



iQ CREDIT UNION BUSINESS MEMBERSHIP AND ACCOUNT AGREEMENT

Welcome to iQ Credit Union. This is the contract between you and iQ Credit Union. When you become a member or if you are a joint owner, you agree to the terms and conditions described in this Agreement. These terms and conditions apply whether the account is opened in person, by mail, by telephone, or electronically. Please read this Agreement carefully and keep it for your records.

This Agreement is the contract of deposit that covers your and our rights and responsibilities concerning Membership and Account(s) offered to you. In this Agreement, the words "you" and "yours" mean the Member/Account Owner named in the Business Services Application, those who sign the Business Services Application, as an Authorized Signer, or assert any ownership in an account or use any access device for any account. The words "we," "us," and "our" mean **iQ Credit Union** (the "Credit Union"). The word "account" means any one or more share, savings, checking, and certificate accounts you have with the Credit Union.

The classification and form of ownership of your accounts (including certificate accounts) are designated on your Business Services Application. By signing the Business Services Application 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 Transfers Agreement, and the Business Service Pricing Schedule incorporated in or 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.

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

I. MEMBERSHIP AND ACCOUNTS

1. **Membership Eligibility.** To be eligible for membership in the Credit Union, you must be an individual or organization qualifying within the Credit Union's field of membership and must satisfy the membership qualifications as required by the Credit Union's Bylaws. You authorize us to check financial information data about you by any means allowed by law, including obtaining a credit report or credit score from any consumer reporting agency to verify your eligibility to establish or transact on any accounts and services we offer or you request. Any Authorized Signer designated on a Business Services Application may cast votes on behalf of the organizational member at any regular or special meeting.
2. **Individual Business Accounts.** An individual Account is an account owned by one sole proprietor 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.
3. **Accounts of Business Organizations.** You must designate on the Business Services Application who is authorized to act on behalf of the Member/Account Owner as an Authorized Signer. At least one Authorized Signer signing this Business Services Application must be a corporate president or secretary, general partner, LLC Manager or member, if applicable, or other organization officer as applicable. 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 club or association may not be cashed, but must be deposited to the 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.

4. Authorized Signers.

- a. **Authorized Signers.** The persons named on the Business Services Application as Authorized Signers are authorized to act on behalf of the Member/Account Owner with respect to accounts based upon the authority set forth below and the Business Services Application.
- b. **Authority of Authorized Signers.** The persons named on the Business Services Application or Resolution of Authority are authorized to transact any business of any nature with the Credit Union on behalf of the Account Owner, and take any action regarding the Accounts. The Account Owner agrees to notify the Credit Union in writing of any change in the Authorized Signer's authority. The Credit Union may request any other evidence of an Authorized Signer's authority at any time.

The Credit Union is directed to accept and pay without further inquiry any item signed by an Authorized Signer drawn against any of the Member's accounts. Unless otherwise indicated, any one Authorized Signer is expressly authorized to endorse all items payable to or owned by the Member/Account Owner for deposit with or collection by the Credit Union and to perform any other transaction permitted under the Agreement.

The authority given to the Authorized Signers named on the Business Services Application shall remain in full force until written notice of revocation or a Business Services Application Supplement or a new Resolution of Authority is delivered to and received by the Credit Union. Any such notice shall not affect any items in process at the time notice is given. An Authorized Signer shall notify the Credit Union of any change in the Member's composition, assumed business names, or any aspect of the entity affecting the deposit relationship between the Member/Account Owner and the Credit Union before any such change occurs. The Credit Union shall have no duty to inquire as to the powers and duties of any Authorized Signer and shall have no notice of any breach of fiduciary duties by any Authorized Signer unless the Credit Union has actual notice of wrongdoing.

5. **Deposit Requirements.** Funds may be deposited to any account in any manner approved by the Credit Union in accordance with the requirements set forth on the Business Service Pricing Schedule. All accounts are non-assignable and nonnegotiable to third parties. Certificates of Deposit accounts are governed by the terms of this Agreement and the terms and disclosures on your Certificate of Deposit Receipt for each account, which is incorporated herein by this reference. You agree not to deposit any substitute check or similar item that you have created, or for which no financial institution has provided any substitute check, warranties, and indemnity. If you do so, you agree to indemnify the Credit Union for all losses the Credit Union

incurs in connection with the substitute check or item. You agree not to deposit any substitute check without our consent.

- a. **Endorsements.** You authorize the Credit Union, in its discretion, to accept transfers, checks, drafts, and other items for deposit into any of your accounts, whether or not they are endorsed by all payees. You authorize the Credit Union to supply missing endorsements if the Credit Union chooses to supply such endorsements. The Credit Union reserves the right to refuse to accept third party checks or to verify all endorsements on third party checks presented. Insurance, government, and certain other checks or drafts must be endorsed in person exactly as they are made payable. Endorsements must be placed in the space on the back of the check between the top edge and 1 1/2 (one and one half) inches from the top edge. For any item deposited using a remote or mobile deposit service, the endorsement must include the words "remote deposit at iQ Credit Union Only" or "mobile deposit at iQ Credit Union Only." 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. The Credit Union may disregard information on any check other than the signature of the drawer and MICR information. Any item presented with a full payment legend must be presented in person to a Credit Union officer; otherwise, payment is made with full reservation of rights.
- 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 noncash deposits posted 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 deposits and impose a return deposit 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 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.* Unless otherwise stated in the Funds Availability Policy below, deposits received at our offices on business days before the deposit cutoff time will be credited to your account as of the day of the deposit. Deposits made on Saturdays, Sundays, and Credit Union holidays will be credited to your account on the next business day. Deposits received at unstaffed facilities, such as night depositories, will be credited on the day funds are removed and processed by the Credit Union. Items drawn from an institution located outside the United States are handled on a collection basis only. Amounts, less any associated collection costs, will be credited to your account when we receive final payment. You waive any notice of nonpayment, dishonor, or protest regarding any items credited to or charged against your account.
- f. *Transactions by Mail.* Except as otherwise provided in this Agreement, the Credit Union may permit you to make deposits, transfers, and withdrawal requests by mail. You must provide specific information instructing us how to apply the payment or process the withdrawal or transfer from your account(s) and/or loan(s). Such transactions will be posted to your account as of the day the transaction is processed at the Credit Union. If you make a deposit or payment, which is not accompanied by instructions how or where it is to be credited, we may apply it to any loan or deposit account you maintain with us, at our discretion.

6. Account Access.

- a. *Authorized Signature.* We require your authorized signature on your Business Services Application before we will honor transactions on your account(s). The Credit Union is authorized to recognize your signature, but will not be liable for refusing to honor any item or instruction of yours if it believes in good faith that the signature on such item or instruction is not genuine. If you have authorized the use of a facsimile signature, the Credit Union may honor any transaction that appears to bear your facsimile signature even if it was made by an unauthorized person. If you give your member/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. The Credit Union may refuse to accept any item for deposit.
- b. *Access Options.* You may make withdrawals or transfers from your account in any manner which is permitted by the Credit Union (i.e., check, automated teller machines (ATMs), debit card, in person, electronically, or by mail, wire transfer, automatic transfer, or telephone). If you make withdrawals by check, the check must be properly completed and signed by you or your representative whose authority is on file with us. The Credit Union may return as unpaid any check that is not drawn on the check form provided by the Credit Union. The Credit

Union may restrict the withdrawals or transfers on your accounts.

- c. *ACH & Wire Transfers.* If offered, you may initiate or receive credits or debits to your account via wire transfer or ACH ("Automated Clearing House") transfer. You agree that if you receive funds by a wire or ACH transfer, the Credit Union is not required to notify you at the time the funds are received. Instead, the transfer will be shown on your periodic statement. The Credit Union may provisionally credit your account for a wire or 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, or receives an authorized reversal transaction, it may reverse the provisional credit to your account. In such cases, the originator of the ACH transfer will not be considered to have paid you the amount of the transfer. 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. The Credit Union reserves the right to confirm or verify information on all wire requests prior to sending the wire. Once the Credit Union has sent an outgoing wire, the transfer is final and cannot be stopped. If you provide incomplete or inaccurate transfer instructions, written or oral, the Credit Union will not be responsible for any resulting wire transfer losses, delays, or failed transactions. You understand international wire transfers may not be completed for up to four weeks or longer. Wire transfers are governed by Federal Reserve Regulation J if the transfer is cleared through the Federal Reserve. For a wire to be processed the same business day, it must be received by 11am PST for International wires and 1pm PST for Domestic wires. ACH transactions are governed by the rules of the National Automated Clearing House Association.

You acknowledge that processing of international transactions may be delayed if necessary to complete OFAC screening. You must ensure that all international entries you initiate are designated with the appropriate code as required by the ACH Rules. All entries will be credited to or debited from your Account in U.S. Dollars. Currency conversion will be at rates determined by, or available to, us or the ACH. You will bear all currency conversion risk associated with international entries; you will bear all gains or losses associated with currency conversion for international entries.

- 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.*
- i. *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 Part III Electronic Funds Transfer Agreement. You authorize us to honor any electronic check conversion from

your checking account just the same as a regular written check.

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

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

8. Transaction Limitations.

- a. *Withdrawal Restrictions.* The Credit Union is only required to permit a withdrawal if you have sufficient available funds in your account to cover the full amount of the withdrawal. 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 Business Service Pricing 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. 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.

If you are in breach of this agreement or any other loan or service agreement with the Credit Union or we suspect fraudulent activity on your account, the Credit Union may, without prior notice, restrict access to your accounts or suspend your electronic services or access devices, including ATM or debit cards and online or mobile banking services. Such restrictions may continue until you cure any breach condition or any fraud condition is resolved.

- b. *Transfer Limitations.* For Savings accounts and Money Market accounts, you may make up to six pre-authorized, automatic, overdraft, Online Banking, 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). In addition, there is no limit on the number of transfers you may make to another Credit Union account or withdrawals (checks mailed directly to you) when such transfer or withdrawal is initiated in person, by mail or at an ATM. If a transfer request would exceed the transfer limitations set forth above in any statement period, the Credit Union may refuse or reverse the transfer, and your account will be subject to suspension or closure by the Credit Union and the Credit Union may impose a charge.
- c. *Transaction Limitations.* The Credit Union reserves the right to limit the volume of checks or cash deposited and/or the number of deposits per day. If the transactions on your account exceed the volume or amount that the Credit Union considers normal, the Credit Union may impose an excess transaction fee, limit your account activity or close your account.

In order to reduce Credit Union reserve requirements, Checking account balances are reported as two subaccounts, a checking and savings subaccount. For reporting purposes only, the Credit Union may make up to six transfers per month between the savings and checking subaccounts. This reporting structure does not affect the balance, interest earnings, statement activity or NCUA insurance applicable to your Checking account.

- d. *Business Limitations.* You certify that you are not engaged in an Internet gambling business (the business of placing, receiving or otherwise knowingly transmitting a bet or wager by any means involving use of the Internet), and that you will inform the Credit Union before engaging in an Internet gambling business.

9. Insufficient Available Funds to Pay Items.

- a. *Order In Which Checks and Other Items Are Paid.* In general, we pay checks and other transactions in the order in which they are presented to us for payment, regardless of when you issued or authorized them. Insufficient balances on your account may result from 1) checks, 2) automated clearing house (ACH) debits such as online bill payment transactions, 3) payments authorized by an owner or other withdrawal requests, 4) items deposited and returned unpaid by the paying institution, and 5) imposition of service charges. Checks and ACH debits may be presented to us in batches or data files, and are paid when we process the data file. Checks in the same data file may be processed in any order we deem appropriate. Checks presented for payment at one of our branches are processed at the

time of payment. Debit card transactions are processed when they are transmitted to us, which may occur at the time of the transaction or up to several days later. The merchant or its processor determines when the transaction will be transmitted to us. When a merchant obtains authorization for a debit card transaction, we place a temporary hold against the funds in the account for the amount of the authorized transaction. In some cases, such as restaurants, gas stations, or car rental transactions, there may be a hold for an initially authorized amount, but the transaction is submitted at a different amount. You should be certain there are enough funds in your account at all times to pay checks or other transactions you authorize, or those checks or transactions will be handled according to the overdraft and insufficient funds terms of this Agreement, or paid under one of our check overdraft services if applicable. You agree that we may change these practices at any time without prior notice to you to address data processing constraints, changes in law, regulation, clearing house rules or business concerns.

- b. *Determination of Available Balance to Pay Items.* Checks and other transactions on your account are paid based on your available balance, and not the actual balance. Your actual balance is the amount of funds in the account at a point in time based on transactions that have posted to the account at that time. Your available balance is the amount of funds in the account that are available to pay checks, ACHs, and other items presented against the account without incurring an overdraft or non-sufficient funds fee or transferring funds from another account. The available balance is generally equal to the actual balance, less the amount of any holds placed on recent deposits, holds placed for other reasons, and holds for pending transactions (such as debit card purchases) that we have authorized but that have not yet posted to your account. If an item presented for payment against your account exceeds the available balance, we will treat it as presented against non-sufficient funds even if the actual balance exceeds the amount of the item.
- c. *Responsibility for Items Presented Against Insufficient Available Funds.* 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. Your account will then be subject to a charge for the item whether paid or returned as set forth in the Business Service Pricing 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 or item 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.
- d. *Overdraft Protection Plan.* If we approve your request for overdraft protection, we will provide an overdraft protection plan for you. We will honor checks and other items drawn on insufficient funds on your checking account by transferring the funds to your checking account. We will transfer funds to your overdrawn

account from another account of yours or an established Loan Agreement as you direct. The fee for overdraft transfers is set forth on the Business Service Pricing Schedule. Transfers from a deposit account will be governed by this Agreement. Transfers from a loan account will be governed by the applicable loan agreement.

10. *Postdated and Stale-Dated Items.* You authorize us to accept and pay any check, even if the check is postdated (presented for payment before its date), or stale-dated (presented for payment more than six (6) months after its date). 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 any check that is presented more than six (6) months after its date. If you do not want us to pay a postdated or stale-dated check, you must notify us of the check and place a stop payment order on it. (See the Stop Payment Orders section.)

11. Stop Payment Orders.

- a. *Stop Payment Request.* You may ask the Credit Union to stop payment on any check drawn upon or ACH debit scheduled from your checking account. You may request a stop payment by telephone, by mail, online, or in person. For checks, the stop payment will be effective if the Credit Union receives the order in time for the Credit Union act upon the order. For ACH debits, the stop payment order must be received at least three (3) business days before the scheduled date of the transfer. You must state the number of the account, date, and the exact amount of the check or ACH and the number of the check or originator of the ACH debit. If you give the Credit Union incorrect or incomplete information, the Credit Union will not be responsible for failing to stop payment on the item. If the stop payment order is not received in time for the Credit Union to act upon the order the Credit Union will not be liable to you or to any other party for payment of the item. If we re-credit your account after paying a check over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to transfer all of your rights against the payee or other holders of the 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. For a check, a written stop payment order will be effective for six (6) months. 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 Business Service Pricing Schedule. You may not stop payment on any certified check, cashier's check or teller's check, or any other check 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's fees, damages, or claims related to the Credit Union's action in refusing payment of an item, including claims of any multiple party account owner, payee, or endorsee in failing to stop payment of an item as a result of incorrect information provided by you.

12. *Lost Items.* The Credit Union, in receiving items from you for withdrawal or deposit, acts only as your agent and reserves the right to reverse the credit for any deposited



items or to charge your account for the items should they become lost in the collection process.

13. Credit Union's Liability for Errors. If the Credit Union does not properly complete a transaction according to this Agreement, the Credit Union will be liable for your losses or damages not to exceed the amount of the transaction, except as otherwise provided by law. The Credit Union will not be liable if: (a) through no fault of the Credit Union, your account does not contain enough money to make the transaction; (b) circumstances beyond the Credit Union's control prevent the transaction; (c) your loss is caused by your negligence or the negligence of another financial institution; or (d) the money in your account is subject to legal process or other claim. The Credit Union will not be liable for consequential damages except liability for wrongful dishonor. The Credit Union's actions will constitute the exercise of ordinary care if such actions or non-actions are consistent with applicable state law, Federal Reserve regulations and operating letters, clearinghouse 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 type and ownership of the account and the terms of this Agreement. Any conflict between oral representations by you or Credit Union employees and any written form will be resolved by reference to this Agreement and any other applicable written agreement.

14. Credit Union Lien and Security Interest. To the extent you owe the Credit Union money as a borrower, guarantor, endorser, or otherwise, the Credit Union has a lien on any or all of the funds in any account in which you have an ownership interest at the Credit Union, regardless of the source of the funds. The Credit Union may apply these funds in any order to pay off your indebtedness. If the Credit Union chooses not to enforce its lien, the Credit Union does not waive its right to enforce the lien at a later time. In addition, you grant the Credit Union a consensual security interest in your accounts and agree the Credit Union may use the funds from your accounts to pay any debt or amount owed the Credit Union, except obligations secured by your dwelling, unless prohibited by applicable law. All accounts are non-assignable and nontransferable to third parties.

15. Legal Process. If any legal action, such as a levy, garnishment, or attachment, is brought against your account, the Credit Union may refuse to pay out any money from your account until the dispute is resolved. If the Credit Union incurs any expenses or attorney's 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.

16. 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..

You agree we may exchange credit report information with others regarding any update or renewal of or additional accounts and services we may offer or extend in the future, or for any other legitimate business purpose. You agree we may share your account information and any information you provide to us with any Credit Union affiliate and others for the purpose of considering your eligibility for their products

and services, including financial, insurance, and investment products.

17. Notices.

a. *Name or Address Changes.* It is your responsibility to notify the Credit Union upon a change of address or change of name. The Credit Union is only required to attempt to communicate with you at the most recent address you have provided us. Notice of change of address may be given by writing to the Credit Union, calling Member Services, or by providing notice in person to a Credit Union employee. If you do not notify us of your current address and we attempt to locate you, we may impose a service fee as set forth on the Business Service Pricing Schedule. The Credit Union may accept a Notice of Address Change from the U.S. Postal Service as your most recent address for sending statements and notices to you.

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. You may make changes in account ownership, such as adding or removing authorized signers or business representation. 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.

18. 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. For checking accounts, you understand that when paid, your original check (or any substitute check) become property of the Credit Union and will 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. You understand your statements are made available to you on the date the statement is mailed to you, unless you have requested that they be made available to you electronically, in which case you understand and agree that they are made available on the date you are electronically notified of their availability. You also understand and agree that drafts or copies including electronic images thereof are made available to you on the date the statement is mailed to you, or otherwise made available electronically if agreed to by you, even if the drafts do not accompany the statement. If your statement is provided electronically, statements will be electronically mailed to you as an attachment or made available to permit you to access, review, print and otherwise copy/download your periodic statements from our website using procedures we authorize. Electronic mails from us will be sent to the electronic mail address you provide. It is your responsibility to provide a current and correct e-mail address to the credit union. You are also responsible to keep us updated on e-mail address changes.

b. *Examination.* You are responsible for examining each statement and canceled checks and reporting any irregularities to the Credit Union. The Credit Union will not be responsible for any forged or altered item or unauthorized item drawn on your account if (1) you did not exercise reasonable care in promptly examining the statement and canceled checks to discover any irregularities; (2) you fail to notify the Credit Union within thirty (30) calendar days of the mailing date of the earliest statement and availability of checks containing any forgery, alteration, or unauthorized signature on the front or back of an item; or (3) any items are forged or altered in a manner not detectable by a reasonable person, including the unauthorized use of facsimile signature machine or stamp.

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

19. Termination of Account/Suspension of Services.

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) there are excessive returned unpaid items not covered by an overdraft protection plan; (6) there has been any misrepresentation or any other abuse of any of your accounts (7) if we have reason to believe that there has been an unauthorized use of your account, or (8) if we reasonably deem it necessary in order to prevent a loss to the Credit Union. You may terminate your account at any time by notifying the Credit Union in writing. The Credit Union is not responsible for payment of any check, withdrawal, or other item once your account is terminated; however, if the Credit Union honors a transaction after termination, you agree to reimburse the Credit Union for payment. In addition, the Credit Union may suspend any services you have with the Credit Union for the reasons listed above.

20. Termination of Membership.

You may terminate your membership at the Credit Union after giving written notice of your intent to withdraw from membership. We may suspend all of your account access and services and expel you from membership for any reason allowed by applicable law, including any misrepresentation or fraud, failure to comply with our bylaws; causing a loss to the membership; causing willful destruction or damage to Credit Union property or acting without civility in dealings with Credit Union members, officers, and employees.

21. Special Account Instructions.

If you ask us to follow instructions that we believe might expose us to claims, suits, or any liability, whether directly or indirectly, we may refuse to follow your instructions or may require a bond or other protection. We may ask for your promise to defend the Credit Union against any claims and pay all legal fees and costs associated with the defense. In the event the Credit Union brings legal action to enforce 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. 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 Business Services Application and accepted by the Credit Union. You understand that the Credit Union may choose to retain electronic or imaged copies of any original documents, and you agree that an electronic or imaged copy is valid as an original.

22. Indemnity. You agree to indemnify and hold the Credit Union harmless from any loss or damage, including attorney's fees, arising from the Credit Union's actions or reliance upon your account and authorization instructions, including the transactions conducted by or instructions provided by authorized persons on your account, whether such authority is evidenced in writing or provided by you verbally.

23. 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.

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

25. Governing Law. This Agreement is governed by the Bylaws of the Credit Union, federal laws and regulations, the laws and regulations of the State of Washington and 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 administrative offices are located.

II. FUNDS AVAILABILITY POLICY DISCLOSURE

This policy applies to checking accounts. Deposits to other types of accounts may be subject to longer holds, at our discretion.

1. General Policy. Our policy is to make funds from your deposits available to you on the same business 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 5:30 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 5:30 p.m. or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

2. Reservation of Right to Hold. In some cases, we will not make all of the funds that you deposit by check available to you on the same business day of your deposit. Depending on the type of check that you deposit, funds may not be available until the second (2nd) business day after the day of your deposit. However, the first \$500 of your deposit will be available on the same business day. If we are not going to make all of the funds from your deposit available on the same 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 \$5,525 on any one day.
- You deposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- 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 (7th) business day after the day of your deposit.

5. Special Rules for New Accounts. If you are a new member, the following special rules will apply during the first thirty (30) days your account is open. Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,525 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state, and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5,525 will be available on the ninth (9th) business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,525 will not be available until the second (2nd) business day after the day of your deposit. Funds from all other check deposits will be available on the ninth (9th) business day after the day of your deposit.

6. Deposits at Automated Teller Machines. Funds from deposits (cash or check) made at ATMs we do not own or operate will not be available until the fifth (5th) business day after the date of your deposit. Funds from check deposits made at ATMs we do own or operate will not be available until the second (2nd) business day after the date of your deposit. Funds from cash deposits made at ATMs we do own or operate will be available on the same business day. In all cases, the first \$500 of the deposit amount will be immediately available.

7. Deposits at Shared Branch Locations. If you make a deposit through a shared branch location (shared branches

are participating branches of other credit unions in the CO-OP Shared Branch network), deposits of cash, Government checks (Federal, State, and Local) payable to you, and U.S. Postal money orders payable to you will be available on the same business day of your deposit. The first \$500 of funds from other check deposits will be available on the same business day of your deposit. The remaining amount of funds from local check deposits will be available on the second (2nd) business day after the day of your deposit.

III. ELECTRONIC FUNDS TRANSFERS

The following disclosures set forth your and our rights and responsibilities concerning the electronic funds transfers.

Electronic funds transfers ("EFTs") are electronically initiated transfers of money involving a deposit account at **iQ Credit Union** involving multiple access options, including Business Online Banking, direct deposits, automated teller machines (ATMs), debit card purchases, and audio response (VIP Teller Phone system).

1. Services.

a. **ATMs.** You may use your card and access code in automated teller machines displaying the CO-OP ATM, PLUS, Star, Accel, and Exchange, and such other machines or facilities as the Credit Union may designate. At the present time, you may use your card to:

- Make deposits to your share savings account or your checking (share draft) account after the account has been open for at least 30 days.
- Withdraw cash from your savings and checking accounts.
- Transfer funds between your share savings account and your checking account.
- Obtain balance information from your share savings account and your checking account.

b. **Debit Card/Point of Sale Purchase.** You may use your Card to purchase goods and services any place your Card is honored by participating merchants. You may also use your Card and PIN to pay for purchases from participating merchants who have agreed to accept the Card and PIN at POS terminals. Funds to cover your Card purchases will be deducted from your checking account.

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 CO-OP, Star and Plus network or the Interlink network. We will honor your debit transactions processed by any of these networks.

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

d. **Preauthorized Debits.** You may make direct withdrawals from your account to a particular person or company at least periodically which you have arranged with that person or company, provided you have enough funds in your account to cover the payment.

e. **VIP Teller Phone.** If we approve your application for audio response teller access to your accounts under the VIP Teller Phone service you may use a telephone to access your account. We may assign or you may select a personal access code. You must use your access code along with your account number to access your accounts. At the present time you may use the VIP Teller Phone service to:



- Obtain balance information from all your share savings account, checking account, money market deposit account and share certificate accounts and loan accounts.
 - Transfer funds between these same accounts (except certificates) including loan payments to any of your loan accounts.
 - Withdraw funds from share accounts by check, made payable to you and mailed to you at your mailing address.
 - Access your Personal Access Line of Credit (PAL Loan) Account and Home Equity Line of Credit Account. (Loan advance withdrawals will be subject to the loan agreements governing those accounts).
 - Transfer funds to another account owner's accounts, if approved.
 - Verify if a particular draft has cleared your checking account(s).
 - Give you transaction history on your checking, share savings and loan accounts.
 - Give you tax information on dividends earned or interest paid on your accounts.
 - Re-order checks (if no changes other than starting number required).
 - Request a fax copy of an account statement or summary.
- f. **Online Banking.** The Online Banking service is available to approved Business Members, and is subject to the terms and conditions of a separate Online Banking Agreement.

2. Service Limitations.

a. ATM Machines.

- i. **Cash withdrawals from ATMs.** Cash withdrawals from ATMs can be made as often as you like. You may withdraw up to \$500 (if there are sufficient funds in your account) per day per each individual card issued on the account.
- ii. **Deposits.** Because of the servicing schedule and processing time required in ATM operations, there is a delay between the time a deposit (either cash or check) is made and when it will be available for withdrawal. You should review the Credit Union's Funds Availability Policy to determine the availability of funds deposited at ATMs.
- iii. **Transfers.** You may transfer up to the available balance in your accounts at the time of the transfer.

b. **Debit Card/Point of Sale Purchase.** You May withdraw the balance in your account at the time of withdrawal, but may not receive more than \$500 from ATM's, and \$1000.00 from POS terminals per day. For the purposes of determining whether you have reached your daily Transaction Limits- You may not conduct more than 20 "signature based" transactions per day and may not conduct signature-based transactions that exceed a total of \$5,000 per day. The limits apply to each card issued on an account. (A "signature based" transaction is one that does not require you to use your Personal Identification Number to complete the transaction.) You must contact the Credit Union for advance approval if you wish to conduct transactions that would exceed these limits. For the purpose of these limits, a day begins at 12:00 a.m. and ends at 11:59 p.m.

c. **VIP Teller Phone.** Your accounts can be accessed under VIP Teller Phone via a Touch Tone telephone only. Not all push-button phones are Touch Tone. Converters may be purchased for pulse and rotary dial phones. VIP Teller

Phone service will be available for your convenience seven (7) days per week. This service may be interrupted for a short time each day for data processing. If you call during this time you will hear, "For assistance, contact credit union office during business hours." 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 money market accounts. Transfers from savings or a money market account will be limited to six (6) in any one month. No transfer or withdrawal may exceed the available funds in your account. The Credit Union reserves the right to refuse any transaction which would draw 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.

3. **Security of Access Code.** The personal access code or PIN issued to or selected by you is for your security purposes. The numbers are confidential and should not be disclosed to third parties or recorded on or with the card. You are responsible for safekeeping your access code. You agree not to disclose or otherwise make your access code available to anyone not authorized to sign on your accounts. If you authorize anyone to use your access code that authority shall continue until you specifically revoke such authority by notifying the Credit Union. If you fail to maintain the security of these access codes and the Credit Union suffers a loss we may terminate your EFT 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 access code, 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 access code and accessed your accounts without your authority.

If you believe that someone has used your Card or access code without your permission or you have lost your card, call:

Member Contact Center: (360) 695-3441 – (800) 247-4364
TDD Phone: (360) 418-4466
For Visa Debit Cards Only:
During regular business hours: (360) 695-3441 – (800) 247-4364

After hours, weekends and holidays: (800) 999-3441
Or write: **iQ Credit Union**
PO Box 1739, Vancouver, WA 98668-1739

You should also call the number or write to the address listed above if you believe a transfer has been made using the information from your check without your permission.

5. **Fees and Charges.** There are certain charges for the EFT services as set forth on the Business Service Pricing Schedule. There are no fees or charges assessed by the Credit Union for use of the VIP Teller Phone or Business Online Banking services. The Credit Union reserves the right to impose service charges at a future date after we give you notice of such changes as required by law. If you use an ATM that we do not operate, 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.

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

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

7. **Termination of Electronic Funds Transfer Services.** You agree that we may terminate this Agreement and your use of any EFT services, if:

- a. You, or any authorized user of your account or access code, breach this agreement with us;
- b. We have reason to believe that there has been an unauthorized use of your card, account or access code; or
- c. You breach any provisions of your Membership and Account Agreement or any other agreement with the Credit Union.

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 (1st) business day following receipt of your written notice. However, termination of this Agreement will not affect the rights and responsibilities of the parties under this Agreement for transactions initiated before termination.

8. **Notices.** The Credit Union reserves the right to change the terms and conditions upon which this service is offered. Use of any EFT service is subject to existing regulations governing the Credit Union account and any future changes to those regulations.

9. **Billing Errors.** In case of errors or questions about your electronic transfers, telephone us at (360) 695-3441 or write us as soon as you can and send to P.O. Box 1739, Vancouver, Washington 98668-1739.

10. **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 access device or deposit envelope, and leave.
- f. If you are followed after making a transaction, go to the nearest public area where people are located.
- g. Do not write your personal identification number or code on your card.
- h. Report all crimes to law enforcement officials immediately