

# Membership and Account Agreement



## TABLE OF CONTENTS

### I. MEMBERSHIP AND ACCOUNTS

1. Membership Eligibility
2. Single-Party Accounts
3. Multiple-Party Accounts
4. POD and Trust Accounts
5. Accounts for Minors
6. Fiduciary Accounts
7. Accounts of Organizations
8. Agency Designation
9. Certificate of Authority
10. Deposit Requirements
11. Account Access
12. Account Rates and Fees
13. Transaction Limitations
14. Overdrafts
15. Postdated and Statedated Items
16. Stop-Payment Orders
17. Lost Items
18. Credit Union Liability
19. Checks Presented for Payment in Person
20. Remotely Created Checks or Drafts
21. Credit Union Lien and Security Interest
22. Legal Process
23. Account Information
24. Notices
25. Taxpayer Identification Numbers and Backup Withholding
26. Statements
27. Inactive Accounts
28. Special Account Instructions
29. Termination of Account
30. Termination of Membership
31. Death of an Account Owner
32. Unlawful Internet Gambling and Other Illegal Activities
33. Severability
34. Enforcement
35. Arbitration
36. Governing Law

### II. FUNDS AVAILABILITY POLICY

1. General Policy
2. Reservation of Right to Hold
3. Longer Delays May Apply
4. Holds on Other Funds
5. Special Rules for New Accounts
6. ATM Deposits; Unstaffed Teller Locations
7. Foreign Checks

This Agreement governs your and our rights and responsibilities concerning membership in, and the account(s) held by, Columbia Community Credit Union (the "Credit Union"). In this Agreement, the words "you" and "yours" mean the owner or owners of the Credit Union account or accounts who sign the Account Card (defined below) (the "Account Owner" or "Account Owners," as applicable), or on whose behalf the Account Card is signed. The words "we," "us," and "our" mean the Credit Union. The word "account" means any one or more deposit or loan accounts you have with the Credit Union.

By signing the Account Card provided in connection with this Agreement (the "Account Card"), each of you, jointly and severally, acknowledge receipt of and agree to the terms and conditions of this Agreement, including without limitation the Funds Availability Policy, the Truth-in-Savings Disclosures, the Credit Union's current Rate Schedule (the "Rate Schedule") and Fee Schedule (the "Fee Schedule"), the Electronic Funds Transfer Agreement (the "EFT Agreement"), the Opt-In Disclosure, any Share Certificate Receipt(s), if applicable, and the Privacy Policy accompanying this Agreement. To the extent that any agreement or disclosure provided in connection with or referenced in this Agreement provides additional details concerning the terms of this Agreement, the terms of this Agreement will control if they conflict, except that in all cases the terms of this Agreement and the terms of the other documents are to be read together to the extent possible to govern the relationship between you and us.

The classification and form of ownership of your accounts are designated on a signed Account Card. You may update any information set forth on the Account Card by delivering to us a new Account Card, signed by all Account Owners. You agree that all of your accounts held by us and other services provided by us will be governed by (i) this Agreement, as amended from time to time, (ii) the specific terms and disclosures set forth on the deposit receipt(s) for each account or the applicable disclosures provided to you from time to time and (iii) the specific terms and disclosures set forth on your loan agreement(s), if applicable. Unless you waive your rights, you understand that certain account designations, such as a joint ownership with right of survivorship or payable-on-death ("POD") beneficiary designation, may be invalidated upon the Credit Union's receipt of notice of marriage dissolution or a testamentary disposition, as required by applicable law.

## I. MEMBERSHIP AND ACCOUNTS

To help the government fight the funding of terrorism and money-laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. When you open an account, we will ask you your name, address, date of birth,

and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

**1. Membership Eligibility.** To be eligible for membership in the Credit Union, you must be an individual qualifying within the Credit Union's field of membership (or otherwise be an entity described in Section 6), not have caused the Credit Union a loss, and meet all regulatory, legal, and internal requirements applicable to account opening as required by the Credit Union's Bylaws. You may also be required to pay a lifetime membership fee. You authorize us to check financial information data and employment history about you by any means allowed by law, including obtaining a credit report or credit score from any consumer reporting agency to verify your eligibility for any accounts and services that we offer or you request.

**2. Single-Party Accounts.** A single-party account is an account owned by one individual (or a trust company, in the case of a UTTMA, defined in Section 6) qualified for Credit Union membership. If the single-party account is an individual account, the interest of a deceased individual owner will pass to the decedent's estate or POD beneficiary, if applicable, subject to other provisions of this Agreement governing our protection for honoring transfer and withdrawal requests of an Account Owner or owner's agent before notice of an owner's death.

**3. Multiple-Party Accounts.** An account owned by two or more persons is a multiple-party account.

**a. Rights of Survivorship.** If the account is a multiple-party account, the account is subject to rights of survivorship unless otherwise stated on the Account Card. If the account is a multiple-party account without right of survivorship, the interest of a deceased owner will pass to the decedent's estate. If the account is a multiple-party account with right of survivorship, upon the death of a multiple-party Account Owner, that Account Owner's interest will become the property of the surviving multiple-party Account Owner(s).

**b. Control of Multiple-Party Account.** Any multiple-party Account Owner is authorized and deemed to act for the other owner(s), and the Credit Union may accept orders and instructions regarding the account and requests for future services from any multiple-party Account Owner. Each multiple-party Account Owner guarantees the signature of the other owner(s). Any multiple-party Account Owner may withdraw all funds in the account, close the account, stop payment on items drawn on an account, or transfer or pledge all or any part of the shares of any account without the consent of any other Account Owner, and the Credit Union has no duty to notify any other Account Owner. The Credit Union reserves the right to require written consent of all multiple-party Account Owners for a change of ownership. If

the Credit Union receives written notice of a dispute between multiple-party Account Owners or receives inconsistent instructions from them, the Credit Union may suspend or terminate the account, require a court order to act, or require that all multiple-party Account Owners agree in writing to any transaction concerning the account.

**c. Multiple-Party Account Owner Liability.** If any item deposited in a multiple-party account is returned unpaid or an account is overdrawn, each multiple-party Account Owner is jointly and severally liable to the Credit Union for the amount of the returned item or overdraft and any charges, regardless of who created the overdraft, deposited or cashed the item, or benefited from the transaction. If any multiple-party Account Owner is indebted to the Credit Union such that the Credit Union has a lien against an account of that multiple-party Account Owner, the Credit Union may enforce its rights against any or all funds in any account of a multiple-party Account Owner regardless of who contributed the funds to the multiple-party account.

**4. POD and Trust Accounts.** A POD designation or trust account designation is an instruction to the Credit Union that a designated account is an account payable to the Account Owner(s) during their lifetimes and that, upon the death of the Account Owner or, with respect to multiple-party accounts, the last multiple-party Account Owner, the account is payable to any named and surviving POD or trust beneficiary designated on your Account Card. Accounts payable to more than one surviving POD beneficiary are owned jointly by those beneficiaries with right of survivorship. No POD or trust beneficiary designation applies to IRAs or other similar tax-qualified accounts, which are governed by a separate beneficiary designation.

**5. Accounts for Minors.** For any account established by or for a minor, the minor Account Owner must have a parental or guardian multiple-party Account Owner who is at least eighteen (18) years of age and who will be jointly and severally liable to the Credit Union for any returned item, overdraft, or unpaid charges or amounts on the account. The Credit Union may make payments of funds directly to the minor without regard to his or her age. Unless a parent or guardian is an Account Owner, the parent or guardian has no right to access the account. The Credit Union has no duty to inquire of the use or purpose of any transaction by the minor or multiple-party Account Owner.

**6. Fiduciary Accounts.**

**a. Uniform Transfer to Minor Accounts.** A Uniform Transfer to Minor Account (a "UTTMA") is an individual account established by an individual or trust company as custodian on behalf of a minor (a person under twenty five (25) years of age). The custodian must open the account in

the name of the minor, include the minor's social security number, and sign his or her own name on the Account Card. The custodian is the owner of the account for the exclusive right and benefit of the minor and, barring a court order otherwise, is the only party entitled to withdraw from or close the account. If the custodian dies, the Credit Union may place an administrative hold on the account until it receives instructions from any person authorized by law to withdraw funds or a court order authorizing withdrawal. When the minor attains age twenty-five (25), the account will be payable to the beneficiary upon notification and direction of the minor and custodian. If the minor dies, the account will be closed and funds paid to the minor's estate.

**b. Other Fiduciary Accounts.** Upon our approval, you may open other fiduciary accounts in your capacity as representative payee of social security benefits, trustee of testamentary, living, or other revocable or irrevocable trusts, or legal guardian or conservator (in each case, the "Fiduciary"). As the Fiduciary, you (a) must sign an Account Card and provide any other evidence of authority to make decisions for the beneficiary that the Credit Union may require; (b) hereby warrant that a valid trust, guardianship, conservatorship, or otherwise, as applicable, has been created, that it currently exists, and that the beneficiary or beneficiaries are eligible for membership in the Credit Union; (c) hereby agree to notify the Credit Union in writing if a change of representative payee, trustee, guardian, or conservator occurs; and (d) agree to indemnify and defend the Credit Union and hold it harmless from and against any liability, claim, damage, or loss arising as a result of unauthorized acts of any Fiduciary or former Fiduciary or acts of any Fiduciary on which the Credit Union relies before notice of any change to the account, the identity of the Fiduciary, or revocation of the Fiduciary relationship. The Credit Union does not act as a Fiduciary and is under no obligation to inquire as to the powers or duties of any Fiduciary. The Credit Union may withhold payment of funds to any party until proper evidence of authority is provided. The Credit Union may rely on the directions of any one Fiduciary until a written notice of revocation or a new Account Card is signed by the Account Owner or Account Owners, as applicable. Funds may be released to any one Fiduciary acting alone or with a co-Fiduciary. This Agreement is binding on the trust, representative-payee relationship, guardian-ship, or conservatorship, as applicable, and all Fiduciaries, successor Fiduciaries, and beneficiaries of the trust, representative-payee relationship, guardianship, or conservatorship, as applicable.

**7. Accounts of Organizations.** Except for the accounts described in Section 6, this Agreement does not apply to accounts held by businesses, organizations, or other non-natural persons. Terms applicable to such accounts are

outlined in the Membership and Account Agreement for business accounts.

**8. Agency Designation.** An agency account designation is an instruction to the Credit Union that an Account Owner has authorized another person to make transactions as agent for the Account Owner regarding the designated accounts. Upon the death of the Account Owner, an agent has no ownership or other rights with regards to the account, unless the agent is separately named as a POD or trust beneficiary. The authority of an agent is the same as any Account Owner. The Credit Union may perform any transaction requested by an agent notwithstanding the disability, capacity, or death of an owner and until the Credit Union receives an agency termination notice. The Credit Union has no duty to inquire about the use or purpose of any transaction requested by the agent. The Credit Union may reasonably refuse to honor any transactions by, or instructions of, an agent claiming authority under a power of attorney, if the Credit Union reasonably believes the form of the power of attorney, or authority of the agent, is insufficient.

**9. Certificate of Authority.** Each Account Owner represents and warrants to the Credit Union as follows:

**a. Name.** The Account Owner shown on the front of the Account Card is the complete and correct name of the Account Owner.

**b. Authority.**

(1) The individuals signing on the Account Card certify and agree that the Account Owner's accounts will be governed by the terms set forth in this Agreement, as amended from time to time.

(2) The Credit Union is directed to accept and pay without further inquiry any item, bearing the appropriate number of signatures as indicated on the Account Card, drawn against any of the Account Owner's accounts with the Credit Union.

**10. Deposit Requirements.** Deposits may be made to any account by cash, check, or other item in accordance with the deposit requirements set forth on the Fee Schedule. All accounts are nonassignable and nontransferable to third parties.

**a. Endorsements.** You authorize the Credit Union, in its discretion, to accept transfers, checks, drafts, and other items for deposit into any of your accounts if they are made payable to, or to the order of, any one or more Account Owners, whether or not they are endorsed by all Account Owners. With respect to fiduciary accounts, you authorize the Credit Union, in its discretion, to accept transfers, checks,

drafts, and other items for deposit into any of your fiduciary accounts if they are made payable to, or to the order of, any Fiduciary of the account, even if not expressly made payable to, or to the order of, such Fiduciary in his or her capacity as Fiduciary. You authorize the Credit Union to supply missing endorsements if the Credit Union chooses to supply such endorsements. When you deposit items to your account, you warrant that all prior endorsements are genuine. The Credit Union reserves the right to verify all endorsements on third-party checks presented for payment or deposit either in person or by comparison with member signature files. Insurance, government, and certain other checks or drafts must be endorsed in person exactly as they are made payable. Endorsements must be placed in the space on the back of the check between the top edge and one inch from the top edge. The Credit Union may accept drafts or checks with endorsements outside this space. If any such endorsement causes any delay in processing the item for payment, however, you will be responsible for any loss incurred by the Credit Union as a result of the delay. The Credit Union may disregard information on any check other than the signature of the drawer and amount of the item and any magnetic encoded information. You agree that the Credit Union does not fail to exercise ordinary care in paying an item solely because its procedures do not provide for sight examination of items. You agree not to deposit any substitute check or similar item that you have created, or for which no financial institution has provided any substitute check, warranties, and indemnity. If you do so, you agree to indemnify the Credit Union for all losses that the Credit Union incurs in connection with the substitute check or item. You agree not to deposit any substitute check without our consent.

**b. Restrictive Legends.** Some checks and drafts contain restrictive legends or similar limitations on the front of them. Examples of restrictive legends are "two signatures required," "void after 60 days," and "not valid over \$500." We are not liable for payment of any check or draft contrary to a restrictive legend or other limitation contained in or on the item unless we have specifically agreed in writing to the restrictions or limitations.

**c. Collection of Items.** The Credit Union is not responsible for deposits made electronically, by mail, or at an unstaffed facility until the Credit Union actually receives them. In receiving items for deposit or collection, the Credit Union acts only as your collection agent and assumes no responsibility beyond the exercise of due care. The Credit Union is not liable for default or negligence of any correspondent or for loss in transit, and each correspondent will be liable only for its own negligence.

**d. Final Payment.** All noncash deposits posted to your account are provisional and subject to our receipt of final

payment. If final payment is not received, we reserve the right to charge your account for the amount of those deposits and impose a return-item charge on your account. After we have received final payment, we refer to these deposits as collected items. If the Credit Union incurs any fee to collect your deposit item, the Credit Union may charge the fee to your account. The Credit Union reserves the right to refuse all or any part of a deposit, to return a deposit, or to close your account.

**e. Direct Deposits.** The Credit Union accepts preauthorized deposits (e.g., payroll checks, Social Security or retirement checks, or other government checks) or preauthorized transfers from other accounts at the Credit Union. Upon a filing of a bankruptcy, if you fail to cancel any direct-deposit authorization, you instruct your employer to make and the Credit Union to apply direct deposits in accordance with your authorization on file with the Credit Union. If the Credit Union is required to reimburse the U.S. government for any benefit payment directly deposited into your account for any reason, you agree that the Credit Union may deduct the amount returned from any of your accounts, unless prohibited by law.

## **11. Account Access.**

**a. Authorized Signature.** In order to access any account, the Credit Union must have an authorized signature of yours on an Account Card. The Credit Union is authorized to recognize your signature, but is not liable for refusing to honor any item or instruction of yours if it believes in good faith that the signature on the item or instruction is not genuine. If you open your account online and we have not received a copy of your valid identification, your services may be limited to opening and funding selected accounts.

**b. Access Options.** You may make withdrawals or transfers from your account in any manner permitted by the Credit Union (i.e., check, automated teller machine ("ATM"), debit card, automated telephone access, online banking, in person, by mail, automatic transfer, or telephone). If you make a withdrawal by check, the check must be properly completed and signed by you or your representative whose authority is on file with us. The Credit Union may return as unpaid any check that is not drawn in the form provided by the Credit Union.

**c. ACH and Wire Transfers.** You may initiate or receive credits or debits to your account via wire transfer or Automated Clearing House ("ACH") transfer. All ACH transactions are subject to the terms of the EFT Agreement. Additionally, you agree that if you receive funds by a wire or ACH transfer, the Credit Union is not required to notify you at the time the funds are received. Instead, the transfer will be shown on your periodic statement. The Credit Union may provisionally credit your account for a wire or ACH transfer before it receives final settlement for the transfer. You agree

that if the Credit Union does not receive final settlement for a transfer or receives an authorized reversal transaction, we may reverse the provisional credit to your account. When you initiate a wire transfer, you may identify either the recipient or any financial institution by name and by account or identifying number. The Credit Union (and other institutions) may rely on the account or other identifying number you give, even if it does not match the party named in your instructions. Wire transfers are governed by Federal Reserve Regulation J if the transfers are cleared through the Federal Reserve. ACH transactions are governed by the rules of the National Automated Clearing House Association.

**d. Transactions by Mail.** Except as otherwise provided in this Agreement, the Credit Union may permit you to make deposits, transfers, and withdrawals by mail. Transfers and withdrawals by mail will require a written request signed by you. Such a transaction will be posted to your account as of the day the transaction is processed at the Credit Union.

### **e. Electronic Check Transactions.**

(1) **Electronic Checks.** If you authorize a merchant to electronically debit your checking account using the routing, account, and serial number of your check to initiate the transfer, whether the check is blank, partially or fully completed, and signed, such an authorization is an electronic check transaction subject to the terms of the EFT Agreement. You authorize us to honor any electronic check conversion from your checking account just the same as for a regular written check.

(2) **Electronic Re-Presented Checks.** If you write a check on a personal account that we return unpaid because of insufficient or uncollected funds, the payee or any subsequent holder of the check may re-present the check to us, through an electronic instruction ("Electronic Re-Presented Check") to charge your account for the amount of the check. If we receive an Electronic Re-Presented Check, we will pay or return the Electronic Re-Presented Check as if the original paper check were presented to us. Any collection fee that you authorize the merchant to debit from your account is subject to the terms of the EFT Agreement. If you want to reverse an Electronic Re-Presented Check, you must give us an affidavit within 60 days after we send or make available to you the periodic statement that reflects payment of that Electronic Re-Presented Check. If we receive a proper notice or affidavit from you within the 60-day period, we will recredit your account with the amount of the charge. If you wish to stop payment of any Electronic Re-Presented Check, you must follow the procedures contained in this Agreement for stopping payment of checks, not the procedures for stopping payment on electronic loan or bill payments. If you ask us to request the depositor's bank to send us the original paper check or a copy of the paper check, and we provide it

to you, you agree that you will not seek to have your account recredited from a prior stop-payment order or if the item is otherwise ineligible for collection.

**12. Account Rates and Fees.** The Credit Union's payment of dividends on any account is subject to the account rates and fees, earnings, and payment and balance requirements as set forth on the Rate Schedule and Fee Schedule and each share certificate receipt, which are incorporated herein by this reference. You agree that the Credit Union may impose fees and charges for the deposit account services provided by the Credit Union. The current Rate Schedule and Fee Schedule have been provided to you separately. You agree that the Rate Schedule and Fee Schedule may change from time to time, and you will be notified of such changes as required by law.

**13. Transaction Limitations.**

**a. Withdrawal Restrictions.** The Credit Union will permit a withdrawal only if you have sufficient available funds in your account to cover the full amount of the withdrawal or have an established overdraft protection plan. Any draws against accounts with insufficient available funds will be subject to a service charge, set forth in the Rate and Fee Schedule. If there are sufficient available funds to cover some but not all of such draws, the Credit Union may allow those draws for which there are sufficient available funds, in any order at the Credit Union's discretion and in compliance with applicable law.

The Credit Union can also refuse to allow a withdrawal in other cases, including without limitation the following scenarios: any dispute arises between the Account Owners about the account; a legal garnishment or attachment is served to the Credit Union; the account secures an obligation to the Credit Union; any required documentation has not been presented; or you fail to repay a Credit Union loan on time. You will be advised of the reasons for refusal if such an action is taken. The Credit Union reserves the right to require you to give the Credit Union up to ninety (90) days' written notice of any intended withdrawals (except checks) from any account as permitted by law.

**b. Transfer Limitations.** For savings and money market accounts, you may make up to six (6) preauthorized, automatic, telephonic, automated-telephone-access, debit-card, check, or online banking withdrawals or transfers to another account of yours or to a third party during any calendar month. A preauthorized transfer includes any arrangement with the Credit Union to pay a third party from the Account Owner's account upon oral or written orders, including orders received through the ACH. There is no limit on the number of transfers or withdrawals you may make from your savings or money market account (1) by mail, ATM,

in person, or by telephone instructions resulting in a check mailed directly to you; or (2) to make a payment on a loan held by the Credit Union. If a transfer request would exceed the transfer limitations set forth above in any statement period, the Credit Union may refuse or reverse the transfer, your account will be subject to suspension or closure by the Credit Union, and the Credit Union may impose a charge.

**14. Overdrafts.**

**a. Overdraft Liability.** If on any day the available balance in your checking account is not sufficient to cover checks and other items or transactions ("overdrafts") posted to your account, those checks and items will be handled in accordance with Courtesy Pay (defined below) or an overdraft protection plan that you have with us. If your funds are being held because of debit card authorizations and/or check holds, your account's available balance will be lower than your actual balance. The Credit Union's determination of an insufficient account balance may be made at any time between presentation and the Credit Union's midnight deadline with only one review of the account required. The Credit Union has no duty to notify you of an insufficient-funds check or returned item. Your account will then be subject to a charge for the item whether paid or returned as set forth in the Fee Schedule. Except as otherwise agreed in writing, the Credit Union, by covering one or any overdraft, does not agree to cover overdrafts in the future and may discontinue covering overdrafts at any time. If the Credit Union pays a draw on your account that creates an overdraft, you agree to pay the overdraft amount immediately. We reserve the right to pursue collection of previously dishonored items at any time, including giving a payor bank extra time beyond any midnight deadline limits.

**b. Courtesy Pay.** The Credit Union offers a discretionary overdraft payment service ("Courtesy Pay"), under the following terms and conditions:

(1) **Discretionary Service.** The Credit Union offers Courtesy Pay to all eligible consumer checking Account Owners. If you would like the Credit Union to provide Courtesy Pay for debit-card purchase transactions, you must specifically notify us to do so ("opt in"), as outlined in the Opt-In Disclosure that we provide you when you open your account. For all other overdraft transactions, Courtesy Pay will be provided automatically once a checking account has been opened and qualified for the service and will continue as long as the account is maintained in good standing with the Credit Union. Under Courtesy Pay, we are not obligated to pay any check or item presented for payment if your account does not contain sufficient funds. The Credit Union may, as a discretionary service and not as a right of yours or our obligation to you, pay overdrafts up to an approved overdraft limit under the terms of Courtesy Pay and subject

to this Agreement. Courtesy Pay is not a line of credit, is not guaranteed, and is independent of any other payment arrangement that we may offer. Also, we may refuse to pay an overdraft for you at any time, even if we have previously paid overdrafts for you. Via your mailed (or e-mailed, if you have so requested) periodic statement, we will notify you of any insufficient funds, checks, or items paid or unpaid and returned that you may have. However, we have no obligation to notify you before we pay or return any item.

(2) Overdraft Transactions Covered. The following types of overdrafts may be covered under Courtesy Pay: checks, debit-card purchases if you have provided the required opt-in, online or other electronic funds transfers, ACH debits and automatic loan payments or withdrawals authorized by you, account service charges, preauthorized drafts, and any other items that may be posted to your account. We reserve the right to pay any checks or items in the order they are presented or received and in accordance with our normal operating procedures for such checks, items, or transactions.

(3) Overdraft Limit/Available Balance. Under Courtesy Pay, we may pay overdrafts up to a limit established for your account type for accounts eligible for this service, and we will not generally pay overdrafts for you in excess of that limit. The Credit Union's fees and charges and each paid check or item will be included in this limit. This overdraft limit will not be included or reflected in your account's actual or available balance of your account provided by a teller, at ATM or point-of-sale facilities, through online services, or on your periodic statements.

(4) Overdraft Fees. There is a fee for each paid overdraft check, item, or payment transfer, as set forth in the Fee Schedule. If we do not pay the overdraft, there will be an NSF or Returned Item fee per check or item, as set forth in the Fee Schedule. There is no limit on the number of overdrafts paid or overdraft fees incurred on any one day.

(5) Member Repayment Responsibility. You agree that your overdraft balance, including applicable overdraft fees, is due and payable upon demand. If there is more than one owner on an account, all owners are jointly and severally liable for repayment of the overdraft balance. If you fail to repay your overdraft balance within 15 days of notice from us, we may immediately suspend the overdraft service. Accounts may be closed for failure to repay overdraft balances, and we will report account closures to consumer reporting agencies.

(6) Member Opt-Out Right. The Credit Union offers Courtesy Pay as a convenience to Account Owners for incidental overdrafts. We do not encourage you to repeatedly overdraw your account. We encourage you to

manage your finances responsibly. You may opt out of Courtesy Pay at any time by notifying the Credit Union orally or in writing. The Credit Union may require that any oral opt-out be confirmed in writing. You understand that by opting out of this service, the Credit Union may refuse to pay any check or item that is presented against an insufficient balance on your account and that you will be responsible for any NSF or Returned Item fees. You are still responsible to pay any overdraft, even if you have opted out of the service.

c. Overdraft Protection Plan. You may establish an overdraft protection plan, and we will honor overdrafts in any checking account by transferring funds to your checking account in an amount necessary to cover the overdraft. We will transfer funds to your overdrawn account from your deposit and loan accounts, if applicable, and any of your personal lines of credit. The fee for overdraft transfers is set forth on the Fee Schedule. Transfers from a deposit account are governed by this Agreement. Transfers from a loan account are governed by the applicable loan agreement.

**15. Postdated and Staledated Items.** You must not date a check later than the date that you write it. If you do and the item is presented for payment before its date, the Credit Union may return it unpaid or pay the item unless you notify the Credit Union of the postdating. Your notice will be effective only if the Credit Union receives the notice in time for the Credit Union to notify its employees and reasonably act upon the notice and you accurately describe the item, including the number, date, and amount. If you give the Credit Union an incorrect, incomplete, or untimely notice, the Credit Union will not be responsible for paying the item before the date stated and the Credit Union may charge your account as of the date the Credit Union pays the item. Oral notices will remain in effect for fourteen (14) days. Written notices are effective for six (6) months unless renewed in writing. You also agree not to deposit checks, drafts, or other items before they are properly payable. The Credit Union is under no obligation to you to pay a check or draft drawn on your account that is presented more than six months after its date, but may charge your account for payment unless the item is certified or you have placed an effective stop-payment order.

## **16. Stop-Payment Orders.**

a. Stop-Payment Request. You may ask the Credit Union to stop payment on any check drawn on or ACH debit scheduled from your checking account. You may request a stop payment by telephone, by mail, or in person. For checks, the stop payment will be effective if the Credit Union receives the order in time for the Credit Union to act on the order. For ACH debits, the stop-payment order must be received at least three (3) banking days before the scheduled date of the transfer. You must state the number of the

account, date, and exact amount of the check or ACH and the number of the check or originator of the ACH debit. The stop payment will be effective if the Credit Union receives the order in time for the Credit Union to act on the order and you state the number of the account, date and number of the item, its exact amount, and to whom it was issued. If you give the Credit Union incorrect or incomplete information, the Credit Union will not be responsible for failing to stop payment on the item. If the stop-payment order is not received in time for the Credit Union to act on the order, the Credit Union will not be liable to you or to any other party for payment of the item. If we recredit your account after paying a check over a valid and timely stop-payment order, you agree to sign a statement describing the dispute with the payee, to transfer all your rights against the payee or other holders of the check to the Credit Union, and to assist the Credit Union in legal action taken against the person.

**b. Duration of Order.** Oral stop-payment orders remain in effect for fourteen (14) days. For checks, written stop-payment orders are effective for six (6) months. In order for any written stop-payment order to remain in effect after six (6) months, you must renew the order in writing. For ACH debits, written stop-payment orders are effective for one payment, until you request that the Credit Union remove it or for all future ACH debits.

**c. Liability.** The Credit Union may charge a fee for each stop-payment order requested, as set forth on the Rate and Fee Schedule. You may not stop payment on any certified check or draft or any other check, draft, or payment guaranteed by you or the Credit Union. You can stop payment only on any other checks or drafts that the Credit Union issues on your behalf in the Credit Union's sole discretion. You should be aware that while payment of an item may be stopped, you may remain liable to any person, including the Credit Union, who is a holder of the item despite the stop-payment order. If you place a stop-payment order and the item is paid through no fault of yours, the Credit Union will in no event be liable for more than the amount of the check.

**17. Lost Items.** The Credit Union, in receiving items from you for withdrawal or deposit, acts only as your agent and reserves the right to reverse the credit for any deposited items or to charge your account for the items if they become lost in the collection process.

**18. Credit Union Liability.** If the Credit Union does not exercise ordinary care or act in good faith in complying with applicable law and the terms of this Agreement, the Credit Union may be liable for your direct damages resulting from the Credit Union's failure to so act. The amount of any such liability will not exceed the amount of the transaction giving rise to the liability. The Credit Union will not be liable if:

(a) through no fault of the Credit Union, your account does not contain enough money to make the transaction; (b) circumstances beyond the Credit Union's control prevent the transaction; (c) your loss results, in part, from any act or omission constituting a breach of this Agreement, negligence, willful misconduct, violation of applicable law, or the negligence, willful misconduct of, or violation of law by another financial institution; or (d) the money in your account is subject to legal process or other claim. In no event will the Credit Union be liable for indirect, special, punitive, or consequential damages. Any conflict between oral representations by you or Credit Union employees and any written form will be resolved by reference to this Agreement and the applicable written form.

**19. Checks Presented for Payment in Person.** We may refuse to accept any check or draft drawn on your account that is presented for payment in person. Such a refusal does not constitute a wrongful dishonor of the check or draft, and we have no liability for refusing payment.

**20. Remotely Created Checks or Drafts.** For purposes of this paragraph, "account" means a transaction account, credit account, or any other account on which checks or drafts may be drawn. A remotely created check or draft is a check or draft created by someone other than the person on whose account the check or draft is drawn. A remotely created check or draft is generally created by a third-party payee as authorized by the owner of the account on which the check or draft is drawn. Authorization is usually made over the telephone or through online communication. The owner of the account does not sign a remotely created check or draft. In place of the owner's signature, the remotely created check or draft usually bears a statement that the owner authorized the check or draft or bears the owner's printed or typed name. If you authorize a third party to draft a remotely created check or draft against your account, you may not later revoke or change your authorization. It is your responsibility to resolve any authorization issues directly with the third party. We are not required to credit your account and may charge against your account any remotely created check or draft for which the third party has proof of your authorization.

**21. Credit Union Lien and Security Interest.** If you owe the Credit Union money as a borrower, guarantor, endorser, or otherwise, the Credit Union will have a lien on any or all of the funds in any account in which you have an ownership interest at the Credit Union, regardless of the source of the funds. The Credit Union may apply these funds in which it has a lien to pay off your indebtedness, including any costs or attorney fees incurred by the Credit Union in enforcing its rights. If the Credit Union chooses not to enforce its lien, the Credit Union does not waive its right to enforce the lien at a later time. You grant the Credit Union a security interest in

your deposit accounts and agree that the Credit Union may use the funds from your accounts to pay any obligation owed by you to the Credit Union unless prohibited by applicable law. You authorize the Credit Union to file a UCC-1 financing statement describing your deposit accounts and any other collateral covered by the above-described security interest.

**22. Legal Process.** If any legal action, such as a levy, garnishment, or attachment, is brought against your account, the Credit Union may refuse to pay out any money from your account until the dispute is resolved or may pay out funds according to the terms of the levy. If the Credit Union incurs any expenses or attorney fees in responding to legal process, those expenses may be charged against your account without prior notice to you, unless prohibited by law. Any legal process against your account is subject to the Credit Union's lien and security interest.

**23. Account Information.** Upon your request, the Credit Union will inform you of the name and address of each credit reporting agency from which the Credit Union obtains a credit report in connection with your account. The Credit Union agrees not to disclose information to third parties about your account regarding any transaction or balances unless: (a) it is necessary to complete the transaction; (b) the third party seeks to verify the existence or condition of your account in accordance with the Fair Credit Reporting Act or other applicable laws and regulations; (c) such disclosure is in compliance with the law, government agencies, or court orders; or (d) you give us your written permission.

**24. Notices.**

**a. Name or Address Changes.** It is your responsibility to notify the Credit Union of a change of address or change of name. The Credit Union is required only to honor items drawn on the name as listed on the account and to attempt to communicate with you only at the most recent address you have provided to the Credit Union. The Credit Union may accept oral notices of a change in address and may require that any other notice be provided in writing.

**b. Notice of Amendments.** Except as otherwise prohibited by applicable law, the terms of this Agreement and all fees and other agreements provided to you in connection with this account are subject to change at any time as declared by the Credit Union Board of Directors. The Credit Union will notify you of any changes in account terms, rates, or fees as required by law. If notice is given by mail, you agree that only one notice is necessary in the case of a multiple-party account. You may terminate your account before the effective date of any changes. You or any account holder may change the account ownership and types of accounts or services at any time without the consent of any other account holder. Amendments requested by you, or by any one multiple-party

Account Owner, such as adding or closing a new type of account or service, may be made by telephone instruction. You agree that oral instructions are binding and agree to hold the Credit Union harmless from any liability arising as a result of such instructions. Changes in account ownership, such as adding or removing a multiple-party Account Owner, must be evidenced by a signed Account Card, which, upon execution, will be incorporated herein by this reference. The Credit Union reserves the right to waive any term in this Agreement. Any such waiver does not affect the Credit Union's right to enforce any right in the future.

**c. Effect of Notice.** Any written notice that you give us is effective when we receive it. Any written notice that we give to you is effective when it is deposited in the U.S. mail, postage prepaid, and addressed to you at your statement mailing address, or, as applicable, sent electronically to the e-mail address you provide to us at the time you open your account, as the address may be updated by you from time to time. Notice to any Account Owner is considered notice to all Account Owners.

**d. Consent to Communications.** By providing an e-mail address, telephone number for a cellular phone, or information for other wireless device, you are expressly consenting to receiving communications at that address or number, including but not limited to prerecorded or voice-message calls, text messages, and calls made by an automatic telephone dialing system from us and our affiliates and agents. This express consent applies to each address or telephone number that you provide to us now or in the future and permits such communications regardless of their purpose. In the regular course of our service to you, we may monitor and record phone conversations made or received by our employees. You agree that we have this right with respect to all phone conversations between you and our employees, whether initiated by you or any of our employees. For payment authorizations that you provide by telephone, we may require you to confirm such instructions in writing.

**e. Negative Information Notice.** We may report information about your loan or deposit accounts to credit bureaus. Late payments, missed payments, or other defaults on your accounts may be reflected in your credit report.

**25. Taxpayer Identification Numbers and Backup Withholding.** If your account is or becomes subject to backup withholding, the Credit Union is required by law to withhold and pay to the Internal Revenue Service a percentage of payments of dividends and certain other payments under certain conditions. Your failure to furnish a correct taxpayer identification number ("TIN") or meet other applicable requirements may result in backup withholding. If

you fail to provide your TIN, the Credit Union may suspend your account privileges and or close your account.

## **26. Statements.**

**a. Contents.** If the Credit Union provides a statement for your account, you will receive a periodic statement of all transactions and activity on your account during the statement period. The amount and date of any payment, deposit, withdrawal, transfer, payment of dividends, and fees imposed will appear on your statement. For drafts and checks, you understand that your original draft or check, as applicable, will not be returned to you, but copies will be retained by the Credit Union and made available upon your request. You agree to keep a copy of your original check in order to verify its validity. If you request us to provide you with an original check or sufficient copy, you agree that we may provide an electronic image of the original check or sufficient copy if you have agreed to receive account information or statements electronically.

**b. Examination.** You are responsible for examining each statement and your check and draft copies, and reporting any irregularities to the Credit Union. The Credit Union is not responsible for any forged, altered, unauthorized, or unsigned item drawn on or deposited to your account if you fail to notify the Credit Union within thirty (30) days of the mailing date of the earliest statement or delivery of e-statements and availability of drafts containing any forgery, alteration, or unauthorized signature on the item. The Credit Union is not liable for items forged or altered in a manner not detectable by a reasonable person, including but not limited to the unauthorized use of a facsimile signature machine.

**c. Notice to Credit Union.** You agree that the Credit Union's retention of drafts and checks does not alter or waive your responsibility to examine your statements and check copies or the time limit for notifying the Credit Union of any errors. The statement will be considered correct for all purposes and the Credit Union will not be liable for any payment made or charged to your account unless you notify the Credit Union in writing within the above time limit after the statement is made available to you.

**d. Electronic Statements (E-Statements).** If your statement is provided electronically, you will be sent an e-mail notice that will direct you to the website where you may access, review, print, and otherwise copy or download your periodic statements using procedures that we authorize. E-mail from us will be sent to the e-mail address provided by the Account Owner.

**27. Inactive Accounts.** If you have not made a withdrawal from, deposit to, or transfer involving at least one of your accounts for the period specified in the Fee Schedule and the

Credit Union has had no other sufficient contact with you within the period specified by state law, the account will be presumed abandoned. The Credit Union will notify you at your last known address before imposing any fee as required by law. You authorize us to transfer funds from another account of yours to cover any service fees, if applicable. To the extent allowed by law, the Credit Union reserves the right to transfer account funds to an account payable, cease paying dividends if applicable, and suspend any further account statements. Funds in abandoned accounts will be reported and remitted in accordance with state law. Once funds have been sent to the state, the Credit Union has no further liability to you for those funds, and if you choose to reclaim the funds, you must apply to the appropriate state agency.

**28. Special Account Instructions.** The Credit Union can facilitate certain trust, will, or court-ordered account arrangements that you may request. Because the Credit Union does not give legal advice, however, we cannot counsel you as to which account arrangement most appropriately meets the specific requirements of your trust, will, or court order. You and any surviving owner or beneficiary agree to indemnify the Credit Union and hold it harmless from and against any claim or liability asserted against the Credit Union as a result of the disposition of funds in reliance on this Agreement and any account designations of yours. If you ask the Credit Union to follow any instructions that the Credit Union believes might expose it to claims, lawsuits, expenses, liabilities, or damages, whether directly or indirectly, the Credit Union may refuse to follow your instructions or may require you to indemnify the Credit Union or post a bond or other protection. Any item presented with a full payment legend must be presented in person to a Credit Union officer; otherwise, payment is accepted with full reservation of rights. You understand that the Credit Union may choose to retain electronic or imaged copies of any original documents, and you agree that an electronic or imaged copy is valid as an original document.

**29. Termination of Account.** The Credit Union may terminate your account at any time without notice to you. It may require you to close your account and apply for a new account if (a) there is a change in Account Owners; (b) there has been a forgery or fraud reported or committed involving your account; (c) there is a dispute as to the ownership of the funds in the account; (d) any account checks are lost or stolen; (e) there are excessive returned unpaid items not covered by an overdraft protection plan; or (f) there has been any misrepresentation or any other abuse of any of your accounts. You may terminate any single-party account at any time by notifying the Credit Union in writing. The Credit Union reserves the right to require the consent of all multiple-party Account Owners for termination of a multiple-party account. The Credit Union is not responsible for

payment of any check, draft, withdrawal, or other item once your account is terminated.

**30. Termination of Membership.** You may voluntarily terminate your membership at the Credit Union after giving written notice of your intent to withdraw from membership at any time. If you do not maintain an open deposit, loan, or line-of-credit account, your membership will be considered voluntarily terminated. The Credit Union is not liable for payment on any check, item, or other instruction once your membership is terminated. You may be denied services or expelled from membership for any reason allowed by applicable law and as outlined in our Bylaws, including but not limited to causing a loss to the Credit Union.

**31. Death of an Account Owner.** You irrevocably waive the right to make a testamentary disposition of any account with the Credit Union, now and in the future. You agree that upon your death, your account will be payable in accordance with any existing account designations and the terms of this Agreement. Upon the death of an Account Owner, funds in the account will be payable to multiple-party Account Owners or any POD or trust beneficiaries in accordance with this Agreement and applicable state law. The Credit Union may continue to honor all transfers, withdrawals, deposits, and other transactions on the account until the Credit Union learns of the Account Owner's death. Once the Credit Union is notified of an Account Owner's death, the Credit Union may in its discretion restrict account transactions or may pay checks or honor other payments or transfer orders authorized by the deceased Account Owner for a period of ten (10) days unless the Credit Union receives instructions from an authorized person to stop payment on the checks or other items. You agree that the Credit Union can require anyone who claims funds in your account after your death to indemnify the Credit Union for any losses resulting from honoring that claim. This Agreement is binding on any heirs or representatives of any Account Owner.

**32. Unlawful Internet Gambling and Other Illegal Activities.** You certify that all transactions that you initiate on your account are permissible under federal law and state law in the jurisdiction where you live and/or where the transaction occurred. You understand that you may not use the account or any access devices to make deposits, transfers, or withdrawals of funds for any purpose that is impermissible under state or federal law. You understand that marijuana related transactions on your account may be legal under state law but not under federal law. You agree that you are not engaged in unlawful internet gambling or any other illegal activity. You agree that you will not use any of your accounts, access devices, or services for unlawful Internet gambling activity or other illegal activities. Display of a payment card logo by an online merchant does not mean that internet gambling transactions are lawful in all jurisdictions in which

you may be located. We may terminate your accounts and services if you engage in unlawful Internet gambling or other illegal activities.

**33. Severability.** If any paragraph of this Agreement or any portion thereof is held by a court to be invalid or unenforceable for any reason, the other paragraphs and portions of this Agreement will not be considered invalid or unenforceable and will continue in full force and effect.

**34. Enforcement.** You agree to be liable to the Credit Union for any loss, cost, or expense as provided in this Agreement that the Credit Union incurs as a result of your failure to follow this Agreement. You authorize the Credit Union to deduct any such loss, costs, or expenses from your account without prior notice to you. If either party brings a legal action to enforce the Agreement or collect any amount due under this Agreement, the prevailing party is entitled, subject to applicable law, to payment by the other party of its reasonable attorney fees and costs, including fees on any appeal, bankruptcy proceedings, and postjudgment collection actions, if applicable. If there is a lawsuit, you agree that it may be filed and heard in the county and state in which the Credit Union is located, if allowed by applicable law.

**35. Arbitration.**

**a. Mandatory Arbitration.** Any claim arising out of or related to this Agreement will be resolved exclusively by arbitration. **The arbitrator will be selected by the Credit Union in its sole discretion,** and the place of arbitration will be in Clark County, Washington. The arbitration will be subject to the Rules of the American Arbitration Association. The award rendered by the arbitrator will be final, binding, and nonappealable, and judgment may be entered on the award in any court having jurisdiction. The parties may endeavor to resolve disputes by mediation at any time as they may agree, as long as resolution of disputes by mediation is not required before initiating resolution of disputes by arbitration. Notwithstanding anything to the contrary in this paragraph, either party may, without waiving any remedy under this Agreement, seek temporary or provisional equitable relief to enforce the terms of this Agreement pending the appointment of the arbitrator (or pending the arbitrator's determination of the merits of the controversy). The parties agree that any court sitting in Clark County, Washington, will have jurisdiction with respect to such claims for equitable relief.

**b. Expenses.** The fees and expenses and other costs of the arbitration proceeding will be borne equally by the parties. Each party will pay for its own costs and attorney fees, if any, except that the arbitrator may award the prevailing party all its arbitration fees and costs and attorney fees and costs, including expert witness fees.

**36. Governing Law.** This Agreement is governed by the Bylaws of the Credit Union, federal laws and regulations, the laws, including applicable principles of contract law, and regulations of the State of Washington, and local clearinghouse rules, as amended from time to time. To the extent permitted by applicable law, any legal action regarding this Agreement may be brought in any court sitting in Clark County, Washington.

## II. FUNDS AVAILABILITY POLICY

**1. General Policy.** For savings accounts, we reserve the right to place reasonable holds on deposited funds to the extent permitted by law. For checking accounts, our policy is to make funds from your deposits available to you on the first business day after we receive your deposit. An electronic direct deposit will be available on the day we receive the deposit in actually and finally collected funds. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written. For determining the availability of your deposits, every day is a business day, except Saturdays and Sundays. If you make a deposit before 6 p.m. at a branch office on a business day that we are open, we will consider that day to be the day of your deposit. But if you make a deposit after 6 p.m. at a branch or on a day that we are not open, we will consider that the deposit was made on the next business day that we are open.

**2. Reservation of Right to Hold.** In some cases, we will not make all the funds that you deposit by check available to you on the first business day after we receive your deposit. Depending on the type of check that you deposit (e.g., a large check without available funds or a third-party check), funds might not be available until the second business day after the day of your deposit. The first \$200 of your deposit, however, will be available on the first business day after your deposit is received. If we are not going to make all the funds from your deposit available on the first business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit. If you will need funds from a deposit right away, you should ask us when the funds will be available. Even though we make funds available to you, you are still responsible for payment of any returned items.

**3. Longer Delays May Apply.** Additionally, funds that you deposit by check might be delayed for a longer period under the following circumstances:

- a. We believe a check you deposit will not be paid.
- b. You deposit checks totaling more than \$5,000 on any one day.
- c. You redeposit a check that has been returned unpaid.
- d. You have repeatedly overdrawn your account in the last six months.

e. There is an emergency, such as failure of communications or computer equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh business day after the day of your deposit.

**4. Holds on Other Funds.** If we cash a check for you that is drawn on another financial institution, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time that funds from the check we cashed would have been available if you had deposited it. If we accept for deposit a check that is drawn on another financial institution, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this Agreement for the type of check that you deposited.

**5. Special Rules for New Accounts.** If you are a new member, the following special rules will apply during the first 30 days your account is open.

Funds from an electronic direct deposit to your account will be available on the day we receive the deposit. Funds from a deposit of cash, a wire transfer, and the first \$5,000 of a day's total deposits of cashier's, certified, teller's, travelers, and federal, state, and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5,000 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,000 will not be available until the second business day after the day of your deposit. Funds from all other check deposits will be available on the ninth business day after the day of your deposit.

**6. ATM Deposits; Unstaffed Teller Locations.** When you make a deposit at an ATM that is owned or operated by the Credit Union, the Credit Union will make the first \$200 of your deposit available one business day after. The remainder of your deposit will become available the second business day following your deposit. ATM deposits of cash or checks drawn on the United States Treasury payable to an Account Owner of the account to which they are being deposited will be available the next business day after they are deposited. You may not make deposits to your accounts using ATMs that are not owned or operated by the Credit Union. All ATMs owned or operated by the Credit Union are identified as such. Deposits received at unstaffed teller locations, such as night

depositories, will be credited on the day that funds are removed and processed by the Credit Union. You waive any notice of nonpayment, dishonor, or protest regarding any items credited to your account.

**7. Foreign Checks.** Checks drawn on financial institutions located outside the United States ("Foreign Checks") cannot be processed the same as checks drawn on U.S. financial institutions. Foreign Checks are exempt from the policies outlined in this Agreement. Generally, the availability of funds following deposit of a Foreign Check will be delayed for the time it takes us to collect the funds from the financial institution(s) upon which the Foreign Check is drawn.