

**TRAILHEAD CREDIT UNION
MEMBERSHIP AND ACCOUNT AGREEMENT**

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Thank you for opening a membership with Trailhead Credit Union. We are pleased to have you as a member and look forward to serving you.

This Membership and Account Agreement (Agreement) is the contract between you and Trailhead Credit Union (Trailhead) that covers the rights of the credit union, your rights as a member, and the responsibilities concerning Trailhead membership and the deposit accounts we offer. We recommend you keep this Agreement. Please note that we regularly update the Agreement. You can find the current agreement at trailheadcu.org or request a copy by visiting a Trailhead branch or calling Member Services.

The classification and form of ownership of your accounts (including certificate accounts) are designated on your Account Card. By signing the Application for Membership or Account Card that is a part of this Agreement, each of you, jointly and severally, agree to the terms and conditions in this Agreement, which includes the Funds Availability Policy, Electronic Funds Transfer Agreement, and the Truth-in-Savings Disclosures including the Deposit Rate Sheet, Fee Schedule, any account receipt, and including any amendments to these which we may make from time to time. You agree that additional accounts and services you request in the future will be governed by this Agreement.

In this Agreement, the words "you" and "yours" mean those who: (1) sign an Account card or application; (2) assert any ownership in an account; (3) are an authorized signer for an account; (4) use any access device for any account of (5) those who enroll for any of the Electronic Services and any authorized users. The words "we," "us," and "our" mean Trailhead Credit Union. The word "account" means any one or more savings, checking, loan or certificate accounts you have with us. "EFT" means all electronic services, except Mobile Deposits.

The word "item" means all orders and instructions for the payment, transfer, or withdrawal of funds from an account. As examples, "item" includes; a check, a substitute, check, electronic transactions (including an ACH submission, an ATM withdrawal or transfer, a point-of-sale (POS) transaction, a preauthorized payment, an automatic transfer, a telephone-initiated transfer, and a transfer or bill-payment instruction through Digital Banking.

The term "Rate and Fee Schedules" means the most recent version on our Fee Schedule and Deposit Rate Sheet. These schedules are available in our branches. Our rates and fees are also available on our website: www.trailheadcu.org.

The term "Digital Banking" means Online Banking on your personal computer and Mobile Banking on your personal mobile device.

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

I. MEMBERSHIP AND ACCOUNTS

1. Membership Eligibility.

To be eligible for membership in the Credit Union you must be an individual or entity qualifying within the Credit Union's Field of Membership and must purchase and maintain at least one share as required by the Credit Union's Bylaws. To allow for us to verify your eligibility for any accounts or services we offer you or that you request, you authorize us to check financial information and employment history about you by any means allowed by law, including obtaining a credit report or credit score from any consumer reporting agency.

a. Term of Membership. Once you join Trailhead Credit Union, you may remain a member, even if you leave your job or move from the area, if you comply with the terms of this Agreement and maintain a minimum deposit of \$5 in a Savings account.

2. Duties of Membership.

By signing an application for membership Account (signature) card, or opening or continuing to hold an account with us, you agree to be governed by our Bylaws, rules, regulations, and code of conduct of Trailhead Credit Union and any existing or future amendments thereto, and by the federal and state law applicable to credit unions. A copy of our Bylaws is available for inspection by request. Please notify us in advance if you wish to inspect the Bylaws so that we can make suitable arrangements.

Membership with the Credit Union comes with certain ongoing obligations and responsibilities. For example, you may not use or try to use your account or any of our products and services for any unlawful transaction, or engage in any activity that misuses our products or services as it is deemed by us to be unusual, fraudulent, dishonest, deceptive, or destructive to our property. Engaging in such activities may lead to account restriction, suspension, closure, and/or expulsion. You must honor your contracts, agreements, and obligations with us and act with civility in all dealings with our employees, officers, and directors. In addition, you must keep us informed of your current address. If you are expelled, you may not be a fiduciary (i.e. a trustee, custodian, or agent under a power of attorney) or a joint account owner on another account, or otherwise receive services from Trailhead.

3. Account Types

a. 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 payable on death ("POD") beneficiary, if applicable.

The transfer of interest will be subject to other provisions of this agreement that govern: (1) our protection for honoring transfer and withdrawal requests of an owner or owner's agent before we receive notice of an owner's death; (2) any security interest or pledge granted by the account owner; and (3) our statutory-lien and setoff rights.

b. Joint Accounts. An account owned by two or more persons is a joint account. A joint owner is not a Trailhead member and does not become a member because of being designated a joint owner.

Rights of Survivorship. If your account is a joint account, the account is owned as a joint account with rights of survivorship. 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, upon the death of one of the joint account owners, that person's interest will become the property of the surviving joint account owners. A surviving owner's interest is subject to the Credit Union's statutory lien and security interest for the deceased owner's obligations, and to any security interest or pledge granted by a deceased owner, even if a surviving owner did not provide consent.

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, or close an account without the consent of the other account owner(s) and the Credit Union shall have no duty to notify any other joint account owner(s). If the Credit Union receives written notice of a dispute between account owners or receives inconsistent instructions from them, the Credit Union may suspend or terminate the account, require a Court order to act, or require that all joint account owners agree in writing to any transaction concerning the account.

Joint Account Owner Liability. If any item deposited in a joint account is returned unpaid, an account is overdrawn, or if we do not receive final payment on any transaction, each of the multiple account owners are jointly and severally liable to the Credit Union for the amount of the returned item, overdraft, or unpaid 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.

Removal of Joint Owner. Any owners may remove themselves from any account at any time. The primary member may remove a joint account owner from the account without prior approval of any other joint account owner. The Credit Union may require the primary member to complete a new Account Card (without the signature of the joint account owner) before removal of the joint account owner is effective. If we receive a request by a joint owner to remove the primary member we may treat the inquiry as a request for a withdrawal of all funds (except the membership share) from the existing account and a transfer to another account of those funds. The Credit Union may require written consent of all owners for any change to, or termination of the account to be effective. The removal from an account does not affect a joint owner's liability for transactions on the account that occurred while they were an owner.

c. POD Beneficiaries. A Payable on Death (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 upon 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.

d. Accounts for Minors. We reserve the right to limit the accounts and services that are available to minors. For any account established by or for a minor, the Credit Union will require the minor account owner to have a joint account owner who is a parent or custodian 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 age eighteen (18), unless authorized in writing by all account owners.

e. Accounts for Formal Trusts. An account of a formal trust is an individual account held by one or more trustees of a trust for the benefit of one or more beneficiaries under a written trust agreement. The trustee must sign an Account Card and provide any other evidence of the trustee's authority that we request, including without limitation, a certification of trust. By signing the application, the trustee warrants that a valid formal trust has been created, currently exists, and that the trustor is eligible for Trailhead membership. 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. We may withhold payment of funds to any party until proper evidence of authority is provided. We may rely upon the directions of any one trustee until a written notice of revocation of the living trust 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 us 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 upon 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.

f. Accounts of Organizations. Accounts held in the name of an organization or association member are subject to the same terms set forth in this Agreement and the following additional rules. By signing the Account Card, the organization certifies that it does not engage in Internet gambling or Money Service business, and will notify the Credit Union before engaging in any Internet gambling business in the future. The Credit Union reserves the right to require the member to provide written account authorization 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 a reasonable time to act upon 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 notice of wrongdoing.

g. Changes to Account Ownership. Account ownership changed can be made, such as adding to removing a joint owner. You acknowledge that we may require a new Account card and/or application before effectuating any change to account ownership.

4. Deposit Requirements.

Funds may be deposited to any account in any manner approved by the Credit Union in accordance with the requirements set forth on the Rate and Fee Schedule. All accounts are nonassignable and non-negotiable to third parties. Certificate accounts are governed by the terms of this Agreement and the terms and disclosures on your Certificate Account Receipt for each account, which is incorporated herein by this reference. You agree not to deposit, without our consent, any substitute check or similar item that you have created, nor for which any financial institution has provided any substitute check, warranties, and indemnity. If you do so, you agree to indemnify us for all losses we incur in connection with the substitute check or item. We reserve the right to refuse or to return any deposit.

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. We reserve the right to refuse to accept third party checks or 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, certain other checks, or drafts require an endorsement as set forth on the back of the check, the Credit Union may require endorsement. Endorsements must be placed in the space on the back of the check between the top edge and 1½ inches from the top edge. The Credit Union may accept drafts or checks with endorsements outside of 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 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 item lost 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 refuse or to return all or any item or funds transfer. The Credit Union shall have the right to charge back against your account all previously deposited items or other items endorsed by you that are returned to the Credit Union unpaid, regardless of whether the amount of the item has been available for your use.

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

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

f. Returned Items. If a check or other item you deposit or cash is returned to us for any reason, we will charge your account for the amount of the item and for any interest that you may have earned. We reserve the right to resubmit items at our discretion. The fee we charge will vary for domestic and foreign items.

5. 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 or eSignature, 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, an access device, or PIN to a third party, you authorize us to honor transactions initiated by the third party 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), Online Banking, Bill Pay, mobile banking, debit card, in person, by mail, automatic transfer, audio response, or by 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 & Wire Transfers. If offered, you may initiate or receive credits or debits to your account via wire transfer or ACH (“Automated Clearing House”) transfer. You agree that if you receive funds by a wire or ACH transfer, the Credit Union is not required to notify you at the time the funds are received. Instead, the transfer will be shown on your periodic statement. The Credit Union may provisionally credit your account for 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. You acknowledge that processing of international transactions may be delayed if necessary to complete OFAC (Office of Foreign Assets Control) screening. You must ensure that all international entries that you initiate are designated with the appropriate code as required. All entries shall be credited to or debited from your Account in U.S. Dollars. Currency conversion will be at rates determined by, or available to, us or the ACH. You shall bear all currency conversion risk associated with international entries; you will bear all gains or losses associated with currency conversion for international entries. 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. Wire transfers are governed the Uniform Commercial Code Section 4A, as adopted in Oregon, and (if the transfer is governed by the Federal Reserve) Regulation J (12 CFR part 210). International wire transfers are governed by the Electronic Fund Transfer Act (15 U.S.C 1693 et seq.), and Regulation E (12 CFR part 1005). ACH transactions are governed by the rules of the National Automated Clearing House Association.

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.

Electronic Checks. If you authorize a merchant to electronically debit your checking account using the routing, account and serial

number or 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. Electronic Funds Transfer Agreement. You authorize us to honor any electronic check conversion from your checking account just the same as a regular written check.

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. Electronic Funds Transfer Agreement. If you want to reverse an electronic re-presented check, you must give the Credit Union 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 and 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 on 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 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.

6. Accounts Rates and Fees.

The 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 and you will be notified of such changes as required by law.

7. Transaction Limitations.

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

The Credit Union may also refuse to allow a withdrawal. 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 60 days, as required by law, before such withdrawal.

8. Administrative Account Freezes.

There are many reasons why we may decline or prevent transactions to or from your account or otherwise restrict your account, in order to protect you or the Credit Union, or to comply with the law. You acknowledge and agree that we may decline or prevent any or all transactions to or from your account, including refusing, freezing, reversing, delaying any specific withdrawal, payment, transfer of funds to or from your account, or removing funds from your account to hold them pending investigation, including one or more of the following circumstances:

- Your account is involved in any legal or administrative proceeding;
- We receive conflicting information or instructions regarding account ownership, control, funds or activity;
- We suspect that you may be the victim of a fraud, scam, or financial exploitation, even though you have authorized the transaction(s);
- We suspect that any transaction may involve illegal activity or may be fraudulent;
- We are complying in our sole discretion with any federal, state or local law, rule or regulation, including federal asset control and sanction rules and anti-money laundering rules, or with our policies adopted to insure we comply with those laws, rules or regulations; or
- We reasonably believe that doing so is necessary to avoid a loss or reduce risk to us.

We may also limit cash deposits to, or withdrawals from, your account (or all of your accounts collectively) in a single transaction or total withdrawals or deposits during any period of time, or who may make deposits, in order to reduce risk and/or enhance our efforts to comply with applicable law. We may assign and transfer your account information and documentation to a replacement account number at our discretion and without notice to you. We may make this assignment when we deem necessary to avoid disruptions, including when your account is reported compromised by you or any signer. If we issue you a replacement account number, this Agreement governing you and your account will continue to apply, without interruption, as if you retained the discontinued account number. We will have no liability for any action we take under this section and/or related sections, and we may take such action without advance notice.

9. Overdrafts.

This Overdraft Agreement (OD Agreement) describes the circumstances when Trailhead Credit Union (or “We”) may pay overdrafts occurring in your checking account and charge you a fee. “Overdraft” means that there is not enough available balance in your account to pay for a transaction presented to us at the time it is presented to us for payment (see section “d” Overdraft Limits). If we pay for an overdraft, we will charge the fee described in our Fee Schedule, which is updated periodically.

Please note that for ATM and one-time debit card transactions, you must affirmatively consent to Overdraft Protection and Courtesy Pay coverage. Without your consent, we may not authorize and pay an ATM or one-time debit card transaction that will result in insufficient available funds in your account. The OD Agreement contains important information regarding your account balance, how transactions are posted to your account, and when an overdraft fee should be charged. You should read these disclosures carefully. If you have any questions, please visit a Trailhead branch or call 503-220-2592 or 800-942-9408.

a. Overdraft Liability. If on any day, the available funds in your checking account are not sufficient to cover checks and other items posted to your account, except ATM or debit card purchases, those checks and items will be handled in accordance with our overdraft procedures or an overdraft transfer plan that you have with Trailhead. The Credit Union's determination of an insufficient account balance may be made at any time between presentation and the Credit Union's midnight deadline with only one review of the account required. The Credit Union has no duty to notify you of an insufficient funds check. Your account will then be subject to a charge for the item whether paid or returned as set forth in the Rate and Fee Schedule. However, the Credit Union will not charge an overdraft fee for covering an ATM or debit card purchase transaction unless you request such protection. Except as otherwise agreed in writing, the Credit Union, by covering one or any overdraft, does not agree to cover overdrafts in the future and may discontinue covering overdrafts at any time. If the Credit Union pays a draft that would otherwise overdraw your account, you agree to pay the overdraft amount immediately. We reserve the right to pursue collection of previously dishonored items at any time, including giving a payor bank extra time beyond any midnight deadline limits.

b. Overdraft Protection. If we approve your request for overdraft protection, we will provide an overdraft protection plan for you, including checks and other items including ATM and debit card purchase transactions. We will honor drafts drawn on insufficient funds in any checking account by transferring the funds from a deposit or loan account to your checking account. If you elect to have transfers from shares, funds will be transferred in the amount necessary to clear the overdrawn item. If you elect to have transfers from a line of credit account, you authorize us to access your account and transfer funds to your checking account. The fee for overdraft transfers is set forth on the Rate and Fee Schedule. Transfers from a share account will be governed by this Agreement. Transfers from your line of credit account will be governed by the applicable loan agreement.

c. Courtesy Pay Service. Our Courtesy Pay Service (Courtesy Pay) means that we may in our discretion honor and pay your checks or items drawn against insufficient funds so that your checks or transactions are not returned unpaid. For overdrafts resulting from ATM and debit card purchase transactions you must opt-in to Courtesy Pay for these types of transactions before we can offer the service or charge a fee for payment of any overdrafts. For all other transactions, Courtesy Pay is made available only to members meeting specific qualifying criteria. In order to be eligible to receive Courtesy Pay you must be a member in good standing. A membership is considered to be in good standing when: all loans are current, there are no negative shares, not currently in bankruptcy, and has not caused a loss to the Credit Union. Other qualifying criteria may apply. Not all members may qualify. Our Courtesy Pay Service may apply to checks that you have drawn against insufficient funds in your checking account(s) with us, as well as other transfer or withdrawal request(s) that you have authorized (such as, but not limited to, preauthorized transfers) for which funds are insufficient. We may, at our sole discretion, but are not obligated to, make payment on such overdrawn checks, transfers, and/or withdrawal requests in any order at our discretion or return the overdrawn checks, transfers, and/or withdrawal requests unpaid. We are not liable for any action we take regarding payment or nonpayment of an overdrawn check, transfer, or withdrawal request. If we choose to pay an overdrawn check, transfer, or withdrawal request, you will be subject to a fee(s) in the amount as set forth in the accompanying Rate and Fee Schedule for each transaction. In that event, you understand and agree that you are obligated to reimburse us and you are required to deposit with us sufficient good funds to cover the overdrawn check, transfer, or withdrawal request paid by us under this Courtesy Pay Service and pay the applicable fee(s). You agree that we have the right to transfer available funds from your other accounts you may have with us to cover the overdrawn checks, transfer, or withdrawal request and pay the applicable fee(s). Should we choose not to pay a check, transfer, or withdrawal request due to Non-Sufficient Funds (NSF), you are subject to the applicable fee(s) for each such item in the amount set forth in our Rate and Fee Schedule. We reserve the right to limit the number of overdrawn checks and the total dollar amount of overdrawn checks, transfers, and/or withdrawal request that may be paid under Courtesy Pay at any time. Further, we do not guarantee payment of any overdrawn check, transfer, or withdrawal request. You understand that if we permit payment of an overdrawn check, transfer, or withdrawal request, we are not required to notify you. In addition, we may discontinue the Courtesy Pay Service at any time without prior notice.

d. Overdraft Limits. Trailhead utilizes intelligent dynamic overdraft limits which means that your overdraft limit may change as frequently as daily. You understand that your overdraft limit may be higher or lower than the previous fixed limit. Your overdraft limit may be reduced to \$0 at our discretion, which may result in transactions being returned unpaid to merchants and other third parties.

e. Your Checking Account Balance. The checking account that you have with us has two (2) kinds of balances: the "actual" balance and the "available" balance. When you review the account that you have with us online, at an ATM, by phone, or at a branch, both balances are presented. It is important to understand how the two balances work so that you know how much money is in the account that you have with us at any given time.

Your **actual balance** is the full amount of all deposits, even though some portion of a deposit may be on hold and may not be available to you, less payment transactions that have "posted" to your account, but not payment transactions that have been authorized and are pending. Thus, while the term "actual" may sound as though the number you see is an up-to-date display of what is in your account that you can spend, that is not always the case. Any hold for purchase transactions, holds on deposits, or other checks, payments and fees that have not yet posted will not appear in your actual balance. For example, if you have a \$50.00 actual balance, but you just wrote a check for \$40.00, then your actual balance is \$50.00 but it does not reflect the pending check transaction. So, at that point, you have \$50.00 in your account, but you have already spent \$40.00 via check, which is pending.

Your **available balance** is the amount of money in your account that is available for you to use. The available balance is the actual balance excluding holds placed on deposits and pending transactions (such as pending debit card purchases) that Trailhead has authorized but that have not yet posted to your account. For example, assume you have an actual balance of \$50.00 and an available balance of \$50.00. If you were to swipe your debit card at a restaurant to buy lunch for \$20.00, then that merchant could ask us to pre-authorize the payment. In that case, we will reduce your available balance by \$20.00 because once we authorize the payment, we are obligated to pay. Your actual balance would still be \$50.00 because this transaction has not yet posted, but your available balance would be \$30 because you have committed to pay the restaurant \$20.00. When the restaurant submits its bill for payment (which could be a few days later), we will post the transaction to your account and your actual balance will be reduced by \$20.00.

Your available balance at the time a transaction is authorized is used to determine when your account is overdrawn.

f. How Transactions Are Posted to an Account. There are two types of transactions in your account: credits (or deposits of money) into your account, and debits (or payments out of your account). It is important to understand how each is applied to your account so that you know how much money is available at any given time.

Credits. Most deposits are added to your account when we receive them. For some checks you deposit, only \$225 will be made

available to you at the time of deposit and the balance up to \$5,000 will be available two (2) business days later. There may be extended holds on checks over \$5,000 or for other reasons. Thus, your available balance may not reflect the most recent deposits to your account. For details on the availability for withdrawal of your deposits, see the Funds Availability of Deposits section in the Membership Account Agreement.

Debits. There are several types of debit transactions. Keep in mind that there are many ways transactions are presented for posting to your account by merchants, and Trailhead is not necessarily in control of when transactions are received.

- **Checks.** When you write a check, it is processed through the Federal Reserve system. We receive negotiated check data files from the Federal Reserve each banking day. The checks drawn on your account are compiled with these data files and posted to your account each day. When multiple checks are received in the same day, we process them by draft/serial number order.
- **ACH Payments.** We receive data files every banking day from the Federal Reserve with Automated Clearing House (ACH) transactions. These include, for example: automatic bill pays and subscription-based services that you have elected. Each day, ACH transactions for your account are grouped together and posted in the order received.
- **Point of Sale (POS) Debit Card Transactions.** These are transactions where you use your debit card and enter your PIN number at the time of sale. They are similar to ATM withdrawals because money is usually deducted from your account immediately at the time of the transaction. However, depending on the merchant, some POS transactions are not presented for payment immediately.
- **Signature Debit Card Transactions.** Signature Debit Card Transactions are transactions where you make a purchase with your debit card and you do not enter your PIN but you are instead asked to sign for the purchase. In these situations, the merchant may seek prior authorization for the transaction. When that happens, we generally place a temporary hold against the available funds in your account. We refer to this temporary hold as an "authorization hold," and the amount of the authorization hold will be subtracted from your available balance. Authorizations are deducted from your available balance but not from your actual balance as they are received by us throughout each day. At some point after you sign for the transaction, it is processed by the merchant and submitted to us for posting to your account. This can happen hours or sometimes days after you signed for it, depending on the merchant and its processing company. These payment requests are received in real time throughout the day and are posted to your account as they are received. Please note: the amount of an authorization hold may differ from the actual payment because the final transaction amount may not yet be known to the merchant when the authorization request is submitted. For example, if you use your card at a restaurant, a hold will be placed in the amount of the bill presented to you, but when the transaction posts it will include any tip that you may have added to the bill. This may also be the case where you swipe your card at gas stations, hotels, and other retail establishments. Trailhead cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for payments. While we do put an authorization hold on your available balance it does not mean the authorization is set aside and made available to pay the specific transaction authorized. The hold is simply a reduction in your available balance because we have authorized a transaction and Trailhead is therefore obligated to pay it when presented.

These practices may be changed, at any time, depending on current industry best practices and applicable law. We may receive multiple deposit and withdrawal transactions on your account in many different forms throughout each business day. This means that you may be charged more than one overdraft fee if we pay multiple transactions when your account is overdrawn.

The best way to know how much money you have and avoid paying overdraft fees is to record, monitor, track and verify all of your transactions closely. If you do not understand this OD Agreement or have any questions, please contact us.

10. Postdated and Stale-dated Items.

You agree not to issue a check or draft that is payable on a future date (postdated). If you do draw or issue a check or draft that is postdated and we pay it before that date, you agree that we will have no liability to you for such payment. You agree not to deposit checks, drafts, or other items before they are properly payable. We are not obligated to pay any check or draft drawn on your account that is presented more than six (6) months past its date (stale-dated); however, if the check or draft is paid against your account, we will have no liability for such payment.

11. Stop Payment Orders.

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

b. Duration of Order. You may make a verbal 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. A written stop payment order may be renewed in writing. The Credit Union is not obligated to notify you when a stop payment order expires.

c. Liability. The Credit Union will 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.

12. 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.

13. 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 transactions; (b) circumstances beyond the Credit Union's control prevents the transaction; (c) your loss is caused by your negligence or the negligence of another financial institution; or (d) the money in your account is subject to legal process or other claim. The Credit Union will not be liable for consequential damages except liability for wrongful dishonor. The Credit Union's actions will constitute the exercise of ordinary care if such actions or non-actions 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 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.

14. 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 of the funds in any account in which you have an ownership interest at the Credit Union, regardless of the source of the funds. The Credit Union may apply these funds in any order to pay off your indebtedness without further notice to you. If the Credit Union chooses not to enforce its lien, the Credit Union does not waive its right to enforce the lien at a later time. In addition, you grant the Credit Union a consensual security interest in your accounts and agree the Credit Union may use the funds from your accounts to pay any debt or amount owed the Credit Union, except obligations secured by your dwelling, unless prohibited by applicable law. All accounts are non-assignable and nontransferable to third parties.

15. Account Information.

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

16. Legal Process.

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

17. Notices.

- a. Name or Address Changes.** It is your responsibility to notify the Credit Union upon a change of address or change of name. The Credit Union is only required to attempt to communicate with you only at the most recent address you have provided. The Credit Union will accept notices of a change in address and any other notice from you to the Credit Union if provided through Digital Banking, in person, by telephone, fax, or in writing. If the Credit Union attempts to locate you, we may impose a service fee as set forth on the Rate and Fee Schedule. Trailhead will require verification documentation for any name change request.
- 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. Please see Joint Accounts section.
- 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 provided electronically, if you have agreed to receive the account notices electronically, or 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.

18. Taxpayer Identification Numbers (TIN) and Backup Withholding.

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

19. 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 checking accounts, you understand that when paid your original check becomes property of the Credit Union and may not be returned to you. Copies will be retained by the Credit Union or a payable through financial institution and made available upon your request. You understand your statements are made available to you on the date the statement is mailed to you.
- b. Electronic Statements.** If your statement is provided electronically, you will be provided with information directing you to our website where you may access, review, print and otherwise copy/download your periodic statements. Electronic e-mails from us will be sent to the electronic mail address on file. It is your responsibility to provide a current and correct e-mail address to the credit union. You are also responsible to keep us updated on e-mail address changes. If you have requested electronic statements, you agree that the statement is considered to be delivered to you on the day that it is made available electronically.
- c. Examination.** You are responsible for examining each statement and reporting any irregularities to the Credit Union. We will not be responsible for any forged, altered, or unauthorized item drawn on your account if (a) you fail to notify the Trailhead within sixty (60) days of the mailing date of the earliest statement and availability of checks containing any forgery, alteration, or unauthorized

signature on the item, or (b) any items forged or altered in a manner not detectable by a reasonable person including the unauthorized use of a facsimile signature machine.

Unauthorized electronic-fund transfers governed by Regulation E are subject to different reporting periods. Please refer to the Electronic Fund Transfers section for additional detail.

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

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

20. Dormant and Abandoned Accounts.

If you have an account with a balance of less than \$200 that you have not made a withdrawal from, deposit to, or transfer involving your account for eighteen (18) months, the Credit Union may classify your account as a dormant account and may charge a monthly dormant account service fee as allowed by applicable law and set forth on the Rate and Fee Schedule. Additionally, if your account is classified as a dormant account, your membership may be closed due to nonparticipation. 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. Checking accounts will continue to incur the monthly maintenance fee, if applicable, until closed by the member. 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 (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.

21. Death of Account Owner.

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 we learn of a member's death, we may pay checks or honor other payments or transfer orders authorized by the deceased member for a period of ten (10) days unless the Trailhead 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.

22. Termination of Account.

The Credit Union may terminate your account at any time without notice to you or may require you to close your account and apply for a new account if (a) there is a change in owners or authorized signers; (b) there has been forgery or fraud reported or committed involving your account; (c) there is a dispute as to the ownership of the funds in the account; (d) any account checks are lost or stolen; (e) if there are excessive returned unpaid items not covered by an overdraft protection plan; or (f) 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.

23. Termination of Membership.

You may terminate your membership at the Credit Union after giving 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.

24. Membership Expulsion.

We may terminate your membership in the Credit Union in one of three ways. The first way is through a special meeting. Under this option, we may call a special meeting with our membership, provide you an opportunity to be heard, and obtain a two-thirds vote of the members present at the special meeting in favor of your expulsion. The second way to terminate your membership is under a nonparticipation policy (see section 19) given to each member that follows certain requirements. The third way to terminate your membership is by a two-thirds vote of a quorum of the Board of Directors of the Credit Union for cause. Cause is defined as follows: (a) a substantial or repeated violation of the terms of your Membership Agreement with us; (b) a substantial or repeated disruption, including dangerous or abusive behavior, to the Credit Union's operations; or (c) fraud, attempted fraud, or a conviction of other illegal conduct that a member has been convicted of in relation to us, including in connection with our employees conducting business on behalf of Trailhead.

After the Board votes on an expulsion, we will provide written notice to your mailing address (or email, if applicable) on record. The Credit Union will provide the specific reasons for the expulsion and allow you an opportunity to rebut those reasons through a hearing if you so choose. It is your responsibility to keep your contact information with us up to date, and to read notices from us. There is no right to an in-person hearing with the Board, unless the Board determines to invite you to appear before them virtually. If you fail to request a hearing within 60 calendar days of receipt of the notice, you will be expelled.

You have the right to submit any complaints about your pending expulsion, or expulsion, to NCUA's Consumer Assistance Center if the complaint cannot be resolved with the Credit Union. We will confirm any expulsion with a letter with information on the expulsion and how you can request reinstatement. Expulsion or withdrawal from membership does not relieve a member of liability to the Credit Union; and we may demand immediate repayment of the money you owe to us after expulsion, subject to your agreements with us, and applicable laws. You may request information on expulsion and a copy of our expulsion policy at any time, including the Credit Union's Bylaws on Expulsion.

25. Special Account Instructions.

You may request that the Credit Union 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 to indemnify the Credit Union. Any item presented with a full payment legend must be presented in person to a Credit Union officer; otherwise, payment is accepted with full reservation of rights. Account changes requested by you, or any 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 power of attorney without written authorization and a copy of the Power of Attorney on record at the Credit Union.

26. Derogatory Communications.

We reserve the right to reject offensive or derogatory communications such as selected account names, email addresses, or security terms related to your accounts.

27. 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.

28. Enforcement.

You agree to be liable to the Credit Union for any liability, loss, or expense as provided in this Agreement that the Credit Union incurs as a result of any dispute involving your accounts or services. You authorize the Credit Union to deduct any such liability, loss, or expense from your account without prior notice to you. In the event either party brings a legal action to enforce the Agreement or collect any overdrawn funds on accounts accessed under this Agreement, the prevailing party shall be entitled, subject to applicable law, to payment by the other party of its reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions, if applicable.

29. 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 Oregon and local clearinghouse rules, as amended. Accordingly, as permitted by applicable law, you agree that any legal action regarding this Agreement shall be brought in the respective county, Oregon.

30. Arbitration and Waiver of Class Action.

You and the Credit Union agree that we shall attempt to informally settle any and all disputes arising out of, affecting, or related to the account(s) that you have with us, or the products or services the Credit Union has provided, will provide or has offered to provide to you, and/or any aspect of your relationship with the Credit Union (hereby referred to as the "Claims"). If that cannot be done, then you agree that any and all Claims that are threatened, made, filed or initiated after the Effective Date (defined below) of this Arbitration and Waiver of Class Action provision ("Arbitration Agreement"), even if the Claims arise out of, affect or relate to conduct that occurred prior to the Effective Date, shall, at the election of either you or us, be resolved by binding arbitration administered by the American Arbitration Association ("AAA") in accordance with its applicable rules and procedures for consumer disputes ("Rules"), whether such Claims are in contract, tort, statute, or otherwise. The Rules can be obtained on the AAA website free of charge at www.adr.org; or, a copy of the Rules can be obtained at any credit union branch upon request. Either you or we may elect to resolve a particular Claim through arbitration, even if one of us has already initiated litigation in court related to the Claim, by: (a) making written demand for arbitration upon the other party, (b) initiating arbitration against the other party, or (c) filing a motion to compel arbitration in court. As a result, if either you or we elect to resolve a particular claim through arbitration, you will give up your right to go to court to assert or defend your rights under this account agreement (except for claims brought individually within small claims court jurisdiction, so long as the claim remains in small claims court). This Arbitration Agreement shall be interpreted and enforced in accordance with the Federal Arbitration Act set forth in Title 9 of the U.S. Code to the fullest extent possible, notwithstanding any state law to the contrary, regardless of the origin or nature of the Claims at issues. This Arbitration Agreement does not prevent you from submitting any issue relating to the account(s) you have with us for review or consideration by a federal, state, or local governmental authority or entity, nor does it prevent such agency or entity from seeking relief on your behalf. This Arbitration Agreement shall not apply to claims that are initiated in or transferred to small claims court.

a. Selection of Arbitrator. The Claims shall be resolved by a single arbitrator. The arbitrator shall be selected in accordance with the Rules, and must have experience in the types of financial transactions at issue in the Claims. In the event of a conflict between the Rules and this Arbitration Agreement, this Arbitration Agreement shall supersede the conflicting rules only to the extent of the inconsistency. If AAA is unable to resolve the Claims, and if you and we do not agree on a substitute forum, then you select the forum for the resolution of the Claims.

b. Effective Date. This Arbitration Agreement is effective upon the 31st day after we provide it to you, unless you opt-out in accordance with the requirements of the Right to Opt-Out provision outlined in section F of the Arbitration Agreement. If you receive your account statements by mail, then the Arbitration Agreement was provided to you when it was mailed. If you receive your account statements electronically, then it was provided to you when you were sent notice electronically.

c. Arbitration Proceedings. The arbitration shall be conducted within 50 miles of your residence at the time the arbitration is commenced. Any claims and defenses that can be asserted in court can be asserted in the arbitration. The Arbitrator shall be entitled to award the same remedies that a court can award, including any kind of injunctive relief that could be awarded by a court. Discovery shall be available for non-privileged information to the fullest extent permitted under the Rules. The Arbitrator's award can be entered as a judgment in court. Except as provided in applicable statutes, the arbitrator's award is not subject to review by the court and it cannot be appealed. The credit union shall pay for any filing, administration, and arbitrator fees imposed on you by the AAA. However, you will be responsible for your own attorney's fees, unless you prevail on your Claim in the arbitration, in which case, we will pay your attorneys' fees. Conversely, if the credit union prevailed, then you will not be required to pay its attorneys' fees and costs. Nothing contained in this Arbitration Agreement shall prevent either you or the credit union from applying to any court of competent judgment for an emergency provisional relief such as a temporary restraining order, a temporary protective order, an attachment or any other pre-judgment remedies.

Any determination as to whether this Arbitration Agreement is valid or enforceable in part or in its entirety will be made solely by the arbitrator, including without limitation any issues relating to whether a Claim is subject to arbitration; provided, however, the enforceability of the Class Action Waiver set forth below shall be determined by the Court.

d. Class Action Waiver. Any arbitration of a claim will be on an individual basis. You understand and agree that you are waiving the right to participate as a class representative or class member in a class action law suit.

e. Severability. In the event the Class Action Waiver in this Arbitration Agreement is found to be unenforceable for any reason, the remainder of this Arbitration Agreement shall also be unenforceable. If any provision in this Arbitration Agreement, other than the Class Action Waiver, is found to be unenforceable, the remaining provisions shall remain fully enforceable.

f. Right to Opt-Out provision. You have the Right to Opt-Out of this Arbitration Agreement and it will not affect any other terms and conditions of the Membership and Account Agreement or your relationship with the Credit Union. To opt out, you must notify the Credit Union in writing of your intent to do so within 30 days after the Arbitration Agreement was provided to you. The opt-out will not be effective and you will be deemed to have consented and agreed to the Arbitration Agreement unless your notice of intent to opt out is received by the Credit Union in writing at PO Box 2788, Portland, OR 97208 or via secure online message within such 30-day time period. Your notice of intent to opt out can be presented in a letter signed by you or through a secure online message that states, "I elect to opt out of the Arbitration Agreement," or any words to that effect.

For more detail or if you have questions, you may call us or visit a branch. If you have questions about AAA procedures, visit the AAA's website at www.adr.org, or call AAA at 800-778-7879.

II. 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 general policy is to make funds from your check deposits available to you on the same business day that we receive your deposit, unless your deposit is subject to a hold as described in this Funds Availability Policy. Electronic direct deposits will be available on the day we receive the deposit. Once they are available, you may withdraw the funds in cash and we will use the funds to pay items. Please remember that even after we have made funds available to you and you have withdrawn the funds, you are still responsible for deposits you made that are returned to us and for any other problems involving your deposit. For determining the availability of your deposits, business days are Monday-Friday and exclude Saturdays, Sundays, and federal holidays. If you make a deposit on a business day that we are open at one of our branches before their close of business, or at one of our ATMs before 5:00 PM Pacific Time, we will consider that day to be the day of your deposit. If you make a deposit after such times, or on a day that we are not open or that is not a business day, we will consider that the deposit was made on the next business day that we are open.

2. Reservation of Right to Hold.

In some cases, we will not make all of the funds that you deposit by check available to you on the same business day that we receive your deposit. Depending on the type of check that you deposit (e.g. large checks without available funds or third-party check), funds may not be available until the second business day after the day of your deposit. However, the first \$225.00 of your deposit will be available on the first business day. If we are not going to make all of the funds from your deposit available on the first business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will send the notice via mail or send a message via secured digital banking by the day after we receive your deposit.

3. Holds on Other Funds.

If we cash a check for you that is drawn on another financial institution, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it. If we accept for deposit a check that is drawn on another financial institution, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

4. Longer Delays May Apply.

We may delay your ability to withdraw funds deposited by check into your account an additional number of days for these reasons:

- a. We believe a check you deposit will not be paid.
- b. You deposit checks totaling more than \$5,000 on any one day.
- c. You deposit a check that has been returned unpaid.
- d. You have overdrawn your account repeatedly in the last six months; or
- 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 rules may apply during the first 30 days your account is open. Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,000 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state, and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, checks must be payable to you. The excess over \$5,000 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,000 will not be available until the second business day after the day of your deposit. Funds from all other check deposits will be available on the ninth business day after the day of your deposit.

6. Deposits at Automatic Teller Machines (ATMs).

Funds from deposits at Credit Union ATMs in excess of \$225.00 in one day may not be available until the second business day after the day of deposit. All ATMs that we own or operate are identified as our machines. Funds from deposits (cash or checks) made at automated teller machines (ATMs) we do not own or operate may not be available until the fifth business day after the day of your deposit.

7. Deposits Using Remote Methods.

If you make deposits to your checking or savings account using Mobile or Online Deposit, the following general policy applies. The first \$225.00 from a deposit of checks will be available on the first business day following the business day of your deposit. The remaining funds will be available on the second business day following the business day of your deposit. We reserve the right to place reasonable holds on all funds deposited up to nine (9) business days.

III. ELECTRONIC FUNDS TRANSFER AGREEMENT

The Electronic Funds Transfer Agreement (EFT Agreement) is the contract which covers your and our rights and responsibilities concerning Electronic Fund Transfer (EFT) services including: Online and Mobile Banking, Online Bill Pay, Electronic Transfers, ATM and VISA Debit Cards, Automated Phone Banking, Direct Deposit, and Mobile Deposit (collectively "Electronic Services") offered to you by Trailhead Credit Union. By submitting an Online, Mobile or other approved enrollment, you agree to the following terms governing your and our rights and responsibilities concerning the Electronic Services provided to you.

The terms of this EFT Agreement apply to consumer members; refer to the Business Membership and Account Agreement for the Business Electronic Funds Transfer Agreement. For consumer accounts, any accountholder may enroll in the Electronic Services and is responsible for the acts of any joint accountholder. Anyone enrolling represents that they are authorized to enroll in the service. Anyone using Electronic Services represents that they have full authority to use the Services and to engage in any action taken by them. Any joint accountholder or an authorized user, acting alone, may affect transactions through the Electronic Services. By providing your telephone and email information to the Credit Union you expressly authorize the Credit Union to contact you at any telephone number or email address you entered, so we can assist you with your account and account services or take measures to prevent fraud on your account.

1. Services.

a. ATM Card. You may use your ATM Card and Personal Identification Number (PIN) in automated teller machines (ATM) of the Credit Union, and other machines or facilities that we may designate. At the present time, you may use your card to make the following transactions on your accounts:

- Make deposits to your savings and checking accounts.
- Withdraw cash from your savings or checking.
- Transfer funds between your saving or checking.
- Make balance inquiries on your savings or checking.

b. VISA Debit Card. If we approve your application, you may use your VISA Debit Card to purchase goods and services any place your card is honored by participating merchants. Funds to cover your debit card purchases will be deducted from your checking account. A debit card purchase will not be authorized if the amount of purchase exceeds the available balance in your account at the time the authorization is requested. If the balance in your account is not sufficient to pay the transaction amount, your account will be subject to a charge as set forth in the Rates and Fee Schedule, and the Credit Union may terminate all services under this Agreement. Please see the Overdraft Agreement for more.

c. Preauthorized Electronic Funds Transfers and Direct Deposit. Preauthorized electronic funds transfers may be made into or from your Credit Union accounts. These may include preauthorized electronic funds transfers made to an account from a third party (such as Social Security or your employer) or from an account to a third party (such as a mortgage company or insurance premium payment, excluding Online Bill Payment transactions). If electronic funds transfers are made into or from your account, those payments may be affected by a change in your account status or if you transfer or lose your account. Upon 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. Automated Phone Banking. If we approve automated telephone access (Automated Phone Banking) service for your accounts, you must designate a PIN. You must use your PIN along with your account number to access your accounts. At the present time you may use the automated telephone access service to:

- Obtain balance, withdrawal, dividend, loan payoff, due date information, and cleared check information on your accounts at the Credit Union.
- Transfer funds between your savings, checking, money market and loan accounts as allowed, including loan payments.
- Access your line of credit and transfer funds to your checking account or authorize a check payable to you.
- Other transactions as offered and permitted in the future.

Your accounts can be accessed under the Automated Phone Banking Service via a touch tone telephone only by calling 503-721-9200. The service will be available for your convenience twenty-four (24) hours per day. This service may be interrupted for a short time each day for data processing.

- There is no limit to the number of inquiries, transfers, or withdrawal requests you may make in any one day.
- 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 upon insufficient funds, exceed a credit limit, lower an account below a required balance, or otherwise require us to increase our required reserve on the account. All checks are payable to you as a primary member and will be mailed to your address of record. 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. The service will discontinue after numerous unsuccessful attempts to enter a PIN or transaction, and there may be limits on the duration of each telephone call

e. Digital Banking

i. Online Banking Service. Upon approval, you may use your personal computer and the Online Banking service to access your accounts. You must use your account number along with your PIN to access your accounts. You will need to enroll prior to use and create a user name and password. You will need a personal computer and a web browser. The online address for the Online Banking service is www.trailheadcu.org. You are responsible for the installation, maintenance and operation of your computer and modem. The Online Banking service is available seven (7) days a week, twenty-four (24) hours a day, except during schedule maintenance periods. The Credit Union will not be responsible for any errors or failures involving any telephone service, Internet Service Provider or your computer. At the present time, you may use the Online Banking service to:

- Transfer from your savings, checking, and money market accounts to a loan account or a savings, money market or checking account.
- Transfer funds from a line of credit account to your savings, checking, or money market account.
- Review account balance, transaction history, and tax information for any of your deposit accounts.
- Review information on your loan account including payment amounts, due dates, interest charges, and balance information.
- Make bill payments from your checking account using the BillPay bill payment service.
- Communicate with the Credit Union using the secured message center

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

ii. Mobile Banking Service. Mobile Banking is a personal financial information management service that allows you to access account information, make payments to individuals and merchants who have previously been set up through our online bill pay services and make such other financial transactions as set forth in the Electronic Funds Transfer Agreement using compatible and supported mobile phones and/or other compatible and supported wireless devices. We reserve the right to modify the scope of the Mobile Banking services at any time. We reserve the right to refuse to make any transaction you request through Mobile Banking. You agree and understand that Mobile Banking may not be accessible or may have limited utility over some mobile telephone networks, e.g. while roaming. The most up-to-date list of services which you may be able to access through Mobile Banking is posted at www.trailheadcu.org. When you register for Mobile Banking, designated accounts and payees (or billers) linked to your account through Online Banking will be accessible through the Mobile Banking service.

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

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

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

f. Electronic Check Transactions. You authorize us to honor any electronic check conversion transaction and re-presented check fee debit transactions you authorize ("electronic check transactions"). You agree that your authorization for an electronic check transaction occurs when you initiate such a transaction after receiving any notice regarding the merchant's right to process the transaction. Notice may include a sign posted by the merchant at the time and place of your transaction. All terms governing electronic funds transfer services will apply to electronic check transactions except the \$50.00 and \$500.00 limits of liability for unauthorized transactions in Section 4, Member Liability. You remain responsible for notifying us of any unauthorized electronic check transaction shown on your statement.

g. Security of Access Code or Device. Each ATM-PIN, Automated Phone Banking PIN, or Online and Mobile Banking password (including biometric access such as Touch ID) is the Access Code you select for your security. Your Access Code is confidential and

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

h. Bill Payment Service. When you apply for bill payment service you must designate your checking account as the account from which payments that you authorize will be deducted. You will be given the ability to set up merchants, institutions or individuals that you would like to pay. You are not permitted to designate governmental agencies or courts. All payees must be in the United States. We reserve the right to not allow the designation of a particular merchant or institution.

You or any persons who you have authorized to use your credentials to access BillPay or Online Banking may perform the following transactions:

i. Make Bill Payments. Pay any designated merchant, institution or individual in accordance with this agreement, a fixed recurring amount or a variable amount from your designated checking account.

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

iii. Bill Pay Transactions. You authorize us to process bill payments from your designated account. You may use bill pay to initiate different types of payment transactions:

- “Future” payments are payments that you initiate by setting the payment amount and due date. The payment can be canceled or changed through BillPay up until 1:00 PM Pacific Time on the date the payment is scheduled to process.
- “Recurring” payments are payments that are recurring on a fixed due date and fixed amount. Payments will continue until the selected maturity date. The payment can be canceled or changed through BillPay up until 1:00 PM Pacific Time on the date the payment is scheduled to process.

iv. Authorized Payments. When you transmit a bill payment instruction to us, you authorize us to transfer funds to make the bill payment transaction from your checking account(s). We will process bill payment transfer requests only to those payees you designate. The Credit Union will not process any bill payment transfer if we know the required transaction information is incomplete. In any event, the Credit Union will not be liable for any transaction that contains incorrect information that the Credit Union was not responsible for entering or knowing. If there are insufficient funds in your account to make the bill payment request, we may either refuse to make the payment or make the payment and transfer funds from any overdraft protection account you have established. The Credit Union reserves the right to refuse to process payment instructions that reasonably appear to the Credit Union to be fraudulent or erroneous.

v. Processing Payments. The amount of your requested bill payment will be deducted from your account on the Scheduled Payment Date and will be processed by us on that date or the next business day should the processing date fall on a weekend or holiday. Therefore, you must have sufficient funds available to cover your payment on the Scheduled Payment Date. Bill payments are delivered to the payee either electronically, which may take up to five (5) business days from the Scheduled Payment Date, or by check to those payees not set up to accept electronic payments, which may take up to ten (10) business days from the Scheduled Debit Date. 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) to ten (10) business days before a bill is due. If you do not allow sufficient time or your account has insufficient funds, you assume full responsibility for any late payments, finance charges that may be imposed, or other actions taken by a payee as a result of a late (or unpaid) payment. If payment is scheduled with sufficient time, and the payment was not received by the payee, or was received late, BillPay service will assume responsibility. The Credit Union will not be liable for any transaction that contains incorrect information that the Credit Union was not responsible for providing or entering. If there are insufficient funds in your account to make the BillPay request the payment will not be processed. The Credit Union reserves the right to refuse to process payment instructions that reasonably appears to the Credit Union to be fraudulent or erroneous.

vi. Canceling or Changing Bill Payments. You may cancel or stop payment on future and recurring bill payment instructions under certain circumstances by following the instructions provided. If you discover an error in or want to change a payment instruction (i.e., payment date or payment amount) for a bill payment that you have already scheduled for transmission through the BillPay service, you may electronically edit or cancel your payment request through the BillPay service. Your cancellation or change request must be entered and transmitted through the BillPay service by 1:00 PM Pacific Time on the Scheduled Payment Date. If your request is not timely entered, you will be responsible for the payment. If you wish to place an oral stop payment on a recurring bill payment transaction, not using the BillPay service, the Credit Union must receive your oral stop payment request at least three (3) business days before the payment is scheduled to be made. You may call the Credit Union to request a stop payment. If you call, the Credit Union may require you to confirm your stop payment request in writing within fourteen (14) days after notification.

i. Electronic Transfer Services.

i. External Transfer Services (ETS). By enrolling in external transfer services, you agree to the following service terms and conditions. By using compatible and supported devices, the Electronic Transfer Service allows you to electronically transfer funds from your account with us to your account at another financial institution, or from your account with us to other individuals' accounts. You must have Online Banking to use the ETS. The ETS is only available for accounts at U.S. financial institutions and funds are transferred in U.S. dollars. We reserve the right to modify the scope of external transfer services at any time. We reserve the right to

refuse to make any transaction you request through the service. You agree and understand the ETS may not be accessible or may have limited utility over some mobile telephone networks, e.g. while roaming.

ii. Definitions.

- “ACH Network” means the funds transfer system, governed by the NACHA Rules that provides funds transfer services to participating financial institutions.
- “Transaction Account” is a transaction account (checking, money market or other direct deposit account, credit card account, or debit card account, including any required routing information) from which your payments as a Sender will be debited, any Service fees will be automatically debited, or to which payments and credits to you will be credited.
- “Transfer Instruction” is the information provided by the Sender to the Service for a transfer or payment to be made to a Receiver (name, mobile telephone number, email address, and financial institution account and routing number information, etc.).
- “Receiver” is a person or business entity that is sent a payment transaction through the ETS.
- “Sender” is a person or business entity that sends a payment transaction through the ETS.

iii. Institution-To-Institution Transfer Service (Online Money Movement). The Institution-To-Institution Service enables you to transfer funds between your Account(s) that you maintain with us and your Account(s) that are maintained by other financial institutions.

a). Transfer Authorization and Processing. You represent and warrant that you are the owner (or an authorized joint owner) of the Transaction Account and the Recipient Account and that you have all necessary legal right, power and authority to transfer funds from the Transaction Account to the Recipient Account. Further, you represent and warrant that the Recipient Account is located in the United States. When we receive a Transfer Instruction from you, you authorize us to debit your Transaction Account and remit funds on your behalf to the Recipient Account designated by you. You also authorize us to reverse a transfer from your Recipient Account if the debit is returned from the Transaction Account for any reason, including but not limited to nonsufficient funds.

b) Transfer Methods and Amounts. We may, at our sole discretion, impose limits on the amount of money you can transfer through our Institution-To- Institution Service. We also reserve the right to select the method in which to transfer funds on your behalf, and the method to return funds to you in the event that the Recipient Account is closed or otherwise unavailable to us.

c) Transfer Cancellation Requests and Refused Transfers. You may cancel a transfer at any time until it begins processing. We will, to the extent permitted by law, make reasonable attempts to return any unclaimed, refused, refunded, prohibited, or denied transfer to your Transaction Account. If this is unsuccessful (for example, the Transaction Account has been closed) we will make reasonable attempts to mail you a paper check. If after ninety (90) days (or longer, depending on our then-current standard for unclaimed checks) that check has not been cashed, we will stop payment on it and transfer funds to an “unclaimed funds” account, and will subsequently handle the unclaimed funds as required or otherwise permitted by applicable law.

d) Stop Payment Requests. If you as a Sender desire to stop any transfer that has already been processed, you must contact us. Although we will make a reasonable effort to accommodate your request, we will have no liability for failing to do so. We may also require you to present your request in writing within fourteen (14) days. The charge for each request will be the current charge for such service as set out in the Fee Schedule.

e) Failed or Returned Transfers. In using the Institution-To-Institution Service, you are requesting us to make transfers for you from your Transaction Account. If we are unable to complete the transfer for any reason associated with your Transaction Account (for example, there are insufficient funds in your Transaction Account to cover the transaction), the transfer may not be completed. In some instances, you will receive a return notice from us. In each such case, you agree that: (a) You will reimburse us immediately upon demand the transfer amount that has been returned to us; (b) You may be assessed a non-sufficient funds fee by us if the transfer is returned because you have insufficient funds in your Transaction Account to cover the requested transfer or if we cannot otherwise collect the funds from you; the fee amount will be set forth in the Fee Schedule. You hereby authorize us to deduct these amounts from your designated Transaction Account by ACH debit; (c) You will reimburse us for any fees or costs we or they incur in attempting to collect the amount of the return from you; and, (d) We are authorized to report the facts concerning the return to any credit reporting agency.

f) Refused Transfers. We reserve the right to refuse any transfer to a Recipient Account. We will notify you promptly if we decide to refuse to transfer funds to a Recipient Account. This notification is not required if you attempt to make a prohibited transfer under this Agreement.

g) Returned Transfers. In using the Institution-To- Institution Service, you understand transfers may be returned for various reasons such as, but not limited to, Recipient Account number is not valid. We will use reasonable efforts to research and correct the transfer to the intended Recipient Account or void the transfer and credit your Transaction Account. You may receive notification from us.

h) Your Responsibilities for Accurate Information. Your enrollment in the Service may not be fulfilled if we cannot verify your identity or other necessary information. Through your enrollment in the Service, you agree that we reserve the right to request a review of your credit rating at our own expense through an authorized bureau. It is your responsibility to ensure the accuracy of any information that you enter into the Service, and for informing us as soon as possible if you become aware that this information is inaccurate. We will make a reasonable effort to stop or recover a transfer made to the wrong Recipient Account once informed, but we do not guarantee such recovery and will bear no responsibility or liability for damages resulting from incorrect information entered by you.

j. Digital Banking Service Conditions. When you use the Digital Banking service to access accounts, you agree to the following limitations and conditions:

i. Account Ownership/Accurate Information. You represent that you are the legal owner of the accounts and other financial information which may be accessed via Digital Banking. You represent and agree that all information you provide to us in connection with Digital Banking is accurate, current and complete, and that you have the right to provide such information to us for

the purpose of operating the Digital Banking service. You agree to not misrepresent your identity or your account information. You agree to keep your account information up to date and accurate.

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

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

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

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

vi. User Security. You agree not to give or make available your Digital Banking user name or password to any unauthorized individuals. You are responsible for all bill payments, transfers or other transactions you authorize using Digital Banking. If you permit other persons to use your Wireless device and user name or password to access Digital Banking, you are responsible for any transactions they authorize. If you believe that your, user name or password to your Wireless device or other means to access your account has been lost or stolen or that someone may attempt to use Digital Banking without your consent, or has transferred money without your permission, you must notify us promptly by calling 503-220-2592.

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

vii. Changes or Cancellation. You may cancel your participation in Digital Banking by calling us at 503-220-2592. We reserve the right to change or cancel Digital Banking at any time without notice. We may also suspend your access to Digital Banking at any time without notice and for any reason, including but not limited to, your non-use of Digital Banking services. You agree that we will not be liable to you or any third party for any discontinuance of Digital Banking.

viii. Third Party Beneficiary. You agree that our service providers (including any provider of Software) may rely upon your agreements and representations, set forth in this subsection, and such service providers are, for the purposes of this subsection, third party beneficiaries with the power to enforce those provisions against you, as applicable

2. Conditions of Account/Card Use.

The use of your Account, ATM or debit cards and EFT service are subject to the following conditions:

a. Ownership of Cards. Any card or other device that 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.

b. Honoring the Card. Neither we nor merchants authorized to honor a 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 or Internet Gambling. 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. You agree that all transactions that you initiate by use of an electronic funds transfer including a 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 electronic funds transfers may only be conducted 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 by use of an electronic funds transfer or debit card.

d. Security of Account Access. Any Personal Identification Number (PIN) or access code that you select is for your security purposes. They are confidential and should not be disclosed to third parties or recorded. You are responsible for safekeeping your account access codes and user names. You agree not to disclose or otherwise make them available to anyone not authorized to sign on your accounts. If you authorize anyone to have or use these codes you understand that person may use the Online Banking or Mobile Banking service to review all of your account information and make account transactions. Therefore, we are entitled to act on transaction instructions received using such codes and you agree that the use of these codes will have the same effect as

your signature authorizing transactions. If you authorize anyone to use your account access usernames, passwords, or PINs in any manner, that authority will be considered unlimited in amount and manner until you specifically revoke such authority by notifying the Credit Union and changing your access codes passwords and PINs immediately. You are responsible for any transactions made by such persons until you notify us that transactions and access by that person are no longer authorized and your access codes, user names, and PINs are changed. If you fail to maintain or change the above and the Credit Union suffers a loss, we may terminate your Electronic Funds Transfer and account services immediately.

3. Member Liability.

You are responsible for all transfers you initiate, authorize, and/or pre-authorize using any of your EFT services under this Agreement. Subject to Consumer Financial Protection Bureau Regulation E, if you permit other persons to use an EFT service, plastic card (ATM, Debit, Credit), PIN, Digital Banking log in information, Mobile Wallet, or access code, then you are responsible for all transactions they authorize or conduct on any of your accounts. You are responsible for informing the Credit Union immediately if you believe anyone has used your accounts, cards, PIN, or otherwise accessed any of your EFT services without your authority or permission. For VISA card transactions, you must notify the Credit Union within sixty (60) calendar days after we've sent the first statement on which the transaction appears. You must submit the dispute in writing and provide all information requested by the credit union within this sixty (60) day period, the Credit Union will provide a dispute form upon verbal notification. Your liability may not exceed \$50.00 for any unauthorized EFTs if your plastic cards (ATM, Debit, or Credit) are lost/stolen provided you notify us within two (2) business days after the loss or theft, and provided you were not grossly negligent in safekeeping your information. Examples of gross negligence include, but are not limited to: writing down your PIN, setting a PIN that is easily guessed, or leaving your physical card unsecured/unattended. If you don't notify us within two (2) business days of the loss or theft, your liability may not exceed \$500.00 for any unauthorized EFTs provided you were not negligent in safeguarding your information and we can prove that we could have stopped further account access had you informed us sooner.

If you don't notify us within sixty (60) calendar days after we have sent the first statement on which the transaction appears, your liability may not exceed the amount of the unauthorized transfers that occur after the close of the sixty (60) days and before notice to us if we establish the loss would not have occurred had we been notified within the sixty (60) day period.

If there is a delay in notifying us due to extenuating circumstances, we may extend the times specified above to a reasonable period.

If you believe your plastic cards (ATM, Debit, or Credit) have been lost/stolen, you become aware that your PIN is compromised, or if you believe someone has or may transfer money from your account without authority or permission, please contact us immediately:

- Telephone: 503-220-2592 (toll free 800-942-9408)
- In person at one of the Trailhead Credit Union branches
- Online using Secured Messaging in Digital Banking
- Mail: PO Box 2788
Portland, OR 97208-2788

4. Business Days.

Our business days are Monday through Friday. Holidays are not included.

5. Fees and Charges.

You agree to pay the fees and charges for EFT services as set forth in this agreement and the Fee Schedule. Fees and charges are subject to change. We will notify you of any changes as required by law.

a. EFT Fees. There are no Credit Union charges for electronic funds transfer services except as set forth in this Agreement and the Fee Schedule. Your normal account charges will continue to apply as set forth on the Fee Schedule. There are no service charges for use of the Digital Banking service at this time. However, you agree to pay related account transaction fees and charges in accordance with our current fee schedule and as amended. You authorize us to automatically charge your account for all such fees incurred in connection with Digital Banking. In the future, we may add to or enhance the features of Digital Banking service and by using such added or enhanced features, you agree to pay any applicable fees.

b. ATM Surcharges. 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. Additionally, you should be aware that some Point of Sale (POS) terminals may assess a fee for use of their equipment. The surcharge will be debited from your account if you elect to complete the transaction. This fee may be charged for each transaction you complete at a non-Trailhead ATM. You may use your ATM Card or VISA Debit card surcharge free when you use a Trailhead ATM or one connected to the CO-OP network.

c. Foreign Transaction Fees. Purchases and cash advances made in foreign countries will be billed to you in U.S. dollars. The currency conversion rate for international transactions as established by VISA International, Inc. is a rate selected by VISA® from the range of rates available in wholesale currency markets for the applicable central processing date, which 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 charged a Foreign Transaction Fee of 1% of the transaction amount for any card transaction made in a foreign country.

d. Line of Credit/Credit Card Fees. If you request a transfer for check withdrawal from your line of credit or credit card account, such transactions may be subject to finance charged and fees under the terms and conditions of your Loan Account Agreement, Personal Line of Credit Agreement, or Visa Credit Card Agreement.

e. Overdraft Fees. If you conduct an ATM or debit card transaction and you have provided an opt-in for the Overdraft Protection service or you conduct any other an electronic funds transfer and overdraw your account, you agree to pay an overdraft fee set forth in our Rate and Fee Schedule, per the Overdraft Agreement.

6. Right to Receive Documentation of Transfers.

a. Periodic Statements. Transfers, withdrawals, and purchases transacted through an ATM, POS terminal, ACH, Automated Phone Banking, Digital Banking or with a participating merchant will be recorded on your periodic statement, provided by mail or electronically if you have requested an electronic statement. You will receive a statement monthly unless there is no transaction in a

particular month. You will receive a statement at least quarterly. You may request that your statement be provided electronically.

b. Terminal Receipt. You will receive a receipt at the time you make a transaction using an ATM, POS terminal or with a participating VISA merchant, except some electronic terminals will not provide receipts for transactions of \$15.00 or less.

c. 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 using Digital Banking or by calling Member Services. This does not apply to transactions occurring outside the United States.

7. Account Information Disclosure.

We will maintain the confidentiality and privacy of your account information in accordance with our privacy policy as stated on our website at www.trailheadcu.org. However, we will disclose information to third parties about your electronic funds transfers you make in the following limited circumstances:

- As necessary to complete transfers;
- To verify the existence of sufficient funds to cover specific transactions upon the request of a third-party merchant;
- To comply with government agency or court orders;
- If you give us your written permission.

8. Credit Union Liability for Electronic Services.

If we do not complete a transaction to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. Our sole responsibility for an error in a transaction will be to correct the error and in no case will we be liable for any indirect, special, incidental, or consequential damages. In states that do not allow the exclusion or limitation of such damages, our liability is limited to the extent permitted by applicable law. The Credit Union will not be liable for the following:

- If, through no fault of ours, you do not have enough money in your account to make the transfer or the transfer would go over the credit limit on your line of credit, if applicable.
- If you used the wrong user name or password, PIN, or you have not properly followed any applicable computer, or Credit Union user instructions for making transfer and bill payment transactions.
- If the Card has expired or is damaged and cannot be used.
- If the Automated Teller Machine (ATM) where you are making the transfer does not have enough cash or was not working properly and you knew about the problem when you started the transaction.
- If your computer or mobile device fails or malfunctions or the Digital Banking services were not properly working and such problem should have been apparent when you attempted such transaction.
- If circumstances beyond our control (such as fire, flood, telecommunication outages, postal strikes, equipment or power failure) prevent making the transaction.
- If the funds in your account are subject to an administrative hold, legal process or other claim.
- If you have not given the Credit Union complete, correct, and current instructions so the Credit Union can process a transfer or bill payment.
- If there are other exceptions as established by the Credit Union.
- The ATM or POS terminal may retain your card in certain instances, in which event you may contact the Credit Union about its replacement.
- If, through no fault of ours, a bill payment or funds transfer transaction does not reach a particular payee due to changes in the payee address, account number or otherwise; the time you allow for payment delivery was inaccurate; or the payee failed to process a payment correctly, or in a timely manner, and a fee, penalty, or interest is assessed against you.
- If the error was caused by a system beyond the Credit Union's control such as a telecommunications system, an Internet service provider, any computer virus or problems related to software not provided by Credit Union.

9. Preauthorized Electronic Fund Transfers.

a. Authorization to Merchants. By providing your account number to any merchant or third party not already listed as a joint owner or authorized user on your account, you authorize all electronic funds transfers out of your account initiated by that merchant or third party.

b. Stop Payment Rights. If you have arranged in advance to allow a third party to make regular electronic fund transfers out of your account(s) for money you owe them, you may stop payment of these preauthorized transfers (excluding Online Bill Pay). You must notify the Credit Union orally or in writing (either by mail or Secured Messaging in Digital Banking) at any time up to three (3) business days before the scheduled date of a preauthorized transfer. The Credit Union may require you to provide written confirmation of the stop payment order 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.

c. Notice of Varying Amounts. If these payments may vary in amount, the person you are going to pay is required to tell you ten (10) days before each payment, when the payment will be made and how much it will be. You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment or when the amount would fall outside certain limits that you set.

d. Liability for Failure to Stop Payment of Preauthorized Transfers. If you order us to stop one of these payments at least three (3) business days before the transfer is scheduled, and we do not do so unless the reason for our failure was outside of our control, we will be liable for your losses or damages, up to the amount of the transfer.

e. Liability. The Credit Union may charge a fee for each stop payment order requested, as set forth on the Account Rate and Fee

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

10. Amendment and Notices.

The Credit Union reserves the right to change the terms and conditions upon which this service is offered. The Credit Union will provide you with notice at least twenty-one (21) days before the effective date of any change, as required by law.

11. Statement Errors on Consumer Accounts.

In case of errors or questions about your electronic transfers, call us at the phone numbers or address set above or send us a secured Digital Banking message upon discovery. We must hear from you no later than sixty (60) days after we sent the first statement on which the problem appears.

- Tell us your name and account number.
- Describe the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- Tell us the dollar amount of the suspected error.
- If you tell us verbally, we may require that you send us your complaint or question in writing within ten (10) calendar days.
- We will tell you the results of our investigation within ten (10) business days after we hear from you and will correct any error promptly. For errors related to transactions occurring within thirty (30) days after the first deposit to the account (new accounts), we will inform 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 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. Upon request, we will provide you copies of documents (to the extent possible without violating other members' rights to privacy) relied upon to conclude that the error did not occur.

12. ATM Safety Notice.

The following information is a list of safety precautions regarding the use of Automated Teller Machine (ATM) and Night Deposit Facilities.

- Be aware of your surroundings, particularly at night.
- Consider having someone accompany you when the ATM or night deposit facility is used after dark.
- 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.
- Close the entry door of any ATM facility equipped with a door.
- 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, wallet, or other secure location. Count the cash later in the safety of your car or home.
- If you notice anything suspicious at the ATM or night deposit facility, consider using another ATM or night deposit facility or coming back later. If you are in the middle of a transaction and you notice something suspicious, cancel the transaction, take your ATM access device or deposit envelope, and leave.
- If you are followed after making a transaction, go to the nearest public area where people are located.
- Do not write your PIN or code on your ATM or Debit card.
- Report all crimes to law enforcement officials immediately.

13. Mobile Deposit Services.

a. Operation of Service.

i. Mobile Deposit Capture Process. If we approve the Mobile Deposit service for you, you must use your Access code with your Login to access your accounts. You may photograph an image of checks with your mobile device creating an electronic image and you may transmit the electronic image that the Credit Union will deposit to your account. The Credit Union may, in its discretion, convert items meeting the Credit Union's required standards into substitute checks to facilitate the deposit and collection of such items. You agree that the manner in which checks are cleared or presented for payment shall be determined by the Credit Union, in its sole discretion. We reserve the right to select the clearing agents through which we clear checks.

ii. Funds Availability. Funds from items deposited through the Service will be available in accordance with the Credit Union's Funds Availability Policy disclosure, as amended, which is incorporated herein by reference. You agree that the imaging and transmitting of checks alone does not constitute receipt by Credit Union. Also, acknowledgment of receipt or delivery does not constitute an acknowledgment by Credit Union that the transmission of a check or items does not contain errors or that funds will be available. Checks deposited through Mobile Deposit are not received by the Credit Union until we have acknowledged receipt and provided credit to your account.

iii. Deposit Limitations. You may use Mobile Deposit to deposit checks of any amount. However, any deposit may be subject to review by the credit union prior to posting.

iv. Deposit Acceptance. 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 is otherwise unavailable, you may deposit checks in person at a Credit Union branch or via night drop, mail, or other contractually acceptable method.

b. Member Account.

i. Member Account. You must designate a Credit Union savings or checking as the settlement account to be used for the purposes of settling transactions requested in connection with the Service. We will provide you with details of each specific transaction. You will be responsible for reviewing and balancing of any settlement account.

ii. Responsibility for Check Endorsement. For all mobile check deposits, you must endorse the original paper check with your name and providing: "FOR TRAILHEAD CREDIT UNION MOBILE DEPOSIT ONLY". If you fail to provide this endorsement, we may refuse the deposit and return it to you and you agree to indemnify the Credit Union from any liability or loss to the Credit Union arising from the payment of the original paper check without such required endorsement.

iii. Responsibility for Imaging. You are solely responsible for imaging deposit items, accessing the service from the Credit Union and for maintaining your imaging equipment. You will be responsible for the payment of all telecommunications expenses associated with the service. Credit Union shall not be responsible for providing or servicing any Equipment for you.

iv. Deposit Requirements. You agree that you will only use the Service to deposit checks drawn on financial institutions within the United States, excluding its territories. For checks not falling within this requirement you must deposit those checks in person, using a night drop facility or by U.S. Mail. You agree that each check you deposit through the Service will be properly endorsed and will meet the image quality standards that we specify in online instructions or in this Agreement.

v. Check Retention and Destruction. You agree that all checks belong to you and not to the Credit Union and that those items shall be handled in accordance with this Agreement and your Membership and Account Agreement. After our receipt of a deposit transmission we will acknowledge by electronic means our receipt of such transmission. Your electronic transmission is subject to proof and verification. You will retain the original of all imaged checks that have been deposited via Mobile Deposit for a reasonable period of time in order to verify settlement and credit or to balance periodic statements, but in no case beyond forty-five (45) days from the date processed. It is your responsibility to properly destroy and dispose of such original checks after such time. 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 joints or authorized signers) 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.

vi. Deposit Prohibitions. You agree not to deposit, or attempt to deposit, or allow others, either directly or indirectly, to deposit, or attempt to deposit, by any means: (i) any substitute check, the original of which has already been presented for deposit via the Mobile Deposit, (ii) any image of a check that has already been deposited either as an original or as a substitute check, (iii) any original check, the substitute check of which has already been presented for deposit via Mobile Deposit; (iv) any check made payable (individually or jointly) to someone who is not an owner on your account; (v) any post-dated or stale-dated check; (vi) savings bonds, money orders, travelers checks, or gift checks; (vii) any item that is incomplete or contains evidence of any alteration; and (viii) state warrants or other instruments that are not checks. In the event that you, or any third party, makes, or attempts to make, a deposit in violation of this Subsection you agree to defend, indemnify, and hold Credit Union and its agents harmless from and against all liability, damage and loss arising out of any claims, suits, or demands brought by third parties with respect to any such substitute check or original check. You agree that the aggregate amount of any items which are deposited more than once will be debited from your account, and to the extent funds in your account are insufficient to cover such amount, any balance shall be debited by the Credit Union from any other of your deposit accounts with the Credit Union in its sole discretion. You further acknowledge that you and not the Credit Union is responsible for the processing and handling of any original items which are imaged and deposited utilizing the Service and you assume all liability to the drawer of any item imaged using the service or liability arising from the Credit Union's printing of any substitute check from those images.

vii. Your Representations and Warranties. You represent and warrant: that you will comply with all federal and state laws, and rules and regulations applicable to deposit and check transactions, including those of the National Automated Clearing House for ACH transactions;

- that all checks deposited through the Service are made payable to you;
- that all signatures on each check are authentic and authorized; and
- that each check has not been altered.

In the event you breach any of these representations or warranties, you agree to defend, indemnify and hold the Credit Union and its agents harmless from and against all liability, damages and loss arising out of any claims, suits or demands brought by third parties with respect to any such breach. You further authorize the Credit Union to charge your account for the amount of any such demand, claim or suit that constitutes a breach of warranty claim under the provisions of the Uniform Commercial Code.

viii. 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 the 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.

ix. Account Reconciliation. You will verify and reconcile any out-of-balance condition, and promptly notify the Credit Union of any errors within the time periods established in the Membership and Account Agreement after receipt of your account statement. If notified within such period, the Credit Union shall correct and resubmit all erroneous files, reports, and other data at the Credit Union's then standard charges, or at no charge, if the erroneous report or other data directly resulted from the Credit Union's error.

c. Credit Union's Obligations.

i. Financial Data. We will review and process your electronic file through a batch processing at one time per day. The Credit Union agrees to transmit all the financial data under its control required to utilize the service selected by you and to act on appropriate instructions received from you in connection with such service. The Credit Union shall exercise due care in seeking both to preserve the confidentiality of the user number, access code, test key, or other code or identifier and to prevent the use of the service by unauthorized persons (and in this connection it is understood and agreed that implementation by the Credit Union of its normal procedures for maintaining the confidentiality of information relating to its members, and where practicable the use by the Credit Union of any third parties engaged in the installation, maintenance and operation of the system or similar undertakings, shall constitute fulfillment of its obligation to exercise due care) but shall not otherwise be under any liability or have any responsibility of any kind for any loss incurred or damage suffered by you by reason or in consequence of any unauthorized person gaining access to or otherwise making use of the service. You assume full responsibility for the consequences of any misuse or unauthorized use of or access to the Service.

ii. Service Availability. You understand that Service availability is at all times conditioned upon the corresponding operation and availability of the communication systems used in communicating your instructions and requests to the Credit Union. We will not be liable or have any responsibility of any kind for any loss or damage thereby incurred by you in the event of any failure or interruption of such communication systems or services resulting from the act or omission of any third party, or from any other cause not reasonably within the control of the Credit Union.

iii. Exception Items. When we review and process your electronic file, we may reject any electronic image that we determine to be ineligible for the service ("Exception Item") including, without limitation, electronic images of items drawn on banks located outside the United States, items drawn on U.S. Banks in foreign currency, electronic images that are illegible (due to poor image quality or otherwise), electronic images of items previously processed, electronic images previously converted to substitute checks, and electronic images with unreadable MICR information. We will notify you of any Exception Items. You agree that if you wish to attempt to deposit any Exception Item to any of your accounts with Credit Union, you will only do so by depositing the original item on which the Exception Item is based. You acknowledge and agree that even if you do not initially identify an electronic image as an Exception Item, the substitute check created by the Credit Union therefrom may nevertheless be returned to the Credit Union because, among other reasons, the electronic image is deemed illegible by a paying bank. The Credit Union's failure to identify an Exception Item shall not preclude or limit your obligations to the Credit Union.

iv. Account Information. We will provide you with daily transaction history via the Internet and the Digital Banking service detailing items processed, return items, and deposit adjustments.

v. Retention of Check Images. Credit Union will retain any images of deposited items for six (6) years.

d. Disclaimer of Warranties You acknowledge 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). You further acknowledge that there is certain security, corruption, transmission error, and access availability risks associated with using open networks such as the internet and/or telecommunication lines or circuits. You hereby assume all risks relating to the foregoing.

e. Credit Union's Liabilities.

i. Direct Damages. The Credit Union's liability shall be limited to direct damages sustained by you and only to the extent such damages are a direct result of the Credit Union's gross negligence or willful misconduct; provided that the maximum aggregate liability of the credit union resulting from any such claims shall not exceed one hundred dollars. In no event shall the Credit Union be liable for special, incidental, punitive, or consequential loss or damage of any kind including lost profits whether or not the credit union has been advised of the possibility of such loss or damage. The Credit Union's licensors or suppliers will not be subject to any liability to you in connection with any matter.

ii. Your Duty to Report Errors. You will notify the 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 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 you which reflects the error. Your failure 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.

iii. Credit Union's Performance. You acknowledge and agree that the Credit Union shall not be liable for any damages or loss of any kind resulting from any unintentional error or omission by the Credit Union in performing the Service, in accordance with or unintentional deviation from the terms and conditions of this Agreement. You acknowledge that the Credit Union's systems and procedures established for providing the Service are commercially reasonable.

iv. Limitation of Liability. The 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. The Credit Union will not be liable if you fail to report timely any error or discrepancy reflected in an account statement prepared by Credit Union, or if you fail 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.

f. Force Majeure. The Credit Union shall not be responsible for liability, loss, or damage of any kind resulting from any delay in the performance of or failure to perform its responsibilities hereunder due to causes beyond the Credit Union's reasonable control.

14. 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 Oregon 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 Oregon law, to payment by the other party of its reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions, if applicable. Should any one or more provisions of this Agreement be determined illegal or unenforceable in any relevant jurisdiction, then such provision be modified by the proper court, if possible, but only to the extent necessary to make the provision enforceable and such modification shall not affect any other provision of this Agreement.

15. Termination of EFT and Electronic Services.

You agree that we may terminate this Agreement and your Digital Banking, Bill Pay, external transfer services, EFT services, and the use of your card, if you, or any authorized user of EFT services 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 accounts, cards, or Access code. In addition, we reserve the right to terminate the service if you fail to use the service for more than two consecutive billing cycles. You or any other party to your account can terminate this Agreement by notifying us in writing. Termination of service will be effective the first business day following receipt of your written notice. Termination of this Agreement will not affect the rights and responsibilities of the parties under this Agreement for transactions initiated before termination.