



Membership and Account Agreement - Business

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This Agreement is the contract of deposit, which covers your and our rights and responsibilities concerning Business Membership and Account(s) offered to you. In this Agreement, the words "you" and "yours" mean the Member Business/Account Owner ("Member Business") named on the Business Account Card ("Account Card"). The words "we," "us," and "our" mean Spokane Teachers Credit Union ("Credit Union"). The word "account" means any one or more deposit accounts you have with the Credit Union.

By signing the Business Account Card and Certificate of Authority or completing and transmitting an online account authorization or service request that is a part of the Agreement, Member Business and each Owner, jointly and severally, agree to the terms and conditions in this Agreement, including the Funds Availability Policy, Business Electronic Services Agreement, Privacy Policy, and the Truth-in-Savings Disclosures (Rates and Fee Schedule) accompanying this Agreement, any account receipt, the Credit Union's Bylaws and policies, and any amendments, which collectively govern your Business 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.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT. To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means to you: When you open an account, we will ask for 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.

I. MEMBERSHIP AND ACCOUNTS

1. Membership Eligibility

To be eligible for membership in the Credit Union you must be an individual, sole proprietor or entity qualifying within the Credit Union's field of membership and must pay the membership fee as required by the Credit Union's Bylaws. You authorize us to check your account, credit and employment history, and obtain a credit report from third parties, including credit reporting agencies, to verify your eligibility for the accounts and services you request.

2. Accounts of Business Organization & Certificate of Authority

The classification and form of ownership of your accounts are designated on your Business Account Card. 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 an organization may not be cashed, but must be deposited to an organization account. The Credit Union shall have no notice of any breach of fiduciary duties arising from a transaction by any agent of the Member Business, unless the Credit Union has written notice of any wrongdoing.

- a. *Name.* The Member Business shown on the front of the Business Account Card is the complete and correct name of the Member Business.
- b. *Responsible Individuals.* The officers and authorized agents as applicable of the Member Business as named on the Business Account Card and Certificate of Authority presently occupy their positions and are authorized to transact any business on behalf of the Member Business including opening and closing accounts of Member Business, adding and removing Authorized Signers on behalf of the Member Business. The Credit Union is directed to accept instructions from Responsible Individuals without further inquiry. A Responsible Individual will notify the Credit Union of any change in the Member Business's composition, assumed business names, or any aspect of the entity affecting the deposit relationship between the Member Business and the Credit Union before any such change occurs. The Member Business agrees that the Credit Union shall not be liable for any losses due to the Member Business's failure to notify the Credit Union of such changes.
- c. *Authorized Signers.* The Authorized Signers of the Member Business as named on the Certificate of Authority presently occupy their positions and are authorized to transact limited business on behalf of the Member Business as specifically listed on the Certificate of Authority. The authority given to the Authorized Signers shall remain in full force until written notice of revocation by a Responsible Individual on behalf of Member Business is delivered to and received by the Credit Union. Any such notice shall not affect any items in process at the time notice is given.

3. Sole Proprietorship Accounts

A sole proprietorship account is an account owned by the Member Business. If the account is an individual account, the interest of the deceased individual owner will pass, subject to applicable law, to the decedent's estate. If the account is owned by two or more persons the account is a joint account. Any account in which you request joint ownership with another party will be an individual account until the Credit Union receives an Account Card signed by the joint owner, at which time the account will be a jointly owned account and the joint ownership rights will apply. If your account is a joint account, the account is owned as a joint account with rights of survivorship. Upon the death of one of the joint account owners, that person's interest will become the property of the surviving joint account owners. Any joint account 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 account 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, without the consent of the other 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 account owners or receives inconsistent instructions from them, the Credit Union may suspend or terminate the account, require a court order to act, or require that all joint account owners agree in writing to any transaction concerning the account. 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 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 account 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.

4. Deposit Requirements

Funds may be deposited to any account in any manner approved by the Credit Union in accordance with the requirements set forth on the Business Rate and Fee Schedule. All 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 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. 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. If an insurance, government, and certain other checks or drafts require an endorsement as set forth on the back of the check, the Credit Union may require endorsement as set forth on the check. Endorsements must be placed in the space 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.

- 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. 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.
- 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 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 or change the direct deposit or direct transfer option. Upon a filing of a 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.* 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 removed and 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. Deposits of coin and currency will not be finally credited until we have counted the deposit and verified the amount. If there is a discrepancy between the amount shown on the deposit slip and the amount we count, we will send a notice of the discrepancy to you in the mail.

5. Account Access

- a. *Authorized Signature.* 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 open your account electronically and do not provide us with a physical signature, you agree that we may, without liability, accept as genuine any signature that appears to be yours. If you have authorized the use of a facsimile signature, the Credit Union may honor any draft 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. *Access Options.* You may make withdrawals or transfers from your account in any manner which is permitted by the Credit Union (i.e., check, automated teller machines (ATMs), debit card, in person, by mail, automatic transfer, online banking, or telephone). 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.
- c. *Electronic Check Transactions.* (i.) *Electronic Checks.* If you authorize a merchant to electronically debit your checking account using the routing number, 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 your Business Electronic Services Agreement. You authorize us to honor any electronic check conversion from your checking account just the same as a regular written check. (ii.) *Electronic Re-presented Checks.* If you write a check on an account that we return unpaid because of insufficient or uncollected funds, the payee or any subsequent holder of the check may re-present the check to us, through an electronic instruction (Electronic Re-presented Check) to charge your account for the amount of the check. If we receive an electronic re-presented check, we will pay or return the electronic re-presented check as if the original paper check was presented to us. Any collection fee you authorize the merchant to debit from your account is an electronic funds transfer (EFT) subject to the terms of your Business Electronic Services Agreement. If you want to reverse an electronic re-presented check, you must give us an affidavit within 15 days after we send or make available to you the periodic statement that reflects payment of that electronic re-presented check. In your affidavit, you must declare and swear under oath that the electronic re-presented check was ineligible or unauthorized. If we receive proper notice or affidavit from you within the 15 day period, we will re-credit your account with the amount of the charge. If you wish to stop payment of any electronic re-presented check, you must follow the procedures contained in this Agreement for stopping payment of checks, not the procedures for stopping payment on electronic loan or bill payments. If you ask us to request the depositor's financial institution 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 re-credited due to a prior stop payment order or if the item is otherwise ineligible for collection.
- 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 domestic 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 an 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, it 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. Domestic wire

transfers are governed by Federal Reserve Regulation J if the transfer is cleared through the Federal Reserve. ACH transactions are governed by the rules of the National Automated Clearing House Association.

- e. *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.
- f. *Items Presented in Person.* You agree that we may refuse to pay any check if the person presenting it does not provide identification that satisfies our requirements. We may also refuse to pay a check if we are unable to verify an endorsement to our satisfaction.

6. Account Rates and Fees

The Credit Union's payment of dividends on any account is subject to the account rates, fees, earnings, payment and balance requirements as set forth on the Rate and Fee Schedule. You agree the Credit Union may impose fees for the deposit account services provided by the Credit Union. A current Rate and Fee Schedule has been provided to you separately. You agree the Credit Union may change the Rate and Fee Schedule from time to time and you will be notified of such changes as required by law.

7. 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. Checks or other transfer or payment orders which are drawn against insufficient available funds will be subject to a service fee, 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 may 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 Member Business to give notice in writing of any intended withdrawals from any account (except checks) of not less than seven (7) days and up to sixty (60) days, as required by law, before such withdrawal.
- b. *Transfer Limitations.* For Savings accounts and Money Market accounts, you may make up to six (6) preauthorized, automatic, online, telephonic or audio response transfers, to another account of yours or to a third party during any calendar month. A preauthorized transfer includes any arrangement with the Credit Union to pay a third party from the Member Business's account upon oral or written orders including orders received through the ACH. There is no limit on the number of transactions you may make in the following manner: (i) transfers to any loan account with the Credit Union, and (ii) transfers to another Credit Union account or withdrawals (checks mailed directly to you) when such transfer or withdrawal is initiated in person, by mail or at an ATM. 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 the Credit Union may impose a fee.

8. Sweep Account Service

The Credit Union provides the Sweep Account Service under which the Member Business may establish a checking account processing arrangement whereby the balance in a business checking account is maintained at a certain balance level by daily transferring funds to or from such checking account to or from a designated savings or loan account. This procedure enables the Member Business to identify particular account activities in the checking account while concentrating cash balances in the savings or loan account for improved cash control. The following terms and conditions will govern the Sweep Account Service.

- a. *Sweep Accounts.* The Member Business may establish the following Sweep Accounts for the transfer of funds between accounts. A business checking account (Checking Account) is the designated account for which funds will be transferred to and from a savings or loan account. Funds may be transferred into and from a savings or money-market account. Funds may be transferred into or from a business line of credit. Member Business will designate the savings or business line of credit for account transfers, which are referred to as a "Sweep Account".
- b. *Review of Account.* The Member Business hereby appoints the Credit Union as the Member Business's agent for purposes of conducting all administrative functions in connection with account reviews, sweeps and other actions authorized in this section. The Credit Union will review the balance of collected funds in the Checking Account (Actual Balance) at the end of each business day.
- c. *Daily Transfers.* During each day if there is a negative balance or at the end of each day, after all debits and credits have been processed for the Checking Account, the Credit Union will transfer funds into or from the Checking Account in order to maintain the Checking Account within the Target Balance Range. You may establish the daily target balance in your checking account each day with minimum and maximum balance levels. In addition, Member Business and Credit Union may establish the Target Balance Range to a Zero Balance Account in which the maximum Target Balance is set at \$0. The Target Balance may be adjusted from time to time upon mutual agreement by the Member Business and the Credit Union. If, upon review of the Checking Account the Credit Union determines that the Checking Account has an Actual Balance less than the minimum Target balance, the Credit Union will transfer funds from your designated sweep account, in established increments to increase the actual balance to the minimum Target Balance. If, upon review of the Account the Credit Union determines that the Checking Account has an Actual Balance in excess of the maximum Target balance, the Credit Union will transfer from the Checking Account, the excess of the Actual Balance over the Target Balance to your designated sweep account in increments you establish. Transfers from a savings or money market sweep account are limited to six (6) per month. If you reach the transfer limit in any month, we must suspend any more sweep account transfers from these accounts for the remainder of the month.
- d. *Business Line of Credit.* Member Business may establish a revolving business line of credit (Loan Account) with Credit Union as the designated Sweep Account. Any funds transferred from the Account at the end of each day will be applied against the outstanding principal balance of the Loan Account. The Credit Union may transfer funds from the Loan Account to bring the Account to the specified Balance Level. Member Business hereby authorizes all automated transfers to or from the Loan Account. The funds maintained by the Member Business in the Loan Account will be sufficient to maintain a positive ending Available Balance in the Loan Account after transfers between the Loan Account and Checking Account have been completed.
- e. *Account Earnings.* The Checking Account and any savings or money market Sweep Accounts will earn dividends on the account balance in the account at the end of each day after all transfers are completed. Interest on the Loan Account will accrue on the Loan Account balance after transfers are completed each day in accordance with the Loan Account agreement.

- f. *Suspension of Service.* The Credit Union shall have the right to suspend the Sweep Account Service at any time, without notice, if you do not comply with the Service terms and conditions, if you are in default on your Loan Account or other Sweep Account terms and conditions or any other agreement with the Credit Union or if you close a Sweep Account or fail to keep sufficient funds in your Sweep Accounts.

9. Overdrafts

- a. *Your Overdraft Liability.* If on any day the available funds in your checking account are not sufficient to cover checks and other items posted to your account, those checks and items will be handled in accordance with our overdraft procedures and the terms of this Agreement. 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 than the time you conduct the transaction. The Credit Union processes checks and items as follows: (i) checks are paid based upon the number of the check with the lowest numbered check paid first, (ii) for ACH items, credits are processed first and ACH debits processed second with the lowest items paid first, and (iii) debit card transactions are paid in the chronological order they are received. The Credit Union has no duty to notify you of a check or item that will overdraw your account. If we pay an item that overdraws your account, you are liable for and agree to pay the overdraft amount and any fees immediately. You will be subject to a charge for the item whether paid or returned or an overlimit balance fee, as applicable. 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. *Savings Overdraft Transfers.* If you qualify, we will automatically enroll you for overdraft transfers from your savings account. If you have enough funds in your savings account, you authorize us to automatically transfer funds to cover any overdraft on your checking account. You may choose the specific savings account you want overdraft transfers to come from. There is no overdraft transfer fee from a savings account. However, savings accounts are subject to transfer limitations and Excess Item fees as set forth on the Rates and Fee Schedule. You may opt out of the savings overdraft transfer service at any time by notifying us verbally or in writing.
- c. *Privilege Pay Overdraft Service.* We offer a discretionary overdraft service (Privilege Pay) to cover overdrafts on your checking accounts. The Privilege Pay service is offered to all eligible business checking account owners, who qualify and remain in good standing with the Credit Union. Privilege Pay is not offered to minors, fiduciary accounts, anyone who has caused a financial loss to the Credit Union, anyone with a past due loan payment at the Credit Union, anyone who has enrolled in a debt management program or on Analyzed Checking accounts. If you qualify for Privilege Pay, we will advise you of your qualification for the service which will be provided under the following terms and conditions.
- i. *Discretionary Service.* The Credit Union offers the Privilege Pay service to eligible business checking account owners who qualify. The Privilege Pay service is provided to qualified accounts automatically for checks, ACH, online transactions and debit card transactions. You have the option to opt-out of this service at any time. Under the Privilege 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 Agreement. This overdraft service is not a line of credit, is not guaranteed, and is independent of any loan agreement 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 have no obligation to notify you before we pay or return any item.
- ii. *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 transactions, online or other Electronic Services, 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.
- iii. *Overdraft Limit/Available Balance.* If you qualify, the overdraft limit amount is \$1,000 ("Overdraft Balance"). 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 balance will not be included or reflected in your actual or "available balance" of your account provided by a teller, at ATM or POS facilities, through online services or on your periodic statements.
- iv. *Overdraft Fees.* For Business Analyzed Checking accounts there is a negative balance percentage fee for each day you have an ending daily balance that is negative. The negative balance percentage fees will be part of any monthly Analyzed Checking fee. If we do not pay an overdraft, there is a Returned Item fee of \$29.00 for each check or item we return. For all other business checking accounts there is a Privilege Pay fee of \$29.00 for each overdraft check or item we pay. If we do not pay the overdraft, there is a Returned Item fee of \$29.00 for each check or item we return. We may charge a fee each time a check or item is submitted or resubmitted for payment. Therefore, you may be assessed more than one fee as a result of a returned item or resubmission(s) of the returned item. The maximum amount of overdraft fees that we will charge on any one day is \$200. If you have excess overdraft activity which results in you reaching the maximum overdraft fees, we will notify you in writing to consider discontinuing the Service. These fees may be amended as set forth in our Rate and Fee Schedule.
- v. *Member Business 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 30 days of notice from us, we may immediately suspend the Privilege Pay service. Accounts may be closed for failure to repay overdraft balances and we will report account closures to consumer reporting agencies.
- vi. *Member Business Opt-Out Right.* We offer the Privilege Pay 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 Privilege Pay 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.
- vii. *Credit Union Contact.* For any questions or to exercise your opt-out right from the Privilege Pay Opt-In/Opt-Out Form located at stcu.org/overdraft protection or call the Credit Union at 509.326.1954 or 800.858.3750 or write STCU, PO Box 1954, Spokane, WA 99210-1954.

10. Postdated and Stale dated Checks

You authorize us to accept and pay any check, even if the check is presented for payment before its date, 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 check, including the number, date, and amount. You understand that the exact information is necessary for the Credit Union's computer to identify the check. 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. A notice will be effective for six (6) months. 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 drawn on your account which is presented more than six (6) months after its date.

11. 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, Online Banking 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 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.* A stop payment order on a check will be effective for six (6) months. A stop payment order may be renewed for another six (6) months by contacting the Credit Union. A stop payment order on an ACH transaction will continue until the entry is returned or until you cancel the stop payment order. 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 in the Rate and Fee Schedule. You may not stop payment on any certified check or draft, cashier's check or teller's check, or any other check, draft, or payment guaranteed by the Credit Union. 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 indorsee in failing to stop payment of an item as a result of incorrect information provided by you.

12. Credit Union's Liability for Errors

If the Credit Union does not properly complete a transaction according to this Agreement, the Credit Union may be liable for your losses or damages but 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 including your failure to examine your statements, (d) the negligence of another financial institution, or (e) the funds 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 nonactions 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.

13. Credit Union Lien and Security Interest

To the extent you owe the Credit Union money as a borrower, guarantor, indorser or otherwise, the Credit Union has a lien on any or all of the funds in any account in which you have an ownership interest at the Credit Union, regardless of the source of the funds. The Credit Union may apply these funds in any order to pay off your indebtedness 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 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. All accounts are nonassignable and nontransferable to third parties.

14. 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.

15. 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: (a) it is necessary to complete the transaction; (b) the third party seeks to verify the existence or condition of your account in accordance with the Fair Credit Reporting Act or other applicable laws and regulations; (c) such disclosure is in compliance with the law, government agencies or court orders; or (d) you give us your express permission.

16. Notices

- a. *Account Changes.* It is your responsibility to notify the Credit Union upon a change of Responsible Individuals or Authorized Signers, address or name change. The Credit Union is only required to attempt to communicate with you at the most recent address you have provided to the Credit Union. The Credit Union will accept notices of a change in address and any other notice from you to the Credit Union only if provided in writing or through online banking. If the Credit Union attempts to locate you, the Credit Union may impose a service fee as set forth in the Rate and Fees Schedule. The Credit Union reserves the right to require written consent of all Account Owners for a change in ownership or termination of a joint account. Only a Member Business 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.
- b. *Notice of Amendments.* Except as otherwise prohibited by applicable law, the Credit Union specifically reserves the right to amend and change any of the terms of this Agreement, from time to time. If the amendments are made for the purpose of maintaining compliance with any laws, rules, or

regulations applicable to the account or cash management services, you agree the Credit Union can make those changes at any time without notice to you. For any other type of amendment to this Agreement, the Credit Union will notify you of such amendment by mail, electronic message or other reasonable means of notification. You agree that in any event thirty (30) days written notice is reasonable. If we notify you that the terms of your account have been amended or changed and you continue to maintain the account and any services after the effective date of the amendment or change, you have agreed to the new terms.

- 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. 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.

17. Taxpayer Identification Numbers (TIN) 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.

18. Review of Statements & Checks

- a. *Availability of Statements & Checks.* If the Credit Union provides a statement for your account, you will receive a periodic statement of all transactions including checks, debit items and wire transfers and activity on your account during the statement period. For 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 or carbon 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. You understand your statements and checks are made available to you on the date the statement is mailed to you. If your statement is provided electronically, you will be sent an electronic mail notice that will direct you to STCU's Online Banking Service where you may access, review, print and otherwise copy/download your periodic statements at any time using procedures we authorize. Any electronic mail from us will be sent to the electronic mail address provided by the account owner. You understand your e-statement and check copies are made available to you on the date an e-statement notice is sent to you or is first available in Online Banking for your review.
- b. *Duty to Examine Statements & Items.* You are responsible for examining each statement and reporting any irregularities to the Credit Union. The Credit Union will not be responsible for any forged, altered, or unauthorized check or item drawn on your account if (i) you fail to notify the Credit Union within 30 calendar days of the availability of your statement and checks containing any forgery, alteration, unauthorized signature or unauthorized or missing endorsement on the item or (ii) any items forged or altered in a manner not detectable by a reasonable person including the unauthorized use of a facsimile signature machine.
- c. *Duty to Report Errors.* If you discover an unauthorized payment or any forgery, alteration, unauthorized signature or unauthorized or missing endorsement on the item or other discrepancy you must promptly notify us in writing of the relevant facts. Your report must identify the specific time or check or debit transactions that you are challenging.
- d. *Unauthorized Transaction Liability.* If you fail to comply with your duty to examine your statements and account activity and report errors, discrepancies and unauthorized transactions, in addition to any and all other rights and remedies available to us, we have the defenses contained in the Uniform Commercial Code Sec. 4-406(d). In addition, if your claim involves a series of items containing unauthorized signatures or alterations by the same wrongdoer, you shall be precluded from asserting against us any unauthorized signature or alteration by the same wrongdoer on any item paid in good faith on or after 30 calendar days after the first statement describing the first altered or unauthorized item was sent or made available to you. Since we have no way of determining the validity of checks or other written orders bearing facsimile signatures, which includes the use of a signature stamp, you hereby release the Credit Union from any liability for unauthorized use of any facsimile signature device.
- e. *Acceptance of Statement.* You agree that the Credit Union's retention of checks does not alter or waive your responsibility to examine your statements and check copies, or the time limit for notifying the Credit Union of any errors. The statement will be considered correct for all purposes and the Credit Union will not be liable for any payment made or charged to your account unless you notify the Credit Union in writing within the above time limit after the statement and checks are made available to you.

19. Dormant and Abandoned Accounts

If you have not made a withdrawal from, deposit to, or transfer involving your account for more than twelve (12) months and the Credit Union has had no contact with you during that period, the Credit Union may classify your account as a dormant account and may charge a dormant account service fee as allowed by Washington law and set forth on the Rate and Fee Schedule. The Credit Union will notify you at your last known address three (3) months prior to imposing any fee as required by law. If a deposit or withdrawal has not been made on the account and the Credit Union has had no other contact with you for three (3) years in Washington or five (5) years in Idaho, the account will be presumed to be abandoned, as required by the Uniform Unclaimed Property Act. 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 and if you choose to reclaim such funds, you must apply to the appropriate state agency. We reserve the right to suspend or deny certain services until we have re-established contact with you.

20. Death of Account Owner of Sole Proprietorship Account

For members who are Washington residents, you irrevocably waive the right to make a testamentary disposition of a sole proprietorship 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 an account owner'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 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 your account after your death to indemnify the Credit Union for any losses resulting from honoring that claim.

21. 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: (a) there is a change in owners or authorized signers, (b) there has been a forgery or fraud reported or committed involving your account, (c) there is a dispute as to the ownership of the funds in the account, (d) any account checks are lost or stolen, (e) if there are excessive returned unpaid items not covered by an overdraft plan, or (f) if there has been any misrepresentation or any other abuse of any of your accounts, (g) we reasonably deem it necessary to prevent a loss to us, or (h) if you engage in any activity of betting or wagering or are otherwise engaged in any internet gambling business. You may terminate your account at any time by notifying the Credit Union by oral direction 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.

22. Termination of Membership

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.

23. Special Account Instructions

You may request the Credit Union to facilitate certain business, or court-ordered account arrangements. 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 for you. You agree 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 designation of yours. If you ask the Credit Union to follow instructions that the Credit Union believes might expose it to claims, suits, lawsuits, expenses, liabilities, or damages, whether directly or indirectly, the Credit Union may refuse to follow your instructions or may require you to post a bond to indemnify the Credit Union. 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. Account changes requested by you, or any Responsible Individual, such as adding or closing an account or service, must be evidenced by a signed Certificate of Authority and accepted by the Credit Union. The Credit Union will not recognize the authority of someone to whom you have given power of attorney without written authorization and a copy of the Power of Attorney on record at the Credit Union. You understand and agree that the Credit Union may choose to retain electronic or imaged copies of any original documents and you agree that an electronic or image copy is as valid as an original document.

24. 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. 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 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.

25. Governing Law

This Agreement is governed by the Bylaws of the Credit Union, federal laws and regulations, the laws and regulations of the State of Washington and the state in which you reside, as applicable and local clearinghouse rules, as amended from time to time. Any disputes regarding this Agreement shall be subject to the jurisdiction of the courts in Spokane County or the county in which the member resides if required by law. 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.