programs we have on our strategic plan include identifying more First Time Homebuyer and Downpayment Assistance opportunities; continue to work with strategic partners on creating workforce development housing; develop a clear path for individuals who have lost access to traditional banking products and services; sponsor projects to ensure non-banking organizations can access federal resources (for example, we just sponsored a multi-million dollar project for the Willapa Community Development Association with the Federal Home Loan Bank).

Financial Education: Over the last two years, our President and Chief Executive Officer has taught financial education at local high schools, and we are currently coordinating with Grays Harbor Community College to expand this program. We also plan to offer courses available to members of all ages.

CDFI: The Community Development Financial Institutions Fund (CDFI Fund) plays an important role in generating economic growth and opportunity in some of our nation's most distressed communities.

By offering tailored resources and innovative programs that invest federal dollars alongside private sector capital, the CDFI Fund serves mission-driven financial institutions that take a market-based approach to supporting economically disadvantaged communities.

What is a CDFI?

Community Development Financial Institutions (CDFIs) provide responsible financial products and services in rural, urban, Native, and other communities where mainstream finance doesn't traditionally invest. CDFIs help create safer, healthier, more prosperous communities where everyone has an equal opportunity to thrive.

There are more than 1,100 CDFIs nationwide with more than \$222 billion under management.

CDFIs partner with public and private sources of capital to create impact, including:

- Financial Institutions
- Foundations
- Federal and State Government
- Corporations
- Individuals

CDFIs provide capital and resources where traditional finance doesn't reach

- Loans
- Technical Assistance
- Financing Tools

CDFIs tailor services to the unique people and places they serve.

- 84% Low-income
- 60% People of Color
- 50% Women
- 28% Rural

CDFI IMPACT

As borrowers repay their loans, CDFIs recycle the money back into the community through new borrowers. CDFIs help create safer, healthier, more prosperous communities where everyone has equal opportunity to thrive.

What is Next

We genuinely hope that this packet has not only helped you understand the important changes happening at conversion but also gives you better insight into your organization. Remember that as a member, you have an ownership interest in our organization.

We are very proud of our vision for the future and know that you want to keep a local bank thriving in this community. If you support our business model and the benefits we provide to this community – *all you have to do is make this organization your primary financial institution.* We will continue to CONNECT community, bank, and member resources and opportunities to improve the quality of living, working, and raising families in the areas we serve for another 100 years.



What is next? We convert our systems in May and begin ironing out any challenges to implement the other product and service offerings mentioned above. Then we will begin a full scope account review to ensure that each and every member account was transitioned correctly and that we have all of the vital regulatory information we are required to have. This will mean working with all members to update any missing information and verifying that we have is correct. We thank each of our members in advance as you help us ensure we are compliant in all areas of the law.

Thank you

I want to thank you so much for the attention you have given to this packet. I know that this is a lot of information, but we hope you found it helpful. Should you have any questions or concerns, please do not hesitate to reach out.

Our new brand showcases that “**Community is our Middle Name**” and we look forward to proving that every step of the way.

Respectfully Submitted to our Valued Members,

The Connect Community Bank Executive Leadership Team





CONNECT
COMMUNITY BANK
Serving you since 1925

CCB Fee Schedule

We have made every effort to keep your costs as low as possible by removing minimum balances and ensuring all accounts have the ability to earn interest with 'Connect' pricing. However, in order to preserve our historic mutual institution, fees are necessary to cover costs. Without an approved exception, these fees are enforced on all accounts except for members with Legend status.

This fee schedule is effective 06/01/2024 and subject to change at our discretion. We thank you for your understanding.

Product Fees

Online Banking / Bill Pay / Telephone Banking	Free for all members
Negotiable Items (Bank issued checks with guaranteed funds)	
Bank Checks – Bank Stop Payments Available	\$5.00 per item
Cashiers Checks – Stop Payments Prohibited	\$10.00 per item
Temporary Checks	\$1.00 per item
Check Orders (Free for historic 'plus' account members)	Cost varies depending on style
Debit Card Replacements	1 Free per year / \$15 per card after
Safe Deposit Boxes	
Small 3x5 / Med 3x10 / Lg 6x10 / XL 9x10	\$25 / \$50 / \$75 / \$100 Annually
Key Deposit	\$25

Service Fees

Third Party Account Verifications	Free
Account Printouts (includes check copies)	3 Free per month / \$1.00 per page after
Photocopies [^]	\$0.25 per page
Faxes (Incoming and Outgoing) [^]	\$1.00 per fax
Notary Service [^]	\$10.00 per service
Account Research and Balancing Assistance (First 15 minutes free)	\$50.00 per hour after / ½ hour Minimum
Cash Advances [^]	Free

Services noted with ^ are available to non-members

Transaction Fees

Non-Sufficient Funds (NSF)	\$35.00 per transaction
Overdraft Protection/Line of Credit Transfers	\$5.00 per transfer
Wire Transfers	
Outgoing / Incoming	\$25.00 per transaction / Free
Returned Deposits	
Items drawn on third party account	\$10.00 per transaction
Items drawn on member account	\$35.00 per transaction
Stop Payments / Renewals	\$25.00 per item / \$15.00 per item
Bulk Coin – Rolled Only (<i>Rolls provided upon request</i>)	Free
Garnishments, Executions, Levies, Collections	\$50.00 per item

Account Fees

Account Closed within 90 days of opening	\$25.00
Dormant Account (no account activity for 24 months)	\$10.00 per month
Returned Mail	\$5.00 per occurrence
IRA Annual Fee	\$50.00 per plan
Business Checking and Savings	
Non-Profit (501c3)	Free
Small Business (Under \$1M in annual revenue)	\$10.00 per month per account
Municipals (Government entities)	\$20.00 per month per account (as allowed)
Commercial (Over \$5 in annual revenue)	\$30.00 per month per account



Annual Percentage Yields and Product Rates

(360) 942-3444

www.mycc.bank

202 Duryea Street / PO Box 271 / Raymond, WA 98577
 1000 W. Robert Bush Dr. / PO Box 285 / South Bend, WA 98586
 1615 Pacific South / PO Box 1076 / Long Beach, WA 98631



CONNECT

COMMUNITY BANK

Serving you since 1925

Effective Date: 5/17/2024

- > Annual percentage yield (APY) and interest rate (Rate) are effective as of the date shown above and subject to change at any time at our discretion.
- > Interest payments and details to earn disclosed interest are outlined under applicable products.
- > Applicable account fees may reduce earnings so review the fee schedule closely.
- > All accounts with debit cards are eligible to 'round up' transactions into a savings or club account.

Product	Term/Type	\$100-\$4,999		\$5000-\$24,999		\$25,000-\$74,999		\$75,000-\$149,999		\$150,000-\$249,999		\$250,000-Up	
		APY	RATE	APY	RATE	APY	RATE	APY	RATE	APY	RATE	APY	RATE
Savings													
	Consumer Savings	0.25%	0.25%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.49%
	Business Savings	0.25%	0.25%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.49%

Savings accounts require \$5.00 to open.
 All savings accounts eligible for overdraft protection transfers to checking accounts.
 Savings interest is compounded daily and paid quarterly to the designated internal account.

Club													
	Holiday	0.25%	0.25%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.49%
	Foundation	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Club accounts require \$5 to open.
 Club accounts are distributed to the designated internal account on the second Thursday in November.
 Club interest is compounded daily and paid quarterly to the designated internal account.

Certificate of Deposit (CD)													
	6 month	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%	1.75%	1.75%	2.00%	2.00%
	12 month	1.00%	1.00%	1.25%	1.25%	1.50%	1.49%	1.75%	1.74%	2.00%	1.99%	2.25%	2.23%
	18 month	1.25%	1.25%	1.50%	1.49%	1.75%	1.74%	2.00%	1.99%	2.25%	2.23%	2.50%	2.47%
	24 month	1.50%	1.49%	1.75%	1.74%	2.00%	1.99%	2.25%	2.23%	2.50%	2.47%	2.75%	2.72%
	36 month	1.75%	1.74%	2.00%	1.99%	2.25%	2.23%	2.50%	2.47%	2.75%	2.72%	3.00%	2.96%
	36 month Flex	1.25%	1.25%	1.50%	1.49%	1.75%	1.74%	2.00%	1.99%	2.25%	2.23%	2.50%	2.47%

CD interest is compounded daily and paid semi-annually in June and December. 6 month CDs are paid at maturity. Penalties may apply for early withdrawal.
 IRAs and Municipals are eligible for 12/24/36 month options only.
 36 month Flex allows for one deposit to increase principal every 12 months.
 CCB will rate match any local advertisement to the closest term we offer. Documentation of local offer required.

IRA

Savings	See Savings section for details.
CD	See CD section for details. IRA CDs are eligible for 12/24/36 month options only.

IRAs have fees, distribution requirements, and limitations.

Consumer Checking

Learner (0-12 years)	Learner accounts not interest bearing.											
Leader (13-17 years)	Standard Leader accounts not interest bearing.											
Leader Connect*	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.49%	1.75%	1.74%
Legacy (over 18 years)	Standard Legacy accounts not interest bearing.											
Legacy Connect*	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.49%	1.75%	1.74%
Limited (Conversion Only)	0.05%	0.05%	0.10%	0.10%	0.15%	0.15%	0.20%	0.20%	0.25%	0.25%	0.50%	0.50%
Limited Connect* (Conversion Only)	0.55%	0.55%	0.60%	0.60%	0.65%	0.65%	0.70%	0.70%	0.75%	0.75%	1.00%	1.00%
Legend (Invitation Only)	0.25%	0.25%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.49%
Legend Connect* (Invitation Only)	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%	1.75%	1.75%	2.00%	1.99%

All checking accounts are eligible to round up transaction to nearest whole dollar and deposit the difference into a savings or club account.
 Learner account eligible for ATM cards only.
 Limited account is for legacy RFB members transitioned at conversion and not available for new members.
 Legend account invitations are for members with a continuous 25 year history of transactional accounts.
 * Connect Pricing requires: 1) Direct Deposit 2) Ten Debit Card Transactions per Month 3) Paperless Statements 4) Overdraft Protection

Business Checking

Non-Profit	Non-Profit Checking accounts have no monthly fee and are non-interest bearing at this time.
Small Business	Small-Business Checking accounts have a monthly fee of \$10.00 and are non-interest bearing at this time.
Municipals	Municipal Checking accounts have a monthly fee of \$20.00 (as allowed by law) and are non-interest bearing at this time.
Commercial	Commercial Checking accounts have a monthly fee of \$30.00 and are non-interest bearing at this time.