

CALCOE FEDERAL CREDIT UNION MEMBERSHIP AND ACCOUNT AGREEMENT

This Agreement is the contract of deposit which covers your and our rights and responsibilities concerning Membership and Account(s) offered to you by CALCOE Federal Credit Union ("Credit Union"). In this Agreement, the words "you" and "yours" mean those who sign the Membership and Account Card as members, joint owners or any authorized users. The words "we," "us," and "our" mean the CALCOE Federal Credit Union. The word "account" means any one or more deposit accounts you have with the Credit Union. This Agreement applies to the membership and accounts of individual members and business members except for specific provisions applicable to business members as indicated within the Agreement.

By signing the Membership and Account Card ("Card") that is a part of the Agreement, each of you, jointly and severally, agree to the terms and conditions in this Agreement, including the Funds Availability Policy, Electronic Funds Transfer Agreement, the Rate and Fee Schedule, Truth-in-Savings disclosures, and Privacy Policy accompanying this Agreement, which collectively govern your Membership and Accounts. You agree that additional accounts and services you request in the future will be governed by this Agreement, as amended from time to time. **Unless you waive your rights, you understand that certain account designations, such as a joint ownership with right of survivorship or POD beneficiary designation may be invalidated upon the Credit Union's receipt of notice of marriage dissolution or a testamentary disposition, as required by applicable law.**

I. MEMBERSHIP AND ACCOUNTS

Important Information about Procedures for Opening New Accounts. To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. When you open an account, we will ask you your name, address, date of birth and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

1. Membership Eligibility. To be eligible for membership in the Credit Union you must be an individual or entity qualifying within the Credit Union's field of membership and must purchase and maintain the membership share as required by the Credit Union's Bylaws. You authorize us to check your account, credit, and employment history and obtain a credit report or credit score from third parties, including any consumer reporting agency to verify your eligibility for any accounts and services we offer or you request.

2. Membership Termination or Expulsion. If your membership is terminated or you are expelled from membership, we will close all of your accounts and services with the Credit Union. You may terminate your membership at the Credit Union after giving written notice of your intent to withdraw from membership. You may be denied services or expelled from membership for any reason allowed by applicable law, including causing a loss to the Credit Union, nonparticipation, threatening conduct or failure to comply with Credit union agreements.

3. Single Party Individual Accounts. A single party account is an account owned by an individual person for a consumer purpose and not business purpose. The interest of a deceased individual owner will pass, subject to applicable law, to the decedent's estate or POD beneficiary, if applicable, subject to other provisions of this Agreement governing our protection for honoring transfer and withdrawal requests of an owner or owner's agent prior notice of an owner's death.

4. Multiple Party Accounts. An account owned by two or more individual persons for a consumer purpose and not a business purpose is a multiple party account.

a. **Rights of Survivorship.** If your account is a multiple party account, the account is owned as a joint account with rights of survivorship unless otherwise stated on the Account Card. Upon the death of one of the joint account owners, that person's interest will become the property of the surviving joint account owners. A surviving owner'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 a surviving owner did not consent to it.

b. **Rights of Multiple Party Account Owners.** Any multiple party account owners (joint owner) is authorized and deemed to act for the other owner(s). The Credit Union may accept orders and instructions regarding the account and requests for future services from any joint owner. Each account owner guarantees the signature of the other owners. Any account owner may withdraw all funds in the account, stop payment on items drawn on an account, withdraw, or pledge all or any part of the shares of any account, including funds representing a membership share, without the consent of the other joint account owner(s) and the Credit Union shall have no duty to notify any other joint account owner(s). If the Credit Union receives written notice of a dispute between joint owners or receives inconsistent

instructions from them, the Credit Union may suspend or terminate the account, require a Court order to act or require that all joint owners agree in writing to any transaction concerning the account.

c. **Multiple Party Account Owner Liability.** If any item deposited in a joint account is returned unpaid or an account is overdrawn, or if we do not receive final payment on any transaction, each of the joint account owners is jointly and severally liable to the Credit Union for the amount of the returned item, overdraft, or unpaid amount and any fees, regardless of who created the overdraft, deposited or cashed the item or benefited from the transaction. If any joint owner is indebted to the Credit Union, the Credit Union may enforce its rights against any or all funds in the joint account regardless of who contributed the funds to the joint account.

5. P.O.D. Account Designation. A Payable on Death (P.O.D.) account designation is an instruction to the Credit Union that a designated account is an account payable to the owner or owners during their lifetimes, and upon the death of the last joint owner, payable to the named P.O.D. beneficiary on your Account Card. If the P.O.D. account is held by more than one owner, each account holder will be subject to the rules pertaining to joint ownership as set forth above. Accounts payable to more than one P.O.D. beneficiary are owned jointly by such beneficiaries with right of survivorship. Any P.O.D. beneficiary shall not apply to IRA accounts, which shall be governed by a separate beneficiary designation. The Credit Union shall at no time have any obligation to notify any beneficiary of the existence of any account or the vesting of the beneficiary's interest in any account, except as otherwise provided by law.

6. Accounts for Minors. For any account established by or for a minor, the Credit Union reserves the right to require the minor account owner to have a parental joint account owner who is at least eighteen (18) years of age who shall be jointly and severally liable to the Credit Union for any returned item, overdraft, or unpaid fees or amounts on such account. For a joint account, all funds in the account shall be owned as a joint account with rights of survivorship unless otherwise indicated on the Membership Application. The Credit Union may make payments of funds directly to the minor without regard to his or her minority. The Credit Union has no duty to inquire of the use or purpose of any transaction by the minor or joint account owner. The Credit Union shall not change the account status when the minor reaches age eighteen (18), unless authorized in writing by all account owners.

7. Uniform Transfers to Minors Account Designation. A Uniform Transfers to Minors Account ("UTMA") is an account designation for a single or multiple party individual accounts established by a member as a custodian on behalf of a minor (a person under twenty-one (21) years of age). The custodian must open the account in his or her name and provide the minor's SSN on the account card. The custodian is the owner of the account for the exclusive right and benefit of the minor, and barring a court order otherwise, is the only party entitled to make deposits to, withdrawals from, or close the account. The custodian is the only person authorized to sign on the account. In the event of the custodian's death, resignation or incapacity, any successor custodian named on the Account Card may serve, otherwise, the Credit Union may place an administrative hold on the account, until it receives instructions from any person authorized to withdraw funds or a court order authorizing such withdrawal. The Credit Union has no duty to inquire about the use or purpose of any transaction.

8. Individual Business Accounts. An individual business account is an account owned by one depositor including any individual, or sole proprietor qualified for Credit Union membership and the account is used for business purposes. If the account is an individual account, the interest of a deceased individual will pass, subject to applicable law to the decedent's estate. You understand that unless you waive your rights, certain account designations may be invalidated on the Credit Union's receipt of notice of marriage dissolution or a testamentary disposition, as required by applicable law. We may require any claimant to the account to produce certain documents before releasing the funds to the account. The Credit Union may continue to honor all transfers, withdrawals, deposits and other transactions on the account until the Credit Union learns of an account owner's death. Once the Credit Union learns of an account owner's death, the Credit Union may pay checks or honor payments or transfer orders authorized by the deceased member for a period of ten (10) days unless the Credit Union receives instructions from any person claiming an interest in the account to stop payment on the checks or other items. You agree that the Credit Union can require that anyone who claims funds in the account after your death to indemnify the Credit Union for any losses from honoring that claim.

9. Accounts of Businesses and Organizations. You must designate on the Account Card who is authorized to act on behalf of the Member/Account Owner as a Member/Account Owner Representative or as Authorized Signer. You agree to notify the Credit Union of any change in authority. The Credit Union may rely on the written authorization until such time as the Credit Union is informed of changes in writing and has had a reasonable time to act upon such notice. The Credit Union may require that third party checks payable to a club or association may not be cashed, but must be deposited in the account. The Credit Union shall have no notice of any breach of fiduciary duties arising from a transaction by any agent of the Account Owner, unless the Credit Union has actual notice of any wrongdoing.

10. Authorized Parties of Business and Organizational Accounts. The parties named on the Business Account Card as Member/Account Owner Representative are vested with full authority to open and close accounts on behalf of

the Member, add or remove Authorized Signers on behalf of the Member and to transact any business of any nature on such accounts. The Credit Union is directed to accept and pay without further inquiry any item, signed by an Authorized Signer, drawn against any of the Member's accounts. Unless otherwise indicated, any one Authorized Signer is expressly authorized to endorse all items payable to or owned by the Member for deposit with or collection by the Credit Union and to perform any other transaction permitted under the Agreement.

The authority given to the Authorized Parties named on the Business Account Card shall remain in full force until written notice of revocation or a Business Account Card supplement is delivered to and received by the Credit Union at each location where an account is maintained. Any such notice shall not affect any items in process at the time notice is given. The Authorized Signer shall notify the Credit Union of any change in the Member's composition, assumed business names, or any aspect of the entity affecting the deposit relationship between the Member and the Credit Union before any such change occurs. The Credit Union shall have no duty to inquire as to the powers and duties of any Authorized Party and shall have no notice of any breach of fiduciary duties by any Authorized Party unless the Credit Union has actual notice of wrongdoing.

11. Fiduciary Accounts. A fiduciary account is an account opened by an executor, administrator, personal representative, guardian, conservator, trustee or other fiduciary in such capacity authorized under a will, court order or trust instrument establishing the fiduciary relationship or a Representative Payee authorized by the Social Security Administration ("fiduciary"). The account owner is the estate, guardianship, conservatorship, trust or Social Security Administration benefit recipient as the sole owner of this account. The fiduciary is authorized to act on behalf of the account owner but has no ownership interest in the account. The fiduciary is the only authorized party to transact on this account. The fiduciary is expressly authorized to endorse all items payable to or owned by the Account owner for deposit with or collection by the Credit Union and to execute such other agreements and to perform any other account transaction under the Agreement. The fiduciary is authorized to receive account information from the Credit Union, either orally or in writing, and any information related to the account. The authority given to the fiduciary shall remain in full force until a court order, termination of the account owner or written notice of revocation is received by the Credit Union either by a court appointed representative of the account owner or by the Social Security Administration, as applicable. Any such notice shall not affect any items in process at the time notice is given. The fiduciary will notify the Credit Union of any change in the account owner's status affecting the deposit relationship between the account owner and the Credit Union. The fiduciary warrants that all actions he or she takes regarding the account will be for the sole benefit of the account owner and that the fiduciary will not conduct any transaction on the account that will personally benefit the fiduciary or will not comply with the terms of the applicable laws, will, court order or instrument establishing the fiduciary relationship. The Credit Union may rely upon these representations and shall have no duty to examine such authorizing documents for compliance or inquire as to the powers and duties of the fiduciary and shall have no notice of any breach of fiduciary duties by the fiduciary unless the Credit Union has actual notice of wrongdoing. The account owner agrees that the Credit Union shall not be liable for any losses due to the account owner's failure to notify the Credit Union of any unauthorized acts of the fiduciary or changes to the relationship between the fiduciary and account owner. The account owner and fiduciary agree to indemnify and hold Credit Union harmless of any claim or liability as a result of unauthorized acts of the fiduciary upon which Credit Union relies prior to any actual notice of any account change or change of account owner.

12. Deposits. Funds may be deposited to any account in any manner approved by the Credit Union in accordance with the requirements set forth on the Account Disclosures and Fee Schedule. All deposit accounts are nonassignable and nonnegotiable to third parties. You agree not to deposit any substitute check or similar item that you have created, or for which no financial institution has provided any substitute check, warranties and indemnity. If you do so, you agree to indemnify the Credit Union for all losses the Credit Union incurs in connection with the substitute check or item. You agree not to deposit any substitute check without our consent.

a. **Endorsements.** You authorize the Credit Union, in its discretion, to accept transfers, checks, drafts, and other items for deposit into any of your accounts, whether or not they are endorsed by all payees. You authorize the Credit Union to supply missing endorsements if the Credit Union chooses to supply such endorsements. When you deposit items to your account, you warrant that all prior endorsements are genuine. The Credit Union reserves the right to verify all endorsements on third party checks presented for deposit either in person or by comparison with member signature files. Insurance, government, and certain other checks or drafts must be endorsed in person exactly as they are made payable. Endorsements must be placed in the space on the back of the share checking or check between the top edge and 1 ½ inches from the top edge. The Credit Union may accept drafts or checks with endorsements outside this space. However, if any such endorsement or other markings you or any prior endorser make on the check cause any delay or error in processing the item for payment, you will be responsible for any loss incurred by the Credit Union due to the delay or error. The Credit Union may disregard information on any check other than the signature of the drawer and MICR information.

b. Collection of Items. The Credit Union shall not be responsible for deposits made by mail or at an unstaffed facility until the Credit Union actually receives them. In handling items for deposit or collection, the Credit Union only acts as your agent and assumes no responsibility beyond the exercise of ordinary care. The Credit Union will not be liable for default or negligence of any correspondent or for loss in transit, and each correspondent will only be liable for its own negligence. The Credit Union reserves the right to send any item for collection.

c. Final Payment. All items or Automated Clearing House ("ACH") transfers credited to your account are provisional and subject to our receipt of final payment. If final payment is not received, we reserve the right to charge your account for the amount of those items or ACH transfers and impose a return item fee on your account. After we have received final payment, we refer to these deposits as collected items. If the Credit Union incurs any fee to collect any item, the Credit Union may charge such fee to your account. The Credit Union reserves the right to refuse or to return all or any item or funds transfer. The Credit Union shall have the right to charge back against your account all previously deposited items or other items endorsed by you that are returned to the Credit Union unpaid, regardless of whether the amount of the item has been available for your use.

d. Direct Deposits. The Credit Union may offer direct deposit options allowing you to preauthorize deposits (i.e., payroll checks, Social Security or retirement checks, or other government checks) or preauthorize transfers from other accounts at the Credit Union. You must authorize any direct deposits to your accounts by a separate authorization form. If applicable, you must notify the Credit Union at least thirty (30) days prior to any direct deposit or preauthorized transfer if you wish to cancel the direct deposit or direct transfer option. Upon a filing of bankruptcy, if you fail to cancel any direct deposit authorization, you instruct your employer and the Credit Union to make and apply direct deposits in accordance with your authorization on file with the Credit Union. If the Credit Union is required to reimburse the U.S. Government for any benefit payment directly deposited into your account for any reason, you agree the Credit Union may deduct the amount returned from any of your accounts, unless prohibited by law.

e. Crediting of Deposits. Unless otherwise stated in the Funds Availability Policy below, deposits made on Saturdays, Sundays, and Credit Union holidays will be credited to your account on the next business day. Ask for our current deposit cutoff time. Deposits received at unstaffed facilities, such as night depositories, will be credited on the day funds are processed by the Credit Union. Items drawn from an institution located outside the United States are handled on a collection basis only. Funds will be credited to your account when we receive final payment. You waive any notice of nonpayment, dishonor, or protest regarding any items purchased or received by the Credit Union for credit to your account or for collection.

f. Business Check Deposits. For business members, we reserve the right to require any check deposits to be deposited to your account without any right to receive any cash back, except as required by law. We have the right to refuse to accept any check or other item for deposit for any reason.

13. Account Access.

a. Authorized Signature. In order to access any account, the Credit Union must have an authorized signature of yours on an Account Card. The Credit Union is authorized to recognize your signature, but will not be liable for refusing to honor any item or instruction of yours if it believes in good faith that the signature on such item or instruction is not genuine. If you have authorized the use of a facsimile signature, the Credit Union may honor any check that appears to bear your facsimile signature even if it was made by an unauthorized person. If you give your account number to a third person, you authorize us to honor transactions initiated by the third person even if you did not specifically authorize a particular transaction.

b. Electronic Signature. You understand and agree that your electronic consent at account opening is your electronic signature which specifically records your signature and assent to the Membership and Account Agreement and constitutes your agreement to the terms and conditions of the Membership and Account Agreement. You agree your electronic signature captured and stored as an image by this electronic means shall be sufficient evidence of your assent to be contractually bound by the Agreement and shall constitute a valid signature for purposes of any provision of this Agreement.

c. Access Options. You may make withdrawals or transfers from your account in any manner which is permitted by the Credit Union. If you make withdrawals by check, the check must be properly completed and signed by you or your representative whose authority is on file with us. If the Credit Union accepts any check that is not drawn on a form provided by the Credit Union, you will be responsible for any loss incurred by the Credit Union for handling the check. The Credit Union may return as unpaid any check that is not drawn in the form provided by the Credit Union. The Credit Union may restrict the withdrawals or transfers on your accounts.

d. ACH & Domestic Wire Transfers. You may initiate or receive credits or debits to your account via wire transfer or ACH ("Automated Clearing House") transfer. You agree that if you receive funds by a wire or ACH transfer, the Credit Union is not required to notify you at the time the funds are received. Instead, the transfer will be shown on your periodic statement. The Credit Union may provisionally credit your account for a wire or ACH transfer before it receives final settlement for the transfer. You agree that if the Credit Union does not receive final settlement for a transfer or receives an authorized reversal transaction, we may reverse the provisional credit to your account, or you will refund the amount to the Credit Union. When you initiate a wire transfer, you may identify either the recipient or any financial institution by name and by account or identifying number. The Credit Union (and other institutions) may rely on the account or other identifying number you give as the proper identification number, even if it identifies a different party or institution. The Credit Union reserves the right to confirm or verify information on all wire requests prior to sending the wire. Once the Credit Union has sent an outgoing wire, the transfer is final and cannot be stopped. If you provide incomplete or inaccurate transfer instructions, written or oral, the Credit Union will not be responsible for any resulting wire transfer losses, delays or failed transactions. Terms and conditions for international wire transfers will be provided at the time of the transfer transaction. Domestic wire transfers are governed by the Uniform Commercial Code Section 4A, and (if the transfer is cleared through the Federal Reserve) by Federal Reserve Regulation J. International wire transfers are governed by the Bureau of Consumer Financial Protection Regulation E. ACH transactions are governed by the rules of the National Automated Clearing House Association. Under those rules, if you have revoked your authorization for previously authorized ACH transactions, the Credit Union will not be responsible for the unauthorized ACH debits to your account if you fail to notify us in writing within 15 days after we send, or make available to you, the statement containing that entry. You agree that the authorized transfer to or from your account must comply with all applicable federal and state laws or regulations including OFAC (Office of Foreign Asset Control) regulations.

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

f. Credit Union Examination. The Credit Union may disregard information on any check other than the signature of the drawer and amount of the item and any magnetic encoded information. You agree the Credit Union does not fail to exercise ordinary care in paying an item solely because its procedures do not provide for sight examination of items.

g. Electronic Check Transactions.

(1) Electronic Checks. If you authorize a merchant to electronically debit your checking account using the routing, account and serial number of your check to initiate the transfer, whether the check is blank, partially or fully completed and signed, such 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.

(2) Electronic Re-presented Checks. If you write a check on a personal account that we return unpaid because of insufficient or uncollected funds, payee or any subsequent holder of the check may re-present the check to us, through an electronic instruction (Electronic Re-presented Check) to charge your account for the amount of the check. If we receive an electronic re-presented check, we will pay or return the electronic re-presented check as if the original paper check was presented to us. Any collection fee you authorize the merchant to debit from your account is an electronic funds transfer 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 fifteen (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 a proper notice or affidavit from you within the fifteen (15) day period, we will recredit your account with the amount of the charge. If you wish to stop payment of any electronic re-presented check, you must follow the procedures contained in this Agreement for stopping payment of checks, not the procedures for stopping payment on electronic loan or bill payments. If you ask us to request the depositor's bank to send us the original paper check or a copy of the paper check, and we provide it to you, you agree that you will not seek to have your account recredited due to a prior stop payment order or if the item is otherwise ineligible for collection.

h. Night Depository. For business members who have requested and we have arranged for night depository services, following requirements apply. You agree to use the night depository bag, envelope or container we furnish and to use the container only for deposits made with the Credit Union. You agree to properly place containers securely in our night depository facility. You agree to assume full responsibility for placing your deposit items or property in containers other than those we furnish and for failing to conform to all terms applicable to the night depository service. You agree that our liability of the night depository service is that of a bailee of night depository containers and their contents. We are a bailee until the containers are opened and we verify and credit the contents to your account or until you have signed a receipt for and accepted custody of the containers.

14. Account Transaction Limitations.

a. Withdrawal Restrictions. The Credit Union will permit a withdrawal only if you have sufficient available funds in your account to cover the full amount of the withdrawal or have an established overdraft protection plan. Drafts or other transfer or payment orders which are drawn against insufficient available funds will be subject to a service charge, set forth in the Rate and Fee Schedule. If there are sufficient available funds to cover some but not all of your withdrawal orders, the Credit Union may allow those withdrawals for which there are sufficient available funds in any order at the Credit Union's discretion.

The Credit Union can also refuse to allow a withdrawal in other cases; for example: any dispute between the owners about the account (unless a court has ordered the Credit Union to allow the withdrawal); a legal garnishment or attachment is served; the account secures an obligation to the Credit Union; any required documentation has not been presented; or you fail to repay a Credit Union loan on time. You will be advised of the reasons for refusal if such action is taken. The Credit Union reserves the right to require members to give notice in writing of any intended withdrawals from any account (except share checking) of not less than seven (7) days and up to sixty (60) days before such withdrawal.

b. Transfer Limitations. For share accounts, you and any joint account owner are restricted from making no more than six (6) transfers or withdrawals during any statement period to another Credit Union account of yours or to a third party by means of a preauthorized or automatic transfer or telephonic order (audio response) or instruction. A preauthorized transfer includes any arrangement with the Credit Union to pay a third party from the member's account upon oral or written orders including orders received through the automated clearing house (ACH). In addition to the transactions specified above, you may make unlimited withdrawals or transfers as follows: (i) transfers to any loan account with the Credit Union; or (ii) transfers or withdrawals (payments directly to you) by mail, messenger, in person, ATM, if applicable, from a share account to another Credit Union account of yours. If a transfer request would exceed the transfer limitations set forth above in any statement period, the Credit Union may refuse or reverse the transfer, and your account will be subject to suspension or closure by the Credit Union, and the Credit Union may impose an excess withdrawal charge which is set forth on the Rate and Fee Schedule.

15. Overdrafts.

a. General Overdraft Liability. If on any day the available funds in your checking account are not sufficient to cover checks and other items (ACH, debit card or ATM card transactions) posted to your account, those checks and items will be handled in accordance with our overdraft procedures and the terms of this Agreement. If we pay a check or item that overdraws your account, you are liable for and agree to pay the overdraft amount and an insufficient funds (NSF) fee immediately. If we do not pay the check or item we will return it unpaid and you agree to pay a return item fee. We reserve the right to pursue collection of previously dishonored items at any time, including giving a payer bank extra time beyond any midnight deadline limits.

b. How We Process Checks & Items. The Credit Union's determination of an insufficient account balance is made at the time the check or item is presented to us, which may be later during the day than the time you conduct the transaction. Overdrafts will be determined based on the "actual balance" in your account at the time of presentment. 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. The Credit Union processes checks and items as follows: (i) checks are paid in the order they are presented, (ii) for ACH items, credits are processed first and ACH debits processed second, and paid in the order they are presented (iii) debit card transactions are paid in the chronological order they are received.

c. Overdraft Protection Plan. If we have approved an overdraft protection plan for you, we will honor drafts drawn on insufficient funds in your checking account by initiating a transfer of the necessary funds from a loan account or another deposit account of yours to your checking account. We will transfer funds to your checking account from a loan or share account in the order you have directed. The fee for overdraft transfers is set forth on the Rate and Fee Schedule. Transfers from a deposit account will be governed by this Agreement. Transfers from a line of credit account will be governed by your Loan Agreement.

d. Overdraft Service (CourtesyPay). We offer a discretionary overdraft service (Courtesy Pay) to cover overdrafts on your checking accounts. The Credit Union offers the Overdraft Service to eligible consumer checking account owners who qualify. Courtesy Pay is not offered to minors, fiduciary or organizational accounts or anyone who has caused a financial loss to the Credit Union, anyone with a past due loan payment at the Credit Union or anyone who has enrolled in a debt management program. The Overdraft Service is provided to qualified accounts automatically for checks, ACH and online transactions, and you have the option to opt-out of the service at anytime. Courtesy Pay

will be provided for debit card purchase transactions only if you expressly request ("opt-in") Courtesy Pay for these transactions. The fee for overdraft transfers is set forth on the Rate and Fee Schedule.

(1) *Discretionary Service.* The Courtesy Pay service is provided to qualified accounts automatically for checks; ACH and online transactions and you have the option to discontinue the service at any time. Courtesy Pay service will be provided for debit card purchase transactions only if you request Courtesy Pay services by expressly requesting these transactions ("opt-in"). Under the Courtesy Pay service, we are not obligated to pay any check or item presented for payment if your account does not contain sufficient funds. We may, as a discretionary service and not as a right of yours or our obligation to you, pay overdrafts up to an approved overdraft limit under the terms of this service and subject to this Account Agreement. This overdraft service is not a line of credit, is not guaranteed, and is independent of any loan arrangement you may have with us. We will not pay an overdraft for you in excess of any limit we have established for your account type. Also, we may refuse to pay an overdraft for you at any time, even if we have previously paid overdrafts for you. We will notify you of any insufficient funds transactions per the channel you have elected to receive communications from us. However, we have no obligation to notify you before we pay or return any item.

(2) *Overdraft Transactions Covered.* Subject to the opt-in requirement set forth above, if on any day you do not have available funds in your account, the following transactions, which may result in an insufficient or negative balance ("overdrafts"), may be covered under our service: checks, debit card purchases, online or other electronic funds transfers, ACH debits and other payments or withdrawals authorized by you, account service charges, pre-authorized drafts, and any other items that may be posted to your account. If we pay an item, we will pay the item in the order it is presented or received by us, regardless of amount and in accordance with our normal operating procedures for such checks, items or transactions.

(3) *Overdraft Limit.* If you qualify, the Credit Union may pay overdrafts up to a limit to which you qualify, we may pay overdrafts up to this overdraft limit provided you continue to qualify for the service. The Credit Union's fees and charges and each paid check or item will be included in this limit. This overdraft limit will not be included or reflected in the actual balance of your account provided by a teller, at ATM or POS facilities, through online services or on your periodic statements. If you have reached your overdraft limit, any checks or items presented to us will be returned for insufficient funds.

(4) *Overdraft Fees.* The fee for each paid overdraft and each NSF/return item fee is set forth in the Fee Schedule. If we do not pay the overdraft, there is a Return Item fee per check or item. There is no limit on the number of overdrafts paid or return item fees incurred on any one day. These fees may be amended as set forth in our Fee Schedule.

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

(6) *Member Opt-Out Right.* We offer the Overdraft service as a service and convenience to members for incidental overdrafts. We do not encourage you to repeatedly overdraw your account. We encourage you to manage your finances responsibly. You may opt out of the Overdraft service at any time by notifying us verbally or in writing. We may require that any verbal opt-out be confirmed in writing. You understand that by opting out of this service, we may refuse to pay any check or item that is presented against an insufficient balance on your account and you will be responsible for any Returned Item fees. You are still responsible to pay any overdraft, even if you have opted out of the service.

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

17. Stop Payment Orders.

a. **Stop Payment Request.** You may ask the Credit Union to stop payment on any check drawn upon or ACH debit scheduled from your checking account. You may request a stop payment by telephone, by mail or in person. For checks, the stop payment will be effective if the Credit Union receives the order in time for the Credit Union to act upon the order. For ACH debits, the stop payment order must be received at least three (3) banking days before the scheduled date of the transfer. You must state the number of the account, date and the exact amount of the check or ACH and the number of the check or originator of the ACH debit. The stop payment will be effective if the Credit Union receives the order in time for the Credit Union to act upon the order and you state the number of the account, date and number of the item, its exact amount, and to whom it was issued. If you give the Credit Union incorrect or incomplete information, the Credit Union will not be responsible for failing to stop payment on the item. If the stop payment order is not received in time for the Credit Union to act upon the order, the Credit Union will not be liable to you or to any other party for payment of the item. If we recredit your account after paying a check over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to transfer all of your rights against the payee or other holders of the check to the Credit Union, and to assist the Credit Union in legal action taken against the person.

b. **Duration of Order.** Verbal stop payment orders remain in effect for fourteen (14) days. A written stop payment order will be effective for six (6) months for drafts and checks. A written stop payment order for ACH or electronic items will remain in effect until the earlier of (1) the withdrawal of the stop payment order by the account holder, or (2) the return of the debit entry or where a stop payment order is applied to more than one debit entry under a specific authorization involving a specific originating company, or the return of all such debit entries. A written stop payment order may be renewed in writing from time to time. The Credit Union is not obligated to notify you when a stop payment order expires.

c. **Liability.** The Credit Union may charge a fee for each stop payment order requested, as set forth on the Rate and Fee Schedule. You may not stop payment on any certified check or draft or any other check, draft, or payment guaranteed by you or the Credit Union. You can only stop payment on any other checks or drafts that the Credit Union issues on your behalf in the Credit Union's sole discretion. You should be aware that while payment of the item may be stopped, you may remain liable to any person, including the Credit Union, who is a holder of the item despite the stop payment order. You agree to indemnify and hold the Credit Union harmless from all costs, including attorney fees, damages or claims related to the Credit Union's action in 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.

18. Fees and Charges. The Credit Union may charge you fees for the services provided by the Credit Union. A current Rate and Fee Schedule has been provided to you separately. You agree that the Rate and Fee Schedule may change at any time and you will be notified of such changes as required by law.

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

20. Credit Union's Liability for Errors. If the Credit Union does not properly complete a transaction according to this Agreement, the Credit Union will be liable for your losses or damages not to exceed the amount of the transaction, except as otherwise provided by law. The Credit Union will not be liable if: (a) through no fault of the Credit Union, your account does not contain enough money to make the transaction; (b) circumstances beyond the Credit Union's control prevents the transaction; (c) your loss is caused by your negligence or the negligence of another financial institution; or (d) the money in your account is subject to legal process or other claim. The Credit Union will not be liable for consequential damages except liability for wrongful dishonor. The Credit Union's actions will constitute the exercise of ordinary care if such actions or notations are consistent with applicable state law, Federal Reserve regulations and operating letters, clearing house rules, and general banking practices followed in the area serviced by the Credit Union. You grant the Credit Union 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 between oral representations by you or Credit Union employees and any written form will be resolved by reference to this Agreement and applicable written form.

21. Credit Union Lien and Security Interest. If you owe the Credit Union money as a borrower, guarantor, endorser or otherwise, the Credit Union will have a lien on any or all of the funds in any account in which you have an ownership interest at the Credit Union (excluding IRAs), regardless of the source of the funds. The Credit Union may apply these funds in any order to pay off your indebtedness, including any costs or attorney fees incurred by the Credit Union in enforcing its rights without further notice to you. If the Credit Union chooses not to enforce its lien, the Credit Union does not waive its right to enforce the lien at a later time. In addition, you grant the Credit Union a consensual security interest in your deposit accounts and agree the Credit Union may use the funds from your accounts to pay any debt or amount

owed the Credit Union, except obligations secured by your dwelling, unless prohibited by applicable law.

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

23. Account Information. Upon your request, the Credit Union will inform you of the name and address of each credit reporting agency from which the Credit Union obtains a credit report in connection with your account. The Credit Union agrees not to disclose information to third parties about your account regarding any transaction or balances except when: (1) it is necessary to complete the transaction; (2) the third party seeks to verify the existence or condition of your account in accordance with the Fair Credit Reporting Act or other applicable laws and regulations; (3) such disclosure is in compliance with the law, government agencies or court orders; or (4) you give us your written permission.

24. Notices.

a. Name or Address Changes. It is your responsibility to notify the Credit Union upon a change of address or change of name. The Credit Union is only required to attempt to communicate with you at the most recent address you have provided to the Credit Union. The Credit Union may require any notice of change in address to be made in person or in writing and may require any other notice from you to the Credit Union be provided in writing to a branch manager or officer of the Credit Union.

b. Notice of Amendments. Except as otherwise prohibited by applicable law, the terms of this Agreement are subject to change at any time. The Credit Union will notify you of any changes in account terms, rates, or fees as required by law. The Credit Union reserves the right to require written consent of all account owners for a change of ownership, such as adding a joint owner. The member may remove another joint owner from the account. The Credit Union reserves the right to waive any term in this Agreement. Any such waiver shall not affect the Credit Union's right to enforce any right in the future.

c. Effect of Notice. Any written notice you give to the Credit Union is effective when it is actually received by the Credit Union. Any written notice the Credit Union gives to you is effective when it is deposited in the U.S. Mail, postage prepaid and addressed to you at your statement mailing address. If you have elected to receive notifications electronically, the notice is effective the date the notice is made available to you. Notice to any one account owner is considered notice to all owners of the account.

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

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

25. Taxpayer Identification Numbers and Backup Withholding. If your account is or becomes subject to backup withholding, the Credit Union is required by law to withhold and pay to the Internal Revenue Service (IRS) a required percentage of payments of interest, dividends and certain other payments under certain conditions. Your failure to furnish a correct taxpayer identification number (TIN) or meet other applicable requirements may result in backup withholding as well as civil or criminal penalties. If you refuse to provide your TIN, the Credit Union may delay the opening of your account.

26. Statements.

a. Contents. If the Credit Union provides a statement for your account, you will receive a periodic statement of all transactions and activity on your account during the statement period. If a periodic statement is provided you agree that only one statement is necessary for a multiple party account. For share drafts and checking accounts, you understand that when

paid, your original check (or any substitute check) becomes property of the Credit Union and may not be returned to you. You agree to keep a copy of your original check in order to verify its validity. If you request us to provide you with an original check or sufficient copy, you agree that we may provide an electronic image of the original check or sufficient copy if you have agreed to receive account information or statements electronically.

b. Electronic Statements (eStatements). If your statement is provided electronically, statements will be electronically mailed to you as an attachment, or you will be sent an electronic mail notice that will direct you to the website where you may access, review, print and otherwise copy/download your periodic statements using procedures we authorize. Electronic mails from us will be sent to the electronic mail address provided by the account owner. It is the account owner's responsibility to provide a current and correct e-mail address to the credit union. Account owners are also responsible in keeping the credit union updated on e-mail address updates or changes.

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

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

27. Termination of Account. The Credit Union 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: (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 funds in the account, (4) any account checks are lost or stolen, (5) if there are excessive returned unpaid items not covered by an overdraft protection plan, or (6) if 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) if you engage in any activity of betting or wagering or are otherwise engaged in any internet gambling business, or any owner or authorized user causes the Credit Union to suffer a loss. You may terminate your account at any time by notifying the Credit Union by oral direction in person only or in writing. The Credit Union is not responsible for payment of any check, withdrawal, or other item once your account is terminated; however, if the Credit Union pays a check after termination, you agree to reimburse the Credit Union for payment.

28. Dormant and Abandoned Accounts. If you have an account that you have not made a withdrawal from, deposit to, renewal of, or transfer involving your account for more than twelve (12) months, the Credit Union may classify your account as inactive and may charge an inactive account service fee as allowed by applicable law and set forth on the Rate and Fee Schedule. If your account is classified as inactive and the Credit Union has been unable to contact you by regular mail during this period, the Credit Union may classify your account as dormant and may charge a dormant account service fee as allowed by law and set forth on the Rate and Fee Schedule. Thereafter, dividends or interest will not be paid on the account if the balance falls below any minimum balance requirement. You authorize us to transfer funds from any available account of yours to cover the monthly maintenance fee, if necessary. If a deposit or withdrawal has not been made on the account, you have not otherwise indicated an interest in the account, or the Credit Union has had no other contact with you within three (3) years as required by the Uniform Unclaimed Property Act, the account will be presumed to be abandoned. Funds in abandoned accounts will be remitted in accordance with state law. Once funds have been turned over to the state, the Credit Union has no further liability to you for such funds. If you choose to reclaim such funds, you must apply to the appropriate state agency.

29. Death of a Member. You irrevocably waive the right to make a testamentary disposition of any account with the Credit Union, now and in the future. You agree that upon your death, your account will be payable in accordance with any existing account designations and the terms of this Agreement. The Credit Union may require the survivor or other claimant to the account to produce certain documents before releasing the funds in the account. The Credit Union may continue to honor all transfers, withdrawals, deposits and other transactions on the account until the Credit Union learns of the member's death. Once the Credit Union learns of a member's death, the Credit Union may pay checks or honor other payments or transfer orders authorized by the deceased member for a period of ten (10) days unless the Credit Union receives instructions from an authorized person to stop payment on the checks or other items. You agree that the Credit Union can require that anyone who claims funds in your account after your death to indemnify the Credit Union for any losses resulting from honoring that claim.

30. Special Account Instructions. The Credit Union can facilitate certain trust, will, or court-ordered account arrangements you may request. However, because the Credit Union does 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. You and any surviving owner or beneficiary agree(s) to indemnify and hold the Credit Union harmless from any claim or liability asserted against the Credit Union as a result of the disposition of funds in reliance on this Agreement and any account designations of yours. If you ask the Credit Union to follow any instructions that the Credit Union believes might expose it to claims, lawsuits, expenses, liabilities, or damages, whether directly or indirectly, the Credit Union may refuse to follow your instructions or may require you to indemnify the Credit Union or post a bond or other protection. Any item presented with a full payment legend must be presented in person to a Credit Union officer; otherwise, payment is accepted with full reservation of rights. You understand that the Credit Union may choose to retain electronic or imaged copies of any original documents and you agree that an electronic or imaged copy is valid as an original document.

31. Waiver. Any waiver of any term or condition stated in this Agreement must be in writing and signed by an officer of the Credit Union and shall not be considered as a waiver of any future or other obligation or right.

32. Severability. In the event that any paragraph of this Agreement or any portion thereof is held by a court to be invalid or unenforceable for any reason, the other paragraphs and portions of this Agreement shall not be invalid or unenforceable and will continue in full force and effect.

33. Enforcement. You agree to be liable to the Credit Union for any loss, cost, or expense as provided in this Agreement that the Credit Union incurs as a result of your failure to follow this Agreement or any dispute involving your accounts or services. You authorize the Credit Union to deduct any such loss, costs, or expenses from your account without prior notice to you. In the event either party brings a legal action to enforce the Agreement or collect any amount due under this Agreement, the prevailing party shall be entitled, subject to applicable 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.

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

II. FUNDS AVAILABILITY POLICY

1. General Policy. Our policy is to make funds from your deposits to your checking (transaction) of individual and business member accounts available to you on the same business day that we receive your deposit, (exceptions may apply, refer to section 2. Reservation of Right to Hold for greater detail). Electronic direct deposits will be available on the day we receive the deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written. For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before end of business day on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after end of business day or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

2. Reservation of Right to Hold. In some cases, we will not make all of the funds that you deposit by check available to you on the same business day that we receive your deposit. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. However, the first \$200.00 of your deposit will be available on the first business day. If we are not going to make all of the funds from your deposit available on the same business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit.

3. Holds on Other Funds. If we cash a check for you that is drawn on another financial institution, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it. If we accept for deposit a check that is drawn on another financial institution, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited. Deposits, cash or check, made at an ATM that is not CALCOE-owned (a "nonproprietary" ATM), will be made available by the fifth business day.

4. Longer Delays May Apply. We may delay your ability to withdraw funds deposited by check into your account an additional number of days for these reasons:

- a. We believe a check you deposit will not be paid.
- b. You deposit checks totaling more than \$5,000 on any one day.
- c. You deposit a check that has been returned unpaid.
- d. You have overdrawn your account repeatedly in the last six months.
- e. There is an emergency, such as failure of communications or computer equipment.

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

5. Special Rules on New Accounts. If you are a new member, the following special rules will apply during the first thirty (30) days your account is open. Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,000 of a day's total deposits of cashier's, certified, teller's, traveler's and federal, state and local government checks will be available on the next business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5,000 will be available on the ninth business day after the day of your deposit. If your deposit of these checks, (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,000 will not be available until the second business day after the day of your deposit. Funds from all other check deposits will be made available on the ninth business day after the date of your deposit.

6. Foreign Checks. Checks drawn on financial institutions located outside the U.S. (foreign checks) cannot be processed the same as checks drawn on U.S. financial institutions. Foreign checks are exempt from the policies outlined in this disclosure. Generally, the availability of funds for deposits of foreign checks will be delayed from the time it takes us to collect the funds from the financial institutions upon which it is drawn. Currently, the Credit Union only accepts Canadian Items made payable in U.S. Dollars. Extended hold periods and fees may apply.

III. ELECTRONIC FUNDS TRANSFERS

By signing the Account Card or by signing or by using the VISA Debit Card, you agree to the following terms governing your and our rights and responsibilities concerning the electronic funds transfer services, as applicable. Terms and conditions set forth elsewhere in this Account Agreement shall also apply to your electronic funds transfer service. Electronic funds transfers ("EFTs") are electronically initiated transfers of money through direct deposits, point of sale terminals, VISA Debit Card transactions, automated teller machines ("ATMs"), audio response system, and Online Banking involving your deposit accounts at the Credit Union.

1. Available EFT Services.

a. ATM Card. You, may use your ATM card or VISA Debit Card and Personal Identification Number ("PIN") in automated teller machines within the participating ATMs shown on your Card and such other machines and facilities that we may designate. At the present time, you may use your card to make the following transactions:

- Make deposits to your savings and checking accounts;
- Make withdrawals from your savings and checking accounts;
- Transfer funds between your savings and checking accounts; and
- Inquire about your savings and checking accounts.

b. VISA Debit Card. If we approve your application, for a VISA Debit Card, you may use your VISA Debit Card to purchase goods and services any place your Card is honored by participating merchants. Funds to cover your Debit Card purchases will be deducted from your checking account. If the balance in your account is not sufficient to pay the transaction amount, the Credit Union may treat the transaction as an overdraft request pursuant to the Courtesy Pay plan or amount and may terminate all services under this Agreement.

c. Point of Sale. If we approve your application for POS services, you may use your VISA Debit Card and PIN to pay for purchases from participating merchants who have agreed to accept the card at POS terminals. POS transactions will be deducted from your checking account.

d. Audio Response System. You may use the Audio Response System, your telephone and PIN to access all of your accounts and make the following transactions.

- Obtain balance, dividend and rate information on savings, checking, certificate, and loan accounts at the Credit Union;
- Obtain information on the most recent deposit to your savings and checking account;
- Transfer funds among your savings, checking, and loan accounts, as permitted, including loan payments, and VISA accounts; and
- Such other transactions as offered and permitted in the future.

e. Online Banking Transactions. Upon approval, you may use your personal computer to access your accounts. You must use your Online Banking PIN along with your password to access your accounts. The Online Banking service is accessible seven (7) days a week, twenty-four (24) hours a day. You will need a personal computer and access to the Internet. You are responsible for the installation, maintenance and operation of your computer. The Credit Union will not be responsible for any errors or failures involving any internet service or your computer.

Transactions involving your deposit accounts will be subject to the terms of your Membership and Account Agreement and transactions involving a line of credit account will be subject to your Loan Agreement and Disclosures, as applicable.

f. Direct Deposit. For single party individual accounts, multiple party accounts and individual business accounts, upon instruction of (i) your employer or (ii) the Treasury Department or (iii) other financial institutions, the Credit Union will accept direct deposits of your paycheck or of federal recurring payments, such as Social Security, military retirement, or VA benefits. You must notify us at least 30 days in advance of such request and/or change.

g. Electronic Check Transactions. You authorize us to honor any electronic check conversion transaction and re-presented check fee debit transactions you authorize ("electronic check transactions"). You agree that your authorization for an electronic check transaction occurs when you initiate such a transaction after receiving any notice regarding the merchant's right to process the transaction. Notice may include a sign posted by the merchant at the time and place of your transaction. All terms governing electronic funds transfer services will apply to electronic check transactions except the \$50 and \$500 limits of liability for unauthorized transactions in Section 4. Member Liability. You remain responsible for notifying us of any unauthorized electronic check transaction shown on your statement.

2. Service Limitations.

a. ATM Card/Visa Debit Card. You may withdraw funds from your accounts at ATMs as often as you like. However, you are limited to \$1000 per day of PIN-authorized withdrawals.

b. Non-VISA Debit Transactions Processing. We have enabled non-Visa debit transaction processing. This means you may use your Visa debit card on a PIN-Debit Network* (a non-Visa network) without using a PIN. The non-Visa debit network(s) for which such transactions are enabled are presented on the back of each debit card. Examples of the types of actions that you may be required to make to initiate a Visa transaction on your Visa debit card include signing a receipt, providing a card number over the phone or via the Internet, or swiping the card through a point-of-sale terminal. Examples of the types of actions you may be required to make to initiate a transaction on a PIN-Debit Network include initiating a payment directly with the biller (possibly via telephone, Internet, or kiosk locations), responding to a logo displayed at a payment site and choosing to direct payment through that network, and having your identity verified using known information derived from an existing relationship with you instead of through use of a PIN. The provisions of your agreement with us relating only to Visa transactions are not applicable to non-Visa transactions. For example, the additional limits on liability (sometimes referred to as Visa's zero-liability program) and the streamlined error resolution procedures offered on Visa debit card transactions are not applicable to transactions processed on a PIN-Debit Network and the liability rules for other EFTs in Section 4. Member Liability will apply. VISA rules generally define PIN-Debit Network as a non-Visa debit network that typically authenticates transactions by use of a personal identification number (PIN) but that is not generally known for having a card.

c. Audio Response System. Subject to the transaction limitations set forth in the Membership and Account section above, you may access your accounts using the audio response system via touch-tone telephone only. This service may be interrupted for a short time each day for data processing.

d. Online Banking Service Limitations. The following limitations on Online Banking transactions may apply:

(1) Transfers. You may make funds transfers to your other accounts as often as you like. However, transfers from your savings accounts will be limited to a total of six (6) in any one month. You may transfer or withdraw up to the available balance in your account or up to the available credit limit on a line of credit at the time of the transfer, except as limited under this Agreement or your deposit or loan agreements. 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. If you do not use the Online Banking Service for two (2) consecutive statement cycles (monthly or quarterly) we reserve the right to terminate your service.

(2) Account Information. The account balance and transaction history information may be limited to recent account information involving your accounts. Also, the availability of funds for transfer or withdrawal may be limited due to the processing time for any ATM deposit transactions and our Funds Availability Policy.

(3) E-Mail. The Credit Union may not immediately receive E-mail communications that you send and the Credit Union will not take action based on E-mail requests until the Credit Union actually receives your message 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 Section 4.

(4) Bill Payments. You may authorize new payment instructions or edit previously authorized payment instructions for bill payments that are either variable (i.e. payments on merchant charge accounts that vary in amount) or fixed (i.e. fixed mortgage payments). When you transmit a bill payment instruction to us, you authorize us to transfer funds to make the bill payment transaction from your checking account. We will process bill payment transfer requests only for such creditors as you authorize. 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, your account will incur a Non-Sufficient Funds (NSF) charge. Subsequent payment requests may not be processed until funds are collected for all previous payments. The Credit Union's bill payment processor may attempt to clear the payment (s) from your account up to three (3) times. After six (6) NSF occurrences, your Bill Payment account may be closed. The Credit Union reserves the right to refuse to process payment instructions that reasonably appears 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 within five (5) business days after your payment request has been processed. The Credit Union will process your bill payment transfer within three (3) business days of the date you schedule 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 late 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 stop payment on variable or fixed bill payments instructions 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 variable or fixed payment that you have already scheduled for transmission through the Online Banking service, you may electronically edit or cancel your payment request through the Online Banking service. Your cancellation request must be entered and transmitted through the Online Banking service before the date you have scheduled for payment. If your request is not timely entered, you will be responsible for the payment. If you discover an error in or want to change a payment instruction (i.e., payment date or payment amount) for a bill payment that you have already scheduled for transmission through the bill payment service, you may electronically edit or cancel your payment request through bill payment. Your cancellation request must be entered and transmitted through the bill payment service before the date you have scheduled for payment. If your request is not timely entered, you will be responsible for the payment. Stop payments cannot be placed on payments that have been sent electronically.

3. Conditions of EFT Use. The use of your Account and EFT services are subject to the following conditions:

a. Ownership of Cards. Any Card or other device which we supply to you, is our property and must be returned to us, or any other person whom we authorize to act as our agent, or to any person who is authorized to honor the Card, immediately according to instructions. The Card may be repossessed at any time in 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 or any other device 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. You may not use your Card or account for any transaction that is unlawful or illegal. We may decline to authorize any transaction that we believe may be unlawful or illegal.

c. Illegal Use of Internet Gambling. You agree that all transactions that you initiate by use of your VISA Debit Card are legal in the jurisdiction where you live and/or where the transaction occurred. Internet gambling may be illegal in the jurisdiction in which you are located, including the United States. Your VISA Debit Card may only be used for legal transactions. Display of a payment card logo by an online merchant does not mean that internet gambling

transactions are lawful in all jurisdictions in which you may be located. We have restricted all online gambling transactions with the VISA Debit Card.

d. Security of PIN. The PIN issued to you is for your security purposes. The numbers are confidential and should not be disclosed to third parties or recorded on or with the card. You are responsible for safekeeping your PIN. You agree not to disclose or otherwise make your PIN number available to anyone not authorized to sign on your accounts. If you authorize anyone to have or use your PIN, you understand that person may use the EFT services to access and review all of your account information and execute account transactions. Therefore, we are entitled to act on transaction instructions received using your PIN and you agree that the use of your PIN will have the same effect as your signature authorizing transactions. If you authorize anyone to use your PIN in any manner that authority will be considered unlimited in amount and manner until you specifically revoke such authority by notifying the Credit Union and changing your PIN immediately. You are responsible for any transactions made by such persons until you notify us that transactions and access by that person are no longer authorized and your PIN is changed. If you fail to change your PIN or maintain the security of your PIN and the Credit Union suffers a loss, we may terminate your electronic services immediately.

4. Member Liability.

a. Single & Multiple Party Accounts. The following member liability provisions apply only to single and multiple party accounts. 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, ATM or Visa Debit Card or access code you are responsible for any transactions they authorize or conduct on any of your accounts. Tell us at once if you believe anyone has used your Account, ATM or Visa Debit Card or access code and accessed your accounts without your authority or if you believe that an electronic funds transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. For Visa Debit Card purchase transactions, if you notify us of your lost or stolen card, you may not be liable for any losses provided you were not grossly negligent (for example keeping your PIN with your Visa Debit Card is gross negligence) or fraudulent in handling your Visa Debit Card and you provide us with a written statement regarding your unauthorized Card claim, otherwise the following liability limits will apply. For all other EFT transactions except electronic check transactions, if you tell us of the unauthorized use of your account 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.

If your statement shows EFT transactions that you did not make, notify us immediately. If you do not notify us within sixty (60) days after the statement was mailed or electronically delivered to you, you may be liable for the full amount of the loss if we can prove that we could have stopped someone from making the unauthorized EFT transactions. If a good reason (such as a hospital stay) kept you from notifying us, we may extend the time period.

b. Business Member Accounts. The following member liability provisions apply only to business member accounts. You are fully responsible for all transfers you or any authorized party makes under this Agreement. If you permit other persons to use an EFT service, ATM or Visa Debit Card or access code you are responsible for any transactions they authorize or conduct on any of your accounts. Tell us at once if you believe anyone has used your Account, ATM or Visa Debit Card or access code and accessed your accounts without your authority or if you believe that an electronic funds transfer has been made without your permission using information from your check.

c. Notice to Credit Union. If you believe your ATM or Visa Debit Card or access code has been lost or stolen or that someone has transferred or may transfer money from your account without your permission call:

(509) 248-4308 or (800) 822-2370

or write:

CALCOE Federal Credit Union
1209 N 16th Ave
Yakima, WA 98902

5. Business Days. Our Corporate business days are Monday through Friday 8:30 am – 5:30 pm and Saturdays from 9:00 am – 1:00 pm. Holidays and branch hours are not included. Hours are subject to change.

6. Fees and Charges. There are certain charges for electronic fund transfer services as set forth below. From time to time, the charges may be changed. We will notify you of any changes as required by law.

- a. Online Banking. Refer to current Rate and Fee Schedule.
- b. Bill Payment Fee. Refer to current Rate and Fee Schedule.

c. ATM Fees. If you use an ATM that is not operated by us, you may be charged an ATM surcharge by the ATM operator or ATM network utilized for such a transaction. The ATM surcharge will be debited from your account if you elect to complete the transaction.

d. Foreign Transactions. When you use your Visa Debit Card at a merchant that settles in currency other than US dollars, the charge will be converted into the US dollar amount. The currency conversion rate used to determine the transaction amount in US dollars is either a rate selected by Visa from the range of rates available in wholesale currency markets for the applicable central Processing date, which rate may vary from the rate Visa itself receives, or the government-mandated rate in effect for the applicable central processing date. The conversion rate in effect on the processing date may differ from the rate in effect on the transaction date or posting date. Visa charges us a .8% International Service Assessment on all international transactions, regardless of whether there is a currency conversion. If there is a currency conversion, the International Service Assessment is 1% of the transaction. These charges will be passed on to the member via credit card or debit card charge. An international transaction is a transaction where the country of the merchant is outside the USA.

7. Right to Receive Documentation of Transfers.

a. Periodic Statements. Deposits and transfers, and withdrawals, transacted through an ATM will be recorded on your periodic statement. You will receive a statement monthly.

b. Terminal Receipt. You may request a receipt at the time you make a transaction using an ATM.

c. Preauthorized Credits. If you 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 call us at (509) 248-4308 to find out whether or not the deposit has been made.

8. Preauthorized EFT Stop Payment Rights. If you have told us in advance to make regular payments (other than bill payments) out of your account, you may stop any of these payments by notifying us either orally or in writing. We must receive your request at least three (3) business days before the scheduled date of the payment. You will need to tell us your name, account number, the payment amount, the payment date, and the person or company who is to receive the payment. If you call, we will require written confirmation of the stop payment order within fourteen (14) calendar days. If we do not receive the written confirmation within the fourteen days specified, your oral stop payment order will cease to be binding. Your stop payment order is effective only for the preauthorized payment date which you give us. If the stop payment order is not received in time for us to act upon it, we will not be liable to you or to any party for payment of the item. 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 may be liable. The Credit Union may charge a fee for each stop payment order requested, as set forth in the Rate and Fee Schedule. If payment of an item is stopped, you may remain liable to any person, including the Credit Union, who is the holder of the item despite the stop payment order. You agree to indemnify and hold the Credit Union harmless from all costs, including attorney fees, damages or claims related to the Credit Union's action in 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.

9. Account Information Disclosure. We will maintain the confidentiality and privacy of your account information in accordance with our privacy policy. However, we will disclose information to third parties about your account or the transfers you make in the following limited circumstances:

- 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 a government agency or court orders; or
- d. If you give us your express permission.

10. 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.

Our sole responsibility for an error will be to correct the error. In no case will we be liable for any indirect, special or incidental damages. For instance, we will not be liable:

- a. If, through no fault of ours, you do not have enough money in your account to make the transfer, your account is inactive, or the transfer would go over the credit limit on your line of credit.
- b. If you used the wrong PIN or you used a PIN, ATM, or VISA Debit Card, or the Audio Response System or the Online Banking personal computer access system in an incorrect manner
- c. If the Card has expired or is damaged and cannot be used.
- d. If the automated teller machine (ATM) where you are making the transfer does not have enough cash.
- e. If the ATM or POS terminal was not working properly and you knew about the problem when you started the transaction.
- f. If circumstances beyond our control (such as fire, flood or power failure) prevent the transaction.
- g. If the money in your account is subject to legal process or other claim.
- h. If your account is frozen because of a delinquent loan.
- i. If the error was caused by an ATM or payment network or any other participating network.
- j. If there are other exceptions as established by the Credit Union.
- k. The ATM terminal may retain your card in certain instances, in which event you may contact the Credit Union about its replacement.

11. Termination of EFT Services. You agree that we may terminate this Agreement and your use of your EFT services, if you or any authorized user of your PIN 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 or ATM or VISA Credit Card. We will notify you or any other party to your account if we have canceled or will cancel this Agreement. You or any other party to your account can terminate this Agreement by notifying us in writing. Termination of service will be effective 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.

12. 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. Use of this service is subject to existing regulations governing the Credit Union account and any future changes to those regulations.

13. Billing Errors. The following billing error provisions apply only to single and multiple party accounts and not to business member accounts. In cases of errors or questions about your electronic transfers, telephone us at the phone numbers or write us at the address set forth above 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.

- a. Tell us your name and account number (if any).
- b. Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- c. Tell us the dollar amount of the suspected error.

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

We will tell you the results of our investigation within ten (10) business days after we hear from you and will correct the error promptly. 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) calendar days to investigate your complaint or question; ninety (90) calendar days for POS transaction errors, new account transaction errors, or errors involving transactions initiated outside the United States. If we decide to do this, we will re-credit your account within ten (10) business days (five (5) business

days for VISA Debit Card POS purchase transactions) for the amount you think is in error, so that you will have the use of the money during the same 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 recredit your account.

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. If you request, we will provide you copies of documents (to the extent possible without violating other members' rights to privacy) relied upon to conclude that the error did not occur.

14. ATM Safety Notices. The following information is a list of safety precautions regarding the use of Automated Teller Machine (ATM) 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 another person is uncomfortably close to you at the time of your transaction, ask the person to step back before you complete your transaction.
- d. 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.
- 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 ATM access device 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 personal identification number or code on your Card.
- h. Report all crimes to law enforcement officials immediately.

15. 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. If you are in breach of this Agreement or any other loan or service agreement with us or we suspect fraudulent activity on your account, we may without prior notice restrict access to your accounts or suspend your electronic services or access devices, including ATM or debit cards and online or mobile banking services. Such restrictions may continue until you cure any breach condition or any fraud condition is resolved. 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 provision 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.

IV. Member Privacy Policy

[Insert]