

## MEMBERSHIP AND ACCOUNT AGREEMENT

This agreement covers the rights and responsibilities of both parties concerning the accounts we offer. In this agreement, the words "you" and "yours" mean anyone who signs a Membership and Account Application, Account Card, Account Update or Change Card, or similar document (collectively referred to as "Account Card"). The words "we," "us," and "our" mean the Credit Union. The word "account" means any one or more share or other accounts you have with us.

This Agreement explains the rules governing your membership and accounts with us. All of your agreements and transactions with us are also governed by various applicable federal and state laws and regulations. It is the intent of this Agreement to provide disclosures that we are required by law to give you; to vary by agreement certain aspects of certain transactions that are permitted by law to be varied; and to establish terms and conditions of certain transactions that are not governed by any particular law or regulation.

By signing the Account Card and/or by continuing to use the accounts and services provided by us, each of you, jointly and severally, agree to the terms and conditions in this Agreement, the Account Card; the Rates and Fees Schedule; Funds Availability Policy; EFT Agreement; Privacy Policy; and any Account Receipt or similar document; and Certificate, Certificate Summary or similar document; our Bylaws and policies; and any amendments to these documents from time to time which collectively govern your Accounts. All such documents are hereby incorporated by reference as if fully set forth herein.

**Suspension of electronic services and access to share or deposit accounts.** Subject to applicable law, we may suspend some or all electronic services and access to your checking or other account(s) if you become delinquent on any of your loan or deposit obligations to us or you cause a loss to us. We shall not be liable to you in any regard in connection with such suspension of services.

## MEMBERSHIP AND ACCOUNTS

**Membership Eligibility.** Applicants for membership must qualify under our approved field of membership and must have applied as a primary or joint applicant for a deposit or loan account with the Credit Union. By applying, you authorize us to check your account, credit, and employment history, and to obtain reports from third parties (including credit reporting agencies) to verify your eligibility for membership and accounts and services requested or offered. Upon approval and funding the minimum opening balance for deposit products or disbursement of loan proceeds, having met the Credit Union's Bylaw requirements for eligibility, primary and joint applicants become member owners of the Credit Union. Once approved for membership, you have certain rights as governed by this Agreement, our Bylaws, and applicable law, including the right to apply for accounts and service and to vote in elections. Member owners each receive one vote, regardless of how many accounts or loans they may have. To maintain your membership, you must continue to maintain a deposit and/or loan account and remain in good standing.

**Member Identification Program.** To help the government fight the funding of terrorism and money laundering activities, as well as to protect you from Identity Theft, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. This means that we will require you to provide, and we will verify, certain information about you when opening an account, in accordance with the requirements of the USA Patriot Act and the Bank Secrecy Act. This will include producing a government-issued picture ID. We may also ask for picture ID, passwords, or other means of identification and authentication whenever you initiate any transaction with us. We may refuse to open any account or to grant any request if you fail to provide adequate identifying or authenticating information, or we have a good-faith cause to believe that you are not the person you are purporting to be or are otherwise not authorized to open the account or initiate the transaction, and we will not be liable for any loss or expense you may incur due to our refusal.

You will also be required to provide a taxpayer identification number (TIN) or social security number, to be used for this purpose and for subsequent regulatory reporting. We may also request from time to time, and you agree to provide, additional documentation depending on the type of account or service requested. Failure to furnish a correct TIN or meet other requirements may result in backup withholding. If your account is subject to backup withholding, we must withhold and pay to the Internal Revenue Service (IRS) a percentage of dividends, interest, and certain other payments. If you fail to provide your TIN, we may refuse or suspend opening your account.

**Consensual Pledge of Shares; Security Interest; Consensual Lien; Statutory Lien; Right to Set-off; Administrative Freeze:** By signing the Account Card or any other deposit or loan agreement or similar document granting a pledge or security interest in your shares, and/or by accessing, using, or otherwise accepting any funds, accounts or services, you grant the Credit Union, and we impress, a lien on your shares in the Credit Union. You also grant the Credit Union a security interest in such accounts to secure payment of any deposit obligations you owe (e.g., overdrafts, fees, etc.) and any loan or credit card obligations you owe, as well as any expenses we incur in connection with your accounts and services, including reasonable attorney's fees. You acknowledge and agree that we also have similar statutory lien rights in your accounts under applicable federal and state law, as well as the common law right to set-off and administrative freeze.

"Deposits" and "accounts" includes any and all funds, regardless of the source of those funds, in any joint or individual share savings account(s), checking account(s), club, certificate, P.O.D, revocable trust or custodial account(s) or any other account whether jointly or individually held and whether your obligation under the account(s) is direct, indirect, contingent or secondary and whether held now or

in the future. Your pledge and our lien rights do not include any IRA, Keogh or other account which would lose special tax treatment if pledged, or any irrevocable trust or fiduciary account in which you do not have vested ownership interest.

You understand and agree that these rights allow us to apply the funds in your accounts to any obligations owed to us if you default or fail to pay or satisfy any obligation to us, and we can do so without any legal process, court proceeding or any notice to any owner of the accounts affected hereunder or otherwise in this Agreement, unless applicable law so requires. **You specifically agree that we have the right to place an administrative freeze on any of your accounts** subject to applicable law, and such action shall not violate 11 USC 362 or other applicable law. You understand that these rights are multiple, and we can exercise one or all of them pursuant to applicable law. Exercising one right does not waive the right to exercise others. Any payment to any joint owner, beneficiary, or other party for any reason shall be subject to our security interest, consensual lien, and right to set-off.

**CROSS-COLLATERALIZATION:** Property and/or funds given as security under any deposit, loan, or credit card accounts or services you have with the Credit Union will secure any and all obligations under such accounts or services as well as any account owner's joint or individual obligations to us, now or in the future, whether direct, indirect, contingent or secondary and arising from any loan or credit agreement, insufficient fund items; fees; cost, expenses, reasonable attorney's fees, or otherwise. This clause does not apply if such property is your primary residence or are non-purchase money household goods.

**CREDIT CARD ACCOUNTS:** IF YOU HAVE A CREDIT CARD ACCOUNT WITH THE CREDIT UNION, YOU SPECIALLY AGREE THAT THE SECURITY INTEREST, CONSENSUAL LIEN, AND CROSS-COLLATERALIZATION CLAUSES ALSO APPLY TO THAT CREDIT CARD AND THAT GRANTING THESE RIGHTS TO US IS A CONDITION OF OBTAINING THE CREDIT CARD ACCOUNT.

### Types and Ownership of Accounts

We offer a variety of deposit and transaction accounts for which you may apply, including savings, checking, and money market accounts which have no particular term or maturity date associated with them; and Certificate and Term Accounts, which must be maintained for a particular amount of time. Requirements of the accounts such as term, minimum opening deposit or minimum balance requirements, fees, and penalties are set forth in detail in your Truth-in-Savings Disclosure/ Rate and Fee Schedule; this Agreement; and other agreements that you may have with us. Ownership of the accounts may be held in a number of ways, such as individually, jointly, in trust, etc. Your account type(s) and ownership features are designated on your Account Card at the time you open the account.

Not all accounts or services may be offered at any given time. We may occasionally offer enhancements or additional benefits to certain accounts or services such as purchase awards or travel accident insurance or other features at no additional cost to you. These features are offered solely at our discretion and can be changed or discontinued at any time with no prior notice to you.

The following describes the types of accounts that are generally available at the Credit Union. All accounts may not be offered or available at any given time.

**Savings, Checking, and Money Market Accounts:** You may open and close one or more savings accounts, checking accounts, or money market accounts, and may periodically deposit and withdraw funds from those accounts via access methods made available to you from time to time, including, but not limited to, checks, debit cards; in person; online banking; mobile banking; and electronic funds transfers ("EFTs") such as ACH, direct deposit, wire transfers, or preauthorized transfers. All transactions are subject to and in accordance with this Agreement and all other agreements you have with us, including, but not limited to, the Funds Availability Policy; Truth-in-Savings Disclosure/ Rate and Fee Schedule; EFT Agreement and Disclosures; and Wire Transfer Agreement.

**Certificate and Term Accounts:** Certificate and Term accounts have stated Maturity Dates, and funds in those accounts are subject to penalty if withdrawn prior to the Maturity Date. Exact terms of the account such as Maturity Date; Annual Percentage Yield; early withdrawal penalty fees; whether the account automatically renews; and other information will be provided at the time you open the account. If you maintain sufficient funds in the account for the full term in accordance with your Agreements, at the end of the term we will pay you the principal amount you deposited, plus dividends on account earnings in accordance with this Agreement. If you withdraw all or part of your funds from this type of account before the certificate account matures, we will charge you an early withdrawal penalty. That penalty is generally deducted from the interest that has accrued on the account but may be deducted from the principal, particularly if a sufficient amount of interest to pay the penalty has not accrued. We may at our sole discretion grant you permission to withdraw funds early; if such permission is granted, it will be granted only at the time you request an early withdrawal.

Unless otherwise stated when you open the account, an automatically renewing account shall renew at each maturity date for a period of time equal to the original term and on the same conditions as the original account. The dividend rate applicable to the renewal term shall be that rate that is applicable to new account on like terms in effect at the time the account renews. You can prevent an automatic renewal by providing us written instructions to the contrary or withdrawing funds on or within seven (7) calendar days after the maturity date. If funds are withdrawn within seven (7) calendar days after the maturity date, no penalty will be assessed. We may call an automatically renewing account for payment at the end of the original term or any renewing term, and any dividends added to it for compounding will stop earning dividends on the effective date of the call.

If the account is not automatically renewed, no dividends will be earned after the stated maturity date. We will send you a notice on or before the maturity date of your account(s) advising you of the upcoming maturity date and the options available to you.

**IRA/Keogh and Coverdell Education Savings Accounts.** IRA accounts are individual retirement accounts and Coverdell ESA accounts are used to save for your child's college education. These accounts may be in the form of certificates, money market accounts, or other types of account. There may be restrictions on contributions, withdrawals, and other features of the accounts according to Federal law and guidelines. Funds may be tax deductible and/or or tax deferred. We do not provide tax advice; you should consult with a qualified tax advisor regarding any funds you may have in these accounts. You may be required to sign a separate agreement upon opening these accounts.

**Dividend-Bearing Accounts.** Some of the accounts available earn dividends while others do not. If the account is an dividend-bearing account, disclosures and terms regarding accrual, crediting, and compounding will be provided in the Rate and Fee Schedule or similar document at the time you open your account.

The following describes the types of ownership by which an account may be held.

**Individual Accounts.** An individual or single-party account is an account owned by one person, including an individual, corporation, trust, or other organization qualified for Credit Union membership. If the account owner dies, the owner's interest passes, subject to applicable law, to the decedent's estate or Payable on Death (POD) beneficiary or trust beneficiary, subject to other provisions of this Agreement and applicable law.

**Joint or Multiple Party Accounts.** An account owned by two or more persons is a multiple party account. Unless your Account Card specifically states otherwise, multiple party accounts are held in joint tenancy with the right of survivorship. This means that you intend and agree that the balance in the account, upon the death of any party to the account, shall belong to the surviving owner(s). A surviving owner's interest is subject to our statutory lien rights, consensual lien rights, the right of set-off, and to any security interest or pledge granted by a deceased owner, even if a surviving owner did not consent to it.

We reserve the right to require all owners to sign the Account Card. Any and each owner is authorized and deemed to act for any other owner(s) and may instruct us regarding transactions and other account matters. Each owner guarantees the signature of any other owner(s). Any owner may withdraw all funds, stop payment on items, transfer funds into or out of the account, block or terminate any service or access device, or pledge to us all or any part of the account balance without the consent or knowledge of the other owner(s). We have no duty to notify any owner(s) about any transaction. We reserve the right to require written consent of all owners for any change to or termination of an account. If we receive written notice of a dispute between owners or inconsistent instructions from them, we may act on any or none of the instructions or, alternatively, we may suspend or terminate the account and require a court order or written consent from all owners to act. One owner may not remove another owner.

Ownership rights and disputes involving the funds in your accounts are subject to your Agreements with us, and applicable state or federal law. We shall not be liable to any owner if we in good faith act upon a valid court order from a court of competent jurisdiction. We will also not be liable if we in good faith refuse to act upon a court order or any instruction from any owner. All owners will be jointly and severally liable for any and all expenses, fees and costs, including reasonable attorney's fees, that we incur, in connection with any dispute regarding the account, regardless of whether the dispute is initiated by an owner or third party. By signing the Account Card, each of you authorizes us to take these expenses from any of your account(s) without prior notice to you.

If a deposited item in a multiple party account is returned unpaid, an account is overdrawn, or if we do not receive final payment on a transaction, all owners, jointly and severally, are liable to us for the amount of the returned item, overdraft, or unpaid amount and any fees or expenses that we incur, including reasonable attorney's fees, regardless of who initiated or benefited from the transaction. If any account owner is indebted to us, we may enforce our rights against any account of any owner or against all funds in the multiple party account regardless of who contributed them and to what extent.

**Payable on Death (POD) Accounts.** A Payable on Death (POD) account is an instruction to us that a single or multiple party account so designated is payable to the owner(s) during their lifetimes and, when the last account owner dies, is payable to any named, living POD beneficiary. Sums payable to more than one surviving beneficiary shall be distributed equally to each beneficiary, and neither beneficiary shall be entitled to the other's interest upon that beneficiary's death. Any POD beneficiary designation shall not apply to Individual Retirement Accounts (IRAs), which accounts are governed by a separate account agreement and beneficiary designation. We are not obligated to notify any beneficiary of the existence of any account or the vesting of the beneficiary interest in any account, except as otherwise provided by law. Any owner may change any beneficiary designation upon written notice to us, on a form approved by us. A POD beneficiary's interest is subject to the Credit Union's statutory lien for the deceased owner's obligations, and to any security interest or pledge granted by a deceased owner, even if the surviving owner did not consent to it.

**Accounts for Minors.** We reserve the right to require any account established by a minor to be a multiple party account with an owner who has reached the age of majority under state law and who shall be jointly and severally liable to us for any returned item, overdraft, or unpaid charges or other amounts owing on such account. We may require the minor to sign the Account Card if they are so capable; otherwise, the adult shall sign the Account Card on behalf of the minor, as well as in their own capacity. We may pay funds directly to the minor without regard to their age. Unless a guardian or parent is an account owner, the guardian or parent shall not have any account access rights. We have no duty to inquire about the use or purpose of any transaction. We will not change the account status when the minor reaches the age of majority, unless authorized in writing by all account owners.

**Uniform Transfers to Minors Account/Uniform Gifts to Minors Account (UTMA/UGMA).** An account established under the Uniform Transfers to Minors Act (UTMA) or Uniform Gifts to Minors Act (UGMA) is an individual account created by a custodian who deposits funds as an irrevocable gift to a minor. The account is governed by the applicable UTMA/UGMA law adopted in the state in which the account is held. The minor to whom the gift is made is the beneficiary of the custodial property in the account and as such, the funds in the account belong to the minor. The custodian has possession and control of the account for the exclusive right and benefit of the minor and barring a court order otherwise, is the only party entitled to make deposits, withdrawals, or close the account. We have no duty to inquire or investigate regarding the use or purpose of any transaction or the propriety or impropriety of any action taken by the custodian. If the custodian dies, we may place an administrative freeze on the account, until we receive instructions from any person authorized by law to withdraw funds or a valid court order authorizing withdrawal. Any successor custodian must provide us with, and complete all, written documentation to our satisfaction that authorizes such custodian to act legally on behalf of the minor and ensure that all applicable laws have been followed. It is agreed that the custodian may be the minor's legal guardian, and if there is more than one legal guardian, we can accept orders and instructions from any legal guardian in accordance with applicable law. When the beneficiary reaches the age of twenty-one, the funds may be paid or withdrawn by the beneficiary without further notice or action by us,

and we will not be liable for any disputes arising from such withdrawal. The account will otherwise terminate and be distributed in accordance with applicable law. In the event of the minor's death, the account will be closed, and the funds paid to the minor's estate.

**Agency, Trust, or other Custodial Accounts.** We may open accounts pursuant to any court order, trust agreement, or similar authority in accordance with your desire to establish an account for a trust, probate, custodial, or other fiduciary purpose. Because we do not give legal advice, we cannot counsel you as to which account arrangement most appropriately meets the specific requirements of your trust, will, or court order. The person acting as agent, guardian, custodian, personal representative, trustee or other fiduciary capacity shall be designated as such on the Account Card. Such designation is an instruction to us that the account owner authorizes another person to make transactions as agent for the account owner regarding the accounts designated. For these accounts, you appoint the designated representative listed on the Account Card as your attorney-in-fact to deposit or withdraw funds held in the designated account(s). Your agent has no ownership interest in the account(s) or voting rights in the Credit Union. We have no duty to inquire or investigate regarding the use or purpose of any transaction or the propriety or impropriety of any action taken by the designated representative.

If you ask us to follow any instructions that we believe might expose us to claims, lawsuits, expenses, liabilities, or damages, whether directly or indirectly, we may refuse to follow your instructions or may require you to indemnify us or post a bond or provide us with other protection.

When signing in the capacity of trustee you certify that you are duly authorized for the named trust, and are duly authorized to open accounts, transact business, encumber, or pledge trust accounts and assets, and execute agreements with the Credit Union. You agree to present appropriate and complete trust documents and any other documents we may request from time to time. You certify that the terms of the trust documents are not in conflict with any term contained in this agreement, and that the accounts opened under the trusts' name are owned by the trust. Requests for withdrawals, orders of payment, or other transactions on the trust's account(s) evidenced by the trustee's signature may be honored even if the trustee omits the title "trustee" from their signature or otherwise fails to indicate their representative capacity, the intent being that the trustee is acting in a representative capacity. We have no duty to inquire or investigate regarding the use or purpose of any transaction or the propriety or impropriety of any action taken by the trustee. If the Credit Union receives notice concerning a dispute over an account or inconsistent instructions from trustees, we may suspend or terminate the account or require a court order or written consent from all trustees to act. The trustee(s), personally and as representative for the trust, agrees to indemnify and hold the Credit Union harmless from any and all claims, suits, actions, damages, judgement, liabilities, losses, costs, charges, and expenses, including court costs and attorneys' fees that the Credit Union shall or may sustain resulting from a trustee's misconduct or misrepresentation. You understand that when signing on behalf of the trust, you have no voting rights in the Credit Union in connection with your representative capacity and must qualify in a personal capacity in order to become a member of the Credit Union.

#### **Transfers or Deposits to your Account(s)**

**Deposit and Collection of Items.** You may make deposits to any account, in any manner approved by us including, but not limited to, in person, by mail, by electronic transfer, direct deposit, or any other method made available, such as by night deposit box or Automated Teller Machine (ATM). We are not responsible for any deposit made by mail or through a depository not staffed by us until we actually receive the item. If a check, or other item that is payable to two or more persons is ambiguous as to whether it is payable to either or both, we may process the check, or item as though it is payable to either person. All transactions are subject to our Funds Availability Policy and related applicable laws. You agree not to deposit any substitute check 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 we incur in connection with the substitute check. You agree not to deposit any substitute check without our consent.

**Direct Deposits.** We may offer preauthorized deposits (e.g., payroll checks, Social Security or retirement checks, or other government checks) or preauthorized transfers from other accounts. You must authorize each direct deposit or preauthorized transfer by filling out a separate form. You must notify us at least thirty (30) days in advance to cancel or change a direct deposit or transfer option. Upon a bankruptcy filing, unless you cancel an authorization, we will continue making direct deposits in accordance with your authorization on file with us. If we are required to reimburse the U.S. Government for any benefit payment directly deposited into your account, we may deduct the amount returned from any of your accounts, unless prohibited by law.

**Liability.** In receiving and processing items for deposit or collection, we act only as your collection agent, and we assume no responsibility beyond our obligations of good faith and ordinary care. We exercise ordinary care if our actions or inactions are consistent with applicable state law, Federal Reserve regulations and operating letters, clearinghouse rules, and general banking practices followed in the area we serve. We are not liable for the negligence of any correspondent or for loss in transit, and each correspondent will only be liable for its own negligence. We may send any item for collection and any items, and their proceeds will be handled in accordance with applicable Federal Reserve and Clearing House rules and other applicable law.

If we do not properly complete a transaction according to this Agreement, we will be liable for your losses or damages not to exceed the amount of the transaction, except as otherwise provided by law. We will not be liable if: (1) your account contains insufficient funds for the transaction; (2) circumstances beyond our control prevent the transaction; (3) your loss is caused by your negligence or another financial institution's negligence; or (4) your account funds are subject to legal process or other claim. We will not be liable for consequential or special damages, except liability for wrongful dishonor. You grant us the right, in making payments of deposited funds, to rely exclusively on the form of the account and the terms of this Account Agreement. Any conflict will be resolved by reference to this Agreement.

**Endorsements.** We may accept transfers, checks, and other items for deposit into any of your accounts even if they are not endorsed by all payees. If you fail to properly endorse an item, you authorize us to supply any missing endorsement, but we are not required to do so. We may require that certain government checks, insurance company items, or other checks be personally indorsed by each and all payees. Endorsements must be made on the back of the share draft or check within 1 1/2 inches from the trailing edge, although we may accept endorsements outside this space. You agree to reimburse us for any loss or expense we incur resulting from an irregular

endorsement or other markings by you or any prior endorser. When you deposit items to your account you warrant that all prior endorsements are genuine.

**Restrictive Legends.** Some checks and drafts contain restrictive legends or similar limitations on the front of the item. Examples of restrictive legends include "two signatures required," "void after 60 days," and "not valid over \$500.00." 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 restriction or limitation.

**Charge-back; right of set-off.** All items including checks, Automated Clearing House (ACH) transfers or other transfers credited to your account are provisional until we receive final payment. We may charge-back, or debit, your account for the amount of such items under the following circumstances: (1) if final payment is not received; or (2) if, within the normal handling period for such item, the item cannot be honored against the drawer's account; or (3) if a deposited item is returned to us by the financial institution on which it is drawn, even if that financial institution failed to return the item before its midnight deadline; or (4) any other circumstances allowed by law. You further authorize us to pursue collection of previously dishonored items, and you acknowledge that this may permit the payor bank to hold an item beyond the midnight deadline. When charging-back your account, we may also charge your account with a return item charge and reasonable collection fees or expenses, including reasonable attorney's fees. You acknowledge and agree that we may charge-back your account even if it causes your account to have insufficient funds, and you agree to replenish the funds in your account and to pay any and all overdraft, return, or non-sufficient funds fees and charges. You specifically agree that we may exercise our security interest and right of set-off against any other deposit accounts that you have with us to recover any of these amounts.

**Foreign banks.** We reserve the right to refuse or return any item or funds transfer. Items drawn on an institution located outside the United States are handled on a collection basis only.

**Waiver of notice.** You waive any notice of nonpayment, dishonor, or protest regarding items we purchase or receive for credit or collection to your account.

### **Transfers or Withdrawals from your Account(s)**

**Account Access; Honoring Items; Limitations.** You may withdraw or transfer funds from your account(s) in any manner we permit (e.g., by writing a check; using an ATM or debit card at point-of-sale or at an automated teller machine; in person; by mail; by automatic or preauthorized transfer, ACH, wire transfer or other electronic transfer; by telephone or on-line banking or bill pay services, or other means made available to you). If the transaction request is made by remote means such as telephone, we are not responsible for any request or order that we believe to be genuine; we can also refuse to honor such request or order if we in good faith do not believe it to be genuine or have reason to doubt the identity or authentication of the requestor. Your ability to transfer funds from your account is always subject to having sufficient available funds in the account(s) and is subject to this and the other Agreements you have with us, including, but not limited to, the Funds Availability Policy. You authorize us to honor transactions initiated by a third person to whom you have given your account number even if you do not authorize a particular transaction.

Items drawn on your account will clear in the order presented. We may honor any item or instruction even if it creates an overdraft or negative balance in your account or if it violates any minimum balance requirement or other requirements of the account, in which case you agree to pay all fees, penalties or other charges imposed on you as well as costs incurred by us. We may return as unpaid any item drawn on a form we do not provide or approve, and you are responsible for any loss we incur handling such an item.

To process certain electronic transactions, we may place a temporary hold on your funds which may be for 36 hours or more. We have no control over the other parties to the transactions or the commercial networks used in facilitating the transactions. It is your responsibility to make sure you have sufficient funds in your accounts to cover all transactions, regardless of when those transactions may clear.

We may refuse to allow a withdrawal in some situations and will advise you accordingly. For example: (1) a legal garnishment or attachment is served; (2) the account secures any obligation to us; (3) required documentation has not been presented; (4) you fail to make payments on a loan that you have with us; or (5) any other reason allowed by applicable law. We may require you to give written notice of seven (7) days to sixty (60) days before any intended withdrawals.

**Account Balances.** Your accounts have two kinds of balances: the "actual" (also referred to as the "ledger" balance) and the "available" balance. You can review both balances when you review your account online, at an ATM, by phone, or at a branch. It is important to understand how the two balances work so that you know how much money is in your account at any given time. Your "actual/ledger" balance is the amount of money that is actually in your account at any given time. It reflects transactions that have "posted" to your account, but it does not include transactions that have been authorized and are pending. While it may seem that the actual balance is the most up-to-date display of the funds that you can spend, this is not always the case. Your account may have purchases, holds, fees, other charges, or deposits made on your account that have not yet been posted and, therefore, will not appear in your actual balance. Your "available" balance is the amount of money in your account that may be available to you to use without incurring an overdraft fee. The available balance takes into account holds placed on deposits and pending transactions (such as pending debit card purchases) that the Credit Union has authorized but that have not yet posted to your account. It is especially important to understand that you may still overdraw your account even though the available balance appears to show there are sufficient funds to cover a transaction that you want to make. This is because your available balance may not reflect outstanding checks and automatic bill payments that you have authorized (or other outstanding transactions) but have not yet posted to your account. Please see below for more information regarding how overdrafts are treated.

**Authorized Signature; Facsimile Signature Device; Forged Checks.** Your signature on the Account Card is your authorized signature for account access to and from your account(s). We are authorized to recognize this signature for the payment or transfer of funds, payment instructions, or other purposes relating to your account(s) but we may also allow transfers even without your signature. We will not be liable for refusing to honor any item or instruction if we believe the signature is not genuine. However, we are not

required to check the signature for authenticity and you agree that failure to do so does not constitute failure on our part to exercise ordinary care. You may also authorize the use of a facsimile signature device and, if you have done so, we may honor item that appears to bear your facsimile signature even if it was made by an unauthorized person, and we will not be liable for any issues arising from such honor. You are responsible for the use and safeguarding of the facsimile signature device, your checks, and your access codes and as such, you specifically agree that you are in the best position to determine whether your facsimile signature has been used without your consent, or a counterfeit facsimile signature device has been used, or your signature has been forged. Therefore, you are required to make a good-faith effort to review any and all statements and items or checks returned to you or made available to you for any unauthorized use of your electronic, mechanical, or facsimile signature. We will not be liable if we honor an item that appears to be authorized by your signature, and you will reimburse us for any loss or costs (including reasonable attorney's fees) that we incur because the facsimile signature was used without your consent or because a counterfeit facsimile signature device was used. Nothing in this provision shall be construed to relieve us of our obligation to act in good faith and to exercise ordinary care.

**Automated Processing of Items.** You acknowledge and agree that we have adopted automated collection and payment procedures which are standard and reasonable in the industry. This allows us to process a large volume of items efficiently. However, these automated procedures rely primarily on information encoded onto each item and does not provide for personal inspection of the item by our staff ("site examination"). You agree that in paying an item, we may disregard all information on the item except that which has been encoded onto the item, such as identity of drawee bank and amount of the item, even if that information is inconsistent with other information printed or written on the item. You agree that we do not fail to exercise ordinary care in paying an item solely because our procedures do not provide for a sight examination of the item. You also agree to reimburse us for any loss or costs (including reasonable attorney's fees), that we incur because the item contained such extra information.

**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 authorization is an electronic check conversion. An electronic check conversion is an electronic funds transfer (EFT) subject to the terms of the Electronic Funds Transfer Agreement. You authorize us to honor any electronic check conversion from your checking account just the same as a regular written check.

**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 represented 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 you authorize the merchant to debit from your account is an EFT subject to the terms of the Electronic Funds Transfer Agreement. If you want to reverse an electronic re-presented check, you must give us an affidavit within 15 days after we send or make available to you the periodic statement that reflects payment of that electronic re-presented check. In your affidavit, you must declare and swear under oath that the electronic re-presented check was ineligible or unauthorized. If we receive proper notice or affidavit from you within the 15-day period, we will credit 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. If you ask us to request the depositor's bank to send us the original paper check or copy of the paper check and we provide it to you, you agree that you will not seek to have your account credited due to a prior stop payment order of if the item is otherwise ineligible for collection.

**Stale and Post-Dated Items.** We maintain the option to pay or dishonor any stale or post-dated check (i.e., more than six months old - stale, or a date not yet passed - post-dated) upon presentation. You agree that we are not liable to you for charging your account before the indicated date on a properly payable but post-dated check. You agree not to deposit checks, or other items before they are properly payable. We are not obligated to pay any check or draft drawn on your account which is presented more than six (6) months past its date (stale dated).

**Overdrafts.** An overdraft occurs when, on any day, the available balance in your account is not sufficient to cover drafts, fees or other items posted to your account, whether the transaction was made by check, electronically, or otherwise. You agree not to cause an overdraft to any of your accounts. Our determination of an insufficient account balance may be made at any time between presentation and our midnight deadline with only one review of the account required. We do not have to notify you if your account does not have funds to cover drafts, fees, or other posted items. Whether the item is paid or returned, your account may be subject to a charge as set forth in the Rates and Fees Schedule. We may charge a fee each time a check or item is submitted for payment and we either return or pay the overdraft. Therefore, you may be assessed more than one fee as a result of a returned item or any resubmission(s) of the returned item that overdraws or would overdraw your account. Except as otherwise agreed in writing, we, by covering one or any overdraft, do not agree to cover overdrafts in the future and may discontinue covering overdrafts at any time without notice. If we pay an item or impose a fee that would otherwise overdraw your account, you agree to pay the overdrawn amount immediately.

**Overdraft Determination.** Overdrafts will be determined based on the available balance in your account at the time of presentment. Your available balance may be lower than your actual balance due to funds held for debit card transactions you have authorized and deposited checks held pursuant to our funds availability policy. To avoid an overdraft, you can view your available balance through online banking, Mobile Banking, and at ATMs. Transactions may not be presented in the order you make them. We post checks, items, and execute other transactions, in the order in which they are received. The order in which checks, items, and other transactions are received and processed may affect if an overdraft occurs and the total amount of overdraft fees that may be charged.

**Overdraft Protection Plan Agreement.** If we have approved an overdraft protection plan for your account, we will honor drafts drawn on insufficient funds by transferring funds from another designated account under this Agreement or a loan account or credit card account, as you have directed, or as required under our overdraft protection policy. The fee for overdraft transfers, if any, is set forth on the Rates and Fees Schedule. You will not have any overdraft protection if the designated account has insufficient funds to cover the transaction or if the loan or credit card account has insufficient credit available. If the protected account is a joint account, you

acknowledge and agree that transactions causing overdrafts made by a joint owner will be paid under the overdraft protection plan even if the designated account or loan or credit card account is not jointly owned or jointly made. If there is any conflict between this provision and any provisions regarding overdrafts contained in an applicable loan agreement or credit card agreement, the loan agreement or credit card agreement shall govern.

**Overdraft Privilege Agreement.** Under our Overdraft Privilege program, if you are in good standing with us, we may honor your overdrafts, up to \$1,000 for checking accounts. Such amount(s) also include our standard Non-Sufficient Funds fee and our Overdraft Privilege fee. We may honor overdrafts at our sole discretion and charge you the NSF or Overdraft Privilege fee. This is a non-contractual privilege that we offer, and we have no obligation to continue offering it and may discontinue this service at any time without notice to you. You are not required to apply or to take any other action to have this service. If you have an overdraft protection plan, we will look to that plan for funds to cover overdrafts before we use the Overdraft Privilege program. This Overdraft Privilege program does not relieve you of your obligation to replenish the funds in your accounts and to pay all obligations owing to us, including overdrafts and related fees. You are considered to be in "good standing" if the following conditions are met: (1) you have an account with us for at least 60 days; (2) you are age 18 or over; (3) you bring your account to a positive balance at least once every 35 days; (4) you are current on all loans and obligations; (5) no past charge-offs that have not been fully recovered; (6) there are no tax levies, garnishments, or other legal action against your account. The Overdraft Privilege program is only available on checking accounts.

**Overdraft Privilege Opt-In.** In order for Overdraft Privilege to cover overdrafts caused by one-time ATM transactions and Debit Card purchases, you must first opt-in. The same \$1000 limit applies to one-time ATM and Debit Card purchase transactions, as does the Overdraft Privilege fee as disclosed on the Rate and Fee Schedule. When you opt-in for one-time ATM and Debit Card purchases to be covered by Overdraft Privilege we will provide you with confirmation of your opt-in in writing. The confirmation will include a statement informing you of your right to revoke your consent and the methods to do so.

**Overdraft Privilege Opt-Out.** You have the right to opt out of any, or all, of the Overdraft Privilege options. Overdraft Privilege may not be right for everyone. You are not required to use these options and may opt-out at any time and through any of the following ways: in person at any of our branch locations, by phone at 800-642-4014 or 360-943-0740, or online through chat or secure email at obee.com.

**Stop Payment Orders.** You may request a stop payment order on any check or other written instrument drawn on your account that has not been paid or certified. You may call us to request a stop payment, but to be binding, we may require that the order be dated, signed, and describe the account number, item number, and the exact amount of the item. The stop payment order will be effective if we receive the order in time for us to act upon the order. You understand that the exact information is necessary for our computer system to identify the item. If you give us incorrect or incomplete information, or the stop payment order is not received in time for us to act upon it, we will not be responsible for failing to stop payment on the item and we will not be liable to you or to any other party for payment of the draft. If we recredit your account after paying a draft over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to transfer to us all of your rights against the payee or other holders of the draft and to assist us in any legal action.

A verbal stop payment order is valid for only fourteen (14) days unless we receive a written confirmation thereof. A written stop payment order on a check that is not converted to an ACH transaction is valid for only six months unless it is renewed by you. For all other transactions, stop payment orders do not expire.

Fees for stop payment orders will be imposed and are set forth on the Rates and Fees Schedule. You may not stop payment on any certified check, cashier's check, teller's check, official check, or any other check, draft, or payment guaranteed by us. Although payment of an item may be stopped, you may remain liable to any item holder, including us. You have the burden of establishing the fact and amount of loss resulting from the payment of an item contrary to a binding stop payment order. You agree to indemnify and hold us harmless from all costs, including reasonable attorney's fees, damages or claims related to our refusing payment of an item, including claims of any multiple party account owner, payee, or endorsee in failing to stop payment of an item as a result of incorrect information provided by you.

**ACH and Wire Transfers.** This provision applies to funds transfers as defined in Article 4A of the Uniform Commercial Code and Subpart B of Regulation J of the Board of Governors of the Federal Reserve System. (e.g., wire transfers). You authorize us to transfer funds according to your instructions ("payment order") to and from your designated account(s), or to and from another financial institution. You also authorize us to charge your account for any related fees or service charges. We may require that transfers follow certain security procedures. We will notify you of any such security procedures and you agree that our security procedures are commercially reasonable. Cut-off times may apply to the receipt, execution and processing of funds transfers, payment orders, cancellations, and amendments and if received after a cut-off time, may be treated as having been received on the next following funds transfer business day. Information about any cut-off times is available upon request. When processing a payment order, payment may be made based solely on the account number provided in the payment order, even if that account number identifies a beneficiary other than the one that you name in the payment order. Similarly, if the payment order identifies the name, routing number and transit number of the beneficiary's financial institution, payment may be made solely on the basis of the routing and transit number, even if those numbers do not correspond to the name of the financial institution that you supplied. You agree that your obligation to pay the wire transfer is not affected if the identifying numbers do not match the named beneficiary or financial institution. You are also responsible for any loss or expenses incurred by a receiving bank which executes or attempts to execute the payment order in reliance on the identifying number you provided. We may also pay wire transfers received by us for your benefit based solely on the account number. We may refuse to accept or execute any payment order, or an amendment or cancellation thereof, and we shall be deemed to have accepted a payment order or its amendment or cancellation only upon execution thereof. We may reject or refuse to accept or execute a payment order if (1) the designated account(s) does not contain sufficient available or collected funds; (2) the account number that you provide on the payment order does not correspond to any known account with us; (3) the payment order is not authorized or does not comply with applicable security procedures; (4) we are prohibited from doing so due to applicable law; or (5) we have a good-faith, reasonable cause for rejecting the payment order. All transfers shall be shown on your periodic account statement and reflection on the statement shall constitute notice of receipt of the transfer. You

may inquire whether a specific transfer has been received at any time during our normal business hours and/or by any means that we provide you for making inquiries on your accounts. We are not responsible for any transmission performance failure as a result of interruption in transfer facilities; power failures; equipment malfunctions; labor disputes; emergency conditions; fire, flood, or other natural disasters; war or terrorist attack; or other circumstances beyond our control. We are also not responsible for transfer failures due to suspension of payment by another party, or refusal or delay by another financial institution to accept the transfer, or if we are prohibited from performing under any applicable law. We shall not be liable for any special, indirect, consequential, or punitive damages arising from any failure or delay in processing a payment order or related obligation. In no case shall we pay attorney's fees or other legal expenses incurred in connection herewith. If we become obligated under Article 4A to pay interest to you, you agree that the rate of interest to be paid shall be equal to the interest rate, on a daily basis, applicable to the account to which the funds transfer was made.

**Choice of Law.** We may accept, on your behalf, payments to your account which have been transmitted through one or more Automated Clearing Houses and which are not subject to the Electronic Fund Transfer Act. Your rights and obligations with respect to such payments shall be construed in accordance with and governed by Regulation J, Article 4A, and the laws of the state in which our headquarters are located, and as provided by the operating rules of the National Automated Clearing House Association.

#### **Other Rules Applicable to Your Membership and Account(s)**

**Illegal Transactions.** You warrant and agree that you will not use any Credit Union services or loan or deposit accounts to make or cause to be made any transaction that is deemed illegal under applicable law, including, but not limited to, any gambling activity, embezzlement, identity theft, money laundering or terrorist activity. Any such use shall constitute a breach of this Agreement. We may delay processing or refuse to process or may be required by Federal Reserve Reg GG to refuse the process any transaction that we believe to be illegal, suspicious, unenforceable, or which is a restricted transaction under the Unlawful Internet Gambling Enforcement Act (UIGEA) and will not be liable to you for such delay or refusal. Restricted transactions generally include, but are not limited to, those in which credit, electronic fund transfers, or checks are knowingly accepted by gambling businesses in connection with the participation by others in unlawful internet gambling. You further agree to indemnify us and hold us harmless from any liability of any kind and costs incurred by us in any form whatsoever that results directly or indirectly from such illegal use. We will also not be liable to you if we in good faith freeze your accounts and/or notify our regulators or local or federal enforcement authorities regarding any activity we believe to be illegal, suspicious, or unenforceable.

**Negative Information Notice.** We may report information about your accounts to credit bureaus. Overdue payments, missed payments, insufficient funds transactions or other defaults on your account may be reflected in your credit report.

**Account Rates and Fees.** We pay dividends on accounts and assess fees against your account as set forth on the Rate and Fee Schedule. You agree that we may debit your account for any fees incurred without prior notice to you. We may change the Rate and Fee Schedule at any time and will notify you as required by law. For the most current rates and fees, you may contact us at any time and in any manner available.

**Statements and Copies of Checks.** If we provide a periodic statement for your account, we will send or make available to you a periodic statement of transactions and activity on your account during the statement period as required by applicable law. In the case of multi-party accounts, you agree and acknowledge that we are required to provide only one statement on the account and can provide it to any one of the parties on the account as we choose.

For checking accounts, you understand and agree that your original check (or substitute check), when paid, becomes our property, and may not be returned to you. We may, but are not required to, retain the original checks. You agree to keep copies of your checks in order to verify their validity. If you request copies of your checks, you agree that we may provide an electronic image of the check or a sufficient copy thereof. We may charge you, and you agree to pay, fees for providing copies of the checks and/or any research involved with your request, as set forth on the Rates and Fees Schedule.

You understand and agree that statements are made available to you on the date they are mailed to you or delivered electronically. You also understand and agree that checks or copies thereof are made available to you on the date the statement is sent to you, even if the checks do not accompany the statement.

**Your Duty to Examine.** You are responsible for promptly examining each statement and reporting any irregularities or issues to us. We will not be liable for any forged, altered, unauthorized, unsigned, or improperly endorsed or encoded items drawn on your account if: (1) you fail to notify us in writing within thirty (30) days of the mailing date of the earliest statement containing or evidencing such irregularities regarding any item described in the statement; or (2) any items are forged or altered in a manner not detectable by a reasonable person, including the unauthorized use of a facsimile signature machine.

If you fail to receive a periodic statement, you agree to notify us within fourteen (14) days of the time you regularly receive a statement.

**e-Statements.** If we make this service available to you, you may agree to receive statements via electronic means, whereby your periodic statement will be e-mailed to you or sent electronically to, and made available on, our on-line banking website. Please see the provision, "Electronic Statements, Electronic Notices, Electronic Disclosures and Electronic Agreements" for more information regarding e-statements. A fee may be assessed for requests for paper copies of statements that have been provided electronically, see our Rate and Fee Schedule.

**Notices; e-Notices; Name or Address Change.** Any written notice we give to you is effective when it is made available in our on-line banking system (if you have agreed to receive such notices electronically), or when it is deposited in the U.S. Mail, postage prepaid and addressed to you at the most recent mailing address on file with us. Notice to any account owner is considered notice to all account owners. Any written notice you give us is not effective until we actually receive it in our offices.

You agree to notify us of any postal or e-mail address change or name change in writing. We reserve the right to require verification of your identity and proof of a change in address prior to making any changes to our records. We are only required to attempt to



communicate with you at the most current address you have provided to us. If you fail to provide notice of a change in address or name, and we attempt to locate you, we may impose a service fee as set forth on the Rates & Fees Schedule.

**e-Notices.** If we make this service available to you, you may agree to receive electronically all notices regarding your membership, account(s), or services with us whereby these notices will be e-mailed to you or sent electronically to, and made available on, our on-line banking website. Please see the provision, "Electronic Statements, Notices, Disclosures and Agreements; Electronic Services" for more information regarding e-notices.

**Electronic Statements, Notices, Disclosures and Agreements; Electronic Services.** We may provide electronic document delivery services for the delivery to you of all disclosures, statements, notices, contracts or agreements, receipts, modifications or amendments, and all other documentation regarding your membership, accounts, transactions, or other business you have with us (collectively referred to as "documents" or "documentation"). If you agree to receive such documentation electronically, you specifically agree and acknowledge that we may provide the documents electronically either by sending an e-mail with the text of the documents embedded in the text of the e-mail message or as an attachment contained within the e-mail, or by posting such documents on our website or on-line banking service and notifying you that the documents have been so posted. You have a right to request and receive a paper copy of these documents if that right is provided under applicable law. You may also withdraw your consent and revoke your agreement to receive the documents electronically. To request a paper copy or to revoke your consent, call, write, or e-mail us at the number and addresses provided on the Rates & Fees Schedule. If any of our e-mails are returned to us as undeliverable, we will change our delivery mode to paper format, and you will be required to re-apply for our electronic delivery service and to update your e-mail address accordingly.

We may also offer electronic services such as on-line banking or on-line bill pay, which allow you to conduct transactions to and from your account(s) and to conduct other business with us electronically. You may be required to sign a separate agreement regarding these services, and you will be subject to any on-line instructions, rules, agreements, and restrictions provided on the website(s) or provided to you at the time you open an account or enroll in these services. You may be required to be enrolled in our on-line banking service in order to enroll in our electronic document delivery service.

Enrollment in, and use of, these electronic services does not relieve you of your duty to promptly examine your statements, checks, and other documentation for irregularities or discrepancies regarding your accounts in accordance with this and your other Agreements you have with us.

Subject to applicable law, we may suspend some or all electronic services and access to your checking or other account(s) if you become delinquent on any of your loan or deposit obligations to us or you cause a loss to us. We shall not be liable to you in any regard in connection with such suspension of services.

**System Requirements.** In order to enroll in our electronic document delivery service or on-line banking services, you must be able to receive, view, and print (or otherwise retain), the documents involved. As such, you must have a computer that has access to the Internet, and use of a browser that supports SSL and Cookies. Additionally, many of our documents, including periodic statements, will be sent to you in a PDF format, and to open, read, and print these documents, you will need Adobe Acrobat Reader. Adobe Acrobat Reader may be available for download for free via the Internet. Minimum system requirements are subject to change without notice as the technology changes. The exact system requirements will be disclosed to you on our website or on the on-line banking website or at the time you enroll in the service. By enrolling in, and using the electronic services, you are asserting that your system meets these requirements and that you are capable of, and are indeed receiving, viewing, and retaining the documents involved. If you discover that you are not receiving such documents, you must contact us immediately. We will not be liable for any failure to deliver the documents if you do not notify us of such failure, or if the failure is due to your computer hardware, software, or other equipment, or due to other circumstances beyond our control.

**System Disruptions.** You understand and agree that such electronic services may occasionally be unavailable for short periods of time due to system maintenance or other reasons. We will not be liable for any delay that this may cause, and you are ultimately responsible for conducting your transactions in a timely manner with regard to your banking and bill-paying needs. In the unlikely event that our electronic services become unavailable for a prolonged period of time, you understand and agree that you still have access to the Credit Union and your account(s) in the traditional manner (i.e., in person, by mail, telephone, or check-writing), and we will not be liable to you if you fail to use these means to conduct your business with us.

**Security Safeguards.** Even if you enroll in on-line banking or bill pay or our electronic document delivery service, we may from time to time require certain transactions to be made in-person or we may require verification or authentication of your identity for security purposes before a transaction or other business with us may be initiated, processed, or completed. You agree and understand that this is for the protection of us and you and is intended to safeguard your personal information and all funds held in or by the Credit Union, and to help prevent Identity Theft and bank fraud. You agree that we will not be liable for any delay in, or prevention of, any transaction or business conducted by you due to these security measures.

**Legal Process Against Your Account.** If any legal action is brought against your account such as tax levy, garnishment, attachment, etc., we may pay out funds according to the terms of the action or refuse any payout until the dispute is resolved. We will not be liable to you for any such payout, even if it leaves insufficient funds in your account to pay checks you have written or other items that have not yet been processed. Any expenses or attorney fees we incur responding to legal process may be charged against your account without notice, unless prohibited by law. Any legal process against your account is subject to our lien and security interest in your account and our right to set-off.

**Power of Attorney.** We may allow a third person to act as your Attorney-in-Fact pursuant to a Power of Attorney, but we are not required to do so. We have the right to review and approve any form of power of attorney and may restrict account withdrawals or transfers. You understand and agree that we are under no obligation to honor any power of attorney and we have no duty to investigate

or verify the scope, authenticity, or validity of any Power of Attorney. We also have no duty to inquire or investigate regarding the use or purpose of any transaction or the propriety or impropriety of any action taken by your Attorney-in-Fact.

**Sharing and Disclosing Account Information.** While we value your right to privacy and confidentiality of your personal information, there are times where your information will be shared and disclosed, as follows:

***With joint account owners and other parties to the transaction.*** If you have a joint deposit account or loan account, or if you enter into a transaction or account with us that requires a guarantor or a third-party owner of pledged collateral, you specifically agree to allow us to share and disclose information pertaining to those accounts with all your joint owners and other such persons described herein. By agreeing to involve these persons in your accounts and transactions, you acknowledge and agree that you are waiving your right to privacy in this regard and that it is understood that each of you will see each other's personal, non-public information that would otherwise be held in confidence.

***With Third Parties.*** We generally do not disclose your account information to third parties except: (1) when it is necessary in processing a transaction, whether that is to pay an item or to send a notice of dishonor or nonpayment; (2) to exchange, in the normal course of business, credit information with third party financial institutions or other business entities or a third party seeks to verify the existence or condition of your account in accordance with applicable law; (3) to provide information to our regulators or law enforcement when we in good faith belief we have been a victim of a crime or we have observed suspicious activity; (4) in order to comply with a government agency inquiry, subpoena or court order or a valid attachment, garnishment, or other legal action; (5) you give us written permission; (6) to guarantee a check by a third party; (7) at account opening, account renewal, or account review; (8) when we are attempting to collect a debt owed to us; or (9) any other reasonable disclosure allowed by law and appropriate to the circumstance. You also understand and agree that we may from time to time receive credit reports and other information about you in connection with your accounts. Upon request, we will give you the name and address of each agency from which we obtain such a report.

**Inactive or Dormant Accounts.** If your account falls below any applicable minimum balance and you have not made any transactions in over a year, we may classify your account as inactive, dormant, or abandoned. Unless prohibited by applicable law, we may charge a service fee for processing your inactive/dormant account. You authorize us to transfer funds from another account of yours to cover any service fees. To the extent allowed by law, we reserve the right to transfer the account funds to a general Credit Union account and to suspend any further account statements. If a deposit or withdrawal has not been made on the account and we have had no other sufficient contact with you within the period specified by state law, the account will be presumed to be abandoned. Funds in abandoned accounts will be reported and remitted in accordance with applicable state law. Once funds have been turned over to the state, we have no further liability to you for such funds and if you choose to reclaim such funds, you must apply to the appropriate state agency.

**Death or Incompetence of Account Owner.** We may continue to honor all transfer orders, withdrawals, deposits, and other transactions on an account until we are notified of a member's death or adjudication of incompetence and are provided satisfactory evidence thereof, such as a certified death certificate or court order. Once we are notified of a member's death or incompetence, we may pay drafts or honor other payments, or transfer orders authorized by the member for a period of ten (10) days after that date unless we receive instructions from any person claiming an interest in the account to stop payment on the drafts or other items. We may require anyone claiming the owner's account funds to indemnify us for any losses resulting from our honoring that claim. Upon the death of an individual account owner, we will pay all funds on deposit in accordance with the specific instructions on the Account Card such as to a Payable on Death Beneficiary. If there is no beneficiary designation, no probate proceedings, or no estate, we may, but are not required to, pay the funds to any heir, who will be solely responsible for any further distribution of the funds. Alternatively, we may hold the funds until a proper court order is presented to us. We may require proper documentary evidence satisfactory to us before we determine the proper treatment of the funds and before we release funds to any claiming party. Funds in a joint account will be payable subject to the provision, "Joint or Multiple Party Accounts". Any payment of funds upon the death or incompetence of any account holder is subject to our lien and security interest. This Agreement will be binding upon any heirs or legal representatives of any account owner.

**Termination of Accounts and Services.** We may terminate your account or place a freeze on the funds at any time without notice to you or may require you to close your account and apply for a new account if: (1) there is a change in owners or authorized signers; (2) there has been a forgery, fraud, or unauthorized use reported or committed involving your account; (3) there is a dispute as to the ownership of the account or of the funds in the account; (4) any checks are lost or stolen; (5) there are excessive returned unpaid items not covered by an overdraft protection plan; (6) there has been any misrepresentation or any other abuse of any of your accounts; (7) we believe that you have been negligent in protecting your access devices or access codes; (8) you have breached any promise under this Agreement; (9) you do not fulfill the terms of any of the accounts, such as deposits being made to club accounts, etc.; or (10) we reasonably deem it necessary to prevent a loss to us or to be in the best interests of the Credit Union or our members or employees. If we are informed of such circumstances or otherwise believe that any of these circumstances are about to occur, we may place a stop payment on any item and we will not be liable to you for such a stop payment.

You may terminate a single party account by giving written notice. We reserve the right to require the consent of all owners to terminate a multiple party account. We are not responsible for payment of any check, withdrawal, or other item after your account is terminated. However, if we pay an item after termination, you agree to reimburse us.

We reserve the right to require that all checking accounts and related services be closed or deactivated if you move your residence outside the U.S., its territories, or its possessions. If you do not close or deactivate the checking accounts within 30 days of your move, we may close the accounts.

**Termination of Membership and Expulsion.** You may terminate your membership by giving us notice and otherwise following our policies and procedures. You may be denied services or expelled for any reason allowed by applicable law and as outlined in our Bylaws, including causing a loss to the Credit Union, nonparticipation, threatening conduct, failure to comply with Credit Union

agreements or for cause. The Credit Union will notify members of their expulsion, including the reason for such expulsion. We will promptly pay amounts in any deposit account to you as provided by state law and you have the right to seek reinstatement. Termination of your membership and/ or expulsion does not relieve you of your obligations to pay any fees or obligations that you owe us, and you are still responsible for any outstanding items that have not yet been processed or paid. Once membership has been terminated, no further transactions or services will be allowed.

**Amendments and Changes.** Changes to any account or account service requested by any member or account owner can only be made with the express consent of the Credit Union. The Credit Union, in its sole discretion, may: (1) change or modify any term or condition of this Agreement, including the method for determining dividends; (2) we may add new terms, conditions and requirements that we deem necessary or in the Credit Union's best interests; and (3) we may make operational changes. We may make all such amendments or changes as described at any time without notice except as expressly required by applicable law, and any change in the Agreement shall be effective at the earliest time allowed by applicable law. If applicable laws provide no express time period, then notice 10-days or more in advance of the effective date of any change shall be deemed sufficient.

**Changes in Accounts or Ownership.** Any changes in accounts or services requested by you, or any account owner, such as adding or closing an account or service, must be evidenced by a signed form approved and accepted by us. We reserve the right to require all account owners on a multiple-party account to consent to any changes and to sign the change form.

**Recording Conversations.** You acknowledge and agree that we may record any telephone conversation we have with you, regardless of whether we inform you at the time of the conversation. This helps document the transaction or conversation and helps protect both parties.

**Severability; Headings; No Waiver.** If a court holds any portion of this Agreement to be invalid or unenforceable, the remainder of this Agreement shall remain valid and enforceable and will continue in full force and effect. All headings are intended for reference only and are not to be construed as part of the Agreement. We reserve the right to waive or choose not to enforce any and all terms, rights, or remedies under this Agreement and such waiver shall not affect our right to enforce that or another term, right, or remedy at a later time.

**Enforcement.** You are liable to us for any loss, cost, or expense that we incur resulting from your failure to follow this Agreement. This shall include reasonable costs of collection, or expense, including attorney fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions. You authorize us to deduct any such loss, costs, or expenses from your account without prior notice to you.

**Governing Law.** This Agreement is governed by our Bylaws, federal laws and regulations, local clearing house rules, and the local laws (including applicable principles of contract law) and regulations of the state in which our administrative office is located. As permitted by applicable law, you agree that any legal action regarding this Agreement shall be brought in the county in which our administrative office is located.

**Arbitration of Claims or Disputes. Please review this provision carefully, it affects your legal rights.** RESOLUTION OF DISPUTES BY ARBITRATION: THIS AGREEMENT CONTAINS IMPORTANT INFORMATION REGARDING YOUR DEPOSIT ACCOUNTS AND RELATED ELECTRONIC FINANCIAL SERVICES. IT PROVIDES THAT EITHER YOU OR WE CAN REQUIRE THAT CERTAIN DISPUTES BE RESOLVED BY BINDING ARBITRATION. ARBITRATION REPLACES THE RIGHT TO GO TO COURT, INCLUDING THE RIGHT TO A JURY TRIAL AND THE RIGHT TO PARTICIPATE IN A CLASS ACTION OR SIMILAR PROCEEDING. IN ARBITRATION, THE DISPUTE IS SUBMITTED TO A NEUTRAL PARTY, AN ARBITRATOR, INSTEAD OF A JUDGE OR JURY. ARBITRATION PROCEDURES MAY BE MORE LIMITED THAN RULES APPLICABLE IN COURT.

Claims Subject To Arbitration; Class Action Waiver. If there is a claim or dispute between us arising from or related in any way to any account, product, or service that is not subject to a separate agreement between us, either you or we may require the claim or dispute be resolved through binding arbitration before a neutral party instead of a lawsuit or other resolution in court. If either party requires the claim or dispute to be resolved through arbitration, it will be subject to arbitration even if the other party does not agree. This arbitration provision will apply irrespective of whether the claim or dispute arises under contract, tort, statute, or any other basis. Such claim or dispute shall be arbitrated on an individual basis and not in a class action. You and we waive any right to arbitrate disputes as part of a class action. If a class action lawsuit is initiated against us, you agree that this provision applies to such action and if we require claims covered by the class action to be arbitrated, you will withdraw from or agree to dismissal of the class action and allow your claim to be arbitrated on an individual basis. You acknowledge that You and we agree that no class action, class-wide arbitration, private attorney general action, or other proceeding where someone acts in a representative capacity, may be pursued in any arbitration or in any court proceeding.

Claims Not Subject to Arbitration. The only exceptions to arbitration of claims is that both you and we have the right to pursue a claim in state court instead of arbitration for claims related to our collection of any negative balance or amounts you owe us under our Membership and Account Agreement, including but not limited to: fraud, counterfeit items and any unpaid account obligations. This exception applies if the claim is in that court's jurisdiction and proceeds on an individual basis.

Arbitration Procedures. The arbitration shall be conducted through one of the following organizations, pursuant to the applicable rules of that organization: Judicial Dispute Resolution LLC or JAMS. The arbitration shall take place in the federal district in which you reside, or in which you entered into this Agreement. The arbitration shall be decided by a single, neutral arbitrator selected in accordance with the rules of the arbitration forum. The arbitrator shall follow procedures and rules of the arbitration forum in effect on the date the arbitration is filed unless those rules and procedures are inconsistent with this arbitration provision, in which case this arbitration provision will prevail. You or we may choose to have a hearing and be represented by counsel. Judgment on the arbitration award may be entered by any court of competent jurisdiction. We will reimburse the amount of filing, case management, administration, and arbitrator fees you pay to the arbitration organization and the arbitrator that exceed \$250, to a maximum of \$5000, unless the arbitration

rules or arbitrator's decision requires us to pay more. We will not reimburse any fees if the arbitrator determines that your claim or dispute was frivolous or baseless. Each party shall be responsible for its own fees in any arbitration unless the arbitrator awards attorney fees under applicable law or agreement.

This arbitration provision and any arbitration conducted under it are governed by the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and are not subject to any state law related to arbitration.

Right to Reject this Resolution of Disputes by Arbitration. You have the right to opt out of this agreement to arbitrate if you tell us within 30 days of your initial Account opening or the receipt of this notice, whichever is later. To opt out, send us written notice including the following information: (i) Your written notice must include: your name, as listed on your account, your account number, and a statement that you reject the Resolution of Disputes by Arbitration provision, and (ii) You must send Your written notice to Us at the following address: P.O. Box 5000, Lacey, WA 98509.

## II. Funds Availability

**Your ability to withdraw funds.** Our general policy is to make funds from your deposits available to you at the time of deposit when made in person to one of our employees and deposited to your personal checking (transaction) account. Once available, you can withdraw the funds in cash, and we will use the funds to pay checks that you have written. In order to determine the availability of your deposits, every day is considered to be a business day except Saturdays, Sundays and federal holidays.

**Same Day Availability.** The following transactions will be available the same business day of the deposit, except for new accounts, third party transactions, or deposits made at nonproprietary ATMs:

- Cash
- Electronic Deposits, such as wire transfers and ACH deposits
- US Treasury checks
- US Postal Money Orders
- Checks drawn on the Federal Reserve Banks and Federal Home Loan Banks
- State and local Government checks
- Cashier's, certified, and teller's checks
- On-Us checks (checks drawn on OBee)

**Longer Delays May Apply.** In some cases, we will not make all of the funds that you have deposited by check available to you on the day of your deposit. Depending on the type of check(s) deposited, funds may not be available until the second day after the day of your deposit. However, we will make the first \$275 of the deposit available at the time of deposit.

If we are not going to make all of the funds from your deposits available on the day of your deposit, we will notify you at the time of 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 a notice of hold the day after we receive your deposit.

In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

- When we believe a check you deposit will not be paid.
- You deposit checks totaling more than \$6,725 on any one day.
- You redeposit a check that has previously been returned unpaid.
- You have overdrawn your account repeatedly during the last six months.
- There is an emergency, such as a failure of communication 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.

**Special Rules for New Accounts.** If you are a new member, special rules will apply to your account during the first 30 days it is open. Funds from direct deposits and wire transfers will be available on the day we receive them. When deposited in person to one of our employees, the funds from deposits of cash, and the first \$6,725 of funds from those items listed above as having Same Day Availability, will be available to you on the day of deposit. The excess over \$6,725, and funds from all other checks will be available no later than the ninth business day after the day of your deposit.

**Holds on other Funds.** We reserve the right to hold funds of a corresponding amount in any account you hold with us in the event that we cash or accept for deposit a check(s) drawn on another financial institution but choose to make the funds from the transaction immediately available to you. In any event the funds held in your other account will be available following the same schedule that would have been applied had the hold been placed on the actual item(s).

**Special Rules for Online Banking Mobile Deposit.** Funds from items deposited through Mobile Deposit may not be immediately available. All deposits made through the Mobile Deposit service are subject to verification by the Credit Union. At least the first \$275.00 of your daily Mobile Deposit(s) will be available immediately after your deposit(s) is/are accepted; the remainder of your daily aggregate deposit amount will be available no later than two business days after the deposit(s) are made. Additional funds may be made available at the time of the deposit depending on your account services relationship. On an exception basis, longer holds may apply. You agree that the imaging and transmitting of checks alone does not constitute receipt by the Credit Union. Also, our acknowledgement of your receipt or delivery does not constitute an acknowledgement by the Credit Union that the transmission of a check or items does not contain errors or that funds will be available.

### III. Electronic Funds Transfers

Electronic funds transfers ("EFTs") are electronically initiated transfers of money through preauthorized transfers and direct deposits, automated teller machines ("ATMs"), and Online and Mobile Home Banking transactions, Point of Sale ("POS") terminals and Debit Card purchases, and electronic check transactions involving your deposit accounts at the Credit Union.

#### Services.

- a) **Automated Teller Machines (ATMs).** You may use your Debit Card and Personal Identification Number ("PIN") in ATMs of the Credit Union, or in any ATMs that display the VISA™, PLUS Network, or Interlink logo, and such other machines we may designate. At the present time, you may use your card to make the following transactions on your accounts:
  - Make deposits to your savings and checking accounts (OBee ATMs only).
  - Withdraw cash from your savings and checking accounts.
  - Transfer funds between your savings and checking accounts.
  - Make balance inquiries on savings and checking accounts.
  - Other transactions as offered and permitted in the future.
- b) **Debit Card.** You may use your Debit Card to purchase goods and services any place your Card is honored by participating merchants. Funds to cover your Card purchases will be deducted from your checking account.
- c) **Preauthorized Electronic Funds Transfers and Direct Deposits.** Preauthorized electronic funds transfers may be made into or from your Credit Union accounts. These may include preauthorized electronic funds transfers made to an account from a third party (such as Social Security or your employer) or from an account to a third party (such as a mortgage or insurance premium payment). If electronic funds transfers are made into or from your account, those payments may be affected by a change in your account status or if you transfer or close your account.
- d) **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 authorization is an electronic check conversion. An electronic check conversion is an electronic funds transfer (EFT) subject to the terms of the Electronic Funds Transfer Agreement. You authorize us to honor any electronic check conversion from your checking account just the same as a regular written check.
- e) **Online and Mobile Banking.** You may use your personal computer or mobile device to access your accounts. After registering your account for Online/Mobile Banking, you must use your online/mobile banking credentials to access your accounts. Online and Mobile banking are accessible seven (7) days a week, 24 hours a day, except for limited downtime due to maintenance and upgrades. You will need a personal computer, mobile device, and internet or cell phone service. You are responsible for the installation, maintenance, and operation of your computer and mobile devices. The Credit Union will not be responsible for any errors or failures involving any telephone service, internet service provider, cellular service or your computer or mobile device. At the present time, you may use the Online Banking service to:
  - Transfer funds between your savings, checking, money market and loan accounts.
  - Obtain account balance, withdrawal, dividend, transaction history, and information on cleared checks.
  - Review loan account information including payoff amounts, due dates, finance charges, and balance information.
  - Make bill payments from your checking account.
  - Make member to member transfers.

- Make transfers to your accounts at other financial institutions.
- Make transfers to non-members from your checking account.

## Service Limitations.

The Credit Union reserves the right to refuse any transaction that would draw upon insufficient funds or require us to increase our required reserve on the account unless you have an overdraft plan in place with available funds. The Credit Union may set other limits on the amount of any transaction.

**a) Debit Cards.** Services at ATMs are subject to limits placed by the owner of each ATM. Maximum withdrawal amounts may be limited by sufficient funds in your account. *Note that transaction and dollar limits may be changed without notice if the situation requires it, such as in the event of fraud.*

- Withdrawals. You may withdraw funds from your accounts at ATMs. Daily withdrawal limits may apply.
- Transfers. You may transfer funds between your checking and savings account at ATMs.
- Deposits. You may make deposits at O Bee Credit Union ATMs. The service and processing of ATMs varies and may result in a delay between the time a deposit is made and when it will be available for withdrawal. Please refer to the Credit Union's Funds Availability Policy.
- Point-of-Sale (POS) Purchases. There is no limit to the number of purchases you may make during a statement period. A daily maximum of purchase limits may be applied, or up to the available balance of your account, whichever is lower.

**b) Online and Mobile Banking.** The following limitations may apply.

- New Accounts. Online and Mobile Banking services are available on most, but not all, products offered by the Credit Union. Some Online and Mobile Banking features may not be available during the 30-day new account period for new members.
- Transfers. You may make funds transfers between your linked accounts, up to the available balance of your account or applicable credit limits. You may also make transfers to other member accounts. For transfers to other member accounts, the other member must provide you with the account number, suffix, account type. You may use this information along with the member's name to transfer funds. When you initiate transfers to another member's account, you are limited to one (1) transfer per day and a maximum transfer amount of \$2,500. You may also make funds transfers to accounts you have linked with other financial institutions. When you initiate transfers to accounts linked to other financial institutions, you are limited to one (1) transfer per day and a maximum transfer amount of \$1,000. The Credit Union reserves the right to change these limits and we will notify you if limits are changed. Additional transfer limitations may apply to External Account Transfers. Please refer to the End-User License Agreement (EULA) External Accounts Transfer Addendum for additional information. The Credit Union reserves the right to refuse any transaction that would draw upon insufficient or unavailable funds, lower an account below a required balance, or otherwise require us to increase our required reserve on the account.
- Account Information. The account balance and transaction history information may be limited to recent account information involving your accounts.
- Email and Messaging. The Credit Union may not immediately receive E-mail, Online or Mobile message communications that you send, and the Credit Union will not take action based on E-mail and Messaging requests until the Credit Union actually receives your communication and has a reasonable opportunity to act. If you need to contact the Credit Union immediately regarding an unauthorized transaction or stop payment request, you may call the Credit Union at the telephone number set forth in the Billing Errors section below.
- Bill Payments. You may authorize new payment instructions or edit previously authorized payment instructions for bill payments. When you submit a bill payment instruction to us, you authorize us to transfer funds to make the bill payment transaction from your checking account.



The Credit Union will not process any bill payment transfer if we know the required transaction information is incomplete. In any event, the Credit Union will not be liable for any transaction that contains incorrect information that the Credit Union was not responsible for entering or knowing. If there are insufficient funds in your account to make the bill payment request, we may either refuse to make the payment or make the payment and transfer funds from any overdraft protection account you have established. The Credit Union reserves the right to refuse to process payment instructions that reasonably appear to the Credit Union to be fraudulent or erroneous. The Credit Union will withdraw the designated funds from your account for the bill payment transfer by midnight on the date you schedule for payment. The Credit Union will process your bill payment transfer within one (1) business day of the date you scheduled for payment. It is your responsibility to schedule your bill payments in such a manner that your obligations will be paid on time. You should enter and transmit your bill payment instructions at least ten (10) days before a bill is due. You are responsible for any overdue payments or finance charges that may be imposed as a result of your failure to transmit a timely bill payment authorization. You may cancel or place a stop payment on a bill payment under certain circumstances. If you discover an error in or want to change a payment instruction (i.e., payment date or payment amount) for a payment that you have already scheduled, you may electronically edit or cancel your payment request through the Online Banking service. Your request must be submitted before the date you have scheduled for payment. If your request is not timely entered, you will be responsible for the payment. If you wish to place a verbal stop payment on a bill payment transaction, the Credit Union must receive your request to 800-642-4014 or 360-943-0740 at least three (3) business days before the payment is scheduled to be made. See the Stop Payments section below for additional information.

**Conditions of Account Use.** The use of your Account is subject to the following conditions:

- a) **Ownership of Cards.** Any Card or other device which we supply to you must be properly secured or destroyed if you no longer wish to continue use. Use of a Card is a privilege, and the Credit Union retains the right to cancel your Card at our sole discretion without demand or notice. You cannot transfer your Card or Account to another person.
- b) **Honoring the Card.** Neither we nor merchants authorized to honor the Card will be responsible for the failure or refusal to honor the Card we supply to you. If a merchant agrees to give you a refund or adjustment, you agree to accept a credit to your Account in lieu of a cash refund.
- c) **Security of Your Card and/or PIN.** The personal identification number (PIN) that you select is for your security purposes. The PIN is confidential and should not be disclosed to third parties or recorded. You are responsible for safekeeping your PIN. You agree not to disclose or otherwise make your PIN available to anyone. If you authorize anyone to use your PIN, this authority shall continue until you specifically revoke such authority by notifying the Credit Union. If you fail to maintain the security of your Card and/or PIN and the Credit Union suffers a loss, we reserve the right to limit or terminate your Card services immediately.

**Member Liability.** You are responsible for all transfers you authorize using your EFT services under this Agreement. If you permit other persons to use an EFT service, Card or PIN, or Online or Mobile Banking, you are responsible for any transactions they authorize or conduct on any of your accounts. You agree you will notify the Credit Union immediately if you believe anyone has accessed your Account without your authority. Contacting us by telephone at 800-642-4014 or 360-943-0740 is the best method of avoiding potential losses.

**Debit Card Transactions:** If you notify us of your lost or stolen card, you will not be liable for any losses provided you were not grossly negligent or fraudulent in handling your Card and you provide us with a written statement regarding your unauthorized Card claim, otherwise the following liability limits will apply.

- a) **EFT Transactions:** If you notify us within two (2) business days, you can lose no more than \$50 if someone accessed your account without your permission. If you do not tell us within two (2) business days after you learn of the unauthorized use of your account or EFT service, and we can prove that we could have stopped someone from accessing your account without your permission

if you had told us, you could lose as much as \$500. Your liability for unauthorized loan transactions through an EFT service is \$50.

- b) **Unauthorized EFT Transactions on your Monthly Statement:** If you do not notify us within sixty (60) days after the statement was sent to you, you may be liable for the following amounts if we can prove that we could have stopped the transfers had you told us in time: (i) for unauthorized Debit Card purchase transactions - up to the limits set forth above and (ii) for all other unauthorized EFT transactions - up to the full amount of the loss. If a good reason (such as a hospital stay) kept you from telling us, we may extend the time periods.

**Business Days.** Our business days are Monday through Friday. Holidays are not included.

**Fees and Charges.** Please refer to our Rate and Fee Schedule, available at [www.obee.com/borrow/rate/](http://www.obee.com/borrow/rate/)

**Additional Charges for Transactions in a Foreign Currency and Cross-Border Transactions.**

**Currency Conversion Fee:** If you effect or authorize a transaction with your debit card in a currency other than US Dollars, VISA™ will convert the charge into a US Dollar amount. The VISA™ currency conversion procedure includes use of either a government mandated exchange rate, or a wholesale exchange rate selected by VISA™, as applicable. The exchange rate VISA™ uses will be a rate in effect on the day the transaction is processed. This rate may differ from the rate in effect on the date of the purchase or the date the transaction was posted to your account. A Currency Conversion Fee of up to 1% will be applied to transactions that are converted from foreign currencies to U.S. dollars. **Cross-Border Transaction Fee:** In addition, VISA™ charges a Cross-Border Assessment up to 1% on each transaction on all cross-border transactions regardless of whether or not there is a currency conversion. For the purposes of this section, "cross-border transaction" shall include both (a) transactions initiated in a foreign country which are subsequently settled in the United States, and (b) transactions initiated in the United States but which are ultimately settled in a country outside the United States. The Cross-Border transaction fee will be shown separately on your periodic billing statement. The Currency Conversion Fee, if it applies to the transaction, will be included in the transaction amount posted on your statement.

**Right to Receive Documentation.**

- a) **Periodic Statements.** Transfers, withdrawals, and purchases transacted through an ATM, POS terminal, Online or Mobile Banking, or with a participating merchant will be recorded on your periodic statement. You will receive a statement monthly unless there is no transaction in a particular month. In any case, you will receive a statement at least quarterly.
- b) **Terminal Receipt.** You get a receipt at the time you make a transaction (except inquiries) using an ATM or POS terminal or with a participating merchant.
- c) **Direct Deposits.** If you have arranged to have a direct deposit made to your account at least once every sixty (60) days from the same source and you do not receive a receipt (such as a pay stub), you can find out whether or not the deposit has been made by logging into Online or Mobile Banking or by contacting the Credit Union. This does not apply to transactions occurring outside the United States.

**Account Information Disclosure.** We will disclose information to third parties about your account or transfers:

- a) As necessary to complete transfers,
- b) To verify the existence of sufficient funds to cover specific transactions upon the request of a third party, such as a credit bureau or merchant,
- c) To comply with government agency or court orders; and,
- d) If you give us your express permission.

**Credit Union Liability for Failure to Make Transfers.** If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable for instance:

- a) If, through no fault of ours, you do not have enough money in your account to make the transfer or the transfer would go over the credit limit on your line of credit, if applicable.

- b) If you used the wrong access code or you have not properly followed any applicable computer, Internet, or Credit Union instructions for making transfer transactions.
- c) If the Card has expired or is damaged and cannot be used.
- d) If the ATM where you are making the transfer does not have enough cash or was not working properly and you knew about the problem when you started the transaction.
- e) If your device fails or malfunctions or Online or Mobile Banking services were not properly working, and such problem should have been apparent when you attempted such transaction.
- f) If circumstances beyond our control (such as fire, flood, telecommunication outages or strikes, equipment or power failure) prevent making the transaction.
- g) If the funds in your account are subject to an administrative hold, legal process, or other claim.
- h) If you have not given the Credit Union complete, correct, and current instructions so the Credit Union can process a transfer.
- i) If, through no fault of the Credit Union, a bill payment or funds transfer transaction does not reach a particular payee due to changes in the payee address, account number or otherwise; the time you allowed for a payment was inadequate; or the payee failed to process the payment correctly or in a timely manner and we will not be liable for any fee, penalty or interest assessed against you.
- j) If the error was caused by a system beyond the Credit Union's control, such as an ATM network, telecommunications system, or internet service provider.
- k) The ATM or POS terminal may retain your card in certain instances, in which event you may contact the Credit Union about its replacement.
- l) If there are other exceptions as established by the Credit Union.

## **Stop Payments of Preauthorized Electronic Fund Transfers.**

- a) **Stop Payment Rights.** If you have arranged in advance to make regular electronic fund transfers out of your account(s) for money you owe others (excluding Online and Mobile Banking bill payments), you may stop payment of preauthorized transfers from your account. You must notify the Credit Union verbally or in writing at least three (3) business days before the scheduled date of the transfer. The Credit Union may require written confirmation of the stop payment order to be made within fourteen (14) days of any verbal notification. If we do require written confirmation, the verbal stop payment order shall cease to be binding fourteen (14) days after it has been made.
- b) **Notice of Varying Amounts.** If these payments may vary in amount, the person you are going to pay is required to tell you ten (10) days before each payment, when the payment will be made and how much it will be. You may choose instead to get this notice only when the payment differs by more than a certain amount from the previous payment or when the amount would fall outside certain limits that you set.
- c) **Liability for Failure to Stop Payment of Preauthorized Transfers.** If you order us to stop one of these payments three (3) business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

**Termination of EFT Services.** You agree that we may terminate this Agreement and your use of your EFT services and the use of your Card, if you or any authorized user of your Account, Card and/or PIN, Online or Mobile Banking access or other Account breach this or any other agreement with us; or if we have reason to believe that there has been an unauthorized use of your PIN, Card, Online or Mobile Banking password or other access credentials; or you or any other party to your account can terminate this Agreement by notifying us in person or in writing. Termination of service will be effective on the first business day following receipt of your written notice. Termination of this Agreement will not affect the rights and responsibilities of the parties under this Agreement for transactions initiated before termination.

**Notices.** The Credit Union reserves the right to change the terms and conditions upon which this service is offered. The Credit Union will mail notice to you at least twenty-one (21) days before the effective date of any change, as required by law. The use of this service is subject to existing regulations governing the Credit Union account and any future changes to those regulations.

**Billing Errors.** In case of errors or questions about your electronic transfers, telephone or write as soon as you can. We must hear from you no later than sixty (60) days after we sent the first statement on which the problem appears. This notice must include your name and account number, the dollar amount of the suspected error, a full description of the transaction you are questioning and explain as clearly as possible why you believe it is an error or why more information is requested.

If you tell us verbally, we may require that you send us your complaint or question in writing within ten (10) calendar days.

We will promptly investigate the matter and determine within ten [10] business days from the date we are notified, whether or not an error occurred. For errors related to transactions occurring within thirty [30] days after the first deposit to the account (new accounts), we will tell you the results of our investigation within twenty [20] business days. If we need more time, however, we may take up to forty-five [45] days to investigate your complaint or question. If we decide to do this, we will credit your account within [10] business days (five [5] business days for Debit Card transactions unless additional investigation is warranted) for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within ten [10] business days, we may not credit your account. For POS transaction errors, new account transaction errors, or errors involving transactions initiated outside the United States, we will have ninety [90] calendar days instead of forty-five [45] calendar days, unless otherwise required by law, to investigate your complaint or question. If we decide after our investigation that an error did not occur, we will deliver or mail to you an explanation of our findings within three [3] business days after the conclusion of our investigation. Any provisional credit granted will be debited from your account and we will monitor your account for five (5) days to ensure the revoked provisional credit does not result in NSF fees due to the credit being retracted. If you request, we will provide you with copies of documents [to the extent possible without violating other members' rights to privacy] relied upon to conclude that the error did not occur. You may provide notice to the Credit Union by calling the following phone numbers, 360-943-0740 or toll free 1-800-453-4270.

Or by writing us at: O Bee Credit Union P.O. Box 5000 Lacey, WA 98509-5000

**ATM and Night Deposit Safety Notice.** The following information is a list of safety precautions regarding the use of ATMs and Night Deposit Facilities.

- a) Be aware of your surroundings, particularly at night.
- b) Consider having someone accompany you when the ATM or Night Deposit facility is used after dark.
- c) If someone is uncomfortably close, ask them to step back before completing the transaction.
- d) Refrain from displaying cash at the ATM or Night Deposit facility. As soon as your transaction is completed, place your money in your purse or wallet. Count the cash later in the safety of your car or home.
- e) If you notice anything suspicious at the ATM or Night Deposit facility, consider using another ATM or Night Deposit facility or coming back later. If you are in the middle of a transaction and you notice something suspicious, cancel the transaction, take your Card, or deposit envelope, and leave.
- f) If you are followed after making a transaction, go to the nearest public area where people are located.
- g) Do not write your PIN on your Card.
- h) Report all crimes to law enforcement officials immediately.

**Enforcement.** You agree to be liable to the Credit Union for any liability, loss, or expense as provided in this Agreement that the Credit Union incurs as a result of any dispute involving your accounts or services. You authorize the Credit Union to deduct any such liability, loss, or expense from your account without prior notice to you. This Agreement shall be governed by and construed under the laws of the state of Washington as applied to contracts entered into solely between residents of, and to be performed entirely in, such state. In the event either party brings a legal action to enforce the Agreement or collect any overdrawn funds on accounts accessed under this Agreement, the prevailing party shall be entitled, subject to Washington law, to payment by the other party of its reasonable attorney's fees and costs, including

fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions, if applicable. Should any one or more provisions of this Agreement be determined illegal or unenforceable in any relevant jurisdiction, then such provisions be modified by the proper court, if possible, but only to the extent necessary to make the provision enforceable and such modification shall not affect any other provision of this Agreement.