

**MEMBERSHIP
AND
ACCOUNT AGREEMENT**



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This agreement is the contract of deposit which covers your and our rights and responsibilities concerning membership and account(s) offered to you. In this agreement, the words “you” and “yours” mean those who sign the Account Card. The words “we,” “us,” and “our” mean the Prevail Credit Union (“Credit Union”). The word “account” means any one or more share or deposit accounts you have with the Credit Union. The classification and form of ownership of your accounts are designated on your Account Card. By signing the Account Card that is a part of the agreement, each of you, jointly and severally, agree to the terms and conditions in this agreement, including the Funds Availability Policy, Electronic Funds Transfer Agreement and Check Guarantee Provisions, the Truth-in-Savings Disclosures (Rate and Fee Schedule) accompanying this agreement, any account receipt, the Credit Union’s by-laws and policies, and any amendments which collectively govern your membership and accounts. Primary owners may pledge all or any part of the savings in this account or accounts as collateral security to a loan or loans. The right or authority of Prevail Credit Union under this agreement shall not be changed or terminated by said owners or by any of them except by written notice to Prevail Credit Union. Prior transactions will not be affected by such notice. You agree that additional accounts and services you request in the future will be governed by this agreement, as amended from time to time.

I. MEMBERSHIP AND ACCOUNTS

1. 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. 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 with right of survivorship, the deceased owner’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 (except 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/Trust Beneficiaries. A payable on Death (POD) designation, or Trust Account 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 or trust beneficiary designated on his or her Account Card. Accounts payable to more than one beneficiary are owned jointly by such beneficiaries with right of survivorship. Any 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 accounts established by or for a minor, the minor account owner must have a joint account owner or custodian who is at least eighteen (18) years of age who shall be jointly and severally liable to the Credit Union for any returned item, overdraft, or unpaid charges or amounts on such account. For a joint account, all funds in the account shall be owned as a joint account with rights of survivorship unless otherwise indicated on the Account Card. The Credit Union may make payments of funds directly to the minor without regard to his or her age. Unless a parent or guardian is a joint account owner, the parent or guardian shall not have any right to access the account. The Credit Union has no duty to inquire into the use or purpose of any transaction by the minor or joint account owner. The minor account owner's tax identification number must be shown on the Account Card. The Credit Union shall not change the account

status when the minor reaches age eighteen (18) unless authorized in writing by all account owners.

6. Accounts for Living Trusts. An account of a living trust is an individual account held by one or more trustees of a trust for the benefit of one or more beneficiaries pursuant to the 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 Change form is received. Funds may be released to any one trustee acting alone or with a co-trustee. The trustee(s) agrees to indemnify and hold Credit Union harmless of any liability, claim, damage, or loss arising as a result of unauthorized acts of any trustee or former trustee or acts of any trustee 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.

7. Accounts of Businesses and Organizations. Accounts held in the name of a business or association member are subject to the same terms set forth in this agreement and the following additional rules: The Credit Union reserves the right to require the member to provide an Account 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 or organization 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.

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

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 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 said endorsement. 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 his or her 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 with 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. Deposits 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.

9. Account Access.

a. Authorized Signature. In order to access any account, the Credit Union must have an authorized signature of yours on an Account Card. The Credit Union is authorized to recognize your signature, but will not be liable for refusing to honor any item or instruction of yours if it believes in good faith that the signature on such item or instruction is not genuine. If you have authorized the use of a facsimile signature, the Credit Union may honor any draft that appears to bear your facsimile signature even if it was made by an unauthorized person. If you give your account number to a third person, you authorize us to honor transactions initiated by 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., check, automated teller machines (ATMs), debit card, in person, by mail, automatic transfer, or telephone). If the Credit Union accepts any draft that is not drawn on a form provided by the Credit Union, you will be responsible for any loss incurred by the Credit Union for handling the draft. The Credit Union may return as unpaid any check that is not drawn in the form provided by the Credit Union.

c. ACH & Wire Transfers. You may initiate or receive credits or debits to your account via wire transfer or ACH ("Automated Clearing House") transfer. You agree that if you receive funds by a wire or ACH transfer, the Credit Union is not required to notify you at the time the funds are received. Instead, the transfer will be shown on your periodic statement. The Credit Union may provisionally credit your account for an ACH transfer before it receives final settlement for the transfer. You agree that if the Credit Union does not receive final settlement for a transfer, it may reverse the provisional credit to your account, or you will refund the amount to the Credit Union. 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.

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

11. Transaction Limitations.

a. Withdrawal Restrictions. The Credit Union will permit a withdrawal only if you have sufficient available funds in your account to cover the full amount of the withdrawal or have an established overdraft protection plan. Drafts or other transfer or payment orders which are drawn against insufficient available funds will be subject to a service charge, as 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 to been presented; or failure 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 as required by law, before such withdrawal.

b. Transfer Limitations. For savings accounts, you may make up to six (6) preauthorized, automatic, telephone, or audio response transfers to another account of yours or to a third party during any calendar month. Of these six, you may make no more than three (3) transfers to a third party by check or debit card purchase. 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 an automated clearing house (ACH). There is no limit on the number of transactions you may make in the following manner (i) transfers to any loan account with the Credit Union; (ii) transfers to another Credit Union account or withdrawals (checks mailed directly to you) when such transfer or withdrawal is initiated in person, by mail, or at an ATM. If a transfer request would exceed the transfer limitations set forth above in any statement period, the Credit

Union may refuse or reverse the transfer, and your account will be subject to suspension or closure by the Credit Union, and the Credit Union may impose a charge.

12. 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. 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 an 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.

b. Overdraft Protection Plan. Unless you notify us, we will provide an overdraft protection plan for you. We will honor items drawn on insufficient funds in any checking account by transferring the necessary funds from a deposit account or loan account of yours, if applicable to your share draft account. Unless otherwise directed, we will transfer funds to your overdrawn account, first from your savings account and then from your loan account, as applicable.

If you are eligible for the Courtesy Pay Program in accordance with Credit Union policies, the Credit Union may choose to cover overdrafts in your checking account resulting from ACH, checks ATM withdrawals, debit card purchases and shared branching, if no other means of overdraft protection is available as described above.

Overdrafts may not exceed a cumulative balance of the authorized Courtesy Pay limit at any time. The fee for overdraft transfers is set forth on the Rate of Fee schedule.

Your account may not have a negative balance resulting from overdrafts and related fees for more than 14 calendar days; thus, you must deposit funds in your account or obtain an approved loan from the Credit Union to cover the full amount of any negative balance within 14 days from the date the account incurs a negative balance. Under this overdraft program, any account with a negative balance for more than 14 days will be subject to collection. The Credit Union may discontinue covering overdrafts through the Courtesy Pay program at any time without notice.

Transfers from a deposit account or Courtesy Pay program will be governed by this Agreement. Transfers from a loan account will be governed by the applicable loan agreement.

13. Postdated and Staledated Items. You authorize us to accept and pay any check, even if the check is presented for payment before its date, unless you notify the Credit Union of the postdating. Your notice will be considered a stop payment order and 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) 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.

14. Stop Payment Orders.

a. Stop Payment Request. You may ask the Credit Union to stop payment on any personal check drawn upon your checking account. You may request a stop payment by telephone, by mail, or in person. 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 holder 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 endorsee in failing to stop payment of an item as a result of incorrect information provided by you.

15. 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.

16. 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 in making payments of deposited funds, the right, 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.

17. 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 nonassignable and nontransferable to third parties.

18. 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 you any money from your account until the dispute is resolved. If the Credit Union incurs any expens-

es 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.

19. 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.

20. Notices.

a. Name or Address Changes. It is your responsibility to notify the Credit Union in writing upon a change of address or change of name. The Credit Union is required to attempt to communicate with you only at the most recent address you have provided to the Credit Union. The Credit Union may require notice of a change of address or any other notice to be provided in writing to a branch of 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. Changes in account ownership such as adding or removing a joint account owner must be evidenced by an Account Card signed by all owners 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.

21. Taxpayer Identification Numbers (TIN) and Backup Withholding. If your account is or becomes subject to backup withholding, the Credit Union is required by law to withhold and pay to the Internal Revenue Service (IRS) a required percentage of payments of interest, dividends, and certain other payments under certain conditions. Your failure to furnish a correct taxpayer identification number (TIN) or meet other applicable requirements may result in backup withholding as well as civil or criminal pen-

alties. If you refuse to provide your TIN, the Credit Union may suspend the opening of your account, or you may request a nondividend bearing account until a TIN is provided.

22. 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. All accounts will receive a quarterly statement.

If a periodic statement is provided, you agree that only one statement is necessary for a multiple party account. For checking accounts, you understand that, when paid, your original check becomes property of the Credit Union and may not be returned to you. Copies will be retained by the Credit Union or a payable through financial institution and made available upon your request. You understand 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 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) if 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 drafts does not alter or waive your responsibility to examine your statements and draft copies or the time limit for notifying the Credit Union of any errors. The statement will be considered correct for all purposes and the Credit Union will not be liable for any payment made or 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.

23. Inactive and Abandoned Accounts. If you have an account and have not made a withdrawal from, deposit to, or transfer involving your account for more than two (2) years and the Credit Union has been unable to contact you by regular mail during that period, the Credit Union may classify your account as an inactive account and may charge an inactive account service fee as allowed by applicable law and set forth on the Rate and Fee Schedule. Thereafter, dividends will be paid on the account unless the balance falls below any minimum balance requirements. 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 five (5) 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.

24. Death of Account Owner. The Credit Union may require the survivor or other claimant to the account to produce certain documents before releasing the funds in the account. The Credit Union may continue to honor all transfers, withdrawals, deposits, and other transactions on the account until the Credit Union learns of an account owner's death. Once the Credit Union learns of a member's death, the Credit Union may pay checks or honor other payments or transfer orders authorized by the deceased member for a period of ten (10) days unless the Credit Union receives instructions from any person claiming an interest in the account to stop payment on the checks or other items. You agree that the Credit Union can require that anyone who claims funds in your account after your death to indemnify the Credit Union for any losses resulting from honoring that claim.

25. 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; (6) if there has been any misrepresentation or any other abuse of any of your accounts; or (7) if we have reason to believe that there has been an unauthorized use of any Card, PIC, or PIN issued to you. 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 pays a check after termination, you agree to reimburse the Credit Union for payment.

26. 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.

27. 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. If you ask the Credit Union to follow instructions that the Credit Union believes might expose it to claims, suits, lawsuits, expenses, liabilities, or damages, whether directly or indirectly, the Credit Union may refuse to follow your instructions or may require you to post a bond to indemnify the Credit Union. Any item presented with a full payment legend must be presented in person to a Credit Union officer; otherwise, payment is accepted with full reservation of rights. Account changes

requested by you, or any account owner, such as adding or closing an account or service, must be evidenced by a signed Account Card and accepted by the Credit Union. The Credit Union will not recognize the authority of someone to whom you have given power of attorney without written authorization and a copy of the Power of Attorney on record at the Credit Union.

28. 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.

29. 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.

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

II. FUNDS AVAILABILITY POLICY

1. General Policy. Our policy is to make funds from your deposits available to you on the first business day that we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written. For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit during posted business hours on a business day we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after posted business hours or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

2. Reservation of Right to Hold. In some cases, we will not make all of the funds that you deposit by check available to you on the first business day that we receive your deposit. Depending on the type of check that you deposit, funds may not be available until the fifth business day after the date of your deposit. However, the first \$100.00 of your total days 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.

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 period that we described above for the type of check that you deposited.

4. When Longer Delays May Apply. We may delay your ability to withdraw funds deposited by check into your account an additional number of days for these reasons:

- a. We believe a check you deposit will not be paid.
- b. You deposit checks totaling more than \$5,000 on any one day.
- c. You deposit a check that has been returned unpaid
- d. You have overdrawn your account repeatedly in the last six months.
- 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 eleventh business day after the day of your deposit.

5. Special Rules for New Accounts. If you open a new account, the following special rules apply during the first 30 days your account is open.

Funds from electronic 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 eleventh business day after the day of your deposit.

6. Deposits at Automated Teller Machines (ATMs). Funds from any deposits made at an automated teller machine (ATM) may be subject to hold until the fifth business day after the day of your deposit.

III. ELECTRONIC FUNDS TRANSFERS

By signing the Account Card or using The Exchange/ Accel/Plus/Interlink/CO-OP Network ATM Card ("Card"), Your Visa Debit Card or 24 Hour Phone/Internet Banking, you agree to the following terms governing your and our rights and responsibilities concerning the electronic funds transfer services, as applicable. Terms and conditions set forth elsewhere in this Agreement shall also apply to your electronic funds transfer service. Electronic funds transfers ("EFTs") are electronically initiated transfers of money through direct deposits, automated teller machines ("ATMs"), and audio response transactions involving your deposit accounts at the Credit Union.

1. Services.

a. ATMs. You may use your Card and Personal Identification Code ("PIC") in ATMs of the Credit Union, ATMs on The Exchange/Accel/Plus/Interlink/CO-OP Networks, point of sale terminals, 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 savings and checking accounts.
- Withdraw cash from your savings and checking accounts.
- Transfer funds between your savings and checking and line of credit accounts.
- Obtain balance information for your savings and checking accounts.
- Access an existing Line of Credit Account.
- Pay for purchases from merchants who have agreed to receipt the card at POS terminals.
- Obtain American Express Travelers Cheques at designated check dispensing machines through a withdrawal from your Savings Account.
- Other transactions as offered and permitted in the future.

b. Visa Debit. You may use your Visa Debit Card to purchase goods and services anywhere Visa is accepted. Funds to cover your VISA debit 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 trans-

action as an overdraft request pursuant to the overdraft protection plan or may terminate all services under this Agreement.

c. 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 or VA benefits.

d. 24 Hour Phone/Internet Banking. If we approve the 24 Hour Phone/Internet Banking access service for your accounts, a personal identification number (PIN) will be assigned to you. For 24 Hour Phone banking a 4 digit PIN will be assigned to you. For Internet Banking a separate 6 digit alpha numeric PIN will be assigned to you. You must use your PIN along with your account number to access your accounts via telephone or on the internet. At the present time you may use the 24 Hour Phone/Internet Banking service to:

- Obtain balance, deposit, withdrawal, dividend and loan payoff and due date information on your accounts at the Credit Union.
- Transfer funds among your savings and checking accounts.
- Withdraw funds from your savings, checking and loan accounts by check, made payable to you and mailed to you at your mailing address.
- Make loan and VISA payments from your savings and checking accounts.
- Such other transactions as offered and permitted in the future.

2. Service Limitations.

a. ATMs. (1) Withdrawals. For Credit Union ATMs, (i) there is no limit on the number of withdrawals you may make, however, you may be charged a fee as set forth on the Rate and Fee Schedule; and (ii) you may withdraw up to \$300 per day if there are sufficient funds in your account. If you overdraw your account, you may be charged an overdraft fee as set forth on the Rate and Fee Schedule. Because of the servicing schedule, there may be limited occasions when the Credit Union's computer is unavailable. A "closed" sign will appear when the machine is not in service. ATM withdrawals made in foreign countries and foreign currencies will be billed to you in U.S. dollars. The conversion rate to dollars will be at (i) the wholesale market rate or (ii) the government mandated rate, whichever is applicable, in effect one day prior to the processing date, increased by one percent. The currency conversion rate used on the processing date may differ from the rate that would have been used on the purchase date or cardholder statement posting date. (2) Deposits. You may make deposits at most ATMs within Washington and Oregon displaying the

Exchange and/or CO-OP logo. Because of the servicing schedule and processing time required in ATM operations, there may be a delay between the time a deposit (either cash or check) is made and when it will be available for withdrawal. Deposits are subject to verification by the Credit Union. You should review the Credit Union's Funds availability policy to determine the availability of funds deposited at ATM's. (3) Line of Credit Advances. The amount of Line of Credit Advances you may make is limited to your daily ATM withdrawal limit, POS limit, and available credit. Line of Credit Advances are governed by your previously executed Consumer Loan Agreement and Disclosure.

b. Point of Sale. Purchases at POS terminals can be made as often as you like from a checking account. You may purchase up to a maximum of \$200.00 of goods and services each day. This maximum amount is exclusive of the maximum withdrawals you may make at ATMs.

c. Purchase Limitations. There is no limit on the number of purchase transactions you may make during a statement period. No purchase may exceed the available funds in your account. The Credit Union reserves the right to refuse any transaction which would draw upon insufficient funds, lower an account below a required balance, or otherwise require us to increase our required reserve on the account. The Credit Union may set other limits on the amount of any transaction, and you will be notified of those limits. The Credit Union may refuse to honor any transaction for which you do not have sufficient available verified funds. Purchases made in foreign countries and foreign currencies will be billed to you in U.S. dollars. The conversion rate to dollars will be at (i) the wholesale market rate or (ii) the government mandated rate, whichever is applicable, in effect one day prior to the processing date, increased by one percent. The currency conversion rate used on the processing date may differ from the rate that would have been used on the purchase date or cardholder statement posting date.

d. 24 Hour Phone/Internet Banking Access. Your accounts can be accessed under 24 Hour Phone/Internet Banking, which 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, "Unavailable at this time." While there is no limit to the number of inquiries or withdrawal requests you may make in any one day, there are certain limitations on transfers from savings and checking accounts. Transfers from a savings 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 non-sufficient funds, exceed a credit limit, lower an account below a required balance, or otherwise require us to increase our required reserve on the account. Transactions made after the close of normal business hours each day will be posted to your account on the next business day after the date of the transaction. All checks are payable to you as a primary member and will be mailed to your address of record. The Credit Union may set other limits on the amount of any transaction, and you will be notified of those limits.

The Credit Union may refuse to honor any transaction for which you do not have sufficient available verified funds. There is no limit on the number of transaction requests you may make during a single phone call. The system will time out after 30 seconds if no transaction is entered, and after eight minutes in all cases. If you wish to make any further transactions, you will have to call back. The system will also time-out after three unsuccessful attempts to enter a transaction.

3. Security of Personal Identification Number/Code (PIN/ PIC). The Debit/ATM PIC; and PIN issued to 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 PIC;. You agree not to disclose or otherwise make your PIC; available to anyone not authorized to sign on your accounts. If you fail to maintain the security of these access codes/numbers and the Credit Union suffers a loss, we may terminate your ATM and account services immediately.

4. Member Liability. Tell us at once if you believe your Card, Debit/ATM PIC or 24 Hour Phone/Internet Banking PIN has been lost or stolen. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit), if your PIC is kept on or near your card, or if you divulge it to someone else, the Credit Union may not be liable for any loss. If you tell us within two (2) business days, you can lose not more than \$50 if someone uses your Card without your permission. If you do not tell us within two (2) business days after you learn of the loss or theft of your Card, and we can prove that we could have stopped someone from using your Card without your permission if you had told us, you may be liable for the entire loss.

Also, if your statement shows transactions that you did not make, tell us at once. If you do not tell us within sixty (60) days after the statement was mailed to you, you may not get back any money lost after the sixty (60) days if we can prove that we could have stopped someone from making the transfers if you had told us in time. If a good reason (such as a hospital stay) kept you from telling us, we will extend the time periods.

If you believe your Card has been lost or stolen or that someone has transferred or may transfer money from your account without your permission immediately call: 1-800-854-6219 or write to:

Prevail Credit Union
801 2nd Ave., Suite 100
Seattle, Washington 98104-1510

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

6. Fees and Charges. There are certain charges for electronic fund 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.

7. Right to Receive Documentation Transfers.

a. Periodic Statements. Transfers and withdrawals transacted through an ATM, POS terminal, your Debit Card, or the 24 Hour Phone/Internet Banking system will be recorded on your periodic statement. You will receive a statement monthly unless there is no transaction in a particular month. In any case, you will receive a statement at least quarterly.

b. Direct Deposits. If you have arranged to have a direct deposit made to your account at least once every sixty (60) days from the same source and you do not receive a receipt (such as a pay stub), you can find out whether or not the deposit has been made by calling 1-800-248-6928. This does not apply to transactions occurring outside the United States.

c. Terminal Receipt. You will get a receipt at the time you make any transaction (except inquiries) involving your account using an ATM, POS terminal, or your Debit Card.

8. 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;
- d. If you give us your written 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. 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, your account is inactive, or the transfer would go over the credit limit on your line of credit.
- b. If you used the wrong ATM-PIC, 24 Hour Phone/Internet Banking PIN or you used an ATM-PIC or 24 Hour Phone/Internet Banking PIN or Card in an incorrect manner.
- c. If the Card has expired or is damaged and cannot be used.
- d. If the ATM where you are making the transaction does not have enough cash.

- e. If the ATM was not working properly and you knew about the problem when you started the transaction.
- f. If circumstances beyond our control (such as fire, flood or power failure) prevent the transaction.
- g. If the money in your account is subject to legal process or other claim.
- h. If your account is frozen because of a delinquent loan.
- i. If there are other exceptions as established by the Credit Union.
- j. The ATM or POS terminal may retain your Card in certain instances, in which event you may contact the Credit Union about its replacement.

10. Preauthorized Electronic Fund Transfers.

Prevail Credit Union, 801 2nd Ave., Suite 100, Seattle, WA 98104; (206) 382-1888 or toll free (800) 248-6928.

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 the telephone number and address stated above any time up to three (3) business days before the scheduled date of the transfer. The Credit Union may require written confirmation of the stop payment order to be made within fourteen (14) days of any oral notification. If we do require the written confirmation, the oral stop payment order shall cease to be binding fourteen (14) days after it has been made. You may be charged a fee for each stop payment request.

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

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

11. 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.

12. Billing Errors. In case of errors or questions about your electronic transfers, telephone us at the phone number or write us at the address set forth above as soon as you can. We must hear from you no later than sixty (60) days after we sent the first statement on which the problem appears.

- a. Tell us your name and account number.
- b. Describe the transaction you are unsure about, and explain as clearly as you can why you believe it is 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 any error promptly. If we need more time, however, we may take up to forty-five (45) days to investigate your complaint or question. If we decide to do this, we will recredit your account within ten (10) business days 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. For transfers at point of sale terminals with merchants and transactions initiated outside the United States, we will have twenty (20) business days instead of ten (10) business days, and ninety (90) calendar days instead of forty-five (45) business days, unless otherwise required by law, to investigate your complaint or question.

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.

