



MEMBERSHIP AND ACCOUNT AGREEMENT

This Agreement is the contract of deposit which covers your and our rights and responsibilities concerning Membership and Account(s) offered to you. In this Agreement, the words “you” and “yours” mean those who sign the Membership & Account Card or Subsequent Account Action Card (“Account Card” or “Action Card”). The words “we,” “us,” and “our” mean the Spokane Federal Credit Union (“Credit Union”). The word “account” means any one or more share accounts you have with the Credit Union.

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

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 (the Membership Share Account) as required by the Credit Union’s Bylaws. If more than one member owns the share account, you may designate additional membership shares in the account. You authorize us to check your account, credit, and employment history, and obtain a credit report from third parties, including credit reporting agencies, to verify your eligibility for the accounts and services you request.

2. 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.

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

a. Rights of Survivorship. If your account is a joint account, the account is owned as a joint account with rights of survivorship unless otherwise stated on the Account Card. If the account is a joint account without right of survivorship, the interest of a deceased owner will pass to the decedent’s estate. If the account is a joint account with right of survivorship upon the death of one of the joint account owners, that person’s interest will become the property of the surviving joint account owners.

b. Rights of Joint Account Owners. Any joint account owner is authorized and deemed to act for the other owner(s) and the Credit Union may accept orders and instructions regarding the account and requests for future services from any other account owner. Each account owner guarantees the signature of the other owners. Any account owner may withdraw all funds in the account, stop payment on items drawn on an account, or pledge all or any part of the shares of any account, including funds representing a membership share, 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.

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

4. 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.

5. Accounts for Minors. For any account established by or for a minor, the custodian listed on the Account Card agrees to be primarily 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. Unless a guardian is a joint account owner, the guardian shall not have any right to access the account. The Credit Union has no duty to inquire of the use or purpose of any transaction by the custodian or minor account owner. The minor account owner’s tax identification number must be shown on the Account Card. When the minor reaches age 18, the owner may change the account status to an individual or joint account.

6. Uniform Transfer to Minor Accounts. A Uniform Transfer to Minor Account (UTMA) is an individual account established by a member as a custodian on behalf of a minor (a person under twenty-one (21) years of age). The custodian shall open the account in the name of the minor, include the minor’s social security number, and must sign his or her own name on the Account Card. The custodian is the owner of the account for the exclusive right and benefit of the minor and, barring a court order otherwise, is the only party entitled to make deposits to, withdrawals from, or close the account. In the event of the custodian’s death, the Credit Union may place an administrative hold on the account until it receives instructions from any person authorized by law to withdraw funds or a court order authorizing such withdrawal.

7. Accounts for Living Trusts. An account for a living trust is an individual account held by one or more trustees of a trust for the benefit of one or more beneficiaries pursuant to a revocable trust agreement. Upon request of the Credit Union, the trustee shall sign an Account Authorization Card and provide any other evidence of the trustee’s authority the Credit Union requires. Trustee warrants that a valid living trust has been created, is currently existing, and that the trustor and primary beneficiary are eligible for membership in the Credit Union. The Credit Union does not act as a trustee and is under no obligation to inquire as to the powers or duties of the trustee(s). Trustee agrees to notify the Credit Union in writing if a change of trustee occurs. Credit Union may withhold payment of funds to any party until proper evidence of authority is provided. Credit Union may rely upon the directions of any one trustee until a written notice of revocation of the living trust or an Account Action Card is received. Funds may be released to any one trustee acting alone or with a co-trustee. The trustee(s) agrees to indemnify and hold Credit Union harmless of any liability, claim, damage or loss arising as a result of unauthorized acts of any trustee or former trustee or acts of any trustee 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.

8. Accounts of Businesses and Organizations. Accounts held in the name of a business or association are subject to the same terms set forth in this Agreement and the following additional rules. The Credit Union reserves the right to require the member to provide an Account Authorization Card informing the Credit Union who is authorized to act on its behalf. You agree to notify the Credit Union of any change in authority. The Credit Union may rely on the written authorization until such time as the Credit Union is informed of changes in writing and has had a reasonable time to act 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 actual notice of any wrongdoing.

9. Life Savings Insurance. For Regular Share Accounts, the Credit Union provides Life Savings Insurance at no direct cost to you. This insurance coverage matches the savings in your Regular Share account, in the event of death, up to a maximum of \$2,000 to all qualified members. Insurance is payable to the beneficiary listed on the Account Card in accordance with the CUNA Mutual Insurance Society Member’s Certificate Disclosure. The Credit Union reserves the right to discontinue this program with prior notice to you.

10. Deposit Requirements. Funds may be deposited to any account in any manner approved by the Credit Union in accordance with the requirements set forth on the Rate and Fee Schedule. All accounts are nonassignable and nonnegotiable to third parties. Term Share accounts are governed by the terms of this Agreement and the terms and disclosures on your Rate and Fee Schedule, which is incorporated herein by this reference.

You agree not to deposit any substitute check or similar item that you have created, or for which no financial institution has provided any substitute check warranties and indemnity. If you do so, you agree to indemnify the Credit Union for all losses the Credit Union incurs in connection with the substitute check or item. You agree not to deposit any substitute check without our consent.

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

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

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

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

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

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

11. 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 use facsimile signatures or provide us with signed instructions by facsimile copy, you authorize us to accept and rely on your signature. The Credit Union may honor any check that appears to bear your facsimile signature even if it was made by an unauthorized person. If you give your account number to a third person, you authorize us to honor transactions initiated by the third person even if you did not specifically authorize a particular transaction.

b. Access Options. You may make withdrawals or transfers from your account in any manner which is permitted by the Credit Union (i.e., Bill Payer, Home Banking, check, share draft, automated teller machines (ATMs), debit card, in person, by mail, automatic transfer, or telephone). If the Credit Union accepts any check that is not drawn on a form provided by the Credit Union, you will be responsible for any loss incurred by the Credit Union for handling the check. The Credit Union may return as unpaid any check that is not drawn in the form provided by the Credit Union.

c. ACH & Wire Transfers. If offered, you may initiate or receive credits or debits to your account via wire transfer or Automated Clearing House ("ACH") transfer. You agree that if you receive funds by a wire or ACH transfer, the Credit Union is not required to notify you at the time the funds are received. Instead, the transfer will be shown on your periodic statement. The Credit Union may provisionally credit your account for an ACH transfer before it receives final settlement for the transfer. You agree that if the Credit Union does not receive final settlement for a transfer, it may reverse the provisional credit to your account, or you will refund the amount to the Credit Union. When you initiate a wire transfer, you may identify either the recipient or any financial institution by name and by account or identifying number. The Credit Union (and other institutions) may rely on the account or other identifying number you give as the proper identification number, even if it identifies a different party or institution. Wire transfers are governed by Federal Reserve Regulation J if the transfer is cleared through the Federal Reserve. ACH transactions are governed by the rules of the National Automated Clearing House Association.

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

e. Electronic Check Transactions.

(1) **Electronic Checks.** If you authorize a merchant to electronically debit your checking account using the routing, account and serial number of your check to initiate the transfer, whether the check is blank, partially or fully completed and signed, such authorization is an electronic check conversion. An electronic check conversion is an electronic funds transfer ("EFT"), subject to the terms of the Electronic Funds Transfer section. You authorize us to honor any electronic check conversion from your checking account just the same as a regular written check.

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

12. Account 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, which is incorporated herein by this reference. You agree the Credit Union may impose fees and charges for the deposit account services provided by the Credit Union. A current Rate and Fee Schedule has been provided to you separately. You agree the Credit Union may change the Rate and Fee Schedule from time to time and you will be notified of such changes as required by law.

13. Transaction Limitations.

a. Withdrawal Restrictions. The Credit Union will permit a withdrawal only if you have sufficient available funds in your account to cover the full amount of the withdrawal or have an established overdraft protection plan. Checks or other transfer or payment orders, which are drawn against insufficient available funds, will be subject to a service 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 in other cases; for example: any dispute between the owners about the account (unless a court has ordered the Credit Union to allow the withdrawal); a legal garnishment or attachment is served; the account secures an obligation to the Credit Union; any required documentation has not been presented; or you fail to repay a Credit Union loan on time. You will be advised of the reasons for refusal if such action is taken. The Credit Union reserves the right to require members to give notice in writing of any intended withdrawals from any account (except checks) of not less than seven (7) days and up to sixty (60) days, as required by law, before such withdrawal.

b. Transfer Limitations. For savings and money market accounts, you may make up to six (6) preauthorized, automatic, telephonic or audio response transfers to another account of yours or to a third party during any calendar month. A preauthorized transfer includes any arrangement with the Credit Union to pay a third party from the member's account upon oral or written orders including orders received through the Automated Clearing House (ACH). There is no limit on the number of transactions you may make in the following manner: (i) transfers to any loan account with the Credit Union; (ii) transfers to another Credit Union account or withdrawals (checks mailed directly to you) when such transfer or withdrawal is initiated in person, by mail or at an ATM. If a transfer request would exceed the transfer limitations set forth in any statement period, the Credit Union may refuse or reverse the transfer, and your account will be subject to suspension or closure by the Credit Union, and the Credit Union may impose a charge.

14. Overdrafts.

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, those checks and items will be handled in accordance with our overdraft procedures or an overdraft protection plan you have with us. 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 or other item. 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. 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 check 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 Plan. If we approve your request for overdraft protection, we will provide an overdraft protection plan for you. We will honor checks drawn on insufficient funds in any checking account by transferring the necessary funds from another account of yours to your checking account. We will transfer funds to your overdraft checking account from your savings account, VISA account, or line of credit account as you direct. The fee for overdraft transfers is set forth on the Rate and Fee Schedule. Transfers from a deposit account will be governed by this Agreement. Transfers from a VISA, line of credit, or signature account will be governed by the applicable loan agreement.

c. Courtesy Pay Service. Spokane Federal Credit Union offers a discretionary overdraft payment service, "Courtesy Pay" under the following terms and conditions.

(1) **Discretionary Service.** The Credit Union offers the Courtesy Pay service to all eligible consumer checking account owners, based on your history with us. The Courtesy Pay service will be provided automatically once a checking account has been opened and will continue as long as the account is maintained in good standing with the Credit Union.

Under the Courtesy Pay service, we are not obligated to pay any check or item presented for payment if your account does not contain sufficient funds. The Credit Union may, as a discretionary service and not as a right of yours or our obligation to you, pay overdrafts up to an approved overdraft limit under the terms of this service and subject to your Membership and Account Agreement. This overdraft service is not a line of credit, is not guaranteed, and is independent of any other payment arrangement we may offer. Generally, we will not pay an overdraft for you in excess of any limit we have established for your account type. Also, we may refuse to pay an overdraft for you at any time, even if we have previously paid overdrafts for you. We will notify you by mail of any insufficient funds, checks, or items paid or unpaid and returned that you may have. However, we have no obligation to notify you before we pay or return any item.

(2) **Overdraft Transactions Covered.** If on any day you do not have available funds in your account, the following transactions, which may result in an insufficient or negative balance ("overdrafts"), may be covered under our service: checks, debit card purchases, online or other electronic funds transfers, ACH debits and other payments or withdrawals authorized by you, account service charges, pre-authorized drafts, and any other items that may be posted to your account. We reserve the right to pay any checks or items in the order they are presented or received and in accordance with our normal operating procedures for such checks, items or transactions.

(3) **Overdraft Limit/Available Balance.** Under our service, we may pay overdrafts up to a limit of \$500 ("overdraft limit") and you are otherwise eligible for this service. The Credit Union's fees and charges and each paid check or item will be included in this limit. This overdraft balance will not be included or reflected in your actual or "available balance" of your account provided by a teller, at ATM or POS facilities, through online services or on your periodic statements.

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

(5) **Member Repayment Responsibility.** You agree your overdraft balance, including applicable overdraft fees, is due and payable upon demand. If there is more than one owner on an account, all owners are jointly and severally liable for repayment of the overdraft balance. If you fail to repay your overdraft balance within 30 days of notice from us, we may immediately suspend the overdraft service. Accounts may be closed for failure to repay overdraft balances and we will report account closures to consumer reporting agencies.

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

(7) **Credit Union Contact.** For any questions or to exercise your opt out right from the Courtesy Pay service, you may call the Credit Union at (800) 541-4310 or (509) 328-2900 or write Spokane Federal Credit Union, P.O. Box 2519, Spokane, WA 99220-2519.

15. Postdated and Statedated Items. You authorize us to accept and pay any check, even if the check is presented for payment before its date, unless you notify the Credit Union of the postdating. Your notice will be effective only if the Credit Union receives the notice in time for the Credit Union to notify its employees and reasonably act upon the notice and you accurately describe the check, including the number, date, and amount. You understand that the exact information is necessary for the Credit Union's computer to identify the check. If you give the Credit Union an incorrect, incomplete, or untimely notice, the Credit Union will not be responsible for paying the item before the date stated and the Credit Union may charge your account as of the date the Credit Union pays the item. You may make an oral notice, which will lapse within fourteen (14) calendar days unless continued in writing within that time. A written notice will be effective for six (6) months. A written notice may be renewed in writing from time to time. You also agree not to deposit checks, drafts, or other items before they are properly payable. The Credit Union is under no obligation to you to pay a check or draft drawn on your account which is presented more than six months after its date.

16. Stop Payment Orders.

a. Stop Payment Request. You may ask the Credit Union to stop payment on any check drawn upon your checking account. You may request a stop payment by telephone, by mail, in person, or using Online Banking. 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 check and its exact amount. 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 an oral stop payment order which will lapse within fourteen (14) calendar days unless continued in writing within that time. A written stop payment order will be effective for six (6) months. A written stop payment order may be renewed in writing from time to time. The Credit Union is not obligated to notify you when a stop payment order expires.

c. Liability. The Credit Union may charge a fee for each stop payment order requested, as set forth on the Rate and Fee Schedule. You may not stop payment on any certified check or draft, cashier's check or teller's check, or any other check, draft, or payment guaranteed by the Credit Union. You should be aware that while payment of the item may be stopped, you may remain liable to any person, including the Credit Union, who is a holder of the item despite the stop payment order. You agree to indemnify and hold the Credit Union harmless from all costs, including attorney fees, damages or claims related to the Credit Union's action in refusing payment of an item, including claims of any multiple party account owner, payee, or indorsee in failing to stop payment of an item as a result of incorrect information provided by you.

17. 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.

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

19. Credit Union Lien and Security Interest. To the extent you owe the Credit Union money as a borrower, guarantor, indorser or otherwise, the Credit Union has a lien on any or all of the funds in any account in which you have an ownership interest at the Credit Union, regardless of the source of the funds. The Credit Union may apply these funds in any order to pay off your indebtedness without further notice to you. If the Credit Union chooses not to enforce its lien, the Credit Union does not waive its right to enforce the lien at a later time. In addition, you grant the Credit Union a consensual security interest in your accounts and agree the Credit Union may use the funds from your accounts to pay any debt or amount owed the Credit Union, except obligations secured by your dwelling, unless prohibited by applicable law. All accounts are nonassignable and nontransferable to third parties.

20. Legal Process. If any legal action, such as a levy, garnishment, bankruptcy, 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.

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

22. Notices.

a. Name or Address Changes. It is your responsibility to notify the Credit Union upon a change of address or change of name. The Credit Union is only required to attempt to communicate with you at the most recent address you have provided to the Credit Union. The Credit Union may accept verbal notices of a change in address and any other notice as designated by the Credit Union. If the Credit Union attempts to locate you, the Credit Union may impose a service fee as set forth on the Rate and Fee Schedule.

b. Notice of Amendments. Except as otherwise prohibited by applicable law, the terms of this Agreement are subject to change at any time. The Credit Union will notify you of any changes in account terms, rates, or fees as required by law. Amendments requested by you, or any one joint owner, such as adding or closing a new type of account or service, may be evidenced by a signed Subsequent Account Action Card, which upon execution will be incorporated herein by this reference. The Credit Union reserves the right to waive any term in this Agreement. Any such waiver shall not affect the Credit Union's right to enforce any right in the future.

- c. **Effect of Notice.** Any written notice you give to the Credit Union is effective when it is actually received by the Credit Union. Any written notice the Credit Union gives to you is effective when it is deposited in the U.S. Mail, postage prepaid and addressed to you at your statement mailing address. Notice to any one account owner is considered notice to all owners of the account.
23. **Taxpayer Identification Number (TIN) and Backup Withholding.** If your account is or becomes subject to backup withholding, the Credit Union is required by law to withhold and pay to the Internal Revenue Service (IRS) a required percentage of payments of interest, dividends and certain other payments under certain conditions. Your failure to furnish a correct 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.
24. **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 (or any substitute check) becomes property of the Credit Union and may not be returned to you. You agree to keep a copy or carbon copy of your original check in order to verify its validity. If you request us to provide you with an original check or sufficient copy, you agree that we may provide an electronic image of the original check or sufficient copy if you have agreed to receive account information or statements electronically. You understand statements and checks are made available to you on the date the statement is mailed to you.
- b. **Examination.** You are responsible for examining each statement and for reporting any irregularities to the Credit Union. The Credit Union will not be responsible for any forged, altered, or unauthorized item drawn on your account if: (1) you fail to notify the Credit Union within thirty (30) days of the mailing date of the earliest statement and availability of checks containing any forgery, alteration, or unauthorized signature on the item; or (2) any items are items forged or altered in a manner not detectable by a reasonable person including the unauthorized use of a facsimile signature machine.
- c. **Notice to Credit Union.** You agree that the Credit Union's retention of checks does not alter or waive your responsibility to examine your statements and check copies or the time limit for notifying the Credit Union of any errors. The statement will be considered correct for all purposes and the Credit Union will not be liable for any payment made or charge 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.
25. **Dormant and Abandoned Accounts.** If you have an account that you have not made a withdrawal from, deposit to, or transfer involving your account for more than one (1) year and the Credit Union has been unable to contact you by regular mail during that period, the Credit Union may classify your account as a dormant account and may charge a dormant account service fee as allowed by applicable law and set forth on the Rate and Fee Schedule. Thereafter, dividends will not be paid on the account if the balance falls below any minimum balance requirement. The Credit Union will notify you at your last known address prior to imposing any fee as required by law. Checking accounts will continue to incur the monthly maintenance fee 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 three (3) years as required by the Uniform Unclaimed Property Act, the account will be presumed to be abandoned. Funds in abandoned accounts will be remitted in accordance with state law. Once funds have been turned over to the state, the Credit Union has no further liability to you for such funds and if you choose to reclaim such funds, you must apply to the appropriate state agency.
26. **Death of Account Owner. You irrevocably waive the right to make a testamentary disposition of any account with the Credit Union, now and in the future. You agree that upon your death, your account will be payable in accordance with any existing account designations and the terms of this Agreement.** The Credit Union may require the survivor or other claimant to the account to produce certain documents before releasing the funds in the account. The Credit Union may continue to honor all transfers, withdrawals, deposits and other transactions on the account until the Credit Union learns of an account owner's death. Once the Credit Union learns of an account owner's death, the Credit Union may pay checks or honor other payments or transfer orders authorized by the deceased member for a period of ten (10) days unless the Credit Union receives instructions from any person claiming an interest in the account to stop payment on the checks or other items. You agree that the Credit Union can require that anyone who claims funds in your account after your death to indemnify the Credit Union for any losses resulting from honoring that claim.
27. **Termination of Account.** The Credit Union may terminate your account at any time without notice to you or may require you to close your account and apply for a new account if: (1) there is a change in owners or authorized signers; (2) there has been a forgery or fraud reported or committed involving your account; (3) there is a dispute as to the ownership of the funds in the account; (4) any account checks are lost or stolen; (5) if there are excessive returned unpaid items not covered by an overdraft protection plan; or (6) if there has been any misrepresentation or any other abuse of any of your accounts. You may terminate your account at any time by notifying the Credit Union by oral direction or in writing. If you close your savings account within ninety (90) days of opening, you will be subject to a fee as set forth on the Rate and Fee Schedule. The Credit Union is not responsible for payment of any check, withdrawal, or other item once your account is terminated; however, if the Credit Union pays a check after termination, you agree to reimburse the Credit Union for payment.
28. **Termination of Membership.** You may terminate your membership at the Credit Union after giving written notice of your intent to withdraw from membership. You may be denied services or expelled from membership for any reason allowed by applicable law, including causing a loss to the Credit Union. If your savings balance falls below our \$5.00 minimum balance requirement, you must raise the balance to \$5.00 within six (6) months or your membership may be terminated.
29. **Special Account Instructions.** You may request the Credit Union to facilitate certain trust, will, or court-ordered account arrangements. However, because the Credit Union does not give legal advice, we cannot counsel you as to which account arrangement most appropriately meets the specific requirements of your trust, will, or court order. **You and any surviving owner or beneficiary agree(s) to indemnify and hold the Credit Union harmless from any claim or liability asserted against the Credit Union as a result of the disposition of funds in reliance on this Agreement and any account designations of yours.** If you ask the Credit Union to follow instructions that the Credit Union believes might expose it to claims, suits, lawsuits, expenses, liabilities, or damages, whether directly or indirectly, the Credit Union may refuse to follow your instructions or may require you to post a bond to indemnify the Credit Union. Any item presented with a full payment legend must be presented in person to a Credit Union officer; otherwise, payment is accepted with full reservation of rights. Account changes requested by you, or any 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 such as a copy of the Power of Attorney on record at the Credit Union.
30. **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.
31. **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.
32. **Governing Law.** This Agreement is governed by the Bylaws of the Credit Union, federal laws and regulations, the laws and regulations of the State of Washington and local clearinghouse rules, as amended from time to time. Any disputes regarding this Agreement shall be subject to the jurisdiction of the court of the county in which the Credit Union is located.

FUNDS AVAILABILITY POLICY

1. **General Policy.** For savings accounts, we reserve the right to place reasonable holds on deposited funds to the extent permitted by law. For checking accounts, our funds availability policy is set forth below. Our policy is to make funds from your deposits available to you on the first business day after the day we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written. For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before 3:00 p.m. on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after 3:00 p.m. or on a day we are not open, we may consider the deposit was made on the next business day we are open.
2. **Reservation of Right to Hold.** In some cases, we will not make all of the funds that you deposit by check available to you on the first business day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. However, the first \$100.00 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 mail you the notice by the day after we receive your deposit. If you will need the funds from a deposit right away, you should ask us when the funds will be available.
3. **Holds on Other Funds.** If we cash a check for you that is drawn on another financial institution, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it. If we accept for deposit a check that is drawn on another financial institution, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.
4. **Longer Delays May Apply.** We may delay your ability to withdraw funds deposited by check into your account an additional number of days for these reasons:
- We believe a check you deposit will not be paid.
 - You deposit checks totaling more than \$5,000 on any one day.
 - You deposit a check that has been returned unpaid.

- d. You have overdrawn your account repeatedly in the last six months.
- e. There is an emergency, such as failure of communications or computer equipment.

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

5. Special Rules for New Accounts. If you are a new member, the following special rules will apply during the first 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, the checks must be payable to you. The excess over \$5,000 will be available on the seventh 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 seventh business day after the day of your deposit. If you need the funds from a deposit right away, you should ask us when the funds will be available.

ELECTRONIC FUNDS TRANSFERS

The following disclosures set forth your and our additional rights and responsibilities concerning the electronic funds transfers. Terms and conditions set forth elsewhere in this Agreement shall also apply to your electronic funds transfer service. Electronic funds transfers ("EFTs") are electronically initiated transfers of money through direct deposits, automated teller machines ("ATMs"), debit purchases, Online Banking transactions and telephone audio response ("EDNA") transactions involving your deposit accounts at the Credit Union.

1. Services.

a. ATMs. You may use your card and Personal Identification Number ("PIN") in automated teller machines within the Plus, Co-op, Star and American Express networks and such other machines or facilities as the Credit Union may designate. At the present time, you may use your card to:

- Withdraw cash from your checking account and savings account.
- Transfer funds between your savings account and your checking account.
- Obtain balance information for your savings account and your checking account.
- Deposit funds to your checking or savings account at ATM's that accept deposits and that are with the Co-op network.

b. Direct Deposit. Upon instruction of (i) your employer or (ii) the Treasury Department or (iii) other financial institutions, the Credit Union will accept direct deposits of your paycheck or of Federal recurring payments, such as Social Security.

c. VISA Debit. You may use your Visa debit card (Card) to purchase goods and services anyplace your Card is honored by participating merchants, including point of sale (POS) terminals. Funds to cover your Card purchases will be deducted from your checking account. If the balance in your account is not sufficient to pay the transaction amount, the Credit Union may treat the transaction as an overdraft request, pursuant to the Overdraft Protection Plan, or may terminate all services under this Agreement.

d. Non-VISA Debit transactions. Some merchants may permit you to initiate debit and bill payment transactions with your card using either the VISA network or another network shown on your card, such as the Plus®, CO-OP®, and Star® networks. The Credit Union will honor your debit transactions processed by any of these networks.

Transactions processed over the VISA network do not require you to use your PIN to validate the transaction. Generally, you will sign a receipt, provide your card number (e.g. internet, mail, or telephone transactions), or swipe your card at a terminal. Also, there are certain protections and rights such as the zero liability protections in the section titled "Member Liability," applicable only to VISA processed transactions.

Transactions processed over other networks may not require you to use your PIN in order to validate a transaction. Generally, you enter your card number or swipe your card and provide or enter a PIN. However, some merchants may not require you to provide a PIN, and allow you to choose whether the transaction is processed by VISA or another network. Provisions applicable only to VISA transactions (such as VISA's zero liability protections) will not apply to non-VISA debit transactions and the liability rules for other EFTs in the section titled "Member Liability" will apply.

e. EDNA. By signing or submitting the Account Card, you requested telephone audio response access to your accounts under the EDNA service. A separate four- to eight-digit Personal Access Code ("PAC") may be requested or will be assigned to you. You must use your PAC along with your account number to access your accounts. At the present time you may use the EDNA service to:

- Obtain balance information from your savings, checking, term share, and loan accounts.
- Transfer funds between these same accounts (except term shares and IRAs) including loan payments to any of your loan accounts.
- Withdraw funds from savings or checking accounts by check, made payable to you and mailed to you at your mailing address.
- Access your Line of Credit Account. (Loan advance withdrawals will be subject to the Loan Agreement governing the account.)
- Access preauthorized accounts of other members for transfers to and from savings and checking accounts and transfers to loan accounts.
- Verify certain account information, including a list of recent savings and checking deposits, and savings withdrawals, if a particular check has cleared your checking account, the date of your last payroll deposit, loan payment and loan payoff amounts, and account and loan history.
- Give you transaction history on your checking, savings, and loan accounts.
- Give you tax information on dividends earned or interest paid from your accounts.

f. Online Banking. By signing or submitting the Account Card, you requested the Online Banking service. You must use your access code along with your account number to access your accounts. The Online Banking service is accessible seven (7) days a week, 24 hours a day via our web page. You will need a personal computer and direct dial modem or access to the Internet. The online address for Online Banking is www.spokanefederal.com. You are responsible for the installation, maintenance and operation of your computer. This service may be interrupted for a short time for data processing. The Credit Union will not be responsible for any errors or failures involving any telephone service or your computer. At the present time, you may use the Online Banking service to:

- Transfer funds between your savings and checking accounts.
- Transfer funds to accounts of other members you authorize for any of your accounts.
- Review account balance, transaction history, direct deposits and tax information for any of your accounts.
- Verify certain account information, including a list of recent savings and checking deposits, and savings withdrawals, if a particular check has cleared your checking account, the date of your last payroll deposit, loan payment and loan payoff amounts, and account and loan history.
- Review information on your loan account including payoff amounts, due dates, finance charges, interest rate, and balance information.
- Make bill payments from your checking account.
- Request a withdrawal from any savings, checking, or loan account by check mailed to you.
- Access preauthorized accounts of other members for transfers to and from savings accounts and transfers to loan accounts.
- Communicate with the Credit Union using the electronic mail (e-mail) feature.

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

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

2. Service Limitations.

a. ATM Machines.

- (1) Cash withdrawals from ATMs can be made as often as you like. You may withdraw up to \$1,000 (if there are sufficient funds in your account) per day. You must allow up to four (4) business days for deposits made at ATMs to be credited to your account. The availability of such deposits is governed by the Funds Availability Policy.
- (2) Transfers. You may transfer up to the available balance in your accounts at the time of the transfer.

b. EDNA. Your accounts can be accessed under EDNA via a touchtone telephone only. Not all pushbutton phones are touchtone. Converters may be purchased for pulse and rotary dial phones. EDNA service will be available for your convenience seven (7) days per week. This service may be interrupted for a short time for data processing. If you call during this time you will hear, "Telephone services are not available at this time." While there is no limit to the number of inquiries, transfers, or withdrawal requests you may make in any one day, there are certain limitations on transfers from savings and daily income accounts. 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.

c. **Online Banking.** The following limitations on Online Banking transactions may apply in using the services listed previously:

(1) Transfers. You may make funds transfers to other accounts of yours as often as you like. However, transfers from your share and money market accounts will be limited to a total of six (6) in any one month. You may transfer or withdraw up to the available balance in your account or up to the available credit limit on a line of credit at the time of the transfer, except as limited under this Agreement or your deposit or loan agreements. The Credit Union reserves the right to refuse any transaction that would draw upon insufficient or unavailable funds, lower an account below a required balance, or otherwise require us to increase our required reserve on the account.

You may schedule to make future transfers of funds between your accounts. However, any future transfers will be subject to any applicable limitations on account transfers and the availability of funds in your account. If you do not have available funds or if the transfer will exceed the account limitations, the transfer will fail and we will provide a failed transaction message the next time you login to Home Banking.

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

(3) E-Mail. You may use e-mail to send messages to us. E-mail may not, however, be used to initiate transactions on your account or stop payment requests. The Credit Union may not immediately receive e-mail communications that you send and the Credit Union will not take action based on e-mail requests until the Credit Union actually receives your message and has a reasonable opportunity to act. If you need to contact the Credit Union immediately regarding an unauthorized transaction or stop payment request, you may call the Credit Union at (509) 328-2900 or toll free at 1-800-541-4310.

(4) Bill Payer.

(a) Bill Payer Transactions. You authorize us to process bill payments from your designated checking account. You may use the Bill Payer service to initiate three (3) different types of payment transactions:

- “Today” transactions are payments you designate to be paid immediately. “Today” bill payments will be deducted directly from your checking account. Therefore, you must have sufficient funds available at the time of the bill payment request and you agree the payment may not be canceled for any reason after you transmit it.
- “Future” transactions are payments you designate to be paid at a future date up to three hundred sixty-four (364) days in advance of the Scheduled Initiation Date. “Future” transactions may be canceled or changed through the Bill Payer service up until 12:00 midnight before your Scheduled Initiation Date.
- “Recurring” transactions are payments you designate to reoccur on a specified regular basis (i.e., monthly). You may designate the start and end dates for payments. “Recurring” transactions will be deducted from your account on the Scheduled Initiation Date and will be paid by us within two (2) business days. Therefore, you must have sufficient funds available on the Scheduled Initiation Date. “Recurring” transactions may be canceled or changed through the Bill Payer service up until 12:00 midnight before your Scheduled Initiation Date.

(b) Number of Authorized Payees. There is no maximum number of payees.

When you transmit a Bill Payer instruction to us, you authorize us to transfer funds to make the Bill Payer transaction from your checking account you designate. The Credit Union will not process any Bill Payer 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 Payer request, we may either refuse to make the payment or make the payment and transfer funds from any overdraft protection account you have established. If you have overdraft protection available and we process the payment, we will transfer the funds and charge a transfer fee. Also, the payment of the bill may be delayed by up to three (3) business days. The Credit Union reserves the right to refuse to process payment instructions that reasonably appear to the Credit Union to be fraudulent or erroneous.

(c) Processing Payments. The amount of your requested bill payment will be deducted from your account on the Scheduled Initiation Date and will be processed by us within two (2) business days. Therefore, you must have sufficient funds available to cover your payment on the Scheduled Initiation Date. There is a minimum dollar limit of \$1.00 (or your available balance) on any payment.

Bill payments are delivered to the payee either electronically, which may take up to two (2) business days from the Scheduled Initiation Date, or by check to those payees not set up to accept electronic payments, which may take up to five (5) business days from the Scheduled Initiation 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 six (6) business days before a bill is due. If you do not allow sufficient time, you assume full responsibility for any late payments or finance charges that may be imposed as a result of your failure to transmit a timely bill payment authorization. Our processing dates are Sunday through Thursday. Payments will be debited from your account on the dates that you choose to pay your bills, except for Friday and Saturday. Bills that are selected to be paid on these days will be debited from your account Sunday evening. In no event will we automatically resubmit a payment for you after funds become available.

(d) Canceling or Changing Bill Payments. Payments designated as “Today” transactions cannot be stopped, canceled or changed once your Bill Payer session has ended. 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 Bill Payer service, you may electronically edit or cancel your payment request through the Bill Payer service. Your cancellation request must be entered and transmitted through the Bill Payer service before the date you have scheduled for payment. If your request is not timely entered, you will be responsible for the payment.

You agree to the Bill Payment Fees Schedule as described in the signup process. You may only change your bill payment option once per year. We reserve the right to change the fees with 30 days notice. All payments made through the online Bill Payment service must be payable in U.S. dollars.

(e) Enrollment Request for Online Bill Payment Service. Spokane Federal Credit Union reserves the right to refuse enrollment in the Service to any member who does not meet the criteria established by the Credit Union and/or the Service.

If you wish to place an oral stop payment on a bill payment transaction, not using the Bill Payer 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 at (509) 328-2900 or toll free at 1-800-541-4310 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 the call.

3. Security of Security Code. The personal identification number (PIN) or personal access code (PAC) (“security code”) that you select is for your security purposes. The security code is confidential and should not be disclosed to third parties or recorded. You are responsible for safekeeping your security code. You agree not to disclose or otherwise make your security code available to anyone not authorized by you to sign on your accounts. If you authorize anyone to have or use your security code, you understand that person may use the PC banking service to review all of your account information and make account transactions. Therefore, we are entitled to act on transaction instructions received using your security code and you agree that the use of your security code will have the same effect as your signature authorizing transactions. If you authorize anyone to use your security 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 security 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 security code is changed. If you fail to maintain or change the security of these security codes and the Credit Union suffers a loss, we may terminate your electronic funds transfer and account services immediately.

4. Member Liability. You are responsible for all transfers you authorize using your EFT services under this Agreement. If you permit other persons to use an EFT service, Card or PIN, you are responsible for any transactions they authorize or conduct on any of your accounts. However, tell us at once if you believe anyone has used your Account, Card or PIN and accessed your accounts without your authority or if you believe that an electronic funds transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. For VISA Debit Card purchase transactions, if you notify us of your lost or stolen card within two (2) business days of discovery, you may not be liable for any losses. If you notify us of your lost or stolen card after two (2) business days of your discovery, your maximum liability for losses to your account may be up to \$50. These liability limits will apply, provided you were not grossly negligent or fraudulent in handling your VISA Debit Card and you provide us with a written statement regarding your unauthorized VISA Debit Card claim, otherwise the liability limits set forth below may apply. For all other EFT transactions except electronic check transactions, if you tell us within two (2) business days, you can lose no more than \$50 if someone accessed your account without your permission. If you do not tell us within two (2) business days after you learn of the unauthorized use of your account or EFT service, and we can prove that we could have stopped someone from accessing your account without your permission if you had told us, you could lose as much as \$500. In no event will you be liable for more than \$50 for unauthorized withdrawals from a line of credit account.

Also, if your statement shows EFT transfers that you did not make including made by Card, access code or other means, tell us at once. If you do not tell us within sixty (60) days after the statement was mailed to you, you may be liable for the following amounts if we can prove that we could have stopped someone from making the transfers if you had told us in time: (i) for unauthorized VISA Debit Card purchase transactions – up to the limits set forth above and (ii) for all other unauthorized EFT transactions – up to the full amount of the loss. If a good reason (such as a hospital stay) kept you from telling us, we will extend the time periods.

If you believe your Card has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call:

9:00 a.m. to 5:00 p.m. weekdays (excluding holidays): (509) 328-2900 local
1-800-541-4310 toll free

Non-Business Days: 1-800-543-5073 AND (509) 328-2900 or 1-800-541-4310 toll free

5. Business Days. Our business days are Monday through Friday. The Credit Union Service Center’s business days are Monday through Saturday. Holidays are not included.

6. Fees and Charges.

a. Electronic Transaction Fees. There are certain charges for electronic funds transfer services as set forth on the Rate and Fee Schedule. From time to time, the charges may be changed. We will notify you of any changes as required by law. If you request a transfer or check withdrawal from your line of credit account, such transactions may be subject to

charges under the terms and conditions of your Agreement or VISA Credit Card Agreement. 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 utilized for such a transaction. The ATM surcharge will be debited from your account if you elect to complete the transaction.

b. Currency Conversion/International Transaction Fee. 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 an International Transaction Fee of up to 1% of the transaction amount for any card transaction made in a foreign country.

7. Right to Receive Documentation Transfers.

a. Periodic Statements. Transfers and withdrawals transacted through any EFT service will be recorded on your periodic statement provided by mail. You will receive a statement monthly unless there is no transaction in a particular month. In any case, you will receive a statement at least quarterly.

b. Direct Deposits. If you have arranged to have a direct deposit made to your account at least once every sixty (60) days from the same source and you do not receive a receipt (such as a pay stub), you can find out whether or not the deposit has been made by calling the phone numbers previously listed. This does not apply to transactions occurring outside the United States.

c. 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 or less.

8. Account Information Disclosure. We will maintain the confidentiality and privacy of your account information in accordance with our privacy policy as stated at www.spokane-federal.com and in the Membership and Account Agreement. However, we will disclose information to third parties about your account or the transfers you make:

a. As necessary to complete transfers;

b. To verify the existence of sufficient funds to cover specific transactions upon the request of a third party, such as a credit bureau or merchant;

c. To comply with government agency or court orders;

d. If you give us your express permission.

9. Credit Union Liability for Failure to Make Transfers. If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. Our sole responsibility for an error in a transfer will be to correct the error and in no case will we be liable for any indirect, special, incidental or consequential damages. However, there are some exceptions. We will not be liable, for instance:

a. 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.

b. If you used the wrong access code, or you used your access code in an incorrect manner, or you have not properly followed any applicable computer or Credit Union user instructions for making transfer and bill payment transactions.

c. If the automated teller machine (ATM where you are making the transfer) does not have enough cash.

d. If the ATM was not working properly and you knew about the problem when you started or during the transaction.

e. If your computer fails or malfunctions or the Online Banking service was not properly working and such problem should have been apparent when you attempted such transaction.

f. If circumstances beyond our control (such as fire, flood, telecommunication outages, postal strikes, equipment or power failure) prevent making the transaction.

g. If the funds in your account are subject to an administrative hold, legal process or other claim.

h. If you have not given the Credit Union complete, correct and current instructions so the Credit Union can process a transfer or bill payment.

i. 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 the Credit Union.

j. If there are other exceptions as established by the Credit Union from time to time.

k. The ATM machine may retain your card in certain instances, in which event you may contact the Credit Union about its replacement.

l. 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 the payment correctly, or in a timely manner, and a fee, penalty or interest is assessed against you.

10. Preauthorized Electronic Fund Transfers.

a. Stop Payment Rights. If you have arranged in advance to make regular electronic fund transfers out of your account(s) for money you owe others, you may stop payment of preauthorized transfers from your account. You must notify the Credit Union orally or in writing at any time up to three (3) business days before the scheduled date of the transfer. The Credit Union may require written confirmation of the stop payment order to be made within fourteen (14) days of any oral notification. If we do require the written confirmation, the oral stop payment order shall cease to be binding fourteen (14) days after it has been made.

b. Notice of Varying Amounts. If these payments will vary in amount, you have the right to receive written notice of the amount of a transfer ten (10) days before the scheduled transfer date. You agree that the Credit Union will not provide such notice, which must be obtained from the payee.

c. Liability for Failure to Stop Payment of Preauthorized Transfers. If you order us to stop one of these payments three (3) business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages if you gave us the correct information.

11. Termination of EFT Services. You agree that we may terminate this Agreement and your use of any EFT service, if you, or any authorized user of your access code, breach this or any other agreement with us, or we have reason to believe that there has been an unauthorized use of your ATM-PIN or EDNA-PAC.

You or any other party to your account can terminate this Agreement by notifying us in writing. Termination of service will be effective the first business day following receipt of your written notice. Termination of this Agreement will not affect the rights and responsibilities of the parties under this Agreement for transactions initiated before termination.

12. Notices. The Credit Union reserves the right to change the terms and conditions upon which this service is offered. The Credit Union will mail notice to you at least twenty-one (21) days before the effective date of any change, as required by law. Use of this service is subject to existing regulations governing the Credit Union account and any future changes to those regulations.

13. Billing Errors. In case of errors or questions about your electronic transfers, telephone us at (509) 328-2900 or toll free at 1-800-541-4310, or write us at P.O. Box 2519, Spokane, WA, 99220-2519 as soon as you can. We must hear from you no later than sixty (60) days after we sent the first statement on which the problem appears.

a. Tell us your name and account number.

b. Describe the error or transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.

c. Tell us the dollar amount of the suspected error.

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

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

If we decide after our investigation that an error did not occur, we will deliver or mail to you an explanation of our findings within three (3) business days after the conclusion of our investigation. If you request, we will provide you copies of documents (to the extent possible without violating other members' rights to privacy) relied upon to conclude that the error did not occur.

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

a. Be aware of your surroundings, particularly at night.

b. Consider having someone accompany you when the ATM or night deposit facility is used after dark.

c. If another person is uncomfortably close to you at the time of your transaction, ask the person to step back before you complete your transaction.

d. Refrain from displaying your cash at the ATM or night deposit facility. As soon as your transaction is completed, place your money in your purse or wallet. Count the cash later in the safety of your car or home.

e. If you notice anything suspicious at the ATM or night deposit facility, consider using another ATM or night deposit facility or coming back later. If you are in the middle of a transaction and you notice something suspicious, cancel the transaction, take your ATM card or deposit envelope, and leave.

f. If you are followed after making a transaction, go to the nearest public area where people are located.

g. Do not write your personal identification number or code on your ATM card.

h. Report all crimes to law enforcement officials immediately.

15. ATM Locations.

SFCU Drive-Up	Public Safety Bldg.	V.A. Medical Center	Credit Union Service Center
930 N. Howard	1100 W. Mallon	4815 N. Assembly	1212 W. Francis
24 hours/day	8:30 AM - 5:00 PM	6:30 AM - 8:15 PM	24 hours/day
7 days/week	Monday - Friday	7 days/week	7 days/week

PRIVACY POLICY

Our Privacy Pledge. At Spokane Federal Credit Union, we respect the privacy of our members. We recognize the importance of maintaining the confidentiality of your personal financial information. This notice describes the privacy policy and practices followed by Spokane Federal Credit Union and our affiliate, Credit Union Insurance Services, Inc. This notice explains what types of member information we collect and under what circumstances we may share it.

Member Information We Collect. The Credit Union collects only relevant information about members that is needed to establish and maintain your account and services as the law allows or requires us to collect. We may collect personal and financial information about you (member information) which is "nonpublic." The member information we collect varies depending on the accounts and services you request and use. We collect information about you from the following sources:

Application Information. We retain personal information we receive from you on any application you provide for membership, deposit account, EFT services, loans, financial planning, securities brokerage, insurance, or other Credit Union and affiliate services. This information includes: name, address, social security number, birth date, phone number, employment and financial status, and credit history.

Your Transactions. Any time you make a transaction on one of your accounts, including ATM or card transactions, loan advances, securities brokerage or insurance transactions, transactions through Home Banking, over the phone or at a branch, we retain the transaction information, including: your account number, the date, amount, location of the transaction, and other pertinent information.

Credit Reports. When we evaluate your application for an account or service, we may request a credit report about you from a consumer reporting agency. We retain the personal and credit history information about you and we may use it to evaluate future account service requests.

Online. We obtain information online when you visit our website, www.spokane-federal.com. This includes retaining information you provide us on any online application, Home Banking transaction or information you send to us by e-mail.

Member Information We Share. In order to provide financial services to you, we share certain information about you with our affiliate and third party service providers. However, we only share information to the extent necessary to service your account or offer new services to you. If we share your information, it is with the goal of bringing you quality services, more choices, and greater convenience. Information we may have about former members is generally only shared or disclosed if necessary to enforce or administer an account or as required by law.

Sharing Information with Credit Union Affiliates. We share information with our affiliate, Credit Union Insurance Services, Inc., which provides insurance products and services, and our Northside C.U. Service Center. We may share personal information (such as name, address, and account number) and account information (such as type of accounts, account balances, and transaction history) with our affiliates so they can serve you better. Our affiliates maintain the same privacy standards as the Credit Union.

Sharing Information with Third Party Service Providers. In order for us to conduct our operations, including servicing your account or processing your transactions, we need to share information with our service providers, including: data processing companies, check, ATM, Shared Branch Network and other payment processing companies, payment networks, loan service providers, collection agencies, credit reporting agencies, financial planners, securities brokerage insurance companies, and financial service providers with whom we have joint marketing agreements. These service providers act on our behalf and have agreed in writing to keep the member information we provide to them confidential. We share the following categories of information to third party service providers depending on the specific services provided:

- Personal information (name, address, and account number)
- Account information (type of accounts, account balances, and transaction history)
- Transaction information (dates, amounts, locations, and type of transaction)

We do not sell member information nor share your account numbers with independent third party marketers offering their products and services. While we may assist in offering financial products and services of our affiliate or other financial service providers, we control the member information used to make such offers.

Sharing Information as Legally Required or Permitted. We may share any member information of yours in response to a lawful request issued by a court, government agency, or regulatory authority or as permitted by law in order to administer or enforce your account. We may also share our experience information about you with credit bureaus. Our reporting to credit bureaus is governed by the Fair Credit Reporting Act, which affords you the right to make sure that your credit bureau reports are accurate.

Our Confidentiality and Security Safeguards. We maintain strict policies and security controls to assure that member information in our computer systems and files is protected. Our employees and agents are permitted access to member information that they may need to perform their jobs and to provide service to you. Our employees and agents have access to such member information as necessary to conduct a transaction or respond to your inquiries. All employees and agents are trained to respect member privacy. No one except our employees and agents has regular access to the Credit Union computer system and records storage. The Credit Union has established internal security controls, including physical, electronic and procedural safeguards, to protect the information you provide us and the information we collect about you. We will continue to review our internal security controls to safeguard your member information as we employ new technology in the future.

Online Privacy Protections. At our website, www.spokane-federal.com, you may apply for accounts, loans and services. To protect the information you provide us online, we use multiple levels of security. The application information we accept online and our Home Banking/Bill Payment service is protected by firewalls and relies on industry standard "Secure Sockets Layer" (SSL) encryption and multi-factor authentication to secure your transaction information and communication. Generally, e-mails you send or receive are not secure; therefore, it is important to remember not to send or request any sensitive personal or financial information through e-mail.

Protecting Children's Information Privacy. Our online financial services are not designed for or directed toward children. We do not knowingly solicit or collect data from children and we do not knowingly market to children online. We recognize that protecting children's identities and online privacy is important and that responsibility rests with us and with parents.

Privacy Policy Inquiries. If you have any questions about our privacy practices, contact us by calling 1-800-541-4310 or (509) 328-2900, sending us an e-mail at inquire@spokane-federal.com, or writing to us at Spokane Federal Credit Union, P.O. Box 2519, Spokane, WA 99220-2519.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents. You will have limited access to your new account while your identity is being verified.



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