

# Membership and Account Agreement



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(D008 rev. 2.3.2023)

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This Membership Agreement ("Agreement") is the contract of deposit, which covers your and our rights and responsibilities concerning Membership and Account(s) offered to you. In this Agreement, the words "you" and "yours" mean those who sign the Account Card or approve an electronic application. The words "we," "us," "our," and "it" mean TwinStar Credit Union ("Credit Union"). The word "account" means any one or more deposit accounts you have at the Credit Union.

By signing the Membership Application or completing and transmitting an online account authorization or service request that is a part of the Agreement, or by using this account, each account owner, jointly and severally, agree to the terms and conditions in this Agreement, including the Funds Availability Policy, Electronic Services Agreement, Privacy Policy, and the Truth-in-Savings Disclosures ("Fee Schedule") accompanying this Agreement, any account receipt, the Credit Union's Bylaws and Policies, and any amendments 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.

The terms of this Agreement apply to consumer members, the primary account owner may enroll in the accounts and services and is responsible for the acts of any joint account owner. Any joint account owner or an authorized user, acting alone, may effect transactions on the accounts through the services in this Agreement.

**IMPORTANT INFORMATION ABOUT OPENING NEW ACCOUNTS:** To help the government fight terrorism funding 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, you must be an individual or entity qualifying within the Credit Union's field of membership, have a valid Social Security Number ("SSN") or Tax Identification Number ("TIN"), and must purchase and maintain minimum shares as required by the Credit Union's Bylaws. You authorize us to check your financial information data and employment history by any means allowed by law, including obtaining credit reports and credit scores from third parties, including consumer reporting agencies (e.g. Chex Systems, etc.) from time to time to determine your eligibility for accounts and services we may offer or you request from time to time.

**2. Account Ownership & Designations.** The classification and form of ownership of your accounts are designated on your Membership Application. Unless you waive your rights, you understand that certain account designations, such as joint ownership with right of survivorship or Payable-On-Death ("POD") beneficiary, may be invalidated upon the Credit Union's receipt of marriage dissolution notice or a testamentary disposition, as required by applicable law.

**3. Individual Accounts.** An individual account is an account owned by one depositor, including any individual, trust, or other fiduciary relationship qualified for Credit Union membership. If the account is an individual account, the interest of a deceased individual owner will pass, subject to applicable law, to the POD beneficiary or decedent's estate, if applicable.

**4. Joint Accounts.** An account owned by two or more persons 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 a Membership Application signed by you and the joint owner(s), at which time the account will be a jointly owned account and the following joint ownership rights will apply.

**a. Joint Ownership.** Joint owners do not have rights of membership. Joint owners are not members unless they are eligible and qualified as members and have separate accounts in their own names. Any joint owner on a share savings account is authorized as joint owner on all deposit sub-accounts under that account (with the exception of Individual Retirement Accounts).

**b. Rights of Survivorship.** If your account is a joint account, it is owned as a joint account with rights of survivorship. Upon the death of one joint account owner, that person's interest will become the property of the surviving joint account owner(s).

**c. Rights of 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. No joint owner may be removed from an account unless all joint owners consent in writing to the removal. Any account owner, including any joint owner, may withdraw all funds in the account, stop payment on items drawn on the account, withdraw, or pledge all or any part of funds in the account, without the consent of the other account owner(s), and the Credit Union

shall have no duty to notify any of the other account owner(s), including any joint owner(s). If the Credit Union receives written notice of a dispute between account owners or receives inconsistent instructions from them, we 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.

**d. Joint 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 account owners, including any joint 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, including any joint owner, is indebted to the Credit Union, we may enforce our rights against any or all funds in the joint account, regardless of who contributed funds to the joint account.

**e. Access to Information of Joint Account Owners.** You understand and agree that if you are a joint owner on a deposit account, all of your other accounts, individual or joint, are linked and the information related to these accounts may be viewed in the Online Banking program by any other joint owner. The Credit Union has no responsibility and will not be liable for providing such account information access to joint owners on your account. To avoid such account information access, you may withdraw as a joint owner or close the account as permitted above.

**5. Payable-on-Death Beneficiaries.** A POD designation is an instruction to the Credit Union that a designated account is payable to the owner or owners during their lifetimes, and upon the death of the last joint account owner, payable to any named and surviving POD beneficiary designated by you. Accounts payable to more than one POD beneficiary are owned jointly by such beneficiaries with rights of survivorship. Any POD beneficiary designation shall not apply to IRA, and Coverdell Education Savings, 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. Minor Accounts.** 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 or custodian who is at least eighteen (18) years of age and who shall be jointly and severally liable to the Credit Union for any returned item, overdraft, unpaid fees, or amounts on such account. 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 minor account owner's TIN must be shown on the Membership Application. The Credit Union shall not change the account status prior to the minor reaching age eighteen (18), unless authorized in writing by all account owners. When the minor reaches age eighteen (18), the account ownership will not change unless there is a written order from all account holders. Upon turning eighteen (18) minor accounts will convert to standard, full member accounts.

**7. Fiduciary Accounts.** A fiduciary account is one opened by an executor, administrator, personal representative, trustee, conservator, 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 U.S. Social Security Administration or U.S. Department of Veteran's Affairs ("fiduciary"). The account owner is the estate, 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. 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 us 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 the Credit Union harmless of any claim or liability as a result of unauthorized acts of the fiduciary upon which the Credit Union relies prior to any actual notice of any account change or change of account owner.

**8. 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 Fee Schedule. All accounts are non-assignable 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 we incur 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, at 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 we choose 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 insurance, government, and certain other checks or drafts require endorsements as set forth on the back of the check, the Credit Union may require an endorsement as set forth on the check. Endorsements must be placed in the space between the top edge and one and one-half (1½) 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 we actually receive 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 receive 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 fees 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 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 (e.g., payroll checks, Social Security Administration or retirement checks, or other government funds) 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 bankruptcy filing, 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 Deposits.** Deposits made on Sundays and Credit Union holidays will be credited to your account on the next business day. Deposits received at unstaffed facilities, such as night depositories, will be credited on the day funds are removed and processed by the Credit Union, and are subject to adjustment based on our verification of the items deposited. 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 us for credit to your account or for collection.

## **9. Account Access.**

**a. Authorized Access.** The Credit Union is authorized to recognize a valid authorization or signature of yours but will not be liable for refusing to honor any item or instruction of yours if we believe in good faith that the signature on such item or instruction is not genuine. If you open your account electronically and/or 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 authorize 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 that is permitted by the Credit Union (i.e., check, Automated Teller Machine ("ATM"), 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 us, 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 us.

**c. Electronic Check Transactions.**

**i. Electronic Checks.** If you authorize a merchant to electronically debit your 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 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 your 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 its amount. 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 service subject to the terms of your Electronic Services 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 proper notice or affidavit from you within the fifteen-(15) day period, we will re-credit your account in 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 of electronic loan or bill payments. If you ask us to request the depositor's bank 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 Transfers.** If offered, you may initiate or receive credits or debits to your account via automated clearing house (ACH) transfer. You agree that if you receive funds by an 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. Credit given by the Credit Union to you with respect to an ACH credit entry is provisional until the Credit Union receives final settlement for such an entry through a Federal Reserve Bank. If the Credit Union does not receive such final settlement, you are hereby notified and agree that the Credit Union is entitled a refund of the provisional amount credited to you in connection with such entry, and the party making payment to you (i.e. the originator of the entry) shall not be deemed to have paid you the amount of such entry. 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. ACH transactions are governed by the rules of the National Automated Clearing House Association (NACHA). Under those rules, the Credit Union is not required to give next day notice to you of receipt of an ACH item, and the Credit Union will not do so. However, the Credit Union will continue to notify you of the receipt of ACH payments in your periodic statement. Also, 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 fifteen (15) days after we mail or make available to you the statement containing that entry.

**e. International ACH Transactions.** You understand that in the event an International ACH Transaction ("IAT") Entry that is transmitted to or from any of your accounts is identified and designated by the Credit Union's screening criteria for review and examination under the OFAC Rules and Regulations ("OFAC Rules"). The settlement of such an IAT Entry may be delayed or suspended pending the Credit Union's review of the IAT Entry, and may be terminated under applicable OFAC Rules. You acknowledge that we may be required to place an indefinite hold on the funds covered by the IAT Entry if the IAT Entry is required to be terminated under the OFAC Rules. You agree that any delay described above will be a permissible delay under the regulations applicable to the availability of funds held in deposit accounts. In the event an IAT Entry is delayed or terminated, we will provide you such notice as may be required by applicable laws and regulations

**f. Domestic Wire Transfers.** You may initiate a domestic wire transfer from your account. Our wire transfer cut-off hours are 1:00 PM PST for domestic wires. Wire transfers, cancellations or amendments received after the applicable cutoff time may be treated as having been received on the next Business Day. We will charge your account for the amount of any authorized funds transfer including any wire transfer fees as set forth on the Fee Schedule.

**i. Security Procedures.** You agree any wire transfer order will be subject to the agreed security procedures including: photo identification requirements, signature verification, data/password verification, use of a personal identification number (PIN) verification, and agreed callback procedures. For wire transfer orders processed through facsimile or by telephone we may require a call back password verification. If we are unable to reach you by phone to verify the password security within two business days of your wire request, we may cancel the wire request

without notice. You agree if we comply with the agreed written security procedures you shall be liable for payment of the transferred amount plus transfer fees, even if the transfer request is not actually transmitted or authorized by you. If we do not follow the agreed security procedure, but can prove the transfer request was originated by you, you will still be liable for the transfer amount plus transfer fees. You authorize us to record any telephone calls relating to any transfer under this Agreement. We may reject any transfer request or incoming wire transfer which does not conform to the limitations, security procedures, and requirements and for any reason, except when prohibited by law.

**ii. Notice of Errors & Liability.** It is your obligation to examine your statements for any discrepancy concerning any wire transfer. If you fail to notify us of statement or transaction errors as required under this Agreement, we will not be liable for and you agree to hold us harmless from any loss which you could have prevented. You agree to indemnify and hold the Credit Union harmless from any liability, damages or expenses including reasonable attorney's fees, resulting from acts, omissions, by you or any other person acting on your behalf. We will not be liable for acts or omissions by you or any other person; including without limitation any wire transfer system, any Federal Reserve Bank, any Beneficiary Bank, and any Beneficiary, none of which shall be deemed the Credit Union's agent. We will be excused from delaying or failing to act if caused by emergency conditions or other circumstances beyond the Credit Union's control. In no event shall we be liable for any consequential, special, punitive or indirect losses or damages incurred relating to this Agreement, including any subsequent wrongful dishonor resulting from our acts or omissions. You understand you have no right to cancel or amend any transfer request after receipt by us; however, we shall use reasonable efforts to act on a cancellation or change request so long as it is received in a reasonable time within which to act upon such instructions. We shall have no liability if the cancellation or change is not effected. You may not initiate any wire transfer to facilitate any transaction related to internet gambling. In the event that the funds transfer is delayed or erroneously executed and a loss is suffered as a result of our error, our sole obligation is to pay or refund such amounts as may be required by applicable law. If we become obligated under UCC Article 4A to pay interest you agree the interest rate will be the dividend rate applicable to the account to which the funds transfer was or should have been made. The origination of Domestic Wire Transfer orders through the Credit Union shall be governed by Washington law, UCC Article 4A, and Federal Reserve Regulation J, any Wire Transfer Authorization and this Agreement.

**g. Credit Union Examination.** The Credit Union may disregard information on any check other than the signature of the drawer, 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.

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

#### **11. 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 transfers, or payment orders which are drawn against insufficient available funds, will be subject to a service fee, set forth in the 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. The Credit Union may also refuse to allow a withdrawal in other cases. For example: any dispute between the owners about the account occurs (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 written notice 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.** A preauthorized transfer includes any arrangement with the Credit Union to pay a third party from your account upon oral or written orders, including orders received through ACH portals. There is no limit to the number of transactions you may make in the following manners: (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 a 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 your account will be subject to suspension or closure and we may impose a fee.

#### **12. Overdrafts.**

**a. General Overdraft Liability.** If on any day the 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 may authorize a transaction when you use your debit card to conduct transactions with merchants or POS facilities. The Credit Union processes checks and items as follows: (i) checks and items are paid in the order they are presented to us, (ii) ACH items: credits are processed first and debits processed second, and (iii) debit card transactions are paid in the chronological order they are received. For purposes of determining an overdraft, 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 or receive a transaction authorization request.

Overdrafts will be determined based on the available balance in your account at the time of presentment. Your available balance may be lower than your actual balance due to funds held for debit card transactions you have made and deposited checks held pursuant to our funds availability policy. If the available balance in your account is less than the transaction amount of the check or item presented (other than a debit card transaction that we authorized against a positive available balance), the item will be considered an overdraft and will be returned or declined or may be paid. A card transaction that when initially authorized creates or increases a negative balance may create an overdraft when the card transaction is presented. The Credit Union has no control over the timing when checks or other items are presented. Your available balance may be lower than your actual balance due to funds held for debit card transactions you have authorized and deposited checks held pursuant to our funds availability policy. You can view your available balance through Online Banking and at ATMs to avoid an overdraft.

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 chronological order they are received, (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.

**c. Overdraft Protection Plans.** If we approve your request for overdraft protection, we will provide an overdraft protection plan for you.

**i. Transfers from Savings.** We will honor checks and other items drawn on insufficient funds in your checking account by transferring the necessary funds from a savings account or other deposit account as you designate. If you have enough funds in your savings account, you authorize us to transfer funds in amounts necessary to cover the overdraft. If your savings account balance is insufficient to cover the overdraft amount, we will not make any transfer that overdraws your savings account. Unless another overdraft protection plan applies, we will return the check or item unpaid. There is an overdraft transfer fee for each overdraft transfer as set forth on the Fee Schedule. You may opt out of this overdraft transfer service at any time by notifying us verbally or in writing.

**ii. Transfers from Line of Credit.** We will honor checks and other items drawn on insufficient funds in your checking account by transferring the necessary funds from a Line of Credit Account of yours, if applicable, unless you designate a different order. If you are within the credit limit of your line of credit account, you authorize us to transfer funds in amounts necessary to cover the overdraft. If your credit limit is insufficient to cover the overdraft amount, we will not transfer any amount. Unless another overdraft protection plan applies, we will return the check or item unpaid. There is no cash advance fee, but interest will begin to accrue from the date of any advance transfer. You may opt out of this overdraft transfer service at any time by notifying us verbally or in writing.

**iii. Check Sentry Overdraft Protection Service.** We offer a discretionary overdraft service (Check Sentry) to cover overdrafts on your checking accounts. The Credit Union offers the Check Sentry service to eligible consumer checking account owners who qualify. To qualify you must be 18 years or older and not have a negative account balance for 41 consecutive days or past due loan of 31 days in the past 6 months. Check Sentry is not offered to minors, fiduciary, business or organizational accounts or anyone who has caused a financial loss to the Credit Union, or anyone with a past due loan payment at the Credit Union. The Check Sentry service is provided to qualified accounts automatically for checks; ACH and online transactions to all eligible consumer checking account owners. The Check Sentry service will be provided for ATM and debit card purchase transactions only if you expressly request ("opt-in") Check Sentry service for these transactions

**d. Terms & Conditions of Overdraft Protection Service.** The terms for qualifying for the Check Sentry service as set forth in the Fee Schedule. Check Sentry service will be provided under the following terms and conditions.

**i. Discretionary Service.** Under the Check Sentry 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 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.

**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 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.

**iii. Overdraft Limit.** Under the Check Sentry service, 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.

**iv. Notification.** We will notify you by mail if you have any overdraft transaction. If you enroll in electronic document delivery we will notify you of any overdraft transactions. However, we have no obligation to notify you before we pay or return any item.

**v. Overdraft Fees.** There is an overdraft fee for each overdraft check or item we pay as set forth on the Fee Schedule. If your actual account balance is less than \$0 after the overdraft is paid, a fee will be charged. If the actual account balance is \$0 or more after the overdraft is processed, no fee is charged. If we do not pay the overdraft, there is a Returned Item fee for each check or item we return as set forth on the Fee Schedule. We may charge a fee each time a check or item is submitted or resubmitted for payment and we either return or pay the overdraft. Therefore, you may be assessed more than one fee as a result of a returned item or any resubmission(s) of the returned item that overdraws or would overdraw your account. There is a limit of 25 overdraft transactions that we will cover in a month. If you have excess overdraft activity we will not cover such overdrafts and we will notify you in writing to consider discontinuing the Service. These fees may be amended as set forth in our Fee Schedule.

**e. 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 30 days of initial notice from us, we may immediately suspend the Check Sentry service. Accounts may be closed for failure to repay overdraft balances and we will report account closures to consumer reporting agencies.

**f. Member Opt-Out Right.** We offer the Check Sentry 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 Check Sentry 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.

**13. Postdated and Stale-Dated Checks.** You authorize us to accept and pay any check, even if it 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 it in time for us to notify our 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 systems to identify the check. If you give the Credit Union an incorrect, incomplete, or untimely notice, we will not be responsible for paying the item before the date stated and the Credit Union may charge your account as of the date we pay the item. You may make an oral notice that will lapse within fourteen (14) days unless continued in writing within that time. 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 that is presented more than six (6) months after its date.



#### **14. Stop-Payment Orders.**

**a. Stopping Payment Requests.** 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, mail, with online banking or in person. For checks, the stop payment will be effective if the Credit Union receives the order in time for us to act upon it, and you state the account number, date, and check number; its exact amount; and to whom it was issued. If you give the Credit Union incorrect or incomplete information, we will not be responsible for failing to stop payment on the item. For ACH debits, the stop-payment order must be received at least three (3) business days before the scheduled date of the transfer. You must state the account number, date, and the exact amount of the item, as well as the number of the item or originator of the ACH debit. If the stop-payment order is not received in time for the Credit Union to act upon it, the Credit Union will not be liable to you or to any other party for payment of the item. If we re-credit 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 item to the Credit Union, and to assist the Credit Union in legal action taken against the payee.

**b. Duration of Order.** You may make an oral stop-payment order that will lapse within fourteen (14) calendar days, unless continued in writing within that time. A written stop-payment order on a check will be effective for one (1) year. A written stop-payment order may be renewed in writing from time to time. A written stop-payment order on an ACH transaction will continue until the entry is returned or until you cancel the stop-payment order.

**c. Liability.** The Credit Union may charge a fee for each stop-payment order requested, as set forth in the 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 or entity, 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 for failing to stop payment of an item as a result of incorrect information provided by you.

**15. Credit Union's Liability for Errors.** If the Credit Union does not properly complete a transaction according to this Agreement, we 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 sufficient available funds to make the transaction; (b) circumstances beyond the Credit Union's control prevent 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 are 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 non-actions are consistent with applicable state law, U.S. 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 terms of this 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. 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.

**16. Credit Union's Lien and Security Interest.** To the extent you owe the Credit Union money as a borrower, guarantor, endorser 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, we do not waive our 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 to the Credit Union, except obligations secured by your dwelling, unless prohibited by applicable law. All accounts are non-assignable and nontransferable to third parties without our prior written consent.

**17. 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 any money from your account until the dispute is resolved. If the Credit Union incurs any expenses or attorney fees in responding to legal processes, 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.

**18. Account Information.** Upon your request, the Credit Union will inform you of the name and address of each credit reporting agency from which we obtain 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.

## 19. Notices.

**a. Name or Address Changes.** It is your responsibility to notify the Credit Union of a change of address or change of name. The Credit Union is only required to attempt to communicate with you at the most recent address you have provided to us. The Credit Union will accept notices of changes in address and any other notice from you to us only if provided in writing, in person, by telephone, with online banking, or by secure messaging. If the Credit Union attempts to locate you, we may impose a service fee as set forth in the Fee Schedule.

**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. Only a 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 us. The Credit Union reserves the right to accept oral instructions, and you agree to hold the Credit Union harmless from any liability as a result of such instructions. Any written notice the Credit Union gives to you is effective when it is deposited in U.S. Postal Service mail, postage-prepaid and addressed to your address on record with the Credit Union. Notice to any one account owner is considered notice to all account owners.

**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. Electronic Signatures.** You understand and agree that your electronic consent, execution or authorization 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 Agreement. You agree your electronic signature captured and stored by this means shall be sufficient to 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.

**f. 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 so we can assist you with your account and account services or take measures to prevent fraud on your account. 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 may revoke this authorization at any time by providing the Credit Union with your written revocation.

**20. Taxpayer Identification Number (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 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.

## 21. Statements.

**a. Contents.** If the Credit Union provides a statement of 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 (1) statement is necessary for a multiple-party account. 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 that we 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 or made available to you.

**b. Examination.** 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 thirty (30) days of the mailing date of the earliest statement

and availability of checks containing any forgery, alteration, or unauthorized signature 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. For electronic services, you have separate requirements for examining your statements and notifying us of statement errors or unauthorized EFTs as set forth in the Electronic Services Agreement.

**c. Notice to Credit Union.** 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 us 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 us in writing within the above time limit after the statement is mailed or made available to you.

**d. Electronic Statements (Online Statements).** If you have elected to receive your statement electronically, it will be available through online banking to access, review, print, and otherwise copy or download on the eighth day of each month for the previous period's statement, as disclosed in your Online Statement Agreement.

**22. Inactive and Abandoned Accounts.** If you have an account you have not made a withdrawal from, deposit to, renewal of, or transfer to or from 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 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.

**23. Death of Account Owner.** You irrevocably waive the right to make a testamentary disposition of any account with the Credit Union, now and in the future. You agree that, upon your death, your account will be payable in accordance with any existing account designations and the terms of this Agreement. The Credit Union may require the survivor or other claimant to the account to produce certain documents before releasing any funds. 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, we 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 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.

**24. 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; (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; (h) if you engage in any activity of betting or wagering or are otherwise engaged in any Internet gambling business; or (i) 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 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 any item after termination, you agree to reimburse us for payment.

**25. Termination of Membership.** You may terminate your Credit Union membership after giving written notice of your intent to withdraw. You may be expelled if there has been any misrepresentation or any other abuse on any of your other accounts; if you fail to comply with Credit Union Policies, procedures, and Bylaws; conduct yourself in a threatening or abusive manner to Credit Union personnel; or willfully damage Credit Union property. You may be denied service or expelled from membership for any reason allowed by applicable law, including causing a loss to the Credit Union or violating any terms of membership. If you are expelled, you may not be a joint owner on another account.

**26. Special Account Instructions.** You may request the Credit Union to facilitate certain trust, will, 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 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 designation of yours. If you ask the Credit Union to follow instructions we believe might expose us 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 or otherwise indemnify the Credit Union. Any item 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 must be evidenced by a signed Membership Application and be accepted by the Credit Union. The Credit Union will not recognize the authority of someone to whom you have given power of attorney without an acceptable, written power of attorney on record at the Credit Union. 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.

**27. Governing Law.** This Agreement is governed by the Credit Union's Bylaws, federal laws and regulations, the laws and regulations of the state of Washington and the state in which you reside, as applicable, and clearing house rules, as amended from time to time. Any disputes regarding this Agreement shall be subject to the jurisdiction of the courts in the county where the Credit Union is located 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.

**28. Binding Arbitration & Class Action Waiver.**

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

**Agreement to Arbitrate Disputes.** Either You or We may elect, without the other's consent, to require that any dispute between us concerning Your Deposit Accounts (share accounts) and the electronic financial services related to your Accounts be resolved by binding arbitration, except for those disputes specifically excluded below. This Arbitration Agreement and any arbitration conducted under it are governed by the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and are not subject to any state law related to arbitration.

**Disputes Covered by Arbitration.** Claims or disputes between you and us arising out of or relating to your Deposit Account(s), transactions involving your Deposit Account(s) and any related electronic financial service with us are subject to arbitration. Electronic financial services include online and mobile account access, bill pay, telephone access, and any other electronic service provided pursuant to our Electronic Funds Transfer Disclosures. Any claims or disputes arising from or relating to this agreement, any prior account agreement between us, any advertising, the application for, or the approval or establishment of your account are also included. Disputes include not only claims made directly by You, but also made by anyone connected with You or claiming through You, such as a joint account holder, account beneficiary, employee, representative, agent, predecessor or successor, heir, assignee, or trustee in bankruptcy. Claims are subject to arbitration, regardless of what theory they are based on or whether they seek legal or equitable remedies. Arbitration applies to any and all such claims or disputes, whether they arose in the past, may currently exist or may arise in the future. All such disputes are referred to in this section as "Claims".

**Disputes Not Covered by Arbitration.** Both you and we have the right to pursue a Claim in state court instead of arbitration for claims related to our collection of any negative balance or amounts you owe us under our Membership and Account Agreement, including but not limited to: fraud, counterfeit items and any unpaid account obligations. This exception applies if the Claim is in that court's jurisdiction and brought on an individual basis. Also, arbitration will not apply to Your Account as long as you are an active duty Service Member. Otherwise, this Agreement to arbitrate will apply without limitation, regardless of whether 1) your account is closed; 2) you pay us in full any outstanding debt you owe; or 3) you file for bankruptcy.

**No Class Action or Joinder of Parties.** YOU ACKNOWLEDGE THAT YOU AND WE AGREE THAT NO CLASS ACTION, CLASS-WIDE ARBITRATION, PRIVATE ATTORNEY GENERAL ACTION, OR OTHER PROCEEDING WHERE SOMEONE ACTS IN A REPRESENTATIVE CAPACITY, MAY BE PURSUED IN ANY ARBITRATION OR IN ANY COURT PROCEEDING, REGARDLESS OF WHEN THE CLAIM OR CAUSE OF ACTION AROSE OR ACCRUED, OR WHEN THE ALLEGATIONS OR FACTS UNDERLYING THE CLAIM OR CAUSE OF ACTION OCCURRED. Unless you and we both agree, claims of two or more persons may not be joined, consolidated, or otherwise brought together in the same arbitration

(unless those persons are joint account holders or beneficiaries on your account and/or related accounts, or parties to a single transaction or related transaction), whether or not the claim may have been assigned.

**Arbitration Procedures.** The arbitration must be filed with the following neutral arbitration forum and must follow its rules and procedures for initiating and pursuing an arbitration:

JAMS

[www.jamsadr.com](http://www.jamsadr.com)

1-800-352-5267 (toll-free)

The arbitration shall take place in the federal district in which you reside, or in which you entered into this Agreement. The arbitration shall be decided by a single, neutral arbitrator selected by both parties in accordance with the rules of the arbitration forum. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures and pursuant to JAMS' Streamlined Arbitration Rules and Procedures. Judgment on the arbitrator's award may be entered in any court having jurisdiction. This Arbitration Agreement does not preclude parties from bringing claims in small claims court or seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction. You or we may choose to have a hearing, be represented by counsel and conduct discovery. If the claim is brought by You, You will pay no more than \$250 of the filing costs and expenses and the remaining costs are borne by us. If we bring the claim, we pay for all filing fees and costs. Judgment on the arbitration award may be entered by any court of competent jurisdiction. We will not reimburse any fees if the arbitrator determines that your claim or dispute was frivolous or baseless. Each party shall be responsible for its own attorney fees in any arbitration unless the arbitrator awards attorney fees under applicable law or agreement.

**Right to Resort to Provisional Remedies Preserved.** Nothing herein shall be deemed to limit or constrain our right to resort to self-help remedies, such as our federal statutory lien; our right of set-off; the right to restrain funds in an account; to interplead funds in the event of a dispute; to exercise any security interest we may hold in property; to comply with legal process; or to obtain provisional remedies such as injunctive relief, attachment, or garnishment by a court having appropriate jurisdiction; provided, however, that you or we may elect to arbitrate any dispute related to such provisional remedies.

**Right to Reject this Arbitration Agreement.** You have the right to opt out of this agreement to arbitrate if you tell us within 30 days of your initial Account opening or the receipt of our Notice and this Agreement, whichever is later. To opt out, send us written notice including the following information: (i) Your written notice must include: your name, as listed on your account, your account number, and a statement that you reject this Arbitration Agreement, and (ii) You must send your written notice to us at the following address: TwinStar Credit Union, PO Box 718, Olympia, WA 98507-0718, Attn: Admin Opt-Out, or via email to [optoutadmin@twinstarcu.com](mailto:optoutadmin@twinstarcu.com), that you or we may elect to arbitrate any dispute related to such provisional remedies.

**Acceptance of Arbitration and Class Action Waiver.** By your receipt of our Notice and a copy of this Binding Arbitration and Class Action Waiver Agreement, your decision not to reject this Agreement and as confirmed by your continued use of your Account, you agree to be bound by the above terms and Disputes Covered by Arbitration provision for all of your Accounts and effective immediately your Accounts will be bound by this Arbitration and Class Action Waiver Agreement.

## II. FUNDS AVAILABILITY POLICY

**1. General Funds Availability Policy.** For all accounts except checking, we reserve the right to place reasonable holds on deposited funds to the extent permitted by law. For checking accounts, our general policy is to make funds from your deposits available to you on the first business day after the day we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once the funds are available, you can withdraw them in cash and/or we will use them to pay checks that have been 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 5:30 p.m. on a business day we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after 5:30 p.m. on a 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 you deposit by check available to you on the next business day we receive your deposit. Depending on the type of check you deposit (e.g., large checks without available funds or those from third parties), funds may not be available until the second business day after the day of your deposit. However, the first \$225 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 first business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of

our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit. If you need the funds from a deposit right away, we require you ask us when they will be available.

**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 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 a check for deposit 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 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 are described elsewhere in this Agreement for the type of check you deposited.

**4. Longer Delays May Apply.**

We may delay your ability to withdraw funds deposited by check into your account for 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 \$5,525 on any one (1) day.
- c. You deposit a check that has been returned unpaid.
- d. You have overdrawn your account repeatedly in the last six (6) months.
- e. There is an emergency, such as communications or computer equipment failure.

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 sixth (6) business day after the day of your deposit.

**5. Special Rules for 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 \$5,525 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 first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. Any excess funds over \$5,525 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 \$5,525 will not be available until the second business day after the day of your deposit. Funds from all other check deposits will be available on the ninth business day after the day of your deposit.

**6. Deposits at Non-Proprietary ATMs.** We may place a two-day hold on the aggregate of all funds over \$225.00 deposited per day at automated teller machines (ATMs) that we own (proprietary) and ATMs we do not own or operate (nonproprietary). All ATMs the Credit Union owns are identified as Credit Union ATMs. The first \$225.00 deposited per day into an ATM will generally be available at the time of deposit.

**7. Deposits through Mobile Deposit.** Funds from mobile deposits will be generally available on the second business day after the day of the mobile deposit, except the first \$225 of aggregate deposits from mobile and ATM deposits will be available immediately.

### **III. ELECTRONIC SERVICES**

By establishing and using an electronic service or access device, you agree to the following terms and conditions governing your and our rights and responsibilities concerning electronic funds transfers (EFT) and other electronic services offered to you by the Credit Union and any amendments.

**1. ATM & Visa® Debit card Services.**

**a. ATM Transactions.** You may use your TwinStar card ("card") and PIN at Credit Union ATMs and such other machines we may designate. You may use your card to make the following transactions on your accounts:

- Withdraw cash from your savings or checking accounts.
- Transfer funds between your savings or checking accounts.
- Make account balance inquires.
- Make loan payments from savings or checking accounts.
- Make deposits to your savings or checking accounts (proprietary ATMs only).

**b. ATM Limits.** There is no limit to the number of withdrawals you may make at Credit Union ATMs and nonproprietary ATMs. However, you may be charged a fee as set forth in the Fee Schedule. You may withdraw up to

\$505 (if there are sufficient funds available in your account) and aggregate deposits of \$20,000 per day at any authorized ATM, subject to limits placed by each individual ATM. You may transfer between your savings or checking accounts up to the available balance in your accounts at the time of the transfer at available locations.

**c. Visa® Debit Card.** You may use your Visa Debit card to purchase goods and services any place it is honored by participating merchants, including at point of sale (POS) terminals within the networks or such other POS terminals as the Credit Union may designate. Funds to cover your 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 Overdraft Service. The daily limit for purchase transactions at POS terminals is \$7,500. There is no limit to the number of POS purchase transactions you may make by card during a statement period. The Credit Union reserves the right to refuse any transaction which would draw upon insufficient funds, lower an account below a required balance, or otherwise require us to increase our required reserve on the account. The Credit Union may set other limits on the amount of any transaction, and you will be notified of those limits. The Credit Union may refuse to honor any transaction for which you do not have sufficient available funds.

## **2. Online Banking.**

**a. Service Terms.** If we approve your application for Online Banking service to your accounts, a PIN will be assigned to or selected by you.

Online banking is accessible seven (7) days a week, twenty-four (24) hours a day via the Internet. There may be times you are unable to process transactions if our database is offline. There is no limit to the number of transactions you may make in any one (1) day. There are certain limitations on transfers from savings or checking accounts. The Credit Union reserves the right to refuse any transaction that would draw upon insufficient funds, exceed a credit limit, lower an account below a required balance, or otherwise require us to increase our required reserve on the account. The Credit Union may refuse to honor any transaction for which you do not have sufficient available funds. Account balance and transaction history information may not show all activity involving your accounts.

You may use the Online, Phone or Voice Banking services to:

- Transfer funds between your checking, savings, or loan accounts.
- Transfer funds to accounts of other members.
- Obtain balances for any of your accounts.
- Request withdrawals sent through the mail.
- Communicate with the Credit Union using online banking messaging.
- Establish and pay bills through the Bill Pay services.
- Access funds from a line of credit account to your savings or checking account.
- Review account balance, transaction history, and tax information for any of your deposit accounts, and current rate information.
- Manage contact information, password, and other login credentials, and choose your paper statement status.

**b. Online Banking Alerts Service.** With Online Banking Alerts, you can ask the Credit Union to send you automated emails or text messages about your account. Each Alert becomes effective after you set up and activate it in the Alerts menu within Online Banking or our Mobile App. You can manage the Alert types and you can suspend, stop, or edit any Alert at any time.

We reserve the right to change the types of Alerts available or terminate Alert service at any time. You must be aware that Alerts are not encrypted so anyone with access to your email or text messages will be able to view your Alerts and their contents. Depending upon which Alerts you select, they may include information such as your account balance, payment due date, or other account-related information.

Alert information may be subject to time lags and/or delays. The Credit Union does not guarantee the delivery, timeliness, nor accuracy of any Alert, whether within or outside the Credit Union's control. In requesting Alerts, you agree that we will not be liable for:

- Any delays, delivery failures, or misdirected Alert delivery;
- Any errors in Alert contents; or
- Any actions you or anyone else may take or not take in reliance on an Alert.

Alerts are sent to the email address or phone number you specify. If you change your email address or phone number, you are responsible for informing us of the change and editing your Alerts.

**3. Bill Payer Service.** When you apply for Bill Payer service you must designate your Checking Account as the account from which payments that you authorize will be deducted. You will be given the ability to set up merchants,

institutions or individuals that you would like to pay. We reserve the right to not allow the designation of a particular merchant or institution. You or any persons who you have authorized to use your Online Banking or Bill Payer service or any access code can perform the transactions described below.

**a. Bill Payments.** Pay any designated merchant, institution or individual in accordance with this agreement a fixed recurring amount or a variable amount "on demand," from your designated Checking Account.

**b. Obtain Information.** Obtain information (payee information, payment status information, etc.) about your bill payment account status.

**c. Bill Payment Transactions** You authorized us to process bill payments from your designated account. You may use the Bill Payer service to initiate three different types of payment transactions:

- "On demand" payments are payments that are not reoccurring. The payments can be canceled or changed through the bill payment service up until 12PM ET before your Scheduled Debit Date.
- "Future" payments are payments that you initiate by setting the payment amount and due date. The payment can be canceled or changed through Bill Payer service before the Scheduled Payment Date.
- "Recurring" payments are payments that are reoccurring on a fixed due date and fixed amount. You have an option in the bill payment system to set Automatic Payments to continue indefinitely or set a maturity date. The payment can be canceled or changed through the Bill Payer service before the Scheduled Payment Date.

**d. Authorized 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 or any other account you designate. We will process bill payment transfer requests only to those payees the Credit Union has designated in its User Instructions and such payees as you authorize and for whom the Credit Union has the proper payee code number. The Credit Union will not process any bill payment transfer if we know the required transaction information is incomplete. In any event, the Credit Union will not be liable for any transaction that contains incorrect information that the Credit Union was not responsible for entering or knowing. If there are insufficient funds in your account to make the bill payment request, we may either refuse to make the payment or make the payment and transfer funds from any overdraft protection account you have established. The Credit Union reserves the right to refuse to process payment instructions that reasonably appear to the Credit Union to be fraudulent or erroneous.

**e. Bill Pay Limitations.** You may authorize new payment instructions or edit previously authorized payment instructions for payments that are either variable (e.g., payments on merchant accounts that vary in amount) or fixed (e.g., fixed mortgage payments). When you transmit a payment instruction to us, you authorize us to transfer funds from your checking account to fulfill the payment transaction. The Credit Union will not process any payment transaction 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 cover the payment transaction, we may refuse to make the payment and/or transfer funds from any overdraft protection account you have established, or overdraw your account and charge an overdraft fee as set forth in the Business Account Fee Schedule. The Credit Union reserves the right to refuse to process payment transactions that reasonably appear to the Credit Union to be fraudulent or erroneous. The Credit Union will attempt to withdraw the designated funds from your account for the payment on the same date you schedule the payment for and process your payment transaction within one (1) business day. It is your responsibility to schedule your payments in such a manner that your obligations will be paid on time. You should schedule your payment transaction for a date that is at least five (5) business days before the bill is due. You are responsible for any late fees or finance charges that may be imposed as a result of your failure to schedule a timely bill payment transaction.

#### **4. Mobile Banking Service.**

**a. Mobile Banking Services.** Mobile Banking is a personal financial information management service that allows you to access account information, make payments to individuals and merchants who have previously been set up through our Online Banking and Bill Payer services and make such other financial transactions using compatible and supported mobile phones and/or other compatible and supported wireless devices (including phones, "Wireless Devices"). We reserve the right to modify the scope of the Mobile Banking services at any time. We reserve the right to refuse to make any transaction you request through Mobile Banking. You agree and understand that Mobile Banking may not be accessible or may have limited utility over some mobile telephone networks, such as while roaming. The most up-to-date list of services which you may be able to access through Mobile Banking is posted on the Mobile Access enrollment website at [www.twinstarcu.com](http://www.twinstarcu.com). When you register for Mobile Banking, designated accounts and payees (or billers) linked to your account through Online Banking will be accessible through the Mobile Banking service.



**b. Use of Services.** Mobile Banking will not work unless you use it properly. You accept responsibility for making sure that you understand how to use Mobile Banking before you actually do so, and you use Mobile Banking in accordance with the online instructions posted on our website. You also accept responsibility for making sure that you know how to properly use your wireless device and the Mobile Banking software ("Software") required to use the Service. The Software is provided by a service provider not affiliated with the Credit Union and you are solely responsible for entering a license agreement to use the software. We will not be liable to you for any losses caused by your failure to properly use the Mobile Banking service, the Software or your wireless device. You may experience technical or other difficulties related to the Mobile Banking service that may result in loss of data, personalization settings or other Mobile Access service interruptions. We assume no responsibility for the timeliness, deletion, misdelivery or failure to store any user data, communications or personalization settings in connection with your use of the Mobile Banking service. We assume no responsibility for the operation, security, or functionality of any wireless device or mobile network which you utilize to access the Mobile Banking service. Financial information shown on the Mobile Banking service reflects the most recent account information available through the Mobile Banking service, you agree that we will not be liable for any delays in the content, or for any actions you take in reliance thereon. If you need current account information you agree to contact us directly.

**c. Access to Accounts.** By enrolling in the Mobile Banking service, you certify you are an owner of the accounts represented in your enrollment. You understand that all authorized signers and authorized users of your accounts or anyone with whom you share your Password or any access code will be an Authorized User, and that authority will be considered unlimited in amount and manner with full authority to perform all transactions relating to the stated accounts, until you notify the Credit Union, in writing of the limitation on or revocation of such authority. You agree that you are and will remain fully responsible for any transactions made by such persons on your accounts except transactions that occur after the Credit Union has been notified of any revocation of authority and has had a reasonable opportunity to act upon such notice.

**d. Relationship to Other Agreements.** You agree that when you use Mobile Banking, you will remain subject to the terms and conditions of all your existing agreements with us or any service providers of yours, including service carrier or provider and that this Agreement does not amend or supersede any of those agreements. You understand that those agreements may provide for fees, limitations and restrictions which might impact your use of Mobile Banking (for example, your mobile service carrier or provider may impose data usage or text message charges for your use of or interaction with Mobile Banking, including while downloading the Software, receiving or sending Mobile Banking text messages, or other use of your Wireless device when using the Software or other products and services provided by Mobile Banking), and you agree to be solely responsible for all such fees, limitations and restrictions. You agree that only your mobile service carrier or provider is responsible for its products and services. Accordingly, you agree to resolve any problems with your carrier or provider directly with your carrier or provider without involving us. You also agree that if you have any problems with Mobile Banking, you will contact us directly.

**e. Mobile Banking Service Limitations and Conditions.** When you use the Mobile Banking service to access accounts, you agree to the following limitations and conditions:

**i. Account Ownership/Accurate Information.** You represent that you are the legal owner of the accounts and other financial information which may be accessed via Mobile Banking. You represent and agree that all information you provide to us in connection with Mobile Banking is accurate, current and complete, and that you have the right to provide such information to us for the purpose of operating the Mobile Banking service. You agree to not misrepresent your identity or your account information. You agree to keep your account information up to date and accurate.

**ii. Proprietary Rights.** You may not copy, reproduce, distribute, or create derivative works from this content. Further, you agree not to reverse engineer or reverse compile any Mobile Banking technology, including, but not limited to, any Software or other mobile phone applications associated with the Mobile Banking service.

**iii. User Conduct.** You agree not to use Mobile Banking or the content or information delivered through Mobile Banking in any way that would: (a) infringe any third-party copyright, patent, trademark, trade secret, or other proprietary rights or rights of publicity or privacy, including any rights in the Software; (b) be fraudulent or involve the sale of counterfeit or stolen items, including, but not limited to, use of Mobile Access to impersonate another person or entity; (c) violate any law, statute, ordinance or regulation (including, but not limited to, those governing export control, consumer protection, unfair competition, anti-discrimination or false advertising); (d) be false, misleading or inaccurate; (e) create liability for us or our affiliates or service providers, or cause us to lose (in whole or in part) the services of any of our service providers; (f) be defamatory, trade libelous, unlawfully threatening or unlawfully harassing; (g) potentially be perceived as illegal, offensive or objectionable; (h) interfere with or disrupt computer networks connected to Mobile Banking; (i) interfere with or disrupt the use of Mobile Banking by any other user; or (k) use Mobile Banking in such a manner as to gain unauthorized entry or access to the computer systems of others.

**iv. No Commercial Use or Resale.** You agree that the Mobile Banking services are for personal use only. You agree not to resell or make commercial use of Mobile Banking.

**v. Indemnification.** Unless caused by our intentional misconduct or gross negligence, you agree to protect and fully compensate us and service providers from any and all third party claims, liability, damages, expenses and costs (including, but not limited to, reasonable attorneys' fees) caused by or arising from your improper use of the Mobile Banking software or your infringement, or infringement by any other user of your account, of any intellectual property or other right of anyone.

**f. Additional Service Limitations.** Neither we nor our service providers can always foresee or anticipate technical or other difficulties related to Mobile Banking. These difficulties may result in loss of data, personalization settings or other Mobile Banking interruptions. Neither we nor any of our service providers assume responsibility for the timeliness, deletion, misdelivery or failure to store any user data, communications or personalization settings in connection with your use of Mobile Banking. Neither we nor any of our service providers assume responsibility for the operation, security, functionality or availability of any Wireless device or mobile network which you utilize to access Mobile Banking. You agree to exercise caution when utilizing the Mobile Banking application on your Wireless device and to use good judgment and discretion when obtaining or transmitting information. Financial information shown on Mobile Banking reflects the most recent account information available through Mobile Banking, and may not be current. You agree that neither we nor our service providers will be liable for any delays in the content, or for any actions you take in reliance thereon. If you need current account information you agree to contact us directly.

## **5. External Funds Transfer Service.**

**a. External Funds Transfers.** Within the Online Banking service, you may separately enroll for the External Funds Transfer service for transferring funds between your linked personal deposit accounts at the Credit Union and certain deposit or card accounts at other financial institutions. The accounts at other financial institutions to or from which you request transfers are funds transfer accounts ("FT Accounts "). An "Inbound transfer" moves funds into your Credit Union account from an FT Account. An "Outbound transfer" moves funds from your Credit Union account to an FT Account. You will need to register each of your FT accounts that you wish to use for these transfers. You agree that you will only register accounts for which you have the authority to transfer funds.

**i. Service Eligibility.** You authorize us to verify your identity by obtaining information about your credit history from a consumer credit reporting agency to be used in accordance with the Fair Credit Reporting Act and other applicable laws. You agree to use the Service for legal purposes and not in violation of any laws, including but not limited to, laws and regulation designed to prevent Money Laundering. If any of your FT Accounts has a joint account holder, you represent and warrant that the joint account holder has consented for you to represent both and use the account with this Service. If you do not give such consent, you should not use that account and we will terminate your use of Service if we are notified of such situation.

**ii. Service Limitations.** All FT Accounts must be with financial institutions in the United States. No International transactions are supported with the Service. Not all types of accounts are available for funds transfer service. For example, retirement, business or corporate accounts. Also you must check with your financial institution to verify their ability to participate in external funds transfer service. Also, there may be limitations related to each transaction such as total amount, number of transactions allowed, or total transaction amounts defined by your financial institution.

**iii. FT Account Setup.** To add an FT Account, you authorize us to access such FT Account as needed to provide this service. Upon adding an FT Account, you authorize us, if necessary, to make small deposits and/or withdrawals to the FT Account to confirm your control of the account. The withdrawal(s) amount(s) will never be greater than the deposit(s) amount. You agree to verify online the amounts of such deposits and/or withdrawals.

**iv. ACH Transfers.** Upon your request, we will make electronic transfers from your designated and active FT Accounts via the Automated Clearing House (ACH) system in the amount you specify. You agree that such requests made with this Service constitute your written authorization for such transfers. You understand that your bank may limit the number of transactions that you authorize using your savings or money market account.

### **b. Transfer Limitations & Requirements.**

**i. Transfer Cut-Off.** Funds will be debited the business day after you initiate the transfer, and will be credited on the fifth business day after you initiate the transfer. Any inbound transfer attempt returned due to insufficient or uncollected funds will be re-submitted once for collection upon receipt of the original return entry. The cut-off time for Standard Transfers is 12:00 p.m. Pacific Standard Time. Any standard transfer made after the cut-off time will be initiated the next business day.

**ii. Transfer Limits.** Transfer limits are defined at enrollment to the service. These daily and monthly dollar limits apply to the total of all transfers for all accounts linked to the user profile. Any transfer initiated on a day that is not a business day counts toward the applicable limit for the next business day. A transfer remains In Process until fully processed and it will appear as "In Process" on your Transfer Funds tab within Online Banking. Standard transfers typically remain In Process until the close of the third business day after the transfer is initiated. We may change your transfer limits at any time. Any decrease will be subject to notice, as required by law, but you agree that we may reduce your limits without prior notice upon occurrence of a Disqualifying Event, including: (i) any of your Credit Union accounts are not current or are not in good standing, (ii) you have had an overdraft, an over-limit item, or an item returned for insufficient funds with respect to any Credit Union account during the current or three prior calendar months, or (iii) you have had any prior transfer to or from a non-Credit Union account canceled, revoked, or uncompleted due to insufficient funds, revoked authorization, stopped payments, frozen accounts, or any similar reason.

**iii. Modifying or Cancelling Transfers.** Pending transfer instructions can be cancelled or modified until the status changes to "In Process". Transfer Instructions cannot be cancelled or modified after cut-off time on the transfer date. If you close any of your FT Accounts, you are responsible to remove it from the Service to avoid any transaction failure and charges related to a failed transaction. There may be additional fees to you for failed transactions.

**iv. Status E-mail.** We will periodically send messages to your primary e-mail address during the external funds transfer process. These messages will provide information pertaining to the trial deposit process, confirm account linkages, and contain status updates for transfers in progress. Primary e-mail address is defined in Online Banking and you are responsible for updating the address should it change. E-mail messages regarding the funds transfer process do not contain any non-public personal information and cannot be suppressed.

**6. Wire Transfer Service.** If the Online Banking Wire Transfer Service is requested and approved for you, the Credit Union will provide you the ability to instruct the Credit Union to send domestic funds transfers ("Wire Transfer"), through Online Banking ("Wire Transfer Services"), which create obligations from you to the Credit Union. You understand and acknowledge that execution of any Payment Order to the Credit Union is subject to the following terms and requirements.

**a. Authorization Users.** You will designate online the person(s) whom you have granted authority to transmit Wire Transfers via Online Banking ("Authorized Users"). The Credit Union may rely on your designation to transmit Wire Transfers via Online Banking. You understand that any transaction by a business owner, employee, agent representative or anyone you authorize to transact business on your account or any transaction by an Authorized User that exceeds the specific transaction authority you have provided, are considered authorized transaction for which you remain fully responsible. You are responsible for safeguarding your business, financial and personal data, passwords and other information to prevent unauthorized access to or use of your accounts or service.

**b. Payment Orders.** You may instruct the Credit Union to execute a Wire Transfer(s) on your behalf (each a "Payment Order") by submitting the Payment Order to the Credit Union in such form as the Credit Union requires, and by following the procedures established by the Credit Union for verifying the authenticity of Payment Orders ("Security Procedure").

**c. Security Procedure.** You agree to use the Credit Union's Security Procedure, as set forth in this Section, and as such Security Procedure may be amended as agreed upon by you and the Credit Union from time to time, for the purpose of verifying the authenticity of Payment Orders and communications amending or canceling Payment Orders. The Credit Union's Security Procedure consists of a combination of security devices, questions and protocols, which include Tokens, Passwords, Out of Band Authentication and Online Banking Wire Transfer Limits, which are described in more detail below. The Credit Union maintains commercially reasonable Security Procedures based primarily of its knowledge of the service users' circumstances and its knowledge of security procedures employed by similarly situated users and receiving banks. You and your Authorized Users and other agents shall maintain the highest possible level of confidentiality with regard to the Security Procedure, and will take all steps necessary to prevent access to them by unauthorized persons. You agree to notify us immediately following your discovery of any unauthorized use. Subject to the Credit Union's obligations under this Agreement, the Credit Union will have no liability in connection with, or resulting from, the execution of any wire transfer by the Credit Union that was verified pursuant to the Security Procedure, except to the extent applicable law prohibits the parties from varying the Credit Union's liability with respect to such wire transfers. You understand that the Security Procedure is not for the purpose of detecting errors in transmission or content of a Payment Order or a Wire Transfer.

**d. Tokens or OOB.** The Security Procedure utilizes two factor authentication secure token or OOB technology. To initiate Wire Transfers via Online Banking, a token may be required, or OOB may be required over a certain dollar limit, as agreed upon between you and the Credit Union. An Authorized User must be in physical possession of the token or registered phone for OOB to Initiate a Wire Transfer. You agree that it is your sole and absolute responsibility to secure and protect access to all tokens and phones used for two factor authentication.

**e. Online Banking Wire Transfer Limits.** Limits on the amount of Online Banking Wire Transfers will be established and agreed upon between you and the Credit Union. Online Banking Wire Origination Limits may be set on a master level and may be set by you at user level. You authorize the Credit Union to reject Payment Orders that exceed established Online Banking Wire Origination Limits.

**f. Rejection of Wire Transfer Instructions.** The Credit Union may, at its sole discretion, but without obligation or duty to do so except to the extent otherwise specifically provided in this Agreement, by a notice of rejection delivered orally, electronically or in writing, reject any Payment Order, including, without limitation, any Payment Order that the Credit Union believes (a) exceeds the collected and available funds on deposit in your designated Account(s); (b) exceeds any of the Online Banking Wire Transfer Limits; (c) is not authenticated to the Credit Union's satisfaction, or which the Credit Union otherwise believes may not be authorized by you; (d) contains incorrect, inconsistent, ambiguous, or missing information; (e) involves funds which are subject to a lien, security interest, claim hold, dispute, or legal process prohibiting withdrawal; (f) exceeds legal, regulatory, payment system or governmental policy limitation; (g) may have been issued without proper authorization; or (h) is incomplete. The Credit Union shall incur no liability to you for any losses incurred by the Credit Union's refusal, with or without notice to you, to honor any Payment Order.

**g. Cancellation of Payment Orders.** The Credit Union is not obligated (and is not liable for its failure) to cancel or amend a Payment Order after its receipt by the Credit Union. The Credit Union will, however, make reasonable efforts to comply with your request to cancel or amend a Payment Order. Any request for cancellation or amendment must be made in compliance with the Security Procedure. You will indemnify and hold the Credit Union harmless from any and all liabilities, costs and expenses the Credit Union may incur in canceling or amending, or in attempting to cancel or amend, a Payment Order.

**h. Execution of Payment Orders.** The Credit Union is authorized to execute Payment Orders, and to charge your Accounts for such Payment Orders, without inquiry as to the circumstances of issue or the disposition of the proceeds, even if drawn to the individual order of any of the Authorized Users or payable to others for the Authorized User's account. The Credit Union will use commercially reasonable efforts to execute Payment Orders on the Business Day of receipt if (a) the Credit Union received the Payment Order and is able to authenticate it before the Credit Union's cutoff time, and (b) the day the Payment Order is received is a funds transfer Business Day for the Credit Union. In any event, a transfer from an Account with the Credit Union can be processed on the same Business Day a Payment Order is received by the Credit Union only if the Credit Union accepts the Payment Order and you have received confirmation communicated through the System by 2:30 p.m. Pacific Time on that same Business Day that the Payment Order was successfully transmitted to the Credit Union via Online Banking. The Credit Union may change its cutoff times without prior notice to you. You shall complete all Payment Orders in the form and format designated by the Credit Union.

**i. Transmission of Funds.** The Credit Union may employ any reasonable means it chooses for the transmission of funds pursuant to a Payment Order. The Credit Union is not responsible for (i) performance failure as a result of an interruption in transfer facilities, labor disputes, power failures, equipment malfunctions, suspension of payment by another bank, refusal or delay by another bank to accept the wire transfer, war, emergency conditions, fire, earthquake, or other circumstances not within the Credit Union's control; or (ii) for any other performance failure that is not a result of the Credit Union's breach of this Agreement.

**j. Reliance on Identifying Numbers and Other Information.** The Credit Union may rely, without incurring liability to you, on information (including names, amounts and account numbers) provided by you and/or your Authorized Users on the Authorization, in the Payment Order or otherwise when executing or otherwise processing a Payment Order, even if such information is incorrect. The Credit Union may, in such circumstances, charge your Account(s) and assess Customer with Obligations. Accordingly, you understand that when a Payment Order identifies by name and number a beneficiary financial institution, intermediary financial institution or beneficiary, the Credit Union and every receiving or beneficiary financial institution may rely on the identifying number to make payment, regardless of whether the number matches the named financial institution, person or account. You are responsible for immediately providing the Credit Union with updated Authorization forms reflecting any changes in authorization of your personnel.

**k. Maintaining Available Funds.** You will maintain a deposit account with available funds to cover any Wire Transfer. If funds are not available, or if the amount of the Payment Order exceeds the Online Banking Wire Transfer Limits at the time the Payment Order is submitted or at any time prior to initiation of the Wire Transfer, the Credit Union may elect not to initiate the Wire Transfer.

**l. Limitations of Liability.** THE CREDIT UNION'S LIABILITY FOR ONLINE BANKING WIRE TRANSFER SERVICES IS SOLELY AND EXCLUSIVELY LIMITED TO YOUR ACTUAL PECUNIARY LOSSES AND THE REMEDIES SET FORTH IN RCW CHAPTER 62A.4A (AS APPLICABLE), EXCEPT AS THE TERMS OF SUCH STATUTE ARE EXPRESSLY VARIED BY THIS AGREEMENT. UNDER NO CIRCUMSTANCE WILL THE CREDIT UNION BE LIABLE FOR ANY SPECIAL, INCIDENTAL (EXCEPT AS MAY OTHERWISE BE SPECIFICALLY PROVIDED IN RCW 62A.4A.A.3050, AS APPLICABLE), INDIRECT, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO LOST PROFITS OF ANY KIND, LOSS OF PRODUCTION, DOWNTIME COSTS OR CLAIMS AGAINST YOU BY OTHERS.

**m. Access Entitlement Service.** Upon enrollment, we will provide and you may use the Access Entitlement Service. The Entitlement Service allows you to designate and authorize specific individuals to have account information access and transaction authority on accounts you designate. ("Entitled Users"). Each Entitled Users will be authorized to access your accounts and to conduct transactions within the scope and transaction limits you establish, which authority shall continue until you revoke or revise such authority within the Entitlement Service. You may appoint Entitled Users for any consumer or business account, except restricted or special use accounts we designate including IRA, HAS and IDA accounts. You may not appoint Entitled Users or use the Entitlement Service for any fiduciary account. If you attempt such use, you are solely responsible for any account activity and you release and indemnify the Credit union from any account activity.

**7. SMS Message Service.** The Credit Union offers members mobile access to their account information (e.g., for checking balances and last transactions) over SMS, as well as the option to set up alerts for their accounts (e.g., low balance alerts). Enrollment requires identification of the user's relationship as well as providing a mobile phone number. Members may select the type of alerts and other preferences which will determine, together with their account data, the frequency of alerts to be delivered. This program will be ongoing. Message & Data rates may apply. Members will be allowed to opt out of this program at any time. Questions: You can contact us at (800)258-3115 or send a text message with the word "HELP" to this number: 226563.

**8. Electronic Check Transactions.** You authorize us to honor any electronic check conversion transaction and re-presented check fee debit transactions you authorize ("electronic check transaction"). 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, including any written sign provided by the merchant at the time of your transaction. All terms governing EFT services will apply to electronic check transactions, except the \$50 and \$500 limits of liability for any unauthorized transactions in Section 11. (Unauthorized Transaction Reporting & Liability). You remain responsible for notifying us of any unauthorized electronic check transaction shown on your statement.

**9. Preauthorized EFTs and Direct Deposit.** Preauthorized EFTs may be made into or from your Credit Union account(s). These may include preauthorized EFTs made to your account from a third party (such as Social Security or your employer) or from your account to a third party (such as a mortgage company or insurance premium payment), excluding bill-payment transactions. If EFTs are made into or from your account(s), those payments may be affected by a change in your account status or if you transfer your account. Upon the instruction of (i) your employer, (ii) the U.S. Treasury Department, or (iii) other financial institutions, the Credit Union will accept direct deposits of your paycheck or federal recurring payments, such as Social Security.

**10. Conditions of Account and Card Use.** The use of your card and account are subject to the following conditions:

**a. Card Ownership.** Any card or other device we supply to you is our property and must be returned to us (or to any person whom we authorize to act as our agent, or any person who is authorized to honor the card) immediately according to instructions. The card may be repossessed at any time and at our sole discretion, without demand or notice. You cannot transfer your card or account to another person. You may not use the card for any illegal or unlawful transaction, and we may decline to authorize any transaction we believe poses an undue risk of illegality or unlawfulness.

**b. Honoring the Card.** Neither we nor merchants authorized to honor the card will be responsible for the failure or refusal to honor it 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 cash.

**c. PIN or Access Code.** The PIN or access code you select is for your security purposes. The PIN or access code is confidential and should not be disclosed to third parties or recorded. You are responsible for safekeeping your PIN or access code. You agree not to disclose or otherwise make your PIN or access code available to anyone not authorized to sign on your accounts. You agree that if you provide your PIN or access code to a joint owner on your deposit account or another person, you understand and agree that person has full access to and your authorization to receive any deposit or loan account information of yours. The Credit Union has no responsibility to inquire about the person's authority or permission to access your information and will not be liable for providing any account information access to such person. If you authorize anyone to have or use your PIN or access code, you understand that person may use online and mobile banking services to review all of your account information and make account transactions. Therefore, we are entitled to act on transaction instructions received using your PIN or access code, and you agree that the use of your PIN or access code will have the same effect as your signature for authorizing transactions. If you authorize anyone to use your PIN or access code in any manner that authority will be considered unlimited in amount and manner until you specifically revoke such authority by notifying the Credit Union that transactions and access by that person are no longer authorized and your PIN or access code is changed. If you fail to maintain or change the

security of your PIN or access code and the Credit Union suffers a loss, we may terminate your EFT and account services immediately.

**d. Foreign Transactions.** Purchase and cash advance transactions made in or with merchants located in foreign countries will be billed to you in U.S. dollars. The currency conversion rate for international transactions as established by Visa International, Inc. is a rate selected by Visa from the range of rates available in wholesale currency markets for the applicable central processing date, which may vary from the rate Visa itself receives, or the government-mandated rate in effect for the applicable central processing date. If there is a currency conversion, you will be charged a foreign transaction fee of 2% of the transaction amount or \$0.25, whichever is greater, for any card transaction made in or with merchants located in a foreign country.

**e. Illegal Internet Gambling.** You agree that all transactions you initiate by using 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 our Visa debit card.

**f. Non-Visa Debiting Transactions Processing.** We have enabled non-Visa debit transaction processing. This means you may use your Visa debit card on a PIN-debit network (non-Visa networks) without a PIN. The non-Visa debit network(s) for which such transactions are enabled is the STAR Network. Examples of the actions you may be required to take 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 POS terminal. Examples of actions required 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 PIN use. The provisions of your agreement with us relate only to Visa transactions and 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. Therefore, the liability rules for other EFTs in Section 8. (Member Liability) will apply. Visa rules generally define PIN-debit networks as non-Visa debit networks that typically authenticate transactions by using a PIN, but are not generally known for having cards present.

**11. Unauthorized Transaction Reporting and Liability.** You are solely responsible for all transfers you authorize using any Services under this Agreement. If you permit other persons to use your Password and initiate transactions with this Service, you are responsible for any transactions they authorize or conduct on any of your Accounts.

**a. Liability on Consumer Accounts.** For EFT transactions on a consumer deposit account, under this Agreement, you are responsible for all transactions you authorize using any EFT services. For consumer Accounts, transactions by family members or friends that you allow on your Account are authorized by you. If you permit other persons to use your Password, you are responsible for any transactions they authorize or conduct on any of your accounts. However, you must notify us immediately if you believe anyone has used your Password and accessed your accounts without your authorization. For EFT transactions, if you notify us within two (2) business days, you can lose no more than \$50 if someone accessed your account without your permission. If you do not notify us within two (2) business days after you learn of the unauthorized use of your account or Password, 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 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.

If you believe your card has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, please call us toll-free: 800.258.3115 or write to: TwinStar Credit Union, PO Box 718, Olympia, WA 98507-0718

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

**13. Fees.** There are certain fees for EFT services as set forth in the Fee Schedule, which is incorporated herein. From time to time, fees may be changed. We will notify you of any changes as required by law. If you use an ATM not operated by us, you may be charged a surcharge by the ATM operator or an ATM network utilized for such a transaction. The ATM surcharge will be debited from your account if you elect to complete the transaction. You may not use the card for any illegal or unlawful transactions and we may decline to authorize any transaction that we believe poses an undue risk of

illegality or unlawfulness. If you conduct an ATM or debit card transaction and you have opted in to Overdraft Service, or you conduct any other EFT and overdraw your account, you agree to pay an overdraft fee as set forth in the Fee Schedule.

#### **14. Right to Receive Transfer Documentation.**

**a. Periodic Statements.** Transfers and withdrawals transacted through any EFT will be recorded on your periodic statement provided by mail or electronically. You will receive a statement monthly unless there is no transaction in a particular month. In any case, you will receive a statement at least annually. You may request that your statement be provided electronically. You understand and agree that statements are made available to you on the date they are mailed or an electronic statement is available for your access. Images of Credit Union checks cashed at our branches or checks that are returned are not available for viewing in online banking.

**b. Direct Deposits.** If you have arranged for a direct deposit to your account at least once every sixty (60) days from the same source and you do not receive a receipt (such as a pay stub), you can find out whether or not the deposit has been made by calling 800.258.3115.

**c. Terminal Receipt.** You will get a receipt at the time you make any transaction in excess of \$15 (except inquiries) involving your account using an ATM or POS terminal.

**15. 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 your EFTs in the following limited circumstances:

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

#### **16. Preauthorized EFTs.**

**a. Cancellation Rights.** If you have authorized us to originate regular EFTs from or to your Credit Union account, you or the Credit Union may cancel that request at any time up to three (3) business days before the scheduled date of the transfer. This request may be made orally or in writing. If you order us to cancel one of these payments three (3) business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages only if accurate information was provided to us.

**b. Notice of Varying Amount.** If these regular payments may vary in amount, the company you are going to pay will inform you ten (10) days before each payment when it will be made and how much it will be.

**c. Liability.** The Credit Union may charge a fee for each stop-payment order requested, as set forth in the Fee Schedule. If payment of an item is stopped, you may remain liable to any person, including the Credit Union, holding the item, despite the stop-payment order. You agree to indemnify and hold the Credit Union harmless from all costs, including attorney's 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.

#### **17. Credit Union's Liability for Electronic Services.**

**a. Consumer Accounts.** If we do not complete a transaction 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 in a transaction will be to correct the error and in no case will we be liable for any indirect, special, incidental, or consequential damages. In states that do not allow the exclusion or limitation of such damages, our liability is limited to the extent permitted by applicable law. The Credit Union will not be liable for the following:

- 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 exceed the credit limit on your line of credit.
- If you used the wrong access code or you used an access code in an incorrect manner.
- If the card has expired or is damaged and cannot be used.
- If the ATM where you are making the transfer does not have enough cash.
- If the ATM or POS terminal was not working properly and you knew about the problem when you initiated the transaction.
- Circumstances beyond our control (such as fire, flood, or power failure) prevent the transaction.
- If the funds in your account are subject to legal process or other claim.

- If your account is frozen because of a delinquent loan.
- If the error was caused by any of the designated ATM networks' systems.
- If you have not given the Credit Union complete, correct, and current instructions for us to process a transfer or bill payment.
- If, through no fault of ours, a bill payment or funds transfer transaction does not reach a particular payee due to changes in the payee address, account number, or otherwise; the time you allow for payment delivery was inaccurate; the payee failed to process a payment correctly or in a timely manner; and a fee, penalty, or interest is assessed against you.
- If the error was caused by a system beyond the Credit Union's control, such as a telecommunication system, an Internet service provider, or any virus or problems related to software not provided by the Credit Union.
- If there are other exceptions as established by the Credit Union.
- If the ATM retains your card under certain circumstances, in which event you may contact the Credit Union about its replacement.

## **18. Suspension and Termination of Services.**

**a. Suspension of EFT Access or Service.** If you are in breach of this Agreement or any other loan or service agreement with the Credit Union or we suspect fraudulent activity on your account, the Credit Union 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.

**b. Termination.** You agree that we may terminate this Agreement and your EFT services if you or any authorized user of your EFT services or access code breaches this or any other agreement with us, or if we have reason to believe that there has been an unauthorized use of your card or access code. 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.

**19. Amendments.** 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 your Credit Union account and any future changes to those regulations.

**20. Statement Errors on Consumer Accounts.** For consumer accounts, in case of errors or questions about your EFT transactions under this Agreement (excluding Mobile Deposit Capture transactions), call or write to us at the number and address set forth in Section 11 as soon as possible. We must hear from you no later than sixty (60) days after we mailed or made available the first statement on which the problem appears.

**a.** Provide your name and account number.

**b.** Describe the transaction you are referencing and explain as clearly as you can why you believe it is an error or why you need further information.

**c.** Tell us the dollar amount of the suspected error. If you inform us orally, we may require that you send your complaint or question in writing within ten (10) business days. We will inform you of the results of our investigation within ten (10) business days after we hear from you and will correct any 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) days to investigate your complaint or question. We may take up to ninety (90) days for POS transaction errors, new account transaction errors, or errors involving transactions initiated outside the United States. If we decide on this course of action, we will re-credit your account within ten (10) business days for the amount you think is in error to provide you with use of funds during the time it takes us to complete our investigation. If we ask you to register your complaint or question in writing and we do not receive it within ten (10) business days, we may not re-credit your account. If we determine 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. If you have questions about your account, including check transactions, your responsibilities to examine your statements and notify us of errors are governed by your Membership and Account Agreement.

**21. ATM Safety Notice.** The following information is a list of safety precautions recommended:



- Be aware of your surroundings.
- Consider having someone accompany you to an ATM after dark or at a night-deposit facility.
- If another person is uncomfortably close to you when you're making a transaction, ask him/her to step back before proceeding.
- Refrain from displaying cash at the location.
- As soon as your transaction is complete, place your money in your purse or wallet.
- If you notice anything suspicious, consider using a different ATM or return later.
- If you are making a transaction and notice something suspicious, cancel it and leave.
- If you are followed, go to the nearest public area.
- Do not write your PIN on any of your cards.
- Report all crimes to law enforcement officials immediately

**22. Mobile Deposit Capture Service.** The following terms and conditions govern the use of the Mobile Deposit Capture Services. You have entered into with the Credit Union governing your accounts are incorporated by reference and made a part of this Agreement. In case of any conflict between this Agreement and your other Credit Union agreements, specific provisions regarding Mobile Deposit Capture Services in this Agreement control over general provisions.

**a. Services.** The Credit Union's Mobile Deposit Capture Services are designed to allow you to make Eligible Item deposits to your Credit Union checking, savings, or money market savings accounts using an Eligible Device (as defined below) to transmit item images and deposit information to us. Once accepted, we will process your Eligible Items electronically or converted to Substitute Checks based on the information you provide. There is currently no charge for the Mobile Deposit Capture Services. We reserve the right to impose charges for this service in the future.

**b. Definitions.**

**"Business Day"** means any day of the week that is not a Saturday, Sunday, or Credit Union holiday.

**"Member Agreement"** means collectively the TwinStar Membership Agreement and any other account information provided to you by us from time to time.

**"Deposit Account"** means your Credit Union checking account, savings account, or money market savings account.

**"Eligible Account"** means any Credit Union deposit account that meets our eligibility criteria and has been enrolled in the Mobile Deposit Capture Services.

**"Eligible Device"** means a device with a camera or other functionality or feature capable of capturing and transmitting images, approved by us for the Mobile Deposit Capture Services.

**"Eligible Item"** means an original paper check that is payable to you, and is within the meaning of a "check" as defined in Federal Reserve Regulation CC and TwinStar's deposit guidelines. The following are **NOT** Eligible Items:

- Checks/items payable to others (even if endorsed over to you);
- Demand drafts or remotely created checks/items (checks lacking the original signature of the person authorizing the check);
- Substitute checks/items (paper checks/items created from an electronic image);
- Checks/items in which any fields on the front side contain obvious alteration(s), anything not authorized by the owner of the account on which the check/item is drawn, or any irregularity of any kind (for example, numerical and written amounts are different);
- Checks/items previously returned unpaid for any reason;
- Checks/items that are postdated or more than six (6) months old;
- Checks/items drawn on a foreign financial institution or payable in a foreign currency;
- Checks/items you suspect may be fraudulent or not properly authorized;
- Checks/items exceeding the Deposit Limits set forth below;
- Checks/items not acceptable under the terms of your Credit Union Membership Agreement

**"Item"** has the same meaning as that term is defined in Article 4 of the Uniform Commercial Code. Any check image transmitted through the Mobile Deposit Capture Services shall be deemed an "item" within that UCC definition.

**"Substitute Check"** means a paper check or item created from an electronic image in accordance with Federal Reserve Regulation CC.

**c. Hardware and Software.** To use the Mobile Deposit Capture Service, you must obtain and maintain an Eligible Device and all other hardware and software it requires, at your own expense. We assume no responsibility

for defects, failures or incompatibility of any equipment used in connection with the Mobile Deposit Capture Service, whether or not it is an Eligible Device, or any third party software you may need to use the equipment or the Mobile Deposit Capture Services.

**d. Hours of Operation; Processing Cut-off Hour.** You can use the Mobile Deposit Capture Service 24 hours a day, seven days a week, except when they are unavailable due to maintenance or system outages.

**e. Funds Availability Disclosure.** Please refer to the Funds Availability Disclosure in the Membership Agreement Packet.

**f. Image Quality.** Each image transmitted to us using Mobile Deposit Capture Services must be legible. In addition, image quality must comply with the requirements established from time to time by ANSI, the Board of Governors of the Federal Reserve, and other regulatory agencies, clearing houses or associations, as applicable.

**g. Endorsement Requirement.** Prior to scanning any item through the Mobile Deposit Capture Services, you are to restrictively endorse the original item "**For Mobile Deposit Only, TwinStar Credit Union, account #\_\_\_\_\_**", check the Mobile Deposit box, or as otherwise instructed by us.

**h. Confirmation of Receipt of Images.** You will receive an electronic confirmation of successful transmission of the image of your Eligible Item. An image shall be deemed received only when you receive a confirmation from us that we have received the image. However, please note: confirmation of receipt does not mean that the transmission was error free or complete.

**i. Deposit Limits.** The following deposit limits apply to your use of the Mobile Deposit Capture Services:

- \$5,000 per item
- \$5,000 per day
- \$25,000 per rolling 30 days
- 100 items per day

We reserve the right to refuse to accept or process any deposits exceeding these limits, to change limits, and to impose additional limits, from time to time in our sole discretion.

**j. Presentment.** The manner in which items are cleared, presented for payment, and collected shall be in the Credit Union's sole discretion and in accordance with the TwinStar Membership Disclosure and Credit Union policies applicable to your accounts.

**k. Storage and Destruction of Original Items.** Once you receive confirmation that TwinStar has received your item image and successfully deposited the funds to your account, you may properly dispose of (for example shred) the item to avoid re-presentment.

**l. Returned Items and Right of Chargeback.** If any item you deposit through the Mobile Deposit Capture Services is dishonored or otherwise returned unpaid, we will return the item to you in the form of a Substitute Check and charge back your account for the amount of the item plus any applicable fees in accordance with your TwinStar Membership Agreement. A returned-item Substitute Check may be re-deposited only in person by taking it to a TwinStar branch. You may not redeposit the original item through the Mobile Deposit Capture Services.

**m. Errors.** You are to notify us right away of any suspected errors regarding items deposited through the Mobile Deposit Capture Services, in no event later than 60 days after the applicable TwinStar account statement is sent. Unless you notify us within 60 days, the account statement shall be deemed correct, and you are barred from bringing a claim against us for alleged errors regarding any Mobile Deposit Capture Services deposits shown on the statement.

## **23. Your Responsibilities.**

**You agree, warrant and represent that you will:**

- Ensure that all information you provide TwinStar is accurate and true.
- Use only Eligible Devices to access the Mobile Deposit Capture Services.
- Endorse all items for the Mobile Deposit Capture Services as instructed above.
- Follow all other instructions we provide you for capturing and transmitting item images and deposit information via the Mobile Deposit Capture Services.
- Use the Mobile Deposit Capture Services only for Eligible Items as defined above and that meet our image quality standards.

- Comply with the Agreement and all your Credit Union agreements, as well as all applicable rules, laws and regulations.
- Indemnify TwinStar against and hold us harmless from any loss arising from your breach of any part of this Agreement.

**You agree that you will not:**

- Transmit duplicate items, or transmit any individual item or its image more than once.
- Make deposits in excess of the Deposit Limits stated in this Agreement for the Mobile Deposit Capture Services.
- Re-deposit or re-present any item or image previously transmitted through the Mobile Deposit Capture Services.
- Transmit any checks, items or images that are not Eligible Items or related deposit information.

**You agree that we will:**

- Have the unrestricted right to reject, return, or refuse to process any item or image that is not an Eligible Item, without liability to you.

**You agree that we will not:**

- Have any obligation to process any non-Eligible Item even if we did so on a previous occasion.
- Be responsible for items we do not receive or for images dropped during transmission.
- Be responsible for any technical or other difficulties that you may experience when using the Mobile Deposit Capture Services, or any damages that might arise therefrom.
- Be responsible for unavailability of the Mobile Deposit Capture Services or any damages that might arise from unavailability.

**a. Limitations, Changes, Suspension or Termination of Mobile Deposit Capture Services.** We reserve the right to change, limit, suspend or discontinue the Mobile Deposit Capture Services or your use of the Mobile Deposit Capture Services, in whole or in part, at any time without notice. Your continued use of the Mobile Deposit Capture Services will constitute your acceptance of any changes to the Mobile Deposit Capture Services. We may immediately and without notice terminate, suspend or limit the Mobile Deposit Capture Services, or your use of the Mobile Deposit Capture Services, if in our sole judgment, we believe there has been a security breach affecting the Mobile Deposit Capture Services, there has been unauthorized activity involving any of your Deposit Accounts, you have engaged in activity that violates the terms of this Agreement, or any of your Deposit Accounts is in an overdraft or negative-balance state. If your use of the Mobile Deposit Capture Services is suspended, you may request re-enrollment in writing. Re-enrollment is normally considered no sooner than six months after the suspension date, and may be granted or declined in the Credit Union's sole discretion.

**b. Disclaimer of Warranties.** Please Note: Your use of the Mobile Deposit Capture Services and all information and content (including third party information and content) is strictly at your own risk and the Mobile Deposit Capture Services are provided on an "as is" and "as available" basis. We disclaim all warranties of any kind, express or implied, as to the Mobile Deposit Capture Services and their use, including but not limited to warranties of merchantability, fitness for a particular purpose and non-infringement. We make no warranty that the Mobile Deposit Capture Services (i) will meet your requirements; (ii) will be uninterrupted, timely, secure or error free; (iii) will yield accurate or reliable results; or (iv) that any errors in the Mobile Deposit Capture Services or technology will be corrected.

**c. Limitation of Liability.** TwinStar will not be liable for damages of any kind, whether direct, indirect, incidental, special, consequential, exemplary or otherwise, including without limitation, damages for loss of profits, goodwill, use, data or other losses arising from or related to the use or inability to use the Mobile Deposit Capture Services, incurred by you or any third party, regardless of the form of action or claim (whether contract, tort, strict liability or otherwise), even if TwinStar has been informed of the possibility thereof.

**d. Amendments.** Unless otherwise required by law, TwinStar may amend this Agreement any time and from time to time, without notice to you, by posting the amended Agreement on the TwinStar website. If notice is given, it may be sent to you at your latest address on our files via US mail, statement message, or electronic message. You may be asked to agree to an amended or updated version of this Agreement by means specified in the notice. If you decline to agree, your use of the Mobile Deposit Capture Services may be limited, suspended or terminated.

**e. Electronic Consent; Notices.** Enrolling in the Mobile Deposit Capture Service requires you to consent to receive information and notices regarding this Agreement and the Mobile Deposit Capture Service via electronic means (for example, email or website). If you do not wish to consent to electronic notices about the Mobile Deposit Capture Services, you may decline to enroll in the Mobile Deposit Capture Service. Nevertheless, TwinStar reserves the

right to provide you any notices regarding this Agreement or the Mobile Deposit Capture Service by non-electronic means (for example, statement notices or U.S. mail).

#### IV. Privacy Policy

FACTS	WHAT DOES TWINSTAR CREDIT UNION DO WITH YOUR PERSONAL INFORMATION?
<b>Why?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share and protect your personal information. Please read this notice carefully to understand what we do.
<b>What?</b>	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>Social Security number</li> <li>Account balances and payment history</li> <li>Credit history and credit scores</li> </ul> <p>When you are no longer our member, we may continue to share your information as described in this notice.</p>
<b>How?</b>	All financial companies need to share personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' and members' personal information; the reasons TwinStar Credit Union chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does TwinStar Credit Union Share?	Can you limit this sharing?
<b>For our everyday business purposes –</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations or report to credit bureaus.	Yes	No
<b>For our marketing purposes –</b> to offer our products and services to you.	Yes	No
<b>For joint marketing with other financial companies</b>	Yes	No

Reasons we can share your personal information	Does TwinStar Credit Union Share?	Can you limit this sharing?
<b>For our affiliates' everyday business purposes</b> – information about your transactions and experiences.	Yes	No
<b>For our affiliates' everyday business purposes</b> – information about your credit worthiness.	No	We don't share
<b>For non-affiliates to market to you.</b>	No	We don't share
<b>Questions?</b>	Call us toll free at 800.258.3115 or go to <a href="http://www.twinstarcu.com/privacy-policy">www.twinstarcu.com/privacy-policy</a>	
Sharing Practices		
<b>How does TwinStar Credit Union protect my personal information?</b>	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.	
<b>How does TwinStar Credit Union collect my personal information?</b>	<p>We collect your personal information, for example, when you:</p> <ul style="list-style-type: none"> <li>• Open an account or deposit money</li> <li>• Pay your bills or apply for a loan</li> <li>• Use your credit or debit card</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>	
<b>Why can't I limit all sharing?</b>	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"> <li>• Sharing for affiliates' everyday business purposes – information about your creditworthiness</li> <li>• Affiliates from using your information to market to you</li> <li>• Sharing for non-affiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>	
<b>What happens when I limit sharing for an account I hold jointly with someone else?</b>	Your choices will apply to everyone on your account.	

Definitions	
<b>Affiliates</b>	Companies related by common ownership or control. They can be financial and non-financial companies. Our affiliates include companies providing data processing, auditing, compliance and financial services.
<b>Non-Affiliates</b>	Companies not related by common ownership or control. They can be financial or non-financial companies. <ul style="list-style-type: none"> <li>• We do not share with non-affiliates so they can market to you.</li> </ul>
<b>Joint Marketing</b>	A formal agreement between non-affiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"> <li>• Our joint marketing partners include investment, insurance, and other financial services companies.</li> </ul>

Other Important Information
Privacy Policy Inquiries: TwinStar Credit Union is owned by its members and governed by a Board of Directors that you elected. You can be confident that your financial privacy is a top priority of your credit union. We are required by law to provide you with this privacy notice to explain how we collect, use, and safeguard your personal financial information. If you have any questions about our privacy practices, contact us by calling 800.258.3115 or write to us at TwinStar Credit Union, PO Box 718, Olympia, WA 98507-0718.