

TABLE OF CONTENTS

I. MEMBERSHIP AND ACCOUNTS

1. Procedures for Opening a New Account
2. Membership Eligibility
3. Individual Accounts
4. Joint Accounts
5. POD Beneficiaries
6. Accounts for Minors
7. Uniform Transfer to Minors Accounts
8. Other Fiduciary Accounts
9. Accounts for Living Trusts
10. Accounts of Businesses and Organizations
11. Deposit Requirements
12. Account Access
13. Account Rates and Fees
14. Transaction Limitations
15. Overdrafts
16. Postdated and Staledated Items
17. Stop Payment Orders
18. Lost Items
19. Credit Union's Liability for Errors
20. Credit Union Lien and Security Interest
21. Legal Process
22. Account Information
23. Notices
24. Taxpayer Identification Numbers
and Backup Withholding
25. Statements
26. Dormant and Abandoned Accounts
27. Death of Account Owner
28. Termination of Account
29. Termination of Membership
30. Special Account Instructions
31. Severability
32. Enforcement
33. Governing Law

II. ARBITRATION AND CLASS ACTION WAIVER AGREEMENT

1. Agreement to Arbitrate Disputes
2. Disputes Covered by Arbitration
3. Disputes Not Covered by Arbitration
4. No Class Action or Joinder of Parties
5. Arbitration Procedures
6. Right to Resort to Provisional Remedies
Preserved
7. Right to Reject this Arbitration Agreement.
8. Acceptance of Arbitration and Class Action
Waiver

III. FUNDS AVAILABILITY

1. General Policy
2. Reservation of Right to Hold
3. Holds on Other Funds
4. Longer Delays May Apply
5. Special Rules for New Accounts
6. Deposits at Automated Teller Machines

IV. ELECTRONIC FUNDS TRANSFERS

1. Services
2. Service Limitations
3. Conditions of EFT Use
4. Security of Access Code
5. Member Liability
6. Business Days
7. Fees and Charges
8. Right to Receive Documentation of Transfers
9. Account Information Disclosure
10. Credit Union Liability for Failure to Make Transfers
11. Preauthorized Electronic Funds Transfers
12. Termination of Electronic Funds Transfer Services
13. Notices
14. Billing Errors
15. ATM and Night Deposit Facilities Safety Notice
16. Mobile Deposit Service Agreement

MEMBERSHIP AND ACCOUNT AGREEMENT

This Agreement is the contract of deposit which covers your and our rights and responsibilities concerning Membership and Account(s) offered to you. In this Agreement the words “you” and “yours” mean those who sign the Account Card or Account Change Card (“Account Card”). The words “we”, “us” and “our” mean the People’s Community Credit Union (“Credit Union”). The word “account” means any one or more share accounts you have with the Credit Union. The classification and form of ownership of your accounts are designated on your Account Card. Unless you waive your rights, you understand that certain account designations, such as a joint ownership with right of survivorship or payable on death (“POD”) beneficiary may be invalidated on the Credit Union’s receipt of notice of marriage, dissolution, or a testamentary disposition, as required by applicable law. By signing the Account Card that is part of the Agreement, each of you, jointly and severally, agree to the terms and conditions in this Agreement, including the Funds Availability Policy, Electronic Funds Transfer Agreement, the Truth-in-Savings Disclosures (“Rate and Fee Schedule”) (“Privacy Policy”) 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.

I. MEMBERSHIP AND ACCOUNTS

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

2. Membership Eligibility. To be eligible for membership in the Credit Union you must be an individual or entity qualifying within the Credit Union’s field of membership and must purchase and maintain at least one share as required by the Credit Union’s Bylaws. You authorize us to check financial information data, and employment history about you by any means allowed by law, including obtaining a credit report or credit

score from any consumer reporting agency to verify your eligibility for any accounts and services we offer or you request.

3. Individual Accounts. An individual account is an account owned by one depositor including any individual, corporation, partnership, trust, or other organization 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 decedent's estate or POD beneficiary, if applicable.

4. Joint Accounts. An account owned by two or more persons is a joint account.

- a. *Rights of Survivorship.* If your account is a joint account, the account is owned as a joint account with the rights of survivorship unless otherwise stated on the Account Card. If the account is a joint account without right of survivorship, the interest of a deceased owner will pass to the decedent's estate. If the account is a joint account with right of survivorship, on the death of one of the joint account owners, that person's interest will become the property of the surviving joint account owners.
- b. *Rights of Joint Account Owners.* Any joint account owner is authorized and deemed to act for the other owner(s) and the Credit Union may accept orders and instructions regarding the account and requests for future services from any other account owner. Each account owner guarantees the signature of the other owners. Any account owner may withdraw all funds in the account, stop payment on items drawn on an account, withdraw, or pledge all or any part of the shares of any account, including funds representing a membership share, without consent of the other account owner(s) and the Credit Union shall have no duty to notify any other joint account owner(s). The Credit Union reserves the right to require written consent of all account owners for a change of ownership or termination of a joint account. If the Credit Union receives written notice of a dispute between account owners or receives inconsistent instructions from them, the Credit Union may suspend or terminate the account, require a Court order to act, or require that all joint account owners agree in writing to any transaction concerning the account.
- c. *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 multiple account owners is jointly and severally liable to the Credit Union for the amount and any charges, regardless of who

created the overdraft, deposited or cashed the item or benefited from the transaction. If any account owner is indebted to the Credit Union, the Credit Union may enforce its rights against any or all funds in the joint account regardless of who contributed the funds to the joint account.

5. POD Beneficiaries. A POD designation is an instruction to the Credit Union that a designated account is an account payable to the owner or owners during their lifetimes, and on the death of the last joint account owner, payable to any named and surviving POD beneficiary designated on your Account Card. Accounts payable to more than one POD beneficiary are owned jointly by such beneficiaries with right of survivorship. Any POD beneficiary designation shall not apply to IRA accounts which shall be governed by a separate beneficiary designation. The Credit Union shall at no time have any obligation to notify any beneficiary of the existence of any account or the vesting of the beneficiary's interest in any account, except as otherwise provided by law.

6. Accounts for Minors. For any account established by or for a minor, the Credit Union reserves the right to require the minor account owner to have a parental joint account owner who is at least eighteen (18) years of age who shall be jointly and severally liable to the Credit Union for any returned item, overdraft, or unpaid charges or amounts on such account. For a joint account, all funds in the account shall be owned as a joint account with rights of survivorship unless otherwise indicated on the Account Card. 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 tax identification number must be shown on the Account Card. The Credit Union shall not change the account status when the minor reaches the age of eighteen (18), unless authorized in writing by all account owners.

7. Uniform Transfer to Minors Accounts. A Uniform Transfer to Minors Account ("UTTMA") is an individual account established by a member as a custodian on behalf of a minor (a person under twenty-one (21) years of age). The custodian shall open the account in the name of minor, include the minor's social security number, and must sign his or her own name on the Account Card. The custodian is the owner of the account for the exclusive right and benefit of the minor and, barring a court order otherwise, is the only party entitled to make deposits to, withdrawals from, or close the account. In the event of the custodian's death, the Credit Union may place an administrative hold on the

account until it receives instructions from any person authorized by law to withdraw funds or a court order authorizing such withdrawal.

8. Other Fiduciary Accounts. Upon our approval, you may open other fiduciary accounts in your capacity as representative payee of social security benefits, trustee of testamentary, living, or other revocable or irrevocable trusts, or legal guardian or conservator (in each case, the "Fiduciary"). As the Fiduciary, you (a) must sign an Account Card and provide any other evidence of authority to make decisions for the beneficiary that the Credit Union may require; (b) hereby warrant that a valid trust, guardianship, conservatorship, or otherwise, as applicable, has been created, that it currently exists, and that the beneficiary or beneficiaries are eligible for membership in the Credit Union; (c) hereby agree to notify the Credit Union in writing if a change of representative payee, trustee, guardian, or conservator occurs; and (d) agree to indemnify and defend the Credit Union and hold it harmless from and against any liability, claim, damage, or loss arising as a result of unauthorized acts of any Fiduciary or former Fiduciary or acts of any Fiduciary on which the Credit Union relies before notice of any change to the account, the identity of the Fiduciary, or revocation of the Fiduciary relationship. The Credit Union does not act as a Fiduciary and is under no obligation to inquire as to the powers or duties of any Fiduciary. The Credit Union may withhold payment of funds to any party until proper evidence of authority is provided. The Credit Union may rely on the directions of any one Fiduciary until a written notice of revocation or a new Account Card is signed by the Account Owner or Account Owners, as applicable. Funds may be released to any one Fiduciary acting alone or with a co-Fiduciary. This Agreement is binding on the trust, representative-payee relationship, guardianship, or conservatorship, as applicable, and all Fiduciaries, successor Fiduciaries, and beneficiaries of the trust, representative-payee relationship, guardianship, or conservatorship, as applicable.

9. Accounts for Living Trusts. An account of a living trust is an individual account held by one or more trustees of a trust for the benefit of one or more beneficiaries pursuant to a revocable trust agreement. On request of the Credit Union, the trustee shall sign an Account Card and provide any other evidence of the trustee's authority the Credit Union requires. Trustee warrants that a valid living trust has been created, is currently existing, and that the trustor and primary beneficiary are eligible for membership in the Credit Union. The Credit Union does not act as a trustee and is under no obligation to inquire as to the powers or duties of the trustee(s). Trustee agrees to notify the Credit Union in writing if a change of trustee occurs. Credit Union may

withhold payment of funds to any party until proper evidence of authority is provided. Credit Union may rely on the directions of any one trustee until a written notice of revocation of the living trust or an Account Change form is received. Funds may be released to any one trustee acting alone or with a co-trustee. The trustee(s) agrees to indemnify and hold Credit Union harmless of any liability, claim, damage or loss arising as a result of unauthorized acts of any trustee or former trustee or acts of any trustee on which Credit Union relies prior to notice of revocation of the trust. This Agreement shall be binding on the trust, any trustee, successor trustee and beneficiaries.

10. Accounts of Businesses and Organizations.

Accounts held in the name of a business or association member are subject to the same terms set forth in this Agreement and the following additional rules. The Credit Union reserves the right to require the member to provide an Account Card informing the Credit Union who is authorized to act on its behalf. You agree to notify the Credit Union of any change in authority. The Credit Union may rely on the written authorization until such time as the Credit Union is informed of changes in writing and has had a reasonable time to act on such notice. The Credit Union may require that third party checks payable to a business may not be cashed, but must be deposited to a business account. The Credit Union shall have no notice of any breach of fiduciary duties arising from a transaction by any agent of the account owner, unless the Credit Union has actual notice of any wrongdoing.

11. 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 Rate and Fee Schedule. All accounts are nonassignable and nonnegotiable to third parties. Certificate accounts are governed by the terms of this Agreement and the terms and disclosures on your Certificate Accounts Rate and Fee Schedule for each account, which is incorporated herein by this reference. You agree not to deposit any substitute check or similar item that you have created, or for which no financial institution has provided any substitute check, warranties and indemnity. If you do so, you agree to indemnify the Credit Union for all losses the Credit Union incurs in connection with the substitute check or item. You agree not to deposit any substitute check without our consent.

- a. *Endorsements.* You authorize the Credit Union, in its discretion, to accept transfers, checks, drafts, and other items for deposit into any of your accounts, whether or not they are endorsed by all payees. You authorize the Credit Union to supply missing endorsements if the Credit Union chooses to supply

such endorsements. The Credit Union reserves the right to verify all endorsements on third party checks presented for deposit either in person or by comparison with member signature files. If an insurance, government, and certain other checks or drafts require an endorsement as set forth on the back of the check, the Credit Union may require endorsement as set forth on the back of the check. Endorsements must be placed in the space on the back of the check between the top edge and 1-1/2 inches from the top edge. The Credit Union may accept drafts or checks with endorsements outside this space. However, if any such endorsement or other markings you or any prior endorser make on the check cause any delay or error in processing the item for payment, you will be responsible for any loss incurred by the Credit Union due to the delay or error.

- b. *Collection of Items.* The Credit Union shall not be responsible for deposits made by mail or at an unstaffed facility until the Credit Union actually receives them. In handling items for deposit or collection, the Credit Union only acts as your agent and assumes no responsibility beyond the exercise of ordinary care. The Credit Union will not be liable for default or negligence of any correspondent or for loss in transit, and each correspondent will only be liable for its own negligence. The Credit Union reserves the right to send any item for collection.
- 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 charge on your account. After we have received final payment, we refer to these deposits as collected items. If the Credit Union incurs any fee to collect any item, the Credit Union may charge such fee to your account. The Credit Union reserves the right to charge back against your account all previously deposited items or other items endorsed by you that are returned to the Credit Union unpaid, regardless of whether the amount of the item has been available for your use.
- d. *Direct Deposits.* The Credit Union may offer direct deposit options allowing you to preauthorize deposits (i.e., payroll checks, Social Security or retirement checks, or other government checks) or preauthorize transfers from other accounts at the Credit Union. You must authorize any direct deposits to your accounts by a separate authorization form. If applicable, you must notify the Credit Union at least thirty (30) days prior to

any direct deposit or preauthorized transfer if you wish to cancel or change the direct deposit or direct transfer option. On a filing of a bankruptcy, if you fail to cancel any direct deposit authorization, you instruct your employer and the Credit Union to make and apply direct deposits in accordance with your authorization on file with the Credit Union.

If the Credit Union is required to reimburse the U.S. Government for any benefit payment directly deposited into your account for any reason, you agree the Credit Union may deduct the amount returned from any of your accounts, unless prohibited by law.

- e. *Crediting of Deposits.* For accounts not governed by our Funds Availability Policy deposits made on Saturdays, Sundays, and Credit Union holidays will generally be credited to your account on the next business day. Ask for our current deposit cutoff time. Deposits received through the mail or at unstaffed facilities such as night depositories will be credited on the day the items 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. You waive any notice of nonpayment, dishonor, or protest regarding any items purchased or received by the Credit Union for credit to your account or for collection.

12. Account Access.

- a. *Authorized Signature.* In order to access any account, the Credit Union must have an authorized signature of yours on an Account Card. The Credit Union is authorized to recognize your signature, but will not be liable for refusing to honor any item or instruction of yours if it believes in good faith that the signature on such item or instruction is not genuine. If you have authorized the use of a facsimile signature, the Credit Union may honor any 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 a third person even if you did not specifically authorize a particular transaction.
- b. *Access options.* You may make withdrawals or transfers from your account in any manner which is permitted by the Credit Union (i.e., check, automated teller machines (“ATMs”), debit card, in person, by mail, automatic transfer, audio response, or telephone). If the Credit Union accepts any draft that is not drawn on a form provided by the Credit Union, you will be responsible for any loss incurred by the Credit Union for handling the draft. The Credit

Union may return as unpaid any check that is not drawn in the form provided by the Credit Union.

- c. **ACH & Domestic Wire Transfers.** If offered, you may initiate or receive credits or debits to your account via wire transfer or ACH transfer. You agree that if you receive funds by a wire or ACH transfer the Credit Union is not required to notify you at the time the funds are received. Instead, the transfer will be shown on your periodic statement. The Credit Union may provisionally credit your account for an ACH transfer before it receives final settlement for the transfer. You agree that if the Credit Union does not receive final settlement for a transfer, it may reverse the provisional credit to your account, or you will refund the amount to the Credit Union. When you initiate a wire transfer, you may identify either the recipient or any financial institution by name and by account or identifying number. The Credit Union (and other institutions) may rely on the account or other identifying number you give as the proper identification number, even if it identifies a different party or institution. If incorrect wiring instructions are received, you will be responsible for any loss incurred by the Credit Union because of you providing incomplete or inaccurate wiring instructions. Terms and conditions for international wire transfers will be provided at the time of the transfer transaction. Wire transfers are governed by Federal Reserve Regulation J. International wire transfers are governed by the Bureau of Consumer Financial Protection Regulation E. ACH transactions are governed by the rules of the National Automated Clearing House Association. The origination of ACH transactions to or from the consumer's account must comply with provisions of U.S. Law. You agree that the authorized transfer to/from your account must comply with all applicable federal and state laws or regulations including OFAC (Office of Foreign Asset Control) regulations.
- d. **Credit Union Examination.** The Credit Union may disregard information on any check other than the signature of the drawer and amount of the item and any magnetic encoded information. You agree the Credit Union does not fail to exercise ordinary care in paying an item solely because its procedures do not provide for sight examination of items.
- e. **Electronic Check Transactions.**
- (1) **Electronic Checks.** If you authorize a merchant to electronically debit your checking account using the routing, account and serial number of your check to initiate the transfer, whether the check is blank, partially or fully completed and signed, such authorization is an electronic check conversion. An electronic check conversion is an electronic funds

transfer (“EFT”) subject to the terms of Section III. You authorize us to honor any electronic check conversion from your checking account just the same as a regular written check.

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

13. Account Rates and Fees. Credit Union’s payment of dividends on any account is subject to the account rates and fees, earnings, payment and balance requirements as set forth on the Rate and Fee Schedule and each Certificate Account Receipt, which are incorporated herein by this reference. You agree the Credit Union may impose fees and charges for the deposit account services provided by the Credit Union. A current Rate and Fee Schedule has been provided to you separately. You agree the Credit Union may change the Rate and Fee Schedule from time to time and you will be notified of such changes as required by law.

14. Transaction Limitations.

a. *Withdrawal Restrictions.* The Credit Union will permit a withdrawal only if you have sufficient available

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

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

- b. *Transfer Limitations.* For savings accounts and money management accounts, you may make up to six (6) preauthorized, automatic, telephonic, audio response, or PCCU Online Banking transfers to another account of yours or to a third party during any calendar month. A preauthorized transfer includes any arrangement with the Credit Union to pay a third party from the member's account on oral or written orders, including orders received through the automated clearing house (ACH). There is no limit on the number of transactions you may make in the following manner: (i) transfers to any loan account with the Credit Union; (ii) transfers to another Credit Union account or withdrawals (checks mailed directly to you) when such transfer or withdrawal is initiated in person, by mail or at an ATM. If a transfer request would exceed the transfer limitations set forth above in any statement period, the Credit Union may refuse or reverse the transfer, and your account will be subject to suspension or closure by the Credit Union, and the Credit Union may impose a charge.
- c. In accordance with federal regulations, the Credit Union will not permit its members to use Credit Union accounts for the purpose of illegal internet gambling. Attempted transactions will be blocked, and repeated attempts may result in account closure.
- d. As a risk management tool in the prevention of

debit card fraud, the Credit Union may restrict debit card and ATM transactions in certain areas and with certain merchants.

15. Overdrafts.

- a. *General Overdraft Liability.* If on any day the available funds in your checking account are not sufficient to cover checks and other items (ACH, debit card or ATM card transactions) posted to your account, those checks and items will be handled in accordance with our overdraft procedures and the terms of this Agreement. If we pay a check or item that overdraws your account, you are liable for and agree to pay the overdraft amount and an insufficient funds (NSF) fee immediately. If we do not pay the check or item we will return it unpaid and you agree to pay a overdraft 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.* The Credit Union's determination of an insufficient account balance is made at the time the check or item is presented to us, which may be later during the day than the time you conduct a transaction. Overdrafts will be determined based on the available balance in your account at the time of presentment. Your available balance may be lower than your actual balance due to funds held for debit card transactions you have authorized and deposited checks held pursuant to our funds availability policy. You can view your available balance through Online Banking 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 all checks and ACH items in the chronological order they are received.
- c. *Courtesy Pay Service.* The Credit Union offers a discretionary overdraft payment service, "Courtesy Pay" under the following terms and conditions.
 - (1) *Discretionary Service.* The Credit Union offers the Courtesy Pay service to all eligible consumer checking account owners who are in good standing with the Credit Union. The Courtesy Pay service will be provided automatically once your checking account has been open for 30 days and will continue as long as the account is maintained in good standing with the Credit Union. New accounts (open less than 30 days) and accounts of minors and businesses are not eligible. Under the Courtesy Pay service, we are not obligated to pay any check or item presented for payment if your account does not contain sufficient funds. The Credit Union 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 your Membership and Account Agreement. This overdraft service is not a line of credit, is not guaranteed, and is independent of any other payment arrangement we may offer. Generally, we will not pay an overdraft for you in excess of any limit we have established for your account type. Also, we may refuse to pay an overdraft for you at any time, even if we have previously paid overdrafts for you. We have no obligation to notify you before we pay or return any item.

(2) Overdraft Transactions Covered. 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 by the Courtesy Pay service:

NSF checks, 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. ATM and everyday (non-recurring) debit card transactions will only be covered if you notify us (“opt-in”) that you want the Credit Union to cover these types of transactions. If you do not opt-in for the covering of ATM and everyday (non-recurring) debit card transactions that would overdraw your account, these transactions will be denied. We reserve the right to pay any checks or items in the order they are presented or received and in accordance with our normal operating procedures for such checks items or transactions.

(3) Overdraft Limit/Available Balance. Under our service, we may pay overdrafts up to an established limit (“overdraft limit”) for accounts eligible for this 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 your actual or “available balance” of your account provided by a teller, at ATM or POS facilities, through online services or on your periodic statements.

(4) Overdraft Fees. The fee for each paid overdraft is set forth in the Rate and Fee Schedule. If we do not pay the overdraft, there is a NSF/Returned Item fee as set forth in the Rate and Fee Schedule. The Credit Union may charge a fee each time a check or item is submitted or resubmitted for payment. Therefore, you may be assessed more than one fee as a result of a returned item or resubmission(s) of the returned item. There is no limit in the number of overdrafts paid or overdraft fees incurred on any one day. These fees

may be amended as set forth in our Rate and Fee schedule. However, the service may be terminated for excessive overdraft transactions.

(5) Member Repayment Responsibility. You agree your overdraft balance, including applicable overdraft fees, is due and payable upon demand. If there is more than one owner on an account, all owners are jointly and severally liable for repayment of the overdraft balance. If you fail to repay your overdraft balance within 30 days of notice from us, we may immediately suspend the overdraft service and you may not be eligible for the service in the future. In addition, your accounts may be closed for failure to repay overdraft balances and we may report account closures to consumer reporting agencies.

(6) Member Opt-Out Right. The Credit Union offers the Courtesy Pay service as a service and convenience to members for incidental overdrafts. We do not encourage you to repeatedly overdraw your account. We encourage you to manage your finances responsibly. You may opt out of the Courtesy Pay service at any time by notifying the Credit Union verbally or in writing. The Credit Union may require that any verbal opt-out be confirmed in writing. You understand that by opting out of this service, the Credit Union 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 NSF/Returned Item fees. You are still responsible to pay any overdraft, even if you have opted out of the service.

(7) Credit Union Contact. For any questions or to exercise your opt-out right from the Courtesy Pay service, you may call the Credit Union at 1-800-252-6525 or write People's Community Federal Credit Union, PO Box 764, Vancouver, WA 98666.

16. Postdated and Staledated Items. You authorize us to accept and pay any check, even if the check is presented for payment before its date, unless you notify the Credit Union of the postdating. Your notice will be effective only if the Credit Union receives the notice in time for the Credit Union to notify its employees and reasonably act on the notice and you accurately describe the draft, including the number, date, and amount. You understand that the exact information is necessary for the Credit Union's computer to identify the draft. If you give the Credit Union an incorrect, incomplete, or untimely notice, the Credit Union will not be responsible for paying the item before the date stated and the Credit Union may charge your account as of the date of the Credit Union pays the item. You may make an oral notice which will lapse

within fourteen (14) days unless continued in writing within that time. A written notice will be effective for six (6) months. A written notice may be renewed in writing from time to 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 or draft drawn on your account which is presented more than six months after its date.

17. Stop Payment Orders.

- a. *Stop Payment Request.* You may ask the Credit Union to stop payment on any check drawn upon or ACH debit scheduled from your checking account. You may request a stop payment by telephone, by mail or in person. For checks, the stop payment will be effective if the Credit Union receives the order in time for the Credit Union act upon the order. For ACH debits, the stop payment order must be received at least three (3) banking days before the scheduled date of the transfer. You must state the number of the account, date and the exact amount of the check or ACH and the number of the check or originator of the ACH debit. If you give the Credit Union incorrect or incomplete information, the Credit Union will not be responsible for failing to stop payment on the item. If the stop payment order is not received in time for the Credit Union to act on the order, the Credit Union will not be liable to you or to any other party for payment of the item. If we recredit your account after paying a check over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to transfer all of your rights against the payee or other holders of the check to the Credit Union, and to assist the Credit Union in legal action taken against the person.
- b. *Duration of Order.* You may make an oral stop payment order which will lapse within fourteen (14) calendar days unless continued in writing within that time. A written stop payment order will be effective for six (6) months for checks and share draft stop payments only. A written stop payment order may be renewed in writing from time to time. The Credit Union is not obligated to notify you when a stop payment order expires.
- c. *Liability.* The Credit Union may charge a fee for each stop payment order requested, as set forth on the Rate and Fee Schedule. You may not stop payment on any certified check or draft, cashier's check or teller's check, or any other check, draft, or payment guaranteed by the Credit Union. You should be aware that while payment of the item may be stopped, you may remain liable to any person,

including the Credit Union, who is a holder of the item despite the stop payment order. You agree to indemnify and hold the Credit Union harmless from all costs, including attorney fees, damages or claims related to the Credit Union's action in refusing payment of an item, including claims of any multiple party account owner, payee, or endorsee in failing to stop payment of an item as a result of incorrect information provided by you.

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

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

20. Credit Union 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 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. If the Credit Union chooses to enforce its lien, the Credit Union does not waive its right to enforce the lien at a later time. In addition, you grant the Credit Union a consensual security interest in your accounts and agree the Credit Union may use the

funds from your accounts to pay any debt or amount owed the Credit Union, except obligations secured by your dwelling, unless prohibited by applicable law. All accounts are nonassignable and nontransferable to third parties.

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

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

23. 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 the Credit Union. The Credit Union will accept notices of a change in address and any other notice from you to the Credit Union only if provided in writing to the Credit Union. If the Credit Union attempts to locate you, the Credit Union may impose a service fee as set forth in the Rate and 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. Changes in account ownership, such as adding or removing a joint account owner, must be evidenced in writing. The Credit Union reserves the right to waive any term in this Agreement. Any such waiver shall not affect the Credit Union's right to enforce any right in the future.

- c. *Effect of Notice.* Any written notice you give to the Credit Union is effective when it is actually received by the Credit Union. Any written notice the Credit Union gives to you is effective when it is deposited in the U.S. Mail, postage prepaid and addressed to you at your statement mailing address. Notice to any one account owner is considered notice to all owners of the account.
- d. *Negative Information Notices.*
We may report information about your loan, share or deposit accounts to credit bureaus. Late payments, missed payments or other defaults on your accounts may be reflected in your credit report.
- e. *Consent to Communications.*
By providing an email address, telephone number for a 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 message calls, text messages, and calls made by an automatic telephone dialing system from us and our affiliates and agents. This express consent applies to each such address or telephone number that you provide to us now or in the future and permits such communication regardless of their purpose. In the regular course of our service to you, we may monitor, and record phone conversations made or received by our employees. You agree that we will have this right with respect to all phone conversations between you and our employees, whether initiated by you or any of our employees. For payment authorizations you provide by telephone, we may require you confirm such instructions in writing.

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

25. Statements.

- a. *Contents.* If the Credit Union provides a statement for your account, you will receive a periodic statement of all transactions and activity on your

account during the statement period. If a periodic statement is provided, you agree that only one statement is necessary for a multiple party account. For share draft accounts, you understand that when paid your original check becomes property of the Credit Union and may not be returned to you, but copies will be retained by the Credit Union or a payable-through financial institution and made available on your request. You understand your statements and checks are made available to you on the date the statement is mailed to you. You agree to keep a copy or carbon copy of your original check in order to verify its validity. If you request us to provide you with an original check or sufficient copy, you agree that we may provide an electronic image of the original check or sufficient copy if you have agreed to receive account information or statements electronically. The Credit Union may charge a fee for this service.

- b. *Examination.* You are responsible for examining each statement and your check copy and reporting any irregularities to the Credit Union. The Credit Union will not be responsible for any forged, altered, unauthorized, or unsigned item drawn or deposited to your account if (1) you fail to notify the Credit Union within thirty (30) days of the mailing date of the earliest statement or delivery of e-statements and availability of drafts containing any forgery, alteration, or unauthorized signature on the item; or (2) any items are forged or altered in a manner not detectable by a reasonable person including the unauthorized use of a facsimile signature machine.
- c. *Notice to Credit Union.* You agree that the Credit Union's retention of drafts does not alter or waive your responsibility to examine your statements and draft copies or the time limit for notifying the Credit Union of any errors. The statement will be considered correct for all purposes and the Credit Union will not be liable for any payment made or charged to your account unless you notify the Credit Union in writing within the above time limit after the statement and checks are made available to you.
- d. *Electronic Statements (E-Statements).* If your statement is provided electronically, statements will be electronically mailed to you as an attachment, or you will be sent an electronic mail notice that will direct you to the website where you may access, print and otherwise copy/download your periodic statements using procedures we authorize. Electronic mail from us will be sent to the electronic mail address provided by the account owner.

26. Dormant and Abandoned Accounts. If you have an account that you have not made a withdrawal from, deposit to, or transfer involving your account for more than twelve (12) months and the Credit Union has been unable to contact you by regular mail during that period, the Credit Union may classify your account as a dormant account and may charge a dormant account service fee as allowed by applicable law and set forth on the Rate and Fee Schedule. Thereafter, dividends will not be paid on the account if the balance falls below any minimum balance requirement. The Credit Union will notify you at your last known address prior to imposing any fee as required by law. Share Draft accounts will continue to incur the monthly maintenance fee until closed by you. You authorize us to transfer funds from an available account of yours to cover the monthly maintenance fee, if necessary. If a deposit or withdrawal has not been made on the account and the Credit Union has had no other contact with you for three (3) years 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 and if you choose to reclaim such funds, you must apply to the appropriate state agency.

27. 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 on your death, your account will be payable in accordance with any existing account designations and the terms of this Agreement. The Credit Union may require the survivor or other claimant to the account to produce certain documents before releasing the funds in the account. The Credit Union may continue to honor all transfers, withdrawals, deposits and other transactions on the account until the Credit Union learns of an account owner's death. Once the Credit Union learns of a member's death, the Credit Union may pay checks or honor other payments or transfer orders authorized by the deceased member for a period of ten (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.

28. Termination of Account. The Credit Union may terminate your account at any time without notice to you or may require you to close your account and apply for a new account if (1) there is a change in owners or authorized signers; (2) there has been a forgery or fraud reported or committed involving your

account; (3) there is a dispute as to the ownership of the funds in the account; (4) any account checks are lost or stolen; (5) if there are excessive returned unpaid items not covered by an overdraft protection plan; or (6) if there has been any misrepresentation or any other abuse of any of your accounts. You may terminate your account at any time by notifying the Credit Union by oral direction or in writing. The Credit Union is not responsible for payment of any check, withdrawal, or other item once your account is terminated; however, if the Credit Union pays a check after termination, you agree to reimburse the Credit Union for payment.

29. Termination of Membership. You may terminate your membership at the Credit Union after giving written notice of your intent to withdraw from membership. You may be denied services or expelled from membership for any reason allowed by applicable law, including causing a loss to the Credit Union.

30. Special Account Instructions. You and any surviving owner or beneficiary agree(s) to indemnify and hold the Credit Union harmless from any claim or liability asserted against the Credit Union as a result of the disposition of funds in reliance on this Agreement and any account designations of yours. 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. If you ask the Credit Union to follow instructions that the Credit Union believes might expose it to claims, suits, lawsuits, expenses, liabilities, or damages, whether directly or indirectly, the Credit Union may refuse to follow your instructions or may require you to post a bond or indemnify the Credit Union. Any item presented with a full payment legend must be presented in person to a Credit Union officer; otherwise, payment is accepted with full reservation of rights. Account changes requested by you, or any account owner, such as adding or closing an account or service, must be evidenced by a signed Account Card and accepted by the Credit Union. The Credit Union will not recognize the authority of someone to whom you have given the power of attorney without written authorization and a copy of the Power of Attorney on record at the Credit Union.

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

32. Enforcement. You agree to be liable to the Credit Union for any liability, loss, or expense as provided in

this Agreement that the Credit Union incurs as a result of any dispute involving your accounts or services. You authorize the Credit Union to deduct any such liability, loss, or expense from your account without prior notice to you. If you are in breach of this Agreement or any other loan or service agreement with 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. In the event either party brings 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.

33. Governing Law. This Agreement is governed by the Bylaws of the Credit Union, federal laws and regulations, the laws and regulations of the State of Washington and local clearinghouse rules, as amended from time to time. Any disputes regarding this Agreement shall be subject to the jurisdiction of the court of the county in which the Credit Union is located.

II. ARBITRATION AND CLASS ACTION WAIVER AGREEMENT

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.

1. 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.

2. 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”.

3. 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.

4. 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.

5. 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

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.

6. 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.

7. 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 after you opened your first Account or 30 days after we issued 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: People's Community Federal Credit Union, PO Box 764, Vancouver, WA 98666, Attn: Compliance Department.

8. 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.

III. FUNDS AVAILABILITY POLICY

1. General Policy. For savings accounts, we reserve the right to place reasonable holds on deposit funds to the extent permitted by law. For checking accounts, our funds availability policy is set forth below. Our policy is to make funds from your deposits available to you on the same business day that we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written. For determining the availability of your deposits, everyday is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before 5:30p.m. on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after 5:30 p.m. or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

2. Reservation of Right to Hold. In some cases, we will not make all of the funds that you deposit by check available to you on the first business day that we receive your deposit. Depending on the type of check (e.g. third party check) that you deposit, 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 action after you have left the premises, we will mail you the notice by the day after we receive your deposit. If you will need the funds from a deposit right away, you should ask us when the funds 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 that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it. If we accept for deposit a check that is drawn on another financial institution, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

4. Longer Delays May Apply. We may delay your ability to withdraw funds deposited by check into your account an additional number of days under certain circumstances. Federal law provides for exception to the federal funds availability schedules when:

- a. We believe a check you deposit will not be paid.
- b. You deposit checks totaling more than \$5,525 on any one day.
- c. You deposit a check that has been returned unpaid.
- d. You have overdrawn your account repeatedly in the last six months.
- e. There is an emergency, such as failure of communications or computer equipment.

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

5. Special Rules for New Accounts. If you are a new member, the following special rules will apply during the first thirty (30) calendar 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. The excess 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 Automated Teller Machines. Funds from check or draft deposits made at automated teller machines we do not own or operate will not be available until the fifth business day after the day of your deposit. If you make a deposit at a Credit Union owned automatic teller machine after 5:30 p.m. or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

IV. ELECTRONIC FUNDS TRANSFERS

The following terms govern your and our rights and responsibilities concerning the electronic funds transfer services, as applicable. Terms and conditions set forth elsewhere in this Agreement shall also apply to your electronic funds transfer service. Electronic funds transfers (“EFTs”) are electronically initiated transfers of money through direct deposits, automated teller or cash machines (“ATMs”), audio response (“24HR Teller”) transactions, card purchases, home banking (“PCCU Online Banking”), and certain other transactions involving your deposit accounts at the Credit Union.

1. Services.

- a. *ATMs.* On approval, you may use your ATM card or VISA Debit Card (“Card”) and your access code in ATMs of the Credit Union, the Accel™ Network and such other machines we may designate. At the present time, you may use your Card to make the following transactions on your accounts:
 - (1) Withdraw cash from your share draft or regular share accounts;
 - (2) Transfer funds between your share draft or regular share accounts; and
 - (3) Deposit funds to your regular share or share draft accounts.
- b. *POS Purchases.* You may use your Card to purchase goods and services any place your Card is honored by participating merchants, including Point of Sale (“POS”) terminals. Funds to cover your Card purchases will be deducted from your share draft 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 protection plan or may terminate all services under the Agreement.
- c. *Direct Deposit.* On instruction of (i) your employer, (ii) the Treasury Department or (iii) other financial institutions, the Credit Union will accept direct deposits of your paycheck or of federal recurring payments, such as Social Security.

d. *PCCU Online and Mobile Banking.*

(1) *Account Access.* If we approve your application for the PCCU Online Banking service, you may use a personal computer (PC) or other electronic device, such as a mobile phone, to access your accounts. This PC or electronic device must have access to the Internet. We may assign or you may select a user name and password. You must use your user name and password to access your accounts. You are responsible for the cost, installation, maintenance and operation of any hardware or software required to access PCCU Online and Mobile Banking. The Credit Union will not be responsible for any errors or failures involving any telephone service, Internet service provider, your software installation or your electronic device.

(2) *Types of Transactions.* At the present time, you may use the services to:

- (a) Transfer funds between your checking, savings account, and money market and loan accounts;
- (b) Obtain account information related to any savings or loan account regarding current balance, checking history, dividends and rates, loan interest and payoff amounts, payroll and automatic deductions;
- (c) Make payment transfers to participating merchants (payees), review bill payment history and change or cancel scheduled bill payments (Bill Pay services may be limited on Mobile App);
- (d) Make loan payments from any savings or checking account to a loan account of yours at the Credit Union; and
- (e) Communicate with the Credit Union using the electronic mail (E-mail) feature. (not available on Mobile App).

Types of Transactions may be limited in the Mobile Banking App

Transactions involving your deposit accounts will be subject to your Membership and Account Agreement and transactions involving a loan account will be subject to your Consumer Loan Agreement and Disclosures.

e. *24HR Teller.* If we approve the 24HR Teller audio response access service for your accounts, you must designate a separate four (4) digit personal identification number ("PIN"). You must use your PIN along with your account number to access your accounts. At the present time you may use the audio response access to:

(1) Obtain transaction, balance, withdrawal, dividend, and due date information on your

accounts at the Credit Union;

(2) Transfer funds between your checking, savings, money management, and loan accounts as allowed, including loan payments; and

(3) Transfer funds from your savings, checking, or money management account to a loan account of yours; and

(4) Request a savings or checking withdrawal or loan advance by a check mailed to you.

- f. *Electronic Check Transactions.* You authorize us to honor any electronic check conversion transaction and re-presented check free debit transactions you authorize (“electronic check transactions”). You agree that your authorization for an electronic check transaction occurs when you initiate such a transaction after receiving any notice regarding the merchant’s right to process the transaction. Notice may include a sign posted by the merchant at the time and place of your transaction. All terms governing electronic funds transfer services will apply to electronic check transactions, except the \$50 and \$500 limits of liability for unauthorized transactions in Section III.5. You remain responsible for notifying us of any unauthorized electronic check transaction shown on your statement.

2. Service Limitations.

a. ATMs.

(1) *Withdrawals.* There is a Daily ATM limit of \$1,500 and a maximum of 5 ATM transactions per day at Credit Union and nonproprietary ATMs. You may be charged an ATM fee as set forth in the Rate and Fee Schedule. Subject to Daily ATM limits and limits placed on each individual ATM, you may withdraw an amount up to the amount of available funds in your account .

(2) *Transfers.* You may transfer between your savings and share draft accounts up to the balance in your accounts at the time of the transfer at available locations.

(3) *Deposits.* Because of the servicing schedule and processing time required in ATM operations, there is a delay between the time a deposit (cash or check) is made and when it will be available for withdrawal. The Credit Union’s Funds Availability Policy at ATMs is set forth in Section II.6.

- b. *POS Purchases.* There is no limit on the number of POS purchase transactions you may make by Card during a statement period. No purchase may exceed the available funds in your account. The Credit Union reserves the right to refuse any transaction which would draw on 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.

Some merchants may permit you to initiate debit transactions with your Card using either the VISA network or another network shown on your Card. The Credit Union will honor your debit transactions processed by any of these networks. Transactions processed over the VISA network do not require you to use your PIN to validate the transaction. Generally, you will sign a receipt, provide your card number (e.g. Internet, mail or telephone transactions), or swipe your card at a terminal. Also, there are certain protections and rights such as the zero liability protections in Section III.5 (Member Liability) applicable only to VISA processed transactions. Transactions processed over other networks may not require you to use your PIN in order to validate a transaction. Generally, you enter your card number or swipe your card and provide or enter a PIN. However, some merchants may not require you to provide a PIN, and allow you to choose whether the transaction is processed by VISA or another network. Provisions applicable only to VISA transactions (such as VISA's zero liability protections) will not apply to non-VISA debit transactions and the liability rules for other EFTs in Section III.5 (Member Liability) will apply.

- c. *PCCU Online Banking.* The service is normally accessible seven (7) days a week, 24 hours a day.
- (1) *Transfers.* You may make funds transfers to your accounts or other accounts you authorize as often as you like. However, transfers from a share account or money management account will be limited to a total of six (6) in any one month. You may transfer or withdraw up to the available balance in your account or available credit line at the time of the transfer, except as limited under other agreements. The Credit Union reserves the right to refuse any transaction that would draw on insufficient or unavailable funds, lower an account below a required balance, or otherwise require us to increase our required reserve on the account.
- (2) *Account Information.* The account balance and transaction history may be limited to recent account information. The availability of funds for transfer or withdrawal may be limited due to the processing time for ATM transaction and our Funds Availability Policy.

(3) E-Mail and Stop Payment Requests. The Credit Union may not immediately receive E-Mail communications that you send and the Credit Union will not take action based on E-mail requests until the Credit Union actually receives your message and has a reasonable opportunity to act. Any stop payment request you transmit electronically is deemed to be an oral request and will expire in fourteen (14) days unless confirmed in writing in accordance with this Membership and Account Agreement.

(4) Bill Payments. You may authorize new payment instructions or edit previously authorized payment instructions for bill payments that are either periodic and nonrecurring (i.e. payments on merchant charge accounts that vary in amount) or automatic and recurring (i.e. fixed mortgage payments). When you transmit a bill payment to us, you authorize us to transfer funds to make the bill payment transaction from the account you designate. We will process bill payment transfer requests only to such creditors as you authorize and for whom the Credit Union has the proper payee information. The Credit Union will not process any bill payment transfer if the required transaction information is incomplete. If there are insufficient funds in your account to make the bill payment or make the payment and transfer funds from any overdraft protection account you have established, your payment may be returned. The Credit Union reserves the right to refuse to process payment instructions that reasonably appear to the Credit Union to be fraudulent or erroneous. When the Credit Union receives payment instructions from you, you authorize us to debit your account for the amount indicated in your instructions, plus any related fees, and to remit funds on your behalf.

It is your responsibility to schedule your bill payments in such a manner that your obligations will be paid on time. You should enter and transmit your bill payment instructions at least seven (7) days before a bill is due. You are responsible for any late payments or finance charges that may be imposed as a result of your failure to transmit a timely payment authorization.

You may cancel or edit any scheduled payment (including recurring payments) by following the directions found within PCCU Online Banking. There is no charge for canceling or editing a Scheduled Payment. Once the service has begun processing a payment, it cannot be cancelled or edited, therefore a stop payment request must be submitted. The ability of the Credit Union to process a bill pay stop payment request will depend on the payment method and

whether or not a check has cleared. The Credit Union may also not have a reasonable opportunity to act on any stop payment request after a payment has been processed. If you desire to stop any payment that has already begun to be processed, you must contact the Credit Union. Although the Credit Union will make every effort to accommodate your request, the Credit Union will have no liability for failing to do so. The Credit Union may also require you to present your request in writing within fourteen (14) days. The charge for each stop payment request will be the current charge set out in the applicable Rate and Fee Schedule. You may call the Credit Union at the number set forth in Section III. 5. to request a stop payment.

- d. *24HR Teller.* Your accounts can be accessed under 24HR Teller audio response via a touchtone telephone, either a cellular or landline. Audio response service will normally be available for your convenience seven (7) days per work. This service may be interrupted for a short time each day for data processing. While there is no limit to the number of inquiries, transfers, or withdrawal requests you may make in any one day, there are certain limitations on transfers from a savings account. Transfers from a share or money market account will be limited to six (6) in any one month.

No transfer or withdrawal may exceed the available funds in your account. The Credit Union reserves the right to refuse any transaction which would draw on 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 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 verified funds. There is no limit on the number of transaction requests you may make during a single phone call. The system will discontinue service after thirty (30) seconds if no transaction is entered, and after ten (10) minutes in all cases. If you wish to make any further transactions, you will have to call back. The system will also discontinue service after three (3) unsuccessful attempts to enter a transaction.

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

- a. *Ownership of Cards.* Any Card or other device which we supply to you is our property and must be returned to us, or to any person whom we authorize to act as our agent, or to any person

who is authorized to honor the Card, immediately according to instructions. The Card may be repossessed at any time in our sole discretion without demand or notice. You cannot transfer your Card or account to another person. You may not use the Card for any illegal or unlawful transaction, and we may decline to authorize any transaction that 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 the Card or any other device we supply to you. If a merchant agrees to give you a refund or adjustment, you agree to accept a credit to your account in lieu of a cash refund.
- c. *Illegal Use of Internet Gambling.* You agree that all transactions that you initiate by use of your VISA Debit Card are legal in the jurisdiction where you live and/or where the transaction occurred. Internet gambling may be illegal in the jurisdiction in which you are located, including the United States. Your VISA Debit Card may only be used for legal transactions. Display of a payment card logo by an online merchant does not mean that internet gambling transactions are lawful in all jurisdictions in which you may be located. We have restricted all online gambling transactions with the VISA Debit Card.

4. Security of Access Code. The personal access code (“access code”) or PIN issued to or selected by you is for your security purposes. The numbers are confidential and should not be disclosed to third parties or recorded on or with the Card. You are responsible for safekeeping of your access code. You agree not to disclose or otherwise make your access code available to anyone not authorized to sign on your accounts. If you authorize anyone to use your access code that authority shall continue until you specifically revoke such authority by notifying the Credit Union. If you fail to maintain the security of these access codes we may terminate your EFT and account services immediately.

5. Member Liability.

- a. *Business Accounts.* For business accounts, the Credit Union will not be responsible for any losses or damages you may incur regarding the unauthorized access to or use of your account or service resulting from any compromise of your data.
- b. *Consumer Accounts.* You are responsible for all transfers you authorize using your EFT services under this Agreement. If you permit other persons to use an EFT service, Card or access code, you are responsible

for any transactions they authorize or conduct on any of your accounts. Tell us at once if you believe anyone has used your account, Card or access code and accessed your accounts without your authority or if you believe that an electronic funds transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. For VISA Debit Card transactions, if you notify us of your lost or stolen card, you may not be liable for any losses provided that you notify us promptly and you were not grossly negligent or fraudulent in handling your Card and you provide us with a written statement regarding your unauthorized Card claim, otherwise the following liability limits will apply. For all other Card transactions, if you tell us within two (2) business days, you can lose no more than \$50 if someone accessed your account without your permission. If you do not tell us within two (2) business days after you learn of the unauthorized use of your account or Card service, and we can prove that we could have stopped someone from accessing your account without your permission if you had told us, you could lose as much as \$500. In no event will you be liable for more than \$50 for unauthorized withdrawals from a line of credit account. Also, if your statement shows transactions that you did not make, tell us at once. If you do not tell 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 transfers if you had told us in time. If a good reason (such as a hospital stay) kept you from telling us, we will extend the time periods.

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, call:

(360) 695-5121

(800) 252-6525

Or write:

People's Community Federal Credit Union

PO Box 764

Vancouver, WA 98666-0764

6. Business Days. Our business days and hours are Monday through Friday, 9:00 a.m. to 5:30 p.m. Holidays are not included.

7. Fees and Charges. There are certain charges for electronic fund transfer services, replacement Cards, or access codes as set forth on the Rate and Fee Schedule. From time to time, the charges may be changed. We will notify you of any changes as required by law. If you use an ATM that is not operated by us, you may

be charged an ATM surcharge by the ATM operator or an ATM network used for such a transaction. The ATM surcharge will be debited from your account if you elect to complete the transaction. Purchases and cash advances made in foreign countries and foreign currencies 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 rate may vary from the rate VISA itself receives, or the government-mandated rate in effect for the applicable central processing date. In addition, you will be assessed a Foreign Transaction Fee on any card purchase or cash advance made in a foreign country. See our Rate and Fee Schedule for the current foreign transaction fee. If you conduct an ATM or debit card transaction and you have provided an opt-in for the Courtesy Pay service or you conduct any other electronic funds transfer and overdraw your account, you agree to pay an overdraft fee as set forth in the Rate and Fee Schedule.

8. Right to Receive Documentation of Transfers.

- a. *Periodic Statements.* Transfers and withdrawals transacted through an EFT service will be recorded on your periodic statement. You will receive a statement monthly unless there is no transaction in a particular month. In any case, you will receive a statement at least quarterly.
- b. *Direct Deposits.* If you have arranged to have a direct deposit made to your account at least once every sixty (60) days from the same source and you do not receive a receipt (such as a pay stub), you can find out whether or not the deposit has been made by calling the telephone number set forth in Section III.5. Member Liability.
- c. *Terminal Receipt.* You will receive a receipt at the time you make a transaction using an ATM, POS terminal or with a participating merchant, except some electronic terminals will not provide receipts for transactions of \$15 or less.

9. Account Information Disclosure. We will disclose information to third parties about your account or the transfers you make:

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

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

- a. If, through no fault of ours, you do not have adequate funds in your account to complete a transaction, your account is closed, or the transaction amount would exceed your credit limit on your line of credit;
- b. If you used the wrong access code or you have not properly followed any applicable computer, Internet or Credit Union instructions for making transfer and bill payment transactions;
- c. If your computer fails or malfunctions or if the Credit Union's PCCU Online Banking system was not properly working and such problem should have been apparent when you attempted such transaction;
- d. If the ATM where you are making the transfer does not operate properly, does not have enough cash or you use your Card improperly;
- e. If circumstances beyond our control (such as fire, flood, telecommunication outages, postal strikes, equipment or power failure) prevent making the transaction;
- f. If your account is frozen because of a delinquent loan or is subject to legal process or other claim;
- g. If the error was caused by a system beyond the Credit Union's control such as your Internet service provider or the telephone equipment or service you use;
- h. If you have not given the Credit Union complete correct and current instructions so the Credit Union can make a transfer or bill payment;
- i. If the error was caused by a system of The ACCEL[™] Network, or any applicable ATM network. The ATM may retain your Card in certain instances, in which event you may contact the Credit Union about its replacement;
- j. If the accounts to which you request a bill payment transfer to be made have been closed or the vendor will not accept such payments; or
- k. If there are other exceptions as established by the Credit Union;
- l. If you have bill payment services, the Credit Union can only confirm the amount, the participating merchant, and date of the bill payment transfer made by the Credit Union. For any other error or question you have involving the billing statement of the participating merchant, you must contact the merchant directly. The Credit Union is not

responsible for investigating such errors.

11. Preauthorized Electronic Funds Transfers.

- a. *Stop Payment Rights.* If you have arranged in advance to make regular electronic funds transfers out of your account(s) for money you owe others, you may stop payment of preauthorized transfers from your account. You must notify the Credit Union orally or in writing at the telephone numbers and address stated above any time up to three (3) business days before the scheduled date of the transfer. The Credit Union may require written confirmation of the stop payment order to be made within fourteen (14) days of any oral notification. If we do require the written confirmation, the oral stop payment order shall cease to be binding fourteen (14) days after it has been made.
- b. *Notice of Varying Amounts.* If these regular payments may vary in amount, the company you are going to pay will tell you, ten (10) days before each payment, when it will be made and how much it will be.
- c. *Liability for Failure to Stop Payment of Preauthorized Transfers.* If you order us to stop one of these payments three (3) business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

12. Termination of Electronic Funds Transfer Services. You agree that we may terminate this Agreement and any Card or electronic funds services, if you or any authorized user of your Card or access code, breach 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 code, or you breach any provisions of your Membership and Account Agreement or any other agreement with the Credit Union.

You or any account owner can terminate this Agreement for electronic funds transfer services by notifying us in writing. Termination of service will be effective the first business day following receipt of your written notice and surrender of your Card. Termination of this Agreement will not affect the rights and responsibilities of the parties under this Agreement for transactions initiated before termination. No further electronic funds transfer services will be provided on your account.

If you are in breach of this Agreement, any 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.

13. Notices. The Credit Union reserves the right to change the terms and conditions on which any electronic fund transfer 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, to the last known address. Use of this service is subject to existing regulations governing the Credit Union account and any future changes to those regulations.

14. Billing Errors.

Billing Errors For Consumer Accounts. The following billing error rights apply to consumer accounts, but not business accounts. In case of errors or questions about your electronic transfers, telephone us at the phone numbers or write us at the address set forth above as soon as you can. We must hear from you no later than sixty (60) days after we sent the first statement on which the problem appears.

- a. Tell us your name and account number.
- b. Describe the transaction you are unsure about, and explain as clearly as you can why you believe it is in error or why you need more information.
- c. Tell us the dollar amount of the suspected error. If you tell us orally, we may require that you send us your complaint or question in writing within ten (10) business days.

We will tell you the results of our investigation within ten (10) business days after we hear from you and will correct the error promptly. For errors related to transactions occurring within thirty (30) days after the first deposit to the account (new accounts), we will tell you the results of our investigation within twenty (20) business days. If we need more time, however, we may take up to forty-five (45) calendar days to investigate your complaint or question (ninety (90) calendar days for POS transaction errors, new account transaction errors, or errors involving transactions initiated outside the United States). If we decide to do this, we will re-credit your account within ten (10) business days (five (5) business days for VISA Debit Card purchase transactions) for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within ten (10) business days, we may not recredit your account.

If we decide after our investigation that an error did not occur, we will deliver or mail to you an explanation

of our findings within three (3) business days after the conclusion of our investigation. If you request, we will provide you copies of documents (to the extent possible without violating other members' rights to privacy) relied on to conclude that the error did not occur. Any re-credit to your account for this transaction will then be reversed.

15. ATM and Night Deposit Facilities Safety Notice.

The following information is a list of safety precautions regarding the use of ATM and night deposit facilities.

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

16. Mobile Deposit Service Agreement.

This Mobile Deposit Service Agreement ("Agreement") between People's Community Federal Credit Union ("Credit Union" or "we") and Member governs the Mobile Deposit service ("Mobile Deposit" or "Service") provided to Member by Credit Union. By enrolling for or using the Service, Member agrees to the terms and conditions set forth in this Agreement. Credit Union may supply Member with additional online manuals, requirements, procedures, or specifications (collectively "Documentation") for use of the Mobile Deposit Service. All Documentation supplied by Credit Union is incorporated into this Agreement as if fully set forth herein. The Mobile Deposit Service is also subject to the terms and conditions of the People's Community Federal Credit Union Membership and Account Agreement. To the extent of any conflict, the

provisions of this Agreement will govern the Mobile Deposit service.

- a. *Equipment/Software.* All equipment used in connection with the Mobile Deposit service must satisfy technical specifications and requirements set forth in the Documentation. Such technical specifications and requirements may change from time to time in Credit Union's sole discretion. Member assumes responsibility for any loss, damages, claims, expenses, or liability arising from malfunction of Member's equipment. Credit Union will not be responsible in any manner for any deficiency caused in whole or in part by inaccurate or otherwise deficient data programs, equipment, or communication facilities provided by Member or parties other than Credit Union. In addition, Member agrees that Member will not (i) modify, change, alter, translate, create derivative works from, reverse engineer, disassemble, or decompile the Mobile Deposit technology or Service; (ii) copy or reproduce all or any part of the technology or Service; or (iii) interfere, or attempt to interfere, with the technology or Service.
- b. *Access to Service.* Items deposited through the Service must be deposited into a checking account. If Member does not maintain an account in good standing or abuses the Service, Member will no longer be eligible for the Service. Member must be a credit union member for 30 days or more and over the age of 18 to be eligible for the Service. Credit Union may choose to not offer the Service to any Member for any reason. Mobile Deposit is accessed through the Online Banking software access point. Member shall maintain the confidentiality and security of any passwords, security information, or devices used to access the Mobile Deposit service.
- c. *Eligible Items.*
 - i. *Type of Item.* Using the Mobile Deposit service, Member may deposit only items drawn on financial institutions located within the United States. Items deposited using Mobile Deposit must be payable in United States Dollars. We will not accept Substitute Checks, Third-party Checks, Stale-dated Checks, Post-dated Checks or Checks drawn by you on an Account of yours at Credit Union. Foreign Items and Remotely created checks are not eligible for deposit using the Mobile Deposit service.
 - ii. *Item Quality.* Items deposited using the Mobile Deposit service must be legible, and must be of sufficient quality to create an image that satisfies all applicable requirements under Regulation CC, this Agreement, and any other written standards

that Credit Union provides to Member.

iii. Endorsement. Each item must be endorsed by or on behalf of the depositor with their signature and the term "For mobile deposit only, PCFCU account # _____" in accordance with the instructions in Mobile Deposit.

d. Image Quality. Member is responsible for creating images of checks to be deposited through the Mobile Deposit service. Each image of a check deposited through the Mobile Deposit service must accurately represent, in every respect, all the information on the front and back of the check as of the time the check is deposited. Such information includes but is not limited to the amount of the check, the payee, the drawer's signature, and all other elements of a negotiable instrument under Washington Uniform Commercial Code Article 3. The MICR line and information identifying the drawer and paying financial institution must be legible and unobscured. Member's endorsement and any other endorsements or information must also be unobscured. Images must conform to any standards for check image quality adopted by ANSI, the Federal Reserve, and any other standards communicated to Member by Credit Union.

e. Transmission and Receipt of Files.

i. File Transmission. Member shall transmit files containing check images and employing methods and procedures specified by Credit Union. Credit Union will acknowledge receipt of files by transmitting a message to Member in the manner specified in the Documentation. Member is responsible for providing Credit Union with a current Internet e-mail address and for notifying Credit Union of any changes. Files are not deemed received by Credit Union until Credit Union has notified Member acknowledging receipt of the file. Acknowledgment of receipt of a file by Credit Union serves only to confirm that the file was received, and shall not be construed as confirmation that the file complies with the requirements of this Agreement, or is error-free, or that any particular item was included in the file or has been deposited. All deposited items transmitted are reviewed prior to being credited to Member's account. Credit Union shall not bear any liability to any party for errors in transmissions, including images dropped, distorted, or otherwise degraded in transmission.

ii. Rejection of Files. Credit Union may in its discretion reject any file transmitted by Member or to reject any item within a file, and shall have no

liability of any nature to Member for doing so. Credit Union shall notify Member as soon as reasonably possible when it rejects any file or item transmitted by Member. You agree that Credit Union may at any time, in its sole discretion, refuse to accept deposits of checks from you via Mobile Deposit session. In the event that the Service is interrupted or are otherwise unavailable, you may deposit checks in-person at a Credit Union branch or via night drop or mail or other contractually acceptable method.

iii. Receipt and Crediting of Deposits. No item is deposited to Member's account until Credit Union has received and processed the file containing the item, determined the item is acceptable for deposit, and has credited the item to Member's account. Member shall be responsible for verifying that deposits have been posted to appropriate accounts, and shall cooperate in any investigation and resolution of any unsuccessful or lost transmissions with the Credit Union. This may require Member to provide Credit Union with original documents as needed to resolve questions, disputes related to unusual transactions, or poor-quality transmissions.

iv. Reconciliation. Credit Union shall notify Member of any discrepancy in a file (such as variation in the amount Member purports to deposit and the amount as determined by Credit Union) within two business days after a file is processed by Credit Union.

- f. Duty to Report Errors.* Member shall notify Credit Union of any errors, omissions, or interruptions in, or delay or unavailability of, the Services as promptly as practicable, and in any event within one (1) business day after the earliest of discovery thereof or the date discovery should have occurred through the exercise of reasonable care and, in the case of any error, within fourteen (14) days of the date of the earliest notice to Member which reflects the error. Failure of Member to notify Credit Union of any error, omission, or other discrepancy within seven (7) days from the date of a loss shall relieve Credit Union of any liability for such error, omission, or discrepancy.
- g. Deposit/File Limitations.* Credit Union has established a daily deposit limit of \$1,500 on the aggregate or individual dollar amount of checks deposited using Mobile Deposit each day. The Credit Union reserves the right to establish different daily limits for all members from time to time and individual members based upon credit risk, subject to notice of such changes. Member agrees to abide by such limits and understands that Credit Union may reject deposits exceeding such limits. Credit

Union may establish other limits on transactions by notifying Member.

- h. Cutoff Times.* Deposits received by 3 p.m. Pacific Time through Mobile Deposit will receive next business day processing based on the business day on which they were received. If accepted, Credit to the Member's account will occur the business day the check has been processed. If the Mobile Deposit is received after 3 p.m. Pacific Time, the Deposit will be treated as if received and processed the next business day. All Mobile Deposits made during a weekend or holiday when the Credit Union is not open will be processed and credited as stated above on the next business day. Some deposits may require administrative approval by Credit Union before they are processed.
- i. Funds Availability.* Credit Union will generally make funds from items deposited through Mobile Deposit available on the next business day following the processing of the deposit. The cutoff time set forth in this Agreement supersedes the cutoff time set forth in the funds availability policy. For purposes of funds availability, the Credit Union's headquarters is considered as the place of deposit.
- j. Clearing and Presentment of Items.* Credit Union may present or send items deposited through Mobile Deposit for presentment by any method and procedures Credit Union in its sole discretion deems appropriate. For example, Credit Union may transmit items as images or as data without images, or Credit Union may use images transmitted by Member to create a "substitute check" (also referred to as image replacement document or "IRD"). Credit Union may present or send items for presentment through the Federal Reserve, through local, regional, or national clearinghouses or exchanges, or through any other channel(s) Credit Union deems appropriate.
- k. Returned Deposits.* Member acknowledges and agrees that items deposited through Mobile Deposit and dishonored or otherwise returned unpaid will be returned to Member in the form of an electronic image, IRD, or paper copy of an IRD. Credit Union shall have no obligation regarding returned deposited items except as provided by applicable law, regulation, Federal Reserve rule or procedure, or clearinghouse rule. A Deposit Item Return Fee may be charged for any returned deposit.
- l. Warranties.* With respect to each item transmitted to Credit Union through the Mobile Deposit service, Member warrants as follows:

- i. The item is of the type that is permitted to be deposited using the Mobile Deposit service as set forth in this Agreement.
 - ii. Member is a person entitled to enforce the item or is authorized to obtain payment on behalf of a person entitled to enforce the item.
 - iii. The original item and the electronic image of the item satisfy all standards set forth in this Agreement and in any additional documentation provided by Credit Union.
 - iv. The image is not a duplicate of any image or item previously deposited by any method. The image is a true and accurate representation of the front and back of the original check, without any alteration. The drawer of the check has no defense against payment of the check.
 - v. The original item will not be deposited in any account or transferred to any other party by any means, and no person will receive a transfer, presentment, or return of, or otherwise be charged for the item (either the original item or a paper or electronic representation of the original item) such that the person will be asked to make payment based on an item that has already been paid.
 - vi. Credit Union will not incur any loss or liability due to Member's transmission of an image rather than the original check.
 - vii. All information provided by Member in connection with the item, including but not limited to the image of the item, is true and correct and accurate to the best of Member's knowledge.
 - viii. The original item will be destroyed in accordance with the terms of this Agreement.
 - ix. Member has handled the original item in accordance with all applicable laws, rules, and regulations. Member has complied with the terms of this Agreement, and any applicable laws, regulations, and with any additional rules, procedures, or guidelines Credit Union has supplied to Member.
 - x. Member has not transmitted any virus, worm, or data of any kind that will harm Credit Union's information or communication systems.
- m. *Fees.* Member shall pay Credit Union the fees, if any, associated with use of the Mobile Deposit service as set forth in Credit Union's current fee schedule applicable to Member's account.
- n. *Compliance with Law.* Member agrees to use the Service for lawful purposes, and to comply with all applicable laws, rules, and regulations applicable to the Service and to Member.

- o. Indemnification.* Member agrees to indemnify, defend, and hold Credit Union harmless from and against any and all claims, damages, liabilities, or losses of any nature incurred by or asserted against Credit Union in connection with or related to Member's negligence, intentional misconduct, or breach of this Agreement.
- p. Destruction of Original Items.* All original items deposited through the Mobile Deposit service are to be properly destroyed and disposed of within sixty (60) days after the date of deposit, unless Credit Union asks Member to retain an original of any specific item(s). During the period that you maintain any original checks, you understand and agree that you must use a high degree of care to protect these original checks against security risks. These risks include, without limitation, (i) theft or reproduction of the original checks (including by employees) for purposes of presentment for deposit of these original checks (i.e., after the original checks have already been presented for deposit via the Service) and (ii) unauthorized use of information derived from the original checks. When you dispose of any original checks, you understand and agree that you must use a high degree of care when selecting and implementing disposal procedures to ensure that the original checks are not accessed by unauthorized persons during the disposal process and, once destroyed, the original checks are no longer readable or capable of being reconstructed.
- q. Data and Systems Security.* Member agrees to implement and maintain appropriate security measures to safeguard the security of images and data in Member's possession or control from unauthorized access or disclosure. In no event shall Member take precautions any less stringent than those employed to protect its own proprietary and confidential information. On request, Member shall provide Credit Union with information regarding Member's internal controls and security procedures. If Credit Union believes that Member's controls, security measures, and procedures are inadequate to safeguard the item images and data maintained by Member, Credit Union may require Member to establish additional controls, security measures, and procedures. Member agrees to indemnify, defend, and hold Credit Union harmless from and against any disclosure of or unauthorized access to any other party's confidential information (such as checking account number and financial institution) maintained

by Member. Member agrees to notify Credit Union of any such disclosure, or of any penetration of Member's systems or information security measures by unauthorized parties.

- r. *Alternate Deposit Method.* Credit Union makes no warranty or representation as to availability of the Mobile Deposit service. Member shall maintain backup procedures and capabilities in order to deposit items by an alternate method if for any reason the Mobile Deposit service is inoperative or unavailable. Alternative deposit methods include but are not limited to, in person at Credit Union branch, via night drop, ATMs accepting deposits, US Mail, or other contractually accepted methods.
- s. *Amendment.* The Credit Union may amend the terms of this Agreement and the Service at any time by providing notice to Member.
- t. *Term and Termination.* This Agreement, together with the Membership and Account Agreement shall govern all use of the Service by Member. Either Credit Union or Member may terminate Member's use of the Service at any time for any reason. Notwithstanding termination, this Agreement shall govern the parties' rights, liabilities, and duties as to all items deposited using the Mobile Deposit service before or after termination.
- u. *Financial Responsibility.* You understand that you remain, solely and exclusively responsible for any and all financial risks, including, without limitation, insufficient funds associated with accessing the Service. The Credit Union shall not be liable in any manner for such risk unless Credit Union fails to follow the procedures described in materials for use of the service. You assume exclusive responsibility for the consequences of any instructions you give to the Credit Union, for your failures to access the Service properly in a manner prescribed by the Credit Union, and for your failure to supply accurate input information, including, without limitation, any information contained in an application.
- v. *Enforcement.* You agree to be liable to the Credit Union for any liability, loss, or expense as provided in this Agreement that the Credit Union incurs as a result of any dispute involving your accounts or services. You authorize the Credit Union to deduct any such liability, loss, or expense from your account without prior notice to you. This Agreement shall be governed by and construed under the laws of the State of Washington as applied to contracts entered into solely between residents of, and to be performed entirely in, such state. In the event either

party brings a legal action to enforce the Agreement or collect any overdrawn funds on accounts accessed under this Agreement, the prevailing party shall be entitled, subject to Washington law, to payment by the other party of its reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions, if applicable. Should any one or more provisions of this Agreement be determined illegal or unenforceable in any relevant jurisdiction, then such provision may be modified by the proper court, if possible, but only to the extent necessary to make the provision enforceable and such modification shall not affect any other provision of this Agreement.

w. *Disclaimer of Liability.* MEMBER ACKNOWLEDGES THAT THE SERVICE IS PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS. THE CREDIT UNION IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS IN OR TO ANY INFORMATION RESULTING FROM YOUR USE OF THE SERVICE. THE CREDIT UNION MAKES NO AND EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, REGARDING THE SERVICE INCLUDING THE WARRANTY OF TITLE AND THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NONINFRINGEMENT. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE CREDIT UNION DISCLAIMS ANY WARRANTIES REGARDING THE OPERATION, PERFORMANCE OR FUNCTIONALITY OF THE SERVICE (INCLUDING, WITHOUT LIMITATION, THAT THE SERVICE WILL OPERATE WITHOUT INTERRUPTION OR BE ERROR FREE). MEMBER FURTHER ACKNOWLEDGES THAT THERE ARE CERTAIN SECURITY, CORRUPTION, TRANSMISSION ERROR AND ACCESS AVAILABILITY RISKS ASSOCIATED WITH USING OPEN NETWORKS SUCH AS THE INTERNET AND/OR TELECOMMUNICATION LINES OR CIRCUITS. MEMBER HEREBY ASSUMES ALL RISKS RELATING TO THE FOREGOING.

Credit Union shall have no liability to you, or any other person or entity for any loss, damage, cost, or expense arising out of this Agreement or the Service regardless of the form in which asserted, whether in contract, tort (including negligence), warranty, or any other legal or equitable grounds, and regardless of whether the remedies available fail of their essential purpose, except as provided by applicable law for any error or delay in performing the Service provided for in this Agreement, and we shall have no liability for not effecting a transaction, if:

- We receive actual notice or have reason to believe

that you filed or commenced a petition or proceeding for relief under any bankruptcy or similar law

- The ownership of funds involving a transaction is in question
- We suspect a breach of the security procedures
- We suspect that your account has been used for illegal or fraudulent purposes; or
- We reasonably believe that a transaction is prohibited by federal law or regulation, or otherwise so provided in the Agreement.

Credit Union will not be liable if Member fails to report timely any error or discrepancy reflected in an account statement prepared by Credit Union, or if Member fails to report a breach of a security procedure. If Credit Union fails to perform under this Agreement in accordance with the standards set herein, Credit Union's liability for damages, losses, and other compensation owing to you will be limited as set forth above.

©2021, *People's Community Federal Credit Union*

Form 100-0711

Revised 04/2021

