



**Gesa
Credit
Union**

P.O. Box 500
Richland, WA 99352-0500
(888) 946-4372
gesa.com

Gesa Credit Union has updated the Business Membership and Account Agreement for your accounts and a copy of the updated agreement is enclosed. The updated agreement is effective April 30, 2022.

These updates provide the terms and conditions for member accounts that help ensure the best possible service to the entire credit union membership. You are encouraged to keep a copy of this document for your records. Gesa Credit Union values your membership.

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BUSINESS MEMBERSHIP AND ACCOUNT AGREEMENT

This Business Membership and Account Agreement ("Agreement") covers the rights and responsibilities concerning accounts held by a business or organization account owner ("Account Owner") and the credit union providing this agreement ("Credit Union"). This agreement contains important information about your account; please read carefully and maintain a copy for future reference. In this Agreement, the words "you," "your" and "yours" mean the Account Owner as well as each person signing a Business Account Card or other account opening document ("Account Card") or for which membership and/or service requests are otherwise approved. The words "we," "us," and "our" mean the Credit Union. The word "account" means any share or deposit accounts you have with the Credit Union.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT – To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, address, date of birth, if applicable, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

1. CONTRACT – Your account with the Credit Union is held individually in the name of the Account Owner. By signing an Account Card or authenticating your request, or by adding, changing or continuing to use your accounts and services, you agree to the terms and conditions in this Agreement, the Account Card, any Funds Availability Policy Disclosure, rate sheet, fee schedules, Certificate of Deposit Receipt and Disclosure or other disclosure we provide to you, the Credit Union Bylaws or Code of Regulations (Bylaws), Credit Union policies, and any amendments we make to these documents from time to time, all of which collectively govern your membership, accounts and services. You also agree that your accounts and services are governed by applicable present and future federal and state laws, local banking customs and clearinghouse rules.

2. MEMBERSHIP ELIGIBILITY – To join the Credit Union, the Account Owner must meet the membership requirements including as applicable, purchasing and maintaining a minimum share balance (hereinafter membership share) and/or paying a membership fee, as set forth in the Credit Union's Bylaws or established from time to time by the Credit Union's Board of Directors. You authorize us to check your account, credit and employment history, and obtain reports from third parties, including credit reporting agencies, to verify your eligibility for the accounts, products and services you request and for other accounts, products, or services we may offer you or for which you may qualify.

3. ACCOUNT ACCESS

a. Authorized Persons. The following are deemed Authorized Persons who may establish accounts at the Credit Union and act on behalf of the Account Owner with respect to such accounts:

- If the Account Owner is a sole proprietorship, the business owner and any person designated by the business owner;
- If the Account Owner is a partnership, each partner (or, for a limited partnership, the general partner or those partners as otherwise established by the partnership agreement) and any person designated by the partners; or
- If the Account Owner has any other form of organization or is an unincorporated organization or association, the individuals vested with the power to make decisions concerning the operation of the Account Owner must designate the persons authorized to establish accounts at the Credit Union and transact business on such accounts on behalf of the Account Owner.

b. Authority. Authorized. Persons are vested with authority to open and close accounts on behalf of the Account Owner and transact business of any nature

on such accounts, unless otherwise indicated on the Authorization Designation.

We have no obligation to inquire as to the use of any funds or the purpose of any transaction made on your account by an Authorized Person and are not responsible for any transaction by an Authorized Person.

We will not be liable for refusing to honor any item or instruction if we believe the signature is not genuine. It is your responsibility to provide us with specimen signatures of all Authorized Persons and to inform us immediately in writing of any changes. If you have authorized the use of a facsimile signature of any Authorized Person, we may honor any document that appears to bear the facsimile signature. If you suspect that your facsimile signature is being misused you must notify us immediately.

c. Biometrics. The Credit Union requires the verification of your identity to provide accounts and services to you. For select services and locations the Credit Union permits you to choose among various methods to verify your identity, including biometric methods. If you choose to provide biometric information, you authorize and agree for the Credit Union to use biometric scanning devices to capture your biometric information (e.g. palm vein pattern, etc.) as applicable for personal identification purposes and to use such imaged information to verify your identity for transactions and safe deposit box access from time to time.

The Credit Union will store your identification information pursuant to its data security policy and will not share such information with any third party unless required by law.

d. Access Options. You may access your account in any manner we permit including, for example, in person at one of our branch offices, at an ATM or point-of-sale device, or by mail, telephone, by check, automatic transfer, internet access, or mobile application. Authorized Persons may execute additional agreements and documents we require to access, transact business on and otherwise exercise authority over your account. We may return as unpaid any check or draft drawn on a form we do not provide. Any losses, expenses or fees we incur as a result of handling such a check or draft will be charged to your account. You agree that if, for internal control purposes, you require two signatures on each check, we may honor items when signed by any authorized signer alone, even if there are multiple signature lines printed on your check.

e. Credit Union Examination. We may disregard information on any check or draft, other than the signature of the drawer, the amount of the item and any magnetic encoding. You agree we do not fail to exercise ordinary care in paying an item solely because our procedures do not provide for sight examination of items.

f. Restrictive Legends or Endorsements. Some checks and drafts contain restrictive legends or similar limitations on the item. Examples of restrictive legends include "two signatures required," "void after 60 days," and "not valid over\$500.00." Examples of conditional endorsements include "payable when work is complete", and "endorsement constitutes agreement to contract terms". We are not liable for payment of any check or draft contrary to a restrictive legend or other limitation such as a restrictive endorsement contained in or on the item you write unless we have specifically agreed in writing to the restriction or limitation.

g. Account Security. You are required to protect your account access devices such as checks, debit cards, personal identification numbers, online banking passwords, and similar authentication information or devices. Do not give information about your account to others unless you intend for them to have unlimited access to the funds in your account. You are liable for any use of the funds in your account when you grant another person access to the account.

4. DEPOSIT OF FUNDS REQUIREMENTS – Funds may be deposited to your accounts in any manner approved by the Credit Union and in accordance with any requirements set forth on our business account rate sheet and fee schedule. We have the right to refuse any deposit, limit the amount that may be offered for deposit, and return all or any part of a deposit. Deposits made by mail, at night depositories or other unstaffed facilities are not our responsibility until we receive them. Deposits at night depositories are considered received as of the banking day they are removed from the night depository and are available for processing.

a. Endorsements. We may accept transfers, checks, drafts, and other items for deposit into any of your accounts if they are made payable to or to the order of the Account Owner, even if they are not endorsed. You authorize us to supply missing endorsements for the owner if we choose. If an insurance, government, or other check or draft requires an endorsement, we may require that it be endorsed as set forth on the item. We may but are not required to accept, whether for cash or other value, checks, drafts, or items made payable

to the Account Owner, provided such items are endorsed with an original or facsimile signature of an Authorized Person. Endorsements must be made on the back of the check or draft within 1½ inches from the top edge, although we may accept endorsements outside this space. However, any loss we incur due to a delay or processing error resulting from an irregular endorsement or other markings by you or any prior endorser will be your responsibility. If we offer a remote deposit capture service and you have been approved to use the service to make deposits to your account, you agree that, prior to transmitting check or draft images, you will restrictively endorse each original check or draft in accordance with any other agreement with us that governs this service. If a check, draft 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, draft or item as though it is payable to either person.

b. Collection of Items. We act only as your agent, and we are not responsible for handling items for deposit or collection beyond the exercise of ordinary care. We are not liable for the loss of an item in transit or the negligence of any correspondent. Each correspondent will only be liable for its own negligence. We may send any item for collection. Items drawn on an institution located outside the United States are handled on a collection basis only. You waive any notice of nonpayment, dishonor, or protest regarding items we purchase or receive for credit or collection to your account. We reserve the right to pursue collection of previously dishonored items at any time, including giving a payor financial institution extra time beyond any midnight deadline limits.

c. Restrictive Legends. Some checks and drafts contain restrictive legends or similar limitations on 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 acceptance 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.

d. Final Payment. All items and Automated Clearinghouse (ACH) transfers credited to your account are provisional until we receive final payment. If final payment is not received, regardless of length of time, we may charge your account for the amount of such items and impose a return item fee on your account even if funds have been previously made available for withdrawal. If payment is subsequently returned after final payment regardless of the date of the notice of the return, we may charge your account for the amount of such items and impose a returned item fee on your account. Any collection fees we incur may also be charged to your account. We reserve the right to refuse or return any item or funds transfer.

e. Direct Deposits. We may offer direct deposit services, including preauthorized deposits (e.g. payroll checks, Social Security or retirement checks, or other government checks) or preauthorized transfers from other accounts. You must authorize direct deposits or preauthorized transfers by completing a separate authorization document. You must notify us if you wish to cancel or change a direct deposit or preauthorized transfer. Any cancellation or change will become effective once we receive notice from you and have a reasonable period of time to act on your request. If we are required to reimburse a government agency for any benefit payment directly deposited into your account, we may deduct the amount returned from any of your accounts, unless prohibited by law. If your account is overdrawn, you authorize us to deduct the amount your account is overdrawn from any deposit, including deposits of government payments or benefits.

f. Crediting of Deposits. Deposits made after the deposit cutoff time and deposits made on holidays or days other than our business days will be credited to your account on the next business day. See Section 9c “How Transactions are Posted to Your Account” for further details.

5. FUNDS TRANSFERS – Funds transfers we permit that are subject to Article 4A of the Uniform Commercial Code, including Automated Clearinghouse (ACH) credit transactions and wire transfers, will be subject to such provisions of the Uniform Commercial Code as enacted by the state where the main office of the Credit Union is located, except as otherwise provided in this Agreement. ACH transfers are subject to rules of the National Automated Clearinghouse Association (NACHA). If we execute requests for funds transfers by Fedwire, such transfers are subject to the Federal Reserve Board’s Regulation J.

a. Authorization for Transfers/Debiting of Accounts. Any Authorized Person is authorized to make or order funds transfers to or from your account. We will debit your account for the amount of a funds transfer and will charge your account for any fees related to the transfer.

b. Right to Refuse to Make Transfers/Limitation of Liability. Unless we agree otherwise in writing, we reserve the right to refuse to execute any

payment order to transfer funds to or from your account. We are not obligated to execute any payment order to transfer funds out of your account if the amount of the requested transfer plus applicable fees exceeds the available funds in your account. We are not liable for errors, delays, interruptions or transmission failures caused by third parties or circumstances beyond our control, including mechanical, electronic or equipment failure. In addition, we will not be liable for consequential, special, punitive or indirect loss or damage you may incur in connection with funds transfers to or from your account.

c. No Notice Required. We will not provide you with notice when funds transfers are credited to your account. You will receive notice of such credits on your account statements. You may contact us to determine whether a payment has been received.

d. Interest Payments. If we fail to properly execute a payment order and such action results in a delay in payment to you, applicable law requires that we pay you interest for the period of delay. Based on your account type, we will pay you such interest in the form of dividend or interest payments, whichever applies. You agree that the dividend or interest rate paid to you will be based on the lowest nominal dividend or interest rate we were paying on any account during that period.

e. Provisional Credit for ACH Transactions. We may provisionally credit your account for an ACH transfer before we receive final settlement. If we do not receive final settlement, we may reverse the provisional credit or require you to refund us the amount provisionally credited to your account, and the party originating the transfer will not be considered to have paid you.

f. Payment Order Processing and Cut-off Times. Payment orders we accept will be executed within a reasonable time of receipt. Unless we have agreed otherwise in writing, a payment order may not necessarily be executed on the date it is received or on a particular date you specify. Cut-off times may apply to the receipt, execution and processing of funds transfers, payment orders, cancellations, and amendments. Funds transfers, payment orders, cancellations, and amendments received after a cut-off time may be treated as having been received on the next funds transfer business day. Information about any cut-off times is available upon request. From time to time, we may need to temporarily suspend processing of a transaction for greater scrutiny of verification in accordance with applicable law. This action may affect settlement or availability of the transaction.

g. Identifying Information. If your payment order identifies the recipient and any financial institution by name and account or other identifying number, the Credit Union and any other financial institutions facilitating the transfer may rely strictly on the account or other identifying number, even if the number identifies a different person or financial institution.

h. Amendments and Cancellations of Payment Orders. Any Authorized Person may amend or cancel a payment order regardless of whether that person initiated the order. We may refuse requests to amend or cancel a payment order that we believe will expose the Credit Union to liability or loss. Any request to amend or cancel a payment order that we accept will be processed within a reasonable time after it is received. You agree to hold us harmless from and indemnify us for all losses and expenses resulting from any actual or attempted amendment or cancellation of a payment order.

i. Security Procedures. We may require you to follow a security procedure to execute, amend or cancel a payment order so that we may verify the authenticity of the order, amendment or cancellation. You agree that the security procedure established by separate agreement between you and the Credit Union is commercially reasonable. If you refuse to follow a commercially reasonable security procedure that we offer, you agree to be bound by any payment order, whether authorized or not, that is issued in your name and accepted by us in good faith in accordance with the security procedure you choose.

j. Duty to Report Unauthorized or Erroneous Funds Transfers. You must exercise ordinary care to identify and report unauthorized or erroneous funds transfers on your account. You agree that you will review your account(s) and periodic statement(s). You further agree you will notify us of any unauthorized or erroneous transfers within the time frames described in the "Statements" section of this Agreement.

k. Recording Telephone Requests. You agree that we may record payment order, amendment and cancellation requests as permitted by applicable law.

6. ACCOUNT RATES AND FEES – We pay account earnings and assess fees against your account as set forth in our business account rate sheet and fee schedule. We may change our business account rate sheet and fee schedule at any time and will notify you as required by law.

7. TRANSACTION LIMITATIONS – We reserve the right to restrict withdrawals

or transfers from your account and shall not be liable for any restrictive action we take regarding withdrawals, transfers, or the payment or non-payment of checks and drafts, except those damages which may arise solely as a result of the Credit Union's negligence.

a. Withdrawal Restrictions. We permit withdrawals if your account has a sufficient available balance to cover the full amount of the withdrawal, and may otherwise honor withdrawal requests in accordance with our overdraft policies or any overdraft protection service you have established with us. Checks and drafts or other transfers or payment orders which are drawn against an insufficient available balance may be subject to a fee as set forth in our business account fee schedules. If there are sufficient available funds to cover some, but not all, of your withdrawal request, we may allow you to make a withdrawal in an amount for which there are sufficient available funds. If we honor an overdraft request, we are not required to do so later.

We may limit or refuse a withdrawal in some situations, and will advise you accordingly if, for example: (1) there is a dispute between Authorized Persons (unless a court has ordered the Credit Union to allow the withdrawal); (2) a legal garnishment or attachment is served; (3) the account secures any obligation to us; (4) required documentation has not been presented; (5) you fail to repay a Credit Union loan on time; (6) for non-corporate accounts, a depositor is deceased; or, for corporate accounts, the corporation is in bankruptcy proceedings or has been dissolved and the required disposition of the account has not been made; (7) someone with authority to do so requests us not to permit the withdrawal; or (8) there are other circumstances which do not permit us to make the withdrawal. We also reserve the right to refuse any withdrawal which is attempted by any method not specifically permitted by us. We may require you to give written notice of 7 to 90 days before any intended withdrawals.

b. Transfer Limitations. For accounts subject to transfer limitations, you may not make more than six withdrawals and transfers to another Credit Union account of yours or to a third party during any month by means of a preauthorized, automatic or internet transfer, by telephonic order or instruction, or by check, draft, debit card, if applicable, or similar order. A preauthorized transfer includes any arrangement with us to pay a third party from your account upon oral or written orders, including orders received via ACH. When a transfer exceeds these limitations, we may refuse or reverse it, assess fees against your account, suspend your account, or close your account and transfer the balance to an account without such transfer limitations. Even if we honor a non-conforming request, we are not required to do so in the future. If we reclassify your account, your account will be subject to the terms of the new account. There is no limit on the number of transfers or withdrawals you may make if the transfer or withdrawal is made in person, by mail, messenger or at an ATM. There is also no limit on the number of telephone requests for withdrawals in the form of a check or draft which is then mailed directly to you, although we may impose a fee for such services.

c. Reporting Cash Transactions. A financial institution is required to report information regarding certain cash transactions to assist law enforcement agencies. We are required by law to refuse a transaction if you do not provide information requested regarding these transactions.

8. CERTIFICATE ACCOUNTS – Any term share, share certificate, time deposit or certificate of deposit account, whichever we offer as allowed by applicable federal or state law, is subject to the terms of this Agreement, our business account rate sheet and fee schedules, Certificate of Deposit Receipt and Disclosure, if provided, and any other documents we provide for the account, the terms of which are incorporated herein by reference.

9. OVERDRAFTS AND DISHONORED ITEMS

a. Payment of Overdrafts. An overdraft occurs if the Available Balance in your share or deposit account is not sufficient to pay the full amount of a check, draft, ACH or other electronic transaction, or any other item at the time it is presented to us for payment. If we reject an overdraft check or ACH, then we will charge a Returned Item Fee as provided on our fee schedules. We do not charge a fee if we decline a debit card payment transaction or ATM withdrawal. If we pay an overdraft, then we will assess an Overdraft Fee as provided on our fee schedules, but only if your Actual Balance is insufficient at the time of the payment. We may charge a fee each time a transaction is submitted for payment, even if the payment was previously submitted and rejected due to insufficient funds. Therefore, you may be assessed more than one fee as a result of a returned item and resubmission(s) of the returned item. We do not have to notify you if your account does not have a sufficient Available Balance at the time a transaction is presented to us or does not have sufficient Actual Balance at the time we pay an overdraft transaction.

Overdraft Protection. We offer overdraft protection services to help you avoid overdraft fees. If you have established a service linking your share or deposit account with other accounts, you authorize us to transfer funds from another account of yours to cover an overdraft, including transfers from a share or deposit account, an overdraft line-of-credit account, or other account you so designate. We will charge a transfer fee, as reflected on our fee schedule for each transfer from another account. We will use funds from a linked account [or a line of credit] to cover overdrafts before we pay overdrafts with our standard overdraft services, which we refer to as Courtesy Pay. If there are not enough funds in a linked account to cover an overdraft, we will transfer the funds that are available; however, a transfer fee assessed as a result of a transfer that does not cover an overdraft will be reversed the next business day.

Courtesy Pay. If overdraft protection is not available from a linked account, and you are eligible for Courtesy Pay, we may, but are not obligated to pay the following types of transactions regardless of whether your share or deposit account has sufficient available balance: (1) share drafts/checks and other transactions made using your checking account, except as otherwise described below; (2) automatic bill payments; (3) ACH transactions; and (4) debit card transactions.

Except as otherwise agreed in writing, if we exercise our right to pay an overdraft, we do not agree to pay them in the future and may discontinue Courtesy Pay at any time without notice. If we pay an overdraft you agree to pay the negative balance in your account, including any fees assessed by us.

In order to qualify for this service, you must be 18 years of age or older, your checking account must have been open for at least thirty (30) days, and you must maintain your account in good standing, which includes at least the following:

- Keeping Gesa aware of your current address;
- Not having an inactive/dormant account (18 months of inactivity);
- Not being in default on any loan or other obligation to Gesa;
- Not being subject to any legal or administrative order or levy;
- The business is not a party in a bankruptcy proceeding;
- The owner is a sole proprietorship and the individual business owner is not a party in a bankruptcy proceeding;
- There is no apparent illegal, abusive or negative behavior covered in the Gesa policy called Overdraft Privilege and Courtesy Pay Program;
- Bringing your account balance to a positive balance at least every twenty (20) days for a minimum period of 24 hours;
- Maintaining a minimum daily balance of \$1.00 for the first thirty (30) days the checking account was open; and
- Maintaining a membership share in the credit union.

The account cannot belong to an estate, or non-profit, or not-for-profit organization. If at any time you do not meet the above eligibility requirements or maintain your account in "good standing", you may be removed from the Courtesy Pay program.

Gesa Credit Union will have the discretion to pay overdrafts on your checking account up to your Courtesy Pay limit. Your Courtesy Pay limit may vary based on your checking account history, overdraft transactions and payments, but will generally be at least \$200.

b. Understanding Your Account Balance. Your checking account has two kinds of balances: the Actual Balance and the Available Balance. Your Actual Balance reflects the full amount of all deposits to your account as well as payment transactions that have been posted to your account. It does not reflect checks you have written and are still outstanding or transactions that have been authorized but are still pending. Your Available Balance is the amount of money in your account that is available for you to use. Your Available Balance is your Actual Balance less: (1) holds placed on deposits; (2) pending payments for debit card or other transactions that have been authorized but are not yet posted; and (3) other holds, such as holds related to pledges of account funds and minimum balance requirements or to comply with court orders. We use your Available Balance to determine whether there are sufficient funds in your account to authorize or reject payments. We use your Actual Balance at the time a transaction is paid to determine whether to charge Overdraft Fees. Pending transactions and holds placed on your account may reduce your Available Balance and may cause your account to become overdrawn regardless of your Actual Balance. You may check your Available Balance and your Actual Balance through the online banking portal at www.gesa.com, at an ATM, by visiting a credit union branch or by calling us at (888) 946-4372 or 509-378-3100.

c. How Transactions are Posted to Your Account. Basically, there are two types of transactions that affect your account from a variety of payment processing methods: credits (deposits of money into your account) and debits (payments out of your account). It is important to understand how each is applied to your account so that you know how much money you have and how much is available to you at any given time. This section explains generally how and when we post transactions to your account. However, if we are experiencing system down time or other mechanical or communication difficulties, these posting times and processes will change.

- **Checks and In-Branch Transactions.** When you write a check, it may be processed through the Federal Reserve System. We receive a data file of cashed checks from the Federal Reserve each day. The checks drawn on your account are compiled from these data files and paid each day. We process the payments in the order contained in the data file. During branch hours, lobby transactions (withdrawals, deposits, on-us checks) are posted in the order they are received. Remote deposits are posted on the day they are received unless otherwise specified in the Merchant Deposit Capture Agreement and Digital Services Agreement, as applicable.
- **ATM Transactions.** We post ATM deposits and withdrawals in real time, however, deposit availability is subject to the terms described in the Funds Availability Disclosure.
- **ACH Payments.** We receive data files every business day from the Federal Reserve with Automated Clearing House (ACH) transactions. These include, for example, automatic bill payments you have authorized. ACH transactions are posted when a data file is received and for each file, transactions are posted in the order presented in the file, credits first then debits.
- **Wires.** We credit incoming wires the same day they are received; they are generally posted within 1–2 hours of receipt from the wire processor. We debit outgoing wires the day they are processed. The funding account is debited prior to wire transmittal. Incoming and outgoing wires are subject to review and delays may occur such as issues regarding available funds, the payee, or beneficiary of the wire.
- **Phone/Internet Transfers.** We post phone and internet transfers in the order they are received.
- **PIN-Based Debit Card Purchase Transactions.** These are purchase transactions using your debit card for which a merchant may require you to enter your personal identification number (PIN) at the time of sale. They are processed through a PIN debit network. These transactions are similar to ATM withdrawal transactions because the money is usually deducted from your account immediately at the time of the transaction. However, depending on the merchant, a PIN-based transaction may not be immediately presented for payment.
- **Signature-Based Debit Card Purchase Transactions.** These are purchase transactions using your debit card that are processed through a signature-based network. Typically, but not always, you will sign for the purchase rather than entering a PIN. When a signature debit card transaction is authorized, we are obligated to pay it so we will reduce your Available Balance but not your Actual Balance by the amount of the authorization. We refer to this as an “authorization hold.” When the transaction is subsequently processed by the merchant and presented to us for payment, which can be days later, it will be posted to your account and your Actual Balance will be reduced by the amount of the final payment. Signature debit card payment requests are received throughout the day and are posted to your account when they are received.

The amount of an authorization hold may differ from the actual payment because the final transaction amount may not yet be known to the merchant when you present your card for payment. For example, if you use your debit card at a restaurant, the authorization amount will be deducted from your Available Balance, but when the transaction posts, it will include any tip that you may have added to the bill. This may also be the case where you present your debit card for payment at gas stations, hotels and certain other retail establishments. In some cases, the amount authorized will be more than the final payment amount. We cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for payment.

The fact that we put an authorization hold on your account and reduce your Available Balance by the amount of the hold does not mean the

authorization amount is set aside and made available to pay the specific transaction authorized. The hold is simply a reduction in your Available Balance based on the fact that we have authorized a transaction and the Credit Union is therefore obligated to pay it when presented. If another transaction is presented for payment in an amount greater than the funds available after a debit card payment is authorized, that transaction will be an overdraft. You will be assessed a Returned Item Fee if we reject the transaction or an Overdraft Fee if we pay it and you do not have enough Actual Balance at the time it is paid. You may be charged the fee even if you would have had sufficient funds in your account if the amount of the hold had been equal to the amount of your purchase.

The following is an example of how this works. Assume you have \$100 in both your Actual Balance and your Available Balance. If you use your debit card to buy a shirt for \$70 and the merchant asks us to authorize the transaction, then we will reduce your Available Balance by \$70. Your Available Balance will be \$30 but your Actual Balance will still be \$100. Before the shirt transaction is presented to us for payment, a check you wrote for \$50 is posted to your account. Since you only have \$30 available, this will be an overdraft. If we pay it, then you may be charged an Overdraft Fee and if we reject it, then you may be charged a Returned Item Fee. Later, when the shirt transaction is presented by the merchant we are obligated to pay it because it was authorized. You will also be charged an Overdraft Fee for this transaction because your Actual Balance at the time this transaction is presented to us for payment is only \$50, after the check was paid. You may be charged this fee even though there were sufficient available funds when the transaction was authorized.

Note that Debit card transactions can be recurring or nonrecurring. Recurring transactions are where you use your debit card to set up a recurring payment, such as a monthly gym membership. Nonrecurring transactions are one time transactions that are authorized each time you use your debit card. Using your debit card at a restaurant is an example of a one-time or nonrecurring transaction. We will rely on how the merchant characterizes the transaction for purposes of processing it and your only recourse for an improperly coded transaction is with the merchant who submitted it to us.

This is a general description of certain types of transactions. These practices may change, and we reserve the right to pay items in any order we choose as permitted by law. Transactions may not be presented in the order which they occurred and the order in which checks or items are received and processed may affect if an overdraft occurs.

d. Dishonored Items. We may redeposit an item taken for deposit, cash or other value, or we may return the item to you and charge your account. If your account does not contain a sufficient available balance to reimburse us for the amount of the item, you must repay us for the amount we are unable to collect from your account plus applicable fees. If we choose to redeposit an item, we are not required to notify you that the item was returned unpaid. We may charge your account and/or seek recovery directly from you for any item that is returned due to your breach of warranty under the Uniform Commercial Code as adopted in the state where our main office is located.

10. CHECKS OR DRAFTS PRESENTED FOR PAYMENT IN PERSON – We may refuse to accept any check or draft drawn on your account that is presented for payment in person. Such refusal shall not constitute a wrongful dishonor of the check or draft, and we shall have no liability for refusing payment. If we agree to cash a check or draft that is presented for payment in person, we may require the presenter to pay a fee and/or produce approved identification. Any applicable fees for cashing checks or drafts are stated in our business account fee schedules.

11. POSTDATED AND STALEDATED CHECKS OR DRAFTS – You agree not to draw or issue any check or draft that is postdated. If you draw or issue a check or draft that is payable on a future date, we will have no liability if we pay the check or draft before its payment date. You agree not to deposit checks, drafts, or other items before they are properly payable. We are under no obligation to pay a check or draft drawn on your account that is presented more than six months after the date it was written; however, if the check or draft is paid against your account, we will have no liability for such payment.

12. FOREIGN CURRENCY – All checks or drafts drawn on your account shall be payable in currency of the United States. You agree not to draw a check or draft that is payable in any foreign currency. If you give us an order to pay a check or draft in a foreign currency, we have the right to return the check or draft unpaid. However, if we pay the check or draft, we will not be responsible for the currency conversion or any fees assessed for collection, and you will be bound by our determination of the currency conversion rate, the data used and the manner in which we make the

conversion.

13. STOP PAYMENT ORDERS

a. Stop Payment Order Request. Any Authorized Person may request a stop payment order on any check or draft drawn on your account. To be binding, the order must accurately describe the check or draft, including the exact account number, check or draft number, and amount of the check or draft. This exact information is necessary for the Credit Union to identify the check or draft. If we receive incorrect or incomplete information, we will not be responsible for failing to stop payment on the check or draft. In addition, we must receive sufficient advance notice of the stop payment order to allow us a reasonable opportunity to act on it. If we recredit your account after paying a check or 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 check or draft, and to assist us in any legal action.

You may not stop payment on any certified check, official check, cashier's check, teller's check or any other check, draft or payment guaranteed by us.

b. Duration of Order. You may make an oral stop payment order which will lapse within 14 calendar days unless you confirm it in writing, or in a record if allowed by applicable law, within that time. A written stop payment order is effective for six months and may be renewed from time to time in writing, or in a record if allowed by applicable law. We do not have to notify you when a stop payment order expires. A release of stop payment can be made in writing by any Authorized Person.

c. Liability. Fees for stop payment orders are set forth on our business account fee schedule. 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 the Credit Union harmless from all costs, including attorney's fees and all damages or claims related to our refusal to pay an item, as well as claims of the Account Owner or of any payee or endorsee for failing to stop payment of an item as a result of incorrect information provided by you.

14. CREDIT UNION LIABILITY – 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 or elsewhere in this Agreement. We will not be liable if, for example: (1) your account contains an insufficient available balance for the transaction; (2) circumstances beyond our control prevent the transaction; (3) your loss is caused by your or another financial institution's negligence; or (4) your account funds are subject to legal process or other claim. We are not liable if checks, drafts or other items were forged or altered so that the forgery or alteration could not be reasonably detected. We will not be liable for consequential damages, except liability for wrongful dishonor. We are not responsible for a check or draft that is paid by us if we acted in a commercially reasonable manner and exercised ordinary care. We exercise ordinary care if our actions or nonactions are consistent with applicable state law, federal reserve regulations and operating letters, clearinghouse rules, and general banking practices followed in the area we serve. 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 Agreement. Any conflict between what you or our employees may say or write will be resolved by reference to this Agreement.

15. UNAUTHORIZED USE OF CHECK OR DRAFT WRITING AND FACSIMILE SIGNATURE EQUIPMENT – You are responsible for maintaining the security of all facsimile signatures, check or draft writing equipment and supplies. You must promptly notify us in writing of the loss or theft of any checks or drafts or the unauthorized use of facsimile signature equipment, as well as the circumstances surrounding the loss, theft or unauthorized use. We are not liable for any unauthorized use of a facsimile signature.

16. PLEDGE, RIGHT OF OFFSET AND STATUTORY LIEN – Unless prohibited by law, you pledge and grant as security for all obligations you may have now or in the future, except obligations secured by your principal residence, all shares and dividends and all deposits and interest, if any, in all accounts you have with us now and in the future. If you pledge a specific dollar amount in your account(s) for a loan, we will freeze the funds in your account(s) to the extent of the outstanding balance of the loan or, if greater, the amount of the pledge if the loan is a revolving loan. Otherwise, funds in your pledged account(s) may be withdrawn unless you are in default. You agree we have the right to offset funds in any of your accounts against any obligation owed to us. Federal or state law, depending on whether we have a federal or state charter, gives us a lien on all shares and dividends and all deposits and interest, if any, in the account(s) you have with us now and in the future. Except as limited by state or federal law, the statutory lien gives us the right to apply the balance of all your accounts to any obligation on which you are in default. After you

are in default, we may exercise our statutory lien rights without further notice to you.

Your pledge and our statutory lien rights will allow us to apply the funds in your account(s) to what you owe when you are in default, except as limited by state or federal law. If we do not apply or offset the funds in your account(s) to satisfy your obligation, we may place an administrative freeze on your account(s) in order to protect our statutory lien rights and may apply or offset the funds in your account(s) to the amount you owe us at a later time. The statutory lien and your pledge does not apply to any Individual Retirement Account or any other account that would lose special tax treatment under state or federal law if given as security. By not enforcing our right to apply or offset funds in your account(s) to your obligations that are in default, we do not waive our right to enforce these rights at a later time.

17. TRANSFER OF ACCOUNT – All accounts are nonassignable and nontransferable to third parties except by us.

18. LEGAL PROCESS – If any legal action is brought against your account, we may pay out funds according to the terms of the action or refuse any payout until the dispute is resolved, as permitted by law. We have no liability for overdraft conditions after responding to a legal action. Any expenses or attorney's 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.

19. SPECIAL HOLDS – An administrative or legal hold may be placed on funds in your account which causes us to reject payment or withdrawal orders. If there is a claim on your account by owners, survivors, beneficiaries, or others; a claim that is adverse to your own interest; or any other claim arising by matter of law; then holds may be placed for a reasonable period of time to allow us to determine the merits of the claim or until we are given acceptable evidence that the dispute has been resolved. We have no liability for overdraft conditions, fees, or items rejected due to such a hold.

20. ACCOUNT INFORMATION – Upon request, we will give you the name and address of each agency from which we obtain a credit report regarding your account. We agree not to disclose account information to third parties except when:

(1) it is necessary to complete a transaction; (2) the third party seeks to verify the existence or condition of your account in accordance with applicable law; (3) such disclosure is made to comply with the law or an order issued by a court or government agency; (4) you give us written permission; or (5) as otherwise permitted by applicable law. We may provide information to credit bureaus about an insolvency, delinquency, late payment or default on your account to include in your credit report.

21. NOTICES

a. Name or Address Changes. You are responsible for promptly notifying us of any address or name change. The Credit Union is only required to attempt to communicate with you at the most recent address you have provided to us. If we attempt to send you information by mail and the mail is returned due to a bad address, then we may impose a service fee as set forth in the business fee schedules.

b. Notice of Amendments. Except as prohibited by applicable law, we may at any time change the terms of this Agreement. We will notify you, in a manner we deem appropriate under the circumstances, of any changes in terms, rates, or fees as required by law. Maintaining an open account after the change constitutes your agreement.

c. Waiver of Terms. We reserve the right to waive any terms of this Agreement. Any such waiver shall not affect our right to future enforcement.

d. Effect of Notice. Any written notice you give us is effective when we receive it. Any written notice we give to you is effective when it is provided electronically or is deposited in the U.S. mail, postage prepaid and addressed to you at your statement mailing address, and will be effective whether or not received by you. We are not required to act upon transaction requests or other instructions you give us via facsimile, leave by voicemail, on a telephone answering machine or email.

e. Electronic Notices. If you have agreed to receive notices electronically, we may send you notices electronically and discontinue mailing paper notices to you until you notify us that you wish to reinstate receiving paper notices. When you transact business with the Credit Union, you may be offered the option to have the transaction receipt sent to your email address. If you have requested the Credit Union to provide you with a transaction receipt (e.g. deposit or loan payment) or any notice or alert related to your account (e-Notice) electronically, you authorize the Credit Union to send your eNotice in an email or as an email attachment. Any eNotices from us will be sent to the email address provided by the account owner. You are solely responsible for providing us with an accurate

email address and any access you allow others to your email communications.

22. CONTACT AUTHORIZATION – By providing your telephone and email information to the Credit Union you expressly authorize the Credit Union to contact you at any telephone number or email address you entered, so we can assist you with your account and account services or take measures to prevent fraud on your account. This means that we and/or our third party providers, including debt collectors, may contact you by telephone or text messages at any telephone number associated with your account, including wireless telephone numbers (i.e. cell phone numbers) which could result in charges to you, in order to service your account, collect any amounts owed to us, or provide you information about your account, including information related to suspected or actual fraudulent activity on your account, data security breaches, or identity theft following a data breach, money transfers, account balances and other account related messages. You further agree methods of contact may include use of a pre-recorded or artificial voice messages, and/or use of an automatic dialing device. You may terminate your consent for us to contact your mobile number using an auto-dialer, pre-recorded message or artificial voice by sending written notice to us at P.O. Box 500, Richland, WA 99352.

23. TAXPAYER IDENTIFICATION NUMBER AND BACKUP WITHHOLDING – You agree that we may withhold taxes from any dividends or interest earned on your account as required by federal, state or local law or regulations. Your failure to furnish a correct Taxpayer Identification Number (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 a percentage of dividends, interest, and certain other payments. If you fail to provide your TIN within a reasonable time, we will close your account and return the balance to you, less any applicable service fees.

24. STATEMENTS

a. Contents. If we provide a periodic statement for your account, it will show the transactions and activity on your account during the statement period. For share draft or checking accounts, you understand and agree that your original check or draft, when paid, becomes property of the Credit Union and may not be returned to you, but copies may be retained by us or payable through financial institutions and made available upon your request. You understand and agree that statements are made available to you on the date they are mailed to you or, if you have requested, on the date they are made available to you electronically. You also understand and agree that checks, drafts or copies thereof are made available to you on the date the statement is mailed to you or is provided to you electronically, even if the checks or drafts do not accompany the statement.

b. Examination. You are responsible for promptly examining each statement upon receiving it and reporting any irregularities to us. If you fail to report to us, within a reasonable time after receiving your statement, any irregularities, such as forged, altered, unauthorized, unsigned, or otherwise fraudulent items drawn on your account, erroneous payments or transactions (including improper fees and charges), or other discrepancies that are reflected on your statement we will not be responsible for your loss. In addition, we will not be responsible for any such items, payments, transactions, or other discrepancies reflected on your statement if you fail to notify us within 20 days of the date we sent or otherwise provided the statement to you. We also will not be liable for any items that are forged or altered in a manner not detectable by a reasonable person, including the unauthorized use of facsimile signature equipment.

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

If timely notice is given, we reserve the right to make a final reasonable determination regarding whether and in what amount any adjustment shall be made. If you fail to receive a periodic statement, you agree to notify us within 14 days of the time you regularly receive a statement.

d. Address. If we mail you a statement, we will send it to the last known address shown in our records.

25. INACTIVE ACCOUNTS – As allowed by applicable law, we may classify your account as inactive or dormant and assess a fee if you have not made any transactions in your account over a specified period of time. The period of inactivity, the fee for servicing an inactive or dormant account, and the minimum balance required to avoid the service fee, if any, are set forth in our business account fee schedules. You authorize us to transfer funds from another account of yours to cover any service fees, if applicable. To the extent allowed by law, we reserve the right to transfer all funds in an inactive or dormant account to an account payable or reserve

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 then be presumed to be abandoned. Funds in abandoned accounts will be reported and remitted in accordance with state law. Once funds have been turned over to the state, we have no further liability to you for such funds. If you choose to reclaim such funds, you must apply to the appropriate state agency.

26. TERMINATION OF ACCOUNT – We may terminate your account at any time without notice to you or may require you to close your account and apply for a new account if, for example: (1) there is a change in owners or authorized signers;

(2) there has been a forgery or fraud 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 or drafts 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 reasonably deem it necessary to prevent a loss to us; or (8) as otherwise permitted by law. You may terminate an individual account by giving written notice. We reserve the right to require the consent of all owners to terminate a joint account. We are not responsible for payment of any check, draft, withdrawal, transaction, or other item after your account is terminated; however, if we pay an item after termination, you agree to reimburse us for the amount of our payment as well as any applicable fees.

You may terminate this Agreement by closing all of your accounts. If your account is a dividend or interest-bearing account, any deposit or part of a deposit that we have returned or attempted to return to you upon termination of your account will no longer bear dividends or interest, as applicable. When the account is closed, you will receive the balance remaining in the account after we have made all appropriate deductions and charges. The termination of this Agreement and the account does not release you from the obligation for payment of accrued fees or your liability for any transactions or items in process.

27. TERMINATION OF MEMBERSHIP; LIMITATION OF SERVICES – You may terminate your membership by giving us written notice or by withdrawing your minimum required membership share, if any, and closing all of your accounts. You may be expelled from membership for any reason allowed by applicable law. We may restrict account access and services without notice to you when your account is being misused; you have demonstrated conduct which is abusive in nature; your identity can not be verified; as outlined in any policy we have adopted regarding restricting services; or as otherwise permitted by law.

28. DEATH OF ACCOUNT OWNER – If an account is held in the name of an individual person or a business that is organized as a sole proprietorship, we may continue to honor all transfer orders, withdrawals, deposits and other transactions on the account until we are notified of the Account Owner's death. Once we are notified of an Account Owner's death, we may pay checks or drafts or honor other payments or transfer orders authorized by the Account Owner for a period of ten days after the Account Owner's death unless we receive instructions from any person claiming an interest in the account to stop payment on the checks, drafts or other items. We may require anyone claiming a deceased Account Owner's account funds to indemnify us for any losses resulting from our honoring that claim. This Agreement will be binding upon any heirs or legal representatives of any Account Owner that is an individual or business organized as a sole proprietorship.

29. UNLAWFUL INTERNET GAMBLING AND OTHER ILLEGAL ACTIVITIES – You agree that you are not engaged in unlawful internet gambling or any other illegal activity. You agree that you will not use any of your accounts, access devices or services for unlawful internet gambling or other illegal activities. We may terminate your account relationship if you engage in unlawful internet gambling or other illegal activities.

30. WAIVER OF RIGHTS – We reserve the right to waive or delay the enforcement of any provision of this Agreement with respect to any transaction or series of transactions. A waiver or delay of our rights at anytime shall not be deemed to be a waiver of any other rights or a waiver of the same rights at a future time.

31. SEVERABILITY – If a court holds any portion of this Agreement to be invalid or unenforceable, the remainder of this Agreement shall not be invalid or unenforceable and will continue in full force and effect. All headings are intended for reference only and are not to be construed as part of this Agreement.

32. ENFORCEMENT – You are liable to us for any loss, cost or expense we incur resulting from your failure to follow this Agreement. You authorize us to deduct any such losses, costs or expenses from your account without prior notice to you. If we bring a legal action to collect any amount due under or to enforce this Agreement, we shall be entitled, subject to applicable law, to payment of reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions.

To the extent permitted by law, you will be liable for attorney's fees and costs involving a dispute regarding your account; for example, a dispute between you and another owner, signer, or third party claiming an interest in the funds or account. This also includes any action that causes us, in good faith, to seek the advice of an attorney whether we are a party to the action or not. All costs may be deducted from your account(s) without notice.

33. GOVERNING LAW – Except as provided in the Arbitration and Class Action Waiver Agreement, this Agreement is governed by the following, as amended from time to time: the Credit Union's bylaws; local clearinghouse and other payment system rules; federal laws and regulations, including applicable principles of contract law; and the laws and regulations of the state of Washington.

34. JURISDICTION AND VENUE – Except as to claims that are subject to arbitration, you agree that any legal action brought to enforce or interpret, or arising out of or relating to this Agreement shall be brought and maintained in the federal or state courts, as applicable, in the county in which the Credit Union Corporate Headquarters is located. You and we agree to waive any right to trial by jury in any legal proceeding or lawsuit involving the account.

35. LIMITATION OF TIME TO COMMENCE ACTION – Any action or proceeding by you to enforce an obligation, duty or right arising under this agreement or by law with respect to your account or any account service must be commenced within one year after the cause of action accrues. You acknowledge and agree that one year is a reasonable period of time to discover any such cause of action and bring suit or request arbitration, and you expressly waive any reliance on any vested or unvested rights you may have had under any other, longer statute of limitation.

36. NEGATIVE INFORMATION NOTICE – We may report information about your loan and deposit accounts to credit bureaus. Late payments, missed payments, or other defaults on your accounts may be reflected in your credit report. We may also report information about your loan and deposit accounts to other consumer reporting agencies.

37. MONITORING AND RECORDING COMMUNICATIONS – We may monitor and record communications between you and us, including telephone conversations, electronic messages, electronic records, or other data transmissions that affect your accounts or other products and services. Except as otherwise provided by applicable law, you agree we may monitor and record such communications without your approval or further notice to you.

38. CLAIMS – You agree to cooperate with us and law enforcement when making claims for credit or refund of an alteration, forgery, or other unauthorized withdrawal. You agree that we may give your pertinent account information to law enforcement and/or any other applicable party when required to facilitate any such investigation of the claim. We will have a reasonable period of time to complete our investigation of the claim but not exceed limitations prescribed by applicable law.

39. ATM AND NIGHT DEPOSITORY TIPS – The following information is a list of safety precautions regarding the use of ATMs and night deposit facilities:

- Be aware of your surroundings, particularly at night.
- Consider having someone accompany you when the ATM or night deposit facility is used after dark.
- Close the entry door of any ATM facility equipped with a door.
- If another person is uncomfortably close to you at the time of your transaction, ask the person to step back before you complete your transaction. If it is after the regular hours of the financial institution and you are using an ATM, do not permit entrance to any person you do not know.
- Refrain from displaying your 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.
- 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.
- If you are followed after making a transaction, go to the nearest public area where people are located.
- Do not write your personal identification number (PIN) or access code on your ATM card.
- Report all crimes to law enforcement officials immediately. If emergency assistance is needed, contact the police as soon as possible.

40. ACCOUNT TRANSFER – This account may not be transferred or assigned without our prior written consent.

