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## **BUSINESS MEMBERSHIP AGREEMENT**

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**Notice to Members: The laws and regulations governing the financial services we provide are complex. To insure your understanding of our relationship with you, we provide this detailed agreement which explains both your responsibilities and ours. Please read this document carefully, and feel free to ask any questions regarding these terms and conditions.**

**BINDING ARBITRATION: EXCEPT AS SPECIFICALLY PROVIDED HEREIN, THIS ARBITRATION PROVISION SUBSTANTIALLY LIMITS YOUR RIGHT TO BRING A LEGAL ACTION IN A JUDICIAL FORUM (EXCEPT FOR MATTERS THAT MAY BE BROUGHT IN SMALL CLAIMS COURT AS SET FORTH HEREIN).**

**PLEASE READ THIS SECTION CAREFULLY. THE PARTIES WILL NOT HAVE A RIGHT TO HAVE A JUDGE OR JURY DECIDE ANY CLAIM OR DISPUTE; AND THE ABILITY TO APPEAL IS LIMITED IN AN ARBITRATED MATTER HEREUNDER. ANY DISPUTES WILL BE DECIDED BY A NEUTRAL ARBITRATOR. FURTHER, NEITHER PARTY NOR ANYONE ON THEIR BEHALF CAN PURSUE ANY CLAIM OR DISPUTE IN ANY CLASS OR REPRESENTATIVE CAPACITY. IT IS THE INTENT OF THE PARTIES HERETO TO PROVIDE A FUNDAMENTALLY FAIR AND LESS COSTLY FORUM TO ADDRESS ANY DISPUTES BETWEEN THE PARTIES; AND THE PARTIES SPECIFICALLY AGREE TO THIS ALTERNATIVE METHOD OF DISPUTE RESOLUTION AS AN INTEGRAL PART OF THE RELATIONSHIP BETWEEN THE PARTIES. SEE PAGE 9 OF THE ACCOUNT AGREEMENT SECTION FOR COMPLETE DETAILS.**

## ACCOUNT AGREEMENT FOR BUSINESS ACCOUNTS

The terms and conditions of this Account Agreement for Business Accounts ("Agreement") apply to all Clearwater Credit Union business accounts. You have agreed by signing the Membership Account Card and/or by using your account on or after the opening date, to be legally bound by the terms of this Agreement. You should keep a copy of this Agreement and anything else we send to you about your account for your records. When used in this Agreement, the terms "you" and "your" refer to your business or its authorized representative; the terms "we", "our," and "Credit Union" refer to Clearwater Federal Credit Union (*doing business as* Clearwater Credit Union). The term "Account(s)" refers to your Clearwater Credit Union business deposit account(s).

The purpose of this Section is to state the terms and conditions that apply to all of your accounts, account services or other relationships with us, including without limitation loan, safe deposit and other services. You understand that the agreements, terms, conditions, rules and regulations applicable to your loans, and any other applicable account(s) or service(s) remain in full force and effect and continue to be applicable, except as specifically modified by this Agreement. Further, to the extent that the terms of a specific Subsection of this Agreement vary from the terms set forth in this Section, the specific terms and conditions of the Subsection will govern our relationship with you.

**Suspension of electronic services and access to share or deposit accounts.** Subject to applicable law, we may suspend some or all electronic services and access to your checking or other account(s) if you become delinquent on any of your loan or deposit obligations to us or you cause a loss to us. We shall not be liable to you in any regard in connection with such suspension of services.

### DEPOSITS TO YOUR ACCOUNT

You may make deposits in any amount to your Account during normal business hours at any Credit Union branch or by mail. Please use the preprinted deposit slips provided to you. If the service is available, you may also make deposits by automatic transfers from other accounts, by telephone transfer, or at an automated teller machine ("ATM") that accepts Credit Union deposits.

The law allows and you specifically agree that we may supply any missing endorsement to a deposited check, draft, or any other instrument. However, we reserve the right to refuse to accept for deposit any item which does not bear a proper endorsement, which is payable to someone other than you or, in our sole discretion, under any other circumstances. Federal law specifies locations on checks for your and our respective endorsements. If our endorsement is illegible because you have endorsed a check in the wrong location, you will be liable for any resulting losses.

**Multiple Payees.** Unless any check, share draft or other instrument expressly indicates that the item is payable to conjunctive payees, the instrument shall be deemed payable in the alternative. If there is any ambiguity, the instrument shall be deemed payable in the alternative (example: a check payable to "A and B" is a conjunctive instrument. A check payable to "A or B;" "A, B;" "A/B", where "A and B are listed on separate lines;" or otherwise, where not expressly conjunctive are payable in the alternative).

We may refuse to cash a check made payable to you, but instead require you to deposit the check to your Account. All deposits accepted by us are subject to verification. You should retain your copy of any receipt or other document which evidences your deposit. If you claim that a deposit was not properly credited to your Account, we may ask you to show us your receipt or other document which evidences your deposit. You should not mail cash deposits. We will not be liable for any deposit that we do not receive. We reserve the right to make adjustments to your Account upon verification of your deposit or for computation or other errors related to your Account.

All non-cash deposits are posted to your Account subject to our receipt of "final payment" from the party on which the item is drawn. If we receive notice that an item is being returned to us unpaid, or if we do not receive final payment on a deposited item, because, for example, the drawer has placed a stop payment or the item is returned "insufficient funds" or "account closed"; or if an item is returned after final payment, we will charge your Account for the amount of the item, for any dividends carried on the item and for our applicable charges, even if the amount of the item has already been made available to you and even if we do not actually receive the returned item. If the charge-back of a returned item or a fee or other charge creates an overdraft, you agree to pay us the amount of the overdraft immediately, and we may charge your Account a service charge for the overdraft.

We receive final payment for deposited items at different times depending on the location of the parties who will pay the items. In addition, our receipt of final payment may be delayed further due to circumstances beyond our reasonable control. For more information, please see our Funds Availability Policy, which is incorporated herein by reference and which may be amended from time to time. If we must pay any fees to collect an item you have deposited, we will charge the fees to your Account and we may impose a service charge for the collection. If you receive a credit to your Account through the Automated Clearing House (ACH) network, the rules of the National Automated Clearing House Association permit us to notify you of the credit on your next regular Account statement.

If we credit your Account for an automated clearinghouse credit entry or for any other fund transfer or payment order ("fund transfer"), the credit we give you is provisional until we receive final settlement for the fund transfer through a Federal Reserve Bank. If we do not receive final settlement or payment, you agree that you must refund to us the amount we credited to you for the fund transfer and that we may charge your Account for such amount. In such case, the person making the payment to you will be considered not to have paid you the amount of the fund transfer.

When we process incoming fund transfers, we rely on the account numbers given to us by the financial institutions or other persons who send the fund transfers to us. We will have no duty to determine if the account numbers provided to us is consistent with the name or other information given to us and we will not be liable to you if we credit a fund transfer intended for you to another member's account because the sender instructed us to credit an incorrect account number.

We reserve the right to refuse or to return all or part of a deposit at any time.

### **We automatically redeposit returned items.**

You acknowledge and agree that your deposit or issuance of a check that uses check form or stock with decorative graphics, or that has ink colors other than black or blue, or your use of check stock other than Credit Union provided or approved check stock, may result in errors in processing a check image created from such a check. You agree that, to the extent permitted by law, we shall

have no liability to you in the event that you incur a loss from such errors.

You agree that you shall not deposit, without our express written consent, a document that you or someone on your behalf created or printed from an image or other electronic record of an original paper check (a "substitute check document"). Our acceptance for deposit of a substitute check document from you shall not be deemed as a waiver of the foregoing prohibition on the deposit of substitute check documents. You also shall not identify us as a "reconverting bank" or "truncating bank" on a substitute check document you deposit at any other financial institution or transfer to any other person. You hereby agree to indemnify us for any loss that we incur directly or indirectly from your deposit or transfer of a substitute check document in violation of the limitations set forth in this paragraph.

For checking accounts, you understand that when paid, your original check (or any substitute check) becomes property of the Credit Union and may not be returned to you. We have no obligation to retain the originals of any checks or other documentation. You agree to keep a copy of your original check in order to verify its validity. If you request us to provide you with an original check or sufficient copy, you agree that we may provide an electronic image of the original check or sufficient copy if you have agreed to receive account information or statements electronically. Further, the Credit Union may charge you a fee as set forth in the Schedule for each requested item and /or for research as applicable.

## **WITHDRAWALS FROM YOUR ACCOUNT**

Money may be withdrawn from your Account in different ways, as permitted for each type of Account. We are required to permit a withdrawal only if you have sufficient available funds in your Account to cover the entire amount of the withdrawal, and you are not in default under any obligations you owe to us. Checks or other debit items presented against insufficient or available funds are subject to a service charge. If there are sufficient funds to cover some but not all of your withdrawal orders, we will honor those withdrawals which can be paid, in any order convenient to us. If, in our sole discretion, we permit withdrawals for which there are not sufficient available funds, or you otherwise overdraw the available funds in your Account, you agree to repay us immediately the funds advanced to you. We will assess your Account a service charge, and we may also assess your Account a charge, which will be separately disclosed to you, each day on the amount of the overdraft. At no time shall we be required to allow you to overdraw your Account, even if we allowed such activity on one or more previous occasions.

We strongly suggest that you date checks with a current date. **WE WILL NOT BE LIABLE TO YOU FOR PAYING CHECKS WHICH ARE POST-DATED, STALE DATED (OLDER THAN SIX MONTHS) OR DO NOT BEAR A DATE.** If you do not wish us to pay a check you have issued, you must place a stop payment order with us and renew it every six months. (Please refer to the Stop Payment section of this Agreement).

You may stop payment on a preauthorized electronic funds transfer in accordance with the procedures described in our Electronic Funds Transfer Disclosure, which is incorporated herein by reference and which may be amended from time to time.

You agree to use only check forms supplied or approved by us, and we will have no duty or liability whatsoever where you choose to use other items. Our duty is to use ordinary care in examining checks when they are presented to us for payment. **UNLESS WE HAVE SPECIFICALLY AGREED WITH YOU IN WRITING, OUR DUTY WILL NOT INCLUDE MONITORING NONSTANDARD INSTRUCTIONS OR OTHER LEGENDS APPEARING ON CHECKS.** We shall be deemed to have exercised ordinary care if we process your checks only by automated means or if any unauthorized signature, counterfeit check, or alteration could not be detected by a reasonably careful examination of the item. You agree that we do not have to notify you if we refuse to pay a check you have written, if we pay a check that overdraws your Account, or if we impose a fee in connection with either of these events.

If you make withdrawals by check, the check must be properly completed and signed by the person(s) whose authority is on file with us. We may refuse to honor a withdrawal if we receive conflicting instructions from two or more authorized signers or if there is reasonable doubt as to who is authorized to make a withdrawal.

We reserve the right to refuse to cash or to impose a charge on anyone who asks us to cash a check that you have written. Even if your check is otherwise properly payable, we will not be liable to you for dishonor of your check, or otherwise, as a result of such refusal.

## **CHECK PRESENTMENT**

Your Account may be debited on the day an item is presented by electronic or other means, or at an earlier time based on notification received by us that an item drawn on your account has been deposited for collection in another financial institution. A determination of your account balance for purposes of making a decision to pay or return an item or debit due to insufficiency of available funds may be made at any time between the receipt of such presentment or notice and the time of payment or return of the item or debit, and no more than one such determination need be made.

## **FACSIMILE SIGNATURES**

If you choose to use facsimile signatures, you agree that

- (1) It is impossible for us to determine whether or not a facsimile signature is genuine;
- (2) We may honor any and all checks, drafts or other orders for the payment or withdrawal of money bearing or appearing to bear an authorized facsimile signature, even if the facsimile signature was made by an unauthorized person or the item on which a facsimile signature appears is itself a counterfeit item, or the facsimile signature is counterfeit.
- (3) You assume full responsibility and will indemnify us for all items paid over a forged or unauthorized facsimile signature.

## **TRANSACTION LIMITATIONS**

In accordance with applicable law, we reserve the right to require you to provide written notice of any intended withdrawals from any

account(s) of not less than seven (7) but not more than sixty (60) days before the intended date of withdrawal. Withdrawals will only be permitted if you have sufficient funds available in your account to pay the full amount of your withdrawal orders or you have an overdraft protection plan. If there are sufficient funds to cover some but not all of your withdrawal orders, we may permit those for which there are sufficient funds in any order we choose. We may refuse to allow a withdrawal, and will advise when required by applicable law if, for example: (1) there is a dispute between account owners; (2) a legal garnishment, attachment or levy is served on us; (3) the account(s) secures any obligation owed to us; (4) any required documentation has not been provided to us; or (5) you are delinquent or fail to pay a loan or any other obligation owed to us when due.

In addition to the foregoing, if any person should instruct the Credit Union to make a large cash withdrawal (the definition of which shall be within the Credit Union's sole discretion) in lieu of other methods of transferring funds offered by the Credit Union, the Member hereby releases the Credit Union from any and all liability, claims and demands whatsoever which arise from or in any way relate to the Member's possession of any large sums of cash from the moment possession of same is made available to the Member; and Member will execute and deliver any further releases the Credit Union may require in connection with any such withdrawal.

You may withdraw or transfer funds from your account(s) in any manner we permit (e.g., by writing a check; using an ATM or debit card at point-of-sale or at an automated teller machine; in person; by mail; by automatic or preauthorized transfer, ACH, wire transfer or other electronic transfer; by telephone or on-line banking or bill pay services, or other means made available to you).

**Transaction Limitations and the Credit Union's Business Days.** Except as may be otherwise specifically provided in our Agreements, all Transactions after our "daily cut-off time" and made on days that are not our business days as set forth in the Schedule will be treated, transmitted, recorded, etc., as applicable and appropriate as if received on the next business day that we are open. Deposits, orders, instructions, requests, etc., received by mail, electronically, at an unstaffed facility, or outside depository will be processed and credited only when actually received by us, and we shall have no responsibility until we actually receive the item.

## **STOP PAYMENTS**

You may stop payment on a withdrawal order or on any check, except for cashiers' checks, official checks or other cash equivalent items. We must receive your stop payment order at a time and in a manner which give us a reasonable opportunity to act on it prior to payment of the item. A STOP PAYMENT ORDER IS EFFECTIVE FOR SIX (6) MONTHS FROM THE DATE THE ORDER IS RECEIVED AND MAY BE RENEWED FOR ADDITIONAL SIX-MONTH PERIODS. We will accept stop payment orders issued by any person with signing authority on your Account, regardless of who initiated the check or other withdrawal order, and even if more than one signature is required on a check or withdrawal order.

Stop payment orders are subject to our current charge for that service. You may place a stop payment order at any branch office, by calling us at the telephone number on your statement, by writing to us at the address shown on your statement, or by any other notice method we agree to honor. We will request information about the check or other withdrawal order to be stopped, which may include:

- Account Number
- Name of party to be paid
- Amount
- Date
- Check number
- Your name and address

STOP PAYMENT ORDERS ARE PROCESSED BY COMPUTER. UNLESS THE AMOUNT OF THE ITEM AND OTHER INFORMATION ARE REPORTED ABSOLUTELY ACCURATELY, WE CANNOT ASSURE YOU THAT THE ITEM YOU WANT STOPPED WILL NOT BE PAID. In the event that we inadvertently pay an item over your valid stop payment order, we may refuse to re-credit your Account if you owed the money to the payee(s). You will be required to provide evidence satisfactory to us of the amount of your loss. If we re-credit your Account, you shall be deemed to have assigned to us all of your rights against the payee(s), both on the item and on the underlying claim, and we may require you to sign an affidavit that you did not receive full value from the transaction for which the check was issued and otherwise cooperate in our recovery efforts.

## **USE OF CHECK IMAGES AND SUBSTITUTE CHECKS**

For each original check that you deposit, you hereby authorize us (and any collecting institution, returning institution, Reserve Bank or processor which subsequently receives the original check) to create an electronic image ("check image") of the original check, and to process that check image for collection, payment and return. You further authorize the destruction of the original check that has been imaged. We may in our sole discretion determine the manner in which to collect or return a check image. We may: (i) present or transfer the check image to the paying bank, a Federal Reserve Bank, a check clearing house, image exchange network, or other collecting bank or returning bank; or (ii) create a substitute check and collect such substitute check (governed by the Check Collection for the 21st Century Act referred to here as the "Check 21 Act") instead of the check image.

A check image or a substitute check may be collected through one or more check clearinghouses, one or more Federal Reserve Banks, or pursuant to an exchange agreement with another depository institution. In such cases, you agree that the check image or substitute check is subject to the rules of that clearinghouse, Federal Reserve Bank, or exchange agreement.

You agree that we may debit your Account for any of the following items: (i) a check image of an original check drawn on your Account and presented for payment or collection, or (ii) a returned check image of an original check that was deposited by you. In these situations, we may debit your Account without receipt of, or review of, the original check associated with the check image. In our sole discretion, we may return to a presenting bank, returning bank or paying bank or post to your Account, a paper copy or paper representation of an original check (including without limitation an image replacement document or IRD, or a photocopy) drawn on or returned to your Account that does not otherwise meet the technical or legal requirements for a substitute check.

You agree that a check image that is received or created by the Credit Union in the check deposit, collection or return process shall be considered a "check" and/or an "item" for all purposes under this Agreement and applicable law.

In addition, a check that you deposit with us, or that you draw on your Account, may be truncated in the check collection

process and replaced with a substitute check. You authorize us to pay, process or return a substitute check in the same manner as "check" or "item" under this Agreement. Substitute checks are governed under the Check 21 Act and the terms of this Agreement, to the extent not modified by the Check 21 Act.

You agree to indemnify and hold harmless us, our employees and agents from any loss, claim, damage or expense that you or any other person may incur directly or indirectly as a result of any action taken by us to process a check image or substitute check instead of the original check, including the destruction of the original check, as described above, to the extent permitted by applicable law.

### **LIMITATION ON HIGH SPEED CASH LETTERS**

When depositing a paper check cash letter for high speed processing, you may only include in such cash letter those checks or items that are eligible for conversion to a check image under the terms of this Agreement and any other documentation, terms and conditions and instructions provided by us to you from time to time. Without limiting the generality of the preceding sentence, a high speed cash letter may not include any of the following items: forward or return items in carrier documents, photocopies in lieu, notices in lieu of return, foreign items or mutilated items. To deposit these non-eligible items, you must prepare a separate cash letter and indicate in the cash letter in the manner specified by us to you from time to time that the cash letter consists of items not eligible for imaging. You hereby agree to indemnify us for any loss that we incur directly or indirectly from your deposit of a cash letter in violation of the limitations set forth in this paragraph.

### **DIVIDENDS**

Dividends are subject to the approval of the Credit Union's Board of Directors and are paid from current income and available earnings, after required transfers to reserves at the end of a dividend period. The following provisions apply to dividend-bearing business accounts:

Not all business accounts pay dividends. You should refer to your Rate and Fee Schedule, which is incorporated herein by reference, to assess current dividends (if any), costs, fees and other charges.

Dividends will be calculated on your dividend bearing Account and credited directly to your Account as set forth below.

**Payment and Balance Computation.** Your dividend rate and annual percentage yield may change. At our discretion, we may change the dividend rate and Annual Percentage Yield on your Account any time without notice to you. We may also change the manner in which dividends are calculated and/or credited to you, by posting the change in our branch offices, by making such information available upon request in our branch offices, or in any other manner required or permitted by law. If you desire current dividend rate and annual percentage yield information, please ask in any branch office or telephone your Credit Union representative.

We reserve the right to calculate dividends for those dividend bearing Accounts which are used for business or other non-personal purposes, in a manner different from those dividend-bearing Accounts which are used for personal, household or family purposes. We must report dividends on certain non-corporate Accounts to the appropriate governmental agencies. It is your responsibility to give us your correct tax identification number and to make certain written certifications to us as required by law. If you fail to give us your number or the required certifications, we may withhold and pay to the government a percentage of the dividends earned on your Account, as required by law. You may also be subject to government penalties.

**Dividend Payment and Balance Computation.** At our discretion, we may change the dividend rate(s) and Annual Percentage Yield(s) on your account at any time without notice to you. Dividends on all dividend-bearing commercial / member business deposit accounts referenced in this Agreement are compounded monthly and credited monthly.

We use the daily balance method to calculate the dividends on your account. This method applies a daily periodic rate to the principal in the account each day. Tiered-rate accounts earn dividends on the entire account balance each day at the dividend rate and annual percentage yield in effect for that day's balance.

Dividends begin to accrue on dividend-bearing accounts no later than the business day we receive credit for the deposit of checks and other non-cash items. Dividends begin to accrue on money market deposit accounts based on the day funds are available to you for withdrawal.

Unless stated otherwise, the term "month" when used in this Agreement or any Schedule or other Addendum means monthly statement cycle.

### **FEATURES OF CERTAIN ACCOUNTS**

Checking accounts each consist of two sub-accounts - a checking sub-account and a non-dividend bearing money market sub-account. Interest Checking accounts consist of a checking sub-account and a money market sub-account, which each earn dividends at the Interest Checking rate. Each statement period, we allocate funds between these two sub-accounts and make transfers each day from the available funds in the money market sub-account to the checking sub-account as needed to pay withdrawals. We reserve the right to require at least seven days written notice prior to the withdrawal or transfer of any funds from a money market sub-account.

### **STATEMENTS**

We will make available or send a monthly statement to the last address that you have specified for your Account. This statement will list all activity that relates to your Account during the statement period and any other information required by law. Upon receipt, you should review your statement carefully. IF YOU FAIL TO NOTIFY US, WITHIN 14 DAYS OF RECEIPT OR AVAILABILITY OF THE STATEMENT OR OTHER WRITTEN OR ELECTRONIC REPORT OF YOUR ACCOUNT TRANSACTIONS, OF ANY PROBLEM OR DISCREPANCY THAT APPEARS ON THE STATEMENT OR REPORT, SUCH AS AN UNAUTHORIZED TRANSACTION OR THE FORGERY OR ALTERATION OF ANY ITEM CHARGED TO YOUR ACCOUNT, YOU MAY LOSE CERTAIN LEGAL RIGHTS. IN

NO EVENT WILL WE BE LIABLE FOR ANY UNAUTHORIZED TRANSACTION OR ANY FORGERY, UNAUTHORIZED SIGNATURE OR ALTERATION OF AN ITEM ON YOUR ACCOUNT THAT IS NOT BROUGHT TO OUR ATTENTION WITHIN 90 DAYS OF THE DATE ON WHICH YOUR STATEMENT OR REPORT WAS RECEIVED OR MADE AVAILABLE TO YOU.

Notwithstanding the foregoing, the time period for notifying us or making a claim under the Check 21 Act, with respect to a substitute check or an image of a substitute check that is sent with a statement or that appears on a statement, will be as set forth in the Check 21 Act.

Please notify us in writing of any change in your address. If your statement is returned to us, we will suspend further mailings until a current address is received. You will be deemed to have received any information we mail to you five (5) business days after the information is mailed, even if it is returned to us as undeliverable. You will be deemed to have received information we hold at your request at the time we make such information available for you to pick up. You will be deemed to have received information we make available to you electronically on the date we make the information available for access by you.

#### **INACTIVE ACCOUNTS**

If your Account is inactive (i.e., you do not make any deposits or withdrawals) and you have not otherwise communicated with us about your Account for the period provided by law, we will be required to transfer the balance of your Account as "abandoned property" to the appropriate state authority. If your Account is inactive for the period of time specified in our business fee schedule, we reserve the right to impose an inactivity charge on your Account. You also agree that if it becomes inactive, your Account will be subject to any new fees or fee increases which go into effect during the period of inactivity.

#### **ADVERSE CLAIMS TO FUNDS IN YOUR ACCOUNT**

Without any obligation or liability, we may place a hold on your Account in the amount of any funds for which there may be an adverse claim when we investigate the claim or until ownership of the funds is established to our satisfaction.

#### **MONEY OWED**

Except to the extent otherwise agreed with you in writing, any loans, charges, service or analysis charges, overdrafts or other obligations or other indebtedness now or hereafter owed to us by you may be charged in whole or in part to the Account, to any other account(s) in your name, or to accounts of co-owners and of certain individuals, to the extent permitted by law. You grant us a security interest in the balance in the Account and in any other account(s) in your name, to pay all loans, charges, service or analysis charges, overdrafts or other obligations or other indebtedness now or hereafter owed to us by you. In addition, we may exercise our right of set off without advance notice to you and without regard to any other right that we may have against you or any other party. Such set off shall be effective immediately upon the occurrence of the event giving rise to the set off rights even though we may enter the set off on our books at a later date.

Our security interest and right of set off shall prevail and take priority over any adverse claim, change of ownership, pledge, attachment, garnishment, levy, court order or other legal process of any kind whatsoever. Should one of these events occur, we may take any action permitted or required by law.

#### **CHANGE IN ACCOUNT INFORMATION**

You must notify us immediately of any change to your business structure, operations, products/services offered, the officers of your business, or signing authority for your Account. We may ask you to execute and deliver to us new account resolutions and signature cards before the change is made effective. You should also notify us in writing of any change in your address.

#### **TRANSFER OF OWNERSHIP**

YOUR ACCOUNT IS NOT ASSIGNABLE OR TRANSFERABLE EXCEPT ON OUR RECORDS. We must approve any pledge of your Account as security for a debt, and any pledge remains subject to our security interest and right of set off, unless we otherwise agree in writing. If you wish to transfer ownership of your Account, we may require that your Account be closed and a new one be opened by and in the name of the new owner(s).

#### **DEATH OF SOLE PROPRIETOR**

Following the death of a sole proprietor of an unincorporated business, the balance in the Account shall be payable in accordance with applicable law upon presentation of appropriate qualification documents and any required tax release.

#### **CHARGES TO YOUR ACCOUNT**

Your Account may be subject to various charges, including but not limited to item charges, a monthly service charge, charges for the use of certain Account services, and late payment charges as set out in the Business Rate and Fee Schedule, statement or other fee disclosure we provide to you, and which are made part of this Agreement. Unless otherwise agreed, these charges will be deducted from your Account balance automatically and may cause you to become overdrawn or your outstanding checks to be returned unpaid.

If funds in your Account are attached, garnished, or levied against, or if we are prohibited by law from paying on your Account, we may assess a legal process charge. We will debit your Account for any expenses we may incur as a result of any such legal action. Any such legal action may reduce your Account balance and cause your outstanding checks to be returned unpaid. We reserve the right to charge a fee for cashing checks you write. This fee will be collected from the payee at the time the check is cashed. If the payee refuses to pay our check cashing fee, we may refuse to cash your check, even if your check is otherwise properly payable, and we will

not be liable to you for dishonor of your check, or otherwise, as a result of such refusal. You may contact your Credit Union representative to learn the amount of the fee.

We reserve the right to make changes to our fees and other charges from time to time. Where practicable, notice of such changes will be given by mail addressed to the last address that you have specified for your Account by posting in our branch offices, by making the information available to you in electronic form or otherwise as required or permitted by law.

## **CLOSING YOUR ACCOUNT**

You or the Credit Union may close your Account at any time for any reason and without prior notice. If we close the Account, we will mail you a check for the final balance. You will still be liable to us for any service charges, returned checks or overdrafts, which may occur after the Account is closed.

## **INFORMATION**

You agree to cooperate with us in any record keeping and reporting which we believe to be necessary to fulfill government requirements. We may record conversations we have with you about your account.

## **DISCLOSURE STATEMENTS**

In connection with your Account, we may give to you certain disclosure statements or policies, and may revise them from time to time. All such statements, policies and revisions shall be considered to be a part of this Agreement.

## **OUR STANDARD OF CARE**

Our responsibility to you is limited to our exercise of ordinary care in performing the services covered by this Agreement. Substantial compliance with our standard procedures shall be deemed to be the exercise of ordinary care. We will have no liability to you for taking or not taking any action permitted but not required. We will not be liable for the action or inaction of any third party in handling items deposited to or withdrawn from your Account. NO THIRD PARTY SHALL HAVE ANY RIGHTS OR CLAIMS AGAINST US UNDER THIS AGREEMENT.

## **OTHER SERVICES**

If you use other Credit Union services in connection with your Account, and there is any inconsistency between the terms and conditions of the agreement for those services and this Agreement, then the terms and conditions stated in the agreement for the additional services shall control, but only to the extent necessary to avoid inconsistency with this Agreement.

## **AMENDMENT, WAIVER**

We reserve the right to amend this Agreement from time to time, including the right to convert your Account from one product to another. Where practicable, we will post notice of any amendment in our branch offices, or we will mail notice of an amendment to the last address which you have specified for your Account, or notify you otherwise as required or permitted by law. Any waiver by us of any term or condition stated in this Agreement must be in writing and signed by a Credit Union officer and shall not be considered a waiver of any other or future obligation or right.

## **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 not held by the court to be invalid or unenforceable will continue in full force and effect.

## **WAIVER OF JURY TRIAL**

YOU IRREVOCABLY WAIVE ANY AND ALL RIGHTS YOU MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS AGREEMENT OR YOUR ACCOUNT, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS AGREEMENT OR YOUR ACCOUNT, ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS, OR ANY OTHER AGREEMENTS, TRANSACTIONS OR RELATIONSHIPS YOU MAY HAVE WITH US NOW OR IN THE FUTURE. YOU ACKNOWLEDGE THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

## **GOVERNING LAW**

This Agreement is governed by the laws and regulations of the state in which the Credit Union office where you opened your account is located. If your account is opened by mail, or electronically through our Internet Website, and we have a branch office in your state of residence, this Agreement is governed by the laws and regulations of that state. If we do not have an office located in your state of residence, and your account is opened by mail, or electronically through our Internet Website, this Agreement is governed by the laws and regulations of the State of Montana. This Agreement is also at all times governed by the laws and regulations of the United States of America.

## **COSTS, EXPENSES AND ATTORNEYS' FEES**

All owners of account(s) or service(s) with us agree, jointly and severally, to pay us for all costs and expenses, including attorneys' fees we may incur: (1) If it is necessary for us to bring any legal or other action to collect any sum you owe the Credit Union;

(2) If we incur any costs or expense as a result of any order or instruction received from any owner or any owner's agent under this Agreement, any adverse claim, or legal process; your failure to comply with any obligation in this Membership Agreement or otherwise; (3) If we incur any expense as a result of any dispute, adverse or inconsistent claims; (4) If we bring any action contemplated in this Agreement; (5) If we successfully defend any claim against the Credit Union brought by any owner, agent, personal representative, executor, heir or other party in interest brought via any formal or informal process (including but not limited to arbitration or mediation) involving your accounts or services with us; or (6) If we deem it necessary to seek the advice or opinion of legal counsel or other professionals regarding the bona fides or legality of any transaction(s) to/from your accounts or involving any services with us, or any request for information or documentation regarding any of your accounts and/or services with us. If you are responsible to pay us any costs of collection or legal expenses incurred in collecting any amount you owe; in enforcing or protecting our rights under this Agreement or otherwise; or as provided in this subsection, including but not limited to costs of repossession, repair, appraisal, and all other costs or expenses, you agree to pay us the actual amount of such costs and expenses together with reasonable attorneys' fees. In the case of any collection action you agree that 20% of the unpaid balance or such greater sum as may be appropriate based on the circumstances shall be a reasonable amount, unless applicable law specifically provides otherwise. Further, you agree to pay the Credit Union an additional sum for any costs, legal expenses or attorneys' fees incurred in any appellate, bankruptcy or post-judgment proceedings, except as limited or prohibited by applicable law. Any costs, expenses or fees hereunder will be paid from any of your account(s) with the Credit Union before payment to any owner or other party. If the amounts in your account(s) are not sufficient, then the owner(s) of the affected account(s) or parties to any applicable services will immediately pay any difference.

### **INDEMNITY**

If you ask us to follow instructions that we believe might expose us to claims, suits, losses, expenses, liabilities, or damages, whether directly or indirectly, we may refuse to follow your instructions or may require a bond or other protections. An example of the kind of protection asked for would be your promise to protect the Credit Union against any claims (an indemnity).



## MANDATORY ARBITRATION OF DISPUTES AND CLAIMS

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Arbitration is a method of deciding disputes outside the court system. The parties agree and understand that they choose arbitration instead of litigation to resolve all claims and disputes not specifically excluded. This provision governs when and how any disputes you and we may have will be decided. Unless specifically prohibited by applicable law all disputes, claims, damages, choses in action, claims for injunctive relief or controversies arising from or relating in any way to the agreements, relationships, accounts, loans, or security agreements between you and us; the relationships which result or arise as a result of this Agreement; any rights, privileges or services you receive from us now or in the future; any claims or disputes arising in or ancillary to any bankruptcy or other insolvency proceeding; or the validity of this clause (together referred to collectively as Agreement), shall be resolved by binding arbitration by a single arbitrator chosen with the mutual consent of the parties. The arbitrator must be an attorney with more than ten (10) years experience or a retired judge. If for any reason the parties do not consent to an arbitrator within thirty (30) days from the date that notice of a claim or intent to arbitrate is provided to the other party, then an arbitrator will be selected pursuant to the Rules of the American Arbitration Association ("AAA"). This arbitration Agreement is made pursuant to a transaction in Interstate Commerce, and shall be governed by the Federal Arbitration Act ("FAA") at 9 USC § 1, et seq., as amended from time to time. It is understood and agreed that your Business Membership Agreement(s), your Accounts, all transactions on your Accounts, and any dispute defined herein shall involve Interstate Commerce. If any dispute between us does not involve Interstate Commerce, such dispute shall be governed by the Arbitration Act for the State set forth in this Membership Agreement, as amended from time to time, in which case all references to the FAA herein shall be to said State Act. **If the State has no Arbitration Act, then the parties will be governed by the Rules of the American Arbitration Association in any matter not involving interstate commerce.** The parties agree and understand that the arbitrator shall have all power provided by the law and this Agreement to make and enter findings of fact and determination of judgment based on the parties' Agreements and applicable law, including but not limited to the rights of possession, off-set, property rights, money damages, declaratory relief, and injunctive relief. No arbitrator shall have the jurisdiction or authority to add to, take from, nullify or modify any of the terms of the Agreement. The arbitrator shall be bound by the facts and evidence submitted to him. Arbitration will be subject to the rules of procedure and evidence consistent with the Rules of the American Arbitration Association, and the Arbitrator will not apply federal or state rules. The decision of the arbitrator shall be final and binding and may be enforced in accordance with the terms of either the Federal or applicable State Law, except for any specific appeal right regarding a judgment under the FAA or a judgment for more than \$100,000. For these judgments, any party may appeal to a three-arbitrator panel appointed by and under the rules of the AAA. The decision of the panel will be by majority vote and will be final and binding except for any specific appeal right under the FAA. All provisions of this Arbitration Agreement will apply to the panel. Judgment upon the award rendered may be entered in any court having jurisdiction.

**WITH THE EXCEPTION EXPLAINED HEREIN, THE PARTIES AGREE AND UNDERSTAND THAT ALL DISPUTES (INCLUDING ALL LEGAL AND EQUITABLE RIGHTS AND REMEDIES) ARISING UNDER CASE LAW, STATUTORY LAW, AND ALL OTHER LAWS INCLUDING, BUT NOT LIMITED TO, ALL CONTRACT, TORT, REGULATORY, AND PROPERTY DISPUTES WILL BE SUBJECT TO BINDING ARBITRATION IN ACCORD WITH THIS AGREEMENT.** Notwithstanding anything hereunto the contrary, the Credit Union retains an option to use judicial or non-judicial relief to enforce a security agreement relating to any collateral pledged to secure the Agreements between the parties, to enforce all monetary obligations by you to the Credit Union so long as there is no dispute that is subject to mandatory arbitration, or to foreclose on any collateral securing your obligations to us by way of replevin, claim and delivery, or otherwise. The initiation and maintenance of an action for judicial relief in a court on the foregoing terms shall not constitute a waiver of the right of any party to compel arbitration regarding any other dispute or remedy subject to arbitration in this Agreement, including the filing of a counterclaim in any action brought by the Credit Union pursuant to this provision.

Any arbitration proceeding will take place in the federal judicial circuit where the Credit Union maintains a branch that is the closest Credit Union branch to your primary place of business. Each party must bear all of their own expenses, including the party's own attorneys, experts, and witnesses, regardless of who wins the arbitration, except to the extent that applicable law specifically requires otherwise. The rules of the AAA will be applied to any arbitration between the parties, except in the event of any inconsistency between this Agreement and the rules of the AAA, in which case this Agreement will govern.

## ACCOUNT AGREEMENT FOR CERTIFICATES

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**Rate Information.** Please refer to your Business Rate and Fee Schedule for current rate(s) and annual percentage yields. Dividends are paid the current rate at the time your account was opened. Unless specifically otherwise provided in writing, this rate is in effect until your Certificates matures.

**Variable Rate.** Designated Certificates are paid varying dividend rates and Annual Percentage Yields subject to change during the term. Please refer to your Business Rate and Fee Schedule for more details.

### COMPOUNDING AND CREDITING OF INTEREST

Dividends begin to accrue on the day you open or renew a Certificate. If an additional deposit of cash, check or any other non-cash item is being made to the certificate at maturity, this deposit will begin to accrue dividends as of the maturity date. Dividends will be compounded according to your Business Rate and Fee Schedule. Dividends may also be paid by check or credited to another Credit Union account monthly, quarterly, semi-annually or annually. If you receive dividend payments during the term of your Certificates, dividends are not compounded.

### MINIMUM BALANCE REQUIREMENTS

Minimum balance requirements may apply to certain accounts. You must maintain these minimum balances in your account each day to obtain the annual percentage yield applicable to your account. Please see your Business Rate and Fee Schedule for more details.

### BALANCE COMPUTATION METHOD

We use the daily balance method to calculate the dividends on your account. This method applies a daily periodic rate to the principal in the account each day.

### TRANSACTION LIMITATIONS

There may be transaction limitations on certain accounts. Please see your Business Rate and Fee Schedule for more details.

### EARLY WITHDRAWAL PENALTIES

The terms of your Certificates may obligate you to leave your funds on deposit with the Credit Union until the maturity date of your Certificates and/or renewed Certificates. Any withdrawal which the Credit Union permits during the first seven (7) days of the initial term of a Certificate, or prior to the maturity date of any other Certificates, will be subject to financial penalty (except in the case of death or legal incapacity of any owner of the Certificates).

Where necessary to comply with the above, any funds necessary to complete the penalty shall be deducted from the principal remaining in the account. Please see your Business Rate and Fee Schedule for more details.

### RENEWAL POLICY

Please see your Business Rate and Fee Schedule for the renewal policies regarding your certificates.

## UNIFORM COMMERCIAL CODE FUNDS TRANSFERS AGREEMENT AND DISCLOSURE

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- 1. Summary and Definitions.** This Agreement governs the movement of funds by means of funds transfers defined in Article 4A of the Uniform Commercial Code, Subpart B of Regulation J of the Board of Governors of the Federal Reserve System (generally referred to as "Fedwire" or "wholesale" wire transfers), and as may be applicable the operating rules for the National Automated Clearing House Association ("NACHA"). This Agreement does not apply to any transaction or any part of any transaction governed by the Electronic Funds Transfer Act and Regulation E. To the extent that the terms of this Agreement vary from the other agreements or disclosures in this Booklet, this Agreement shall govern. Further, to the extent that this Agreement varies any provision of Article 4A, Regulation J or the operating rules of NACHA, this Agreement shall govern, except where specifically prohibited by applicable law.
- 2. Services Available.** You authorize us to transfer funds in accordance with your request(s) to and from your account(s) with us, or to and from another institution. Transfers shall be made according to any security procedures we deem appropriate or as specifically agreed upon as provided herein. We may debit any of the accounts you designate as a source of payment for funds transfers and any related fees and service charges. We will have no obligation to accept or execute any payment order if (1) the account(s) from which it is to be made does not contain sufficient available collected funds; (2) the payment order is not authorized or does not comply with applicable security procedures; or (3) acting in good faith we have reasonable cause for rejecting the payment order.
- 3. Person(s) Authorized to Make Transfers.** You agree that you, any joint owner of an account, or any person authorized by a written instrument by you or any joint owner, that is acceptable to us, may initiate, request, cancel, amend or verify transfers on your account(s). We may rely on the authority of any person(s) designated by you or any joint owner until we receive written notice revoking or modifying that authority.
- 4. Security Procedure(s).** We may establish security procedures to verify the authenticity of a payment order. You agree that the authenticity of payment orders may be verified using that security procedure unless you notify us in writing that you do not agree to that security procedure. In that event, we shall have no obligation to accept any payment order from you or other authorized parties on the account until you and the Credit Union agree in writing to an alternate security procedure. You authorize us to record any telephone communications regarding any transfer order, which we may maintain for any period of time we deem appropriate.
- 5. Time Limitations for Acceptance of Orders.** We may establish and change cut-off times for the receipt and processing of funds transfer orders, amendments or cancellations. Our transfer business days and cut-off times are set forth in the Schedule, as amended from time to time. Transfer orders, cancellations or amendments received after the cut-off time may be treated as received on the next following funds transfer business day, and processed accordingly. Your request for transfer(s), amendment(s) and cancellation(s) is considered accepted when executed by us.
- 6. Cancellation or Amendment of Transfer Request(s).** You may not be able to cancel or amend a request after it is received by us. However, we may, in our sole discretion, use reasonable efforts to act on your request for cancellation or amendment. Any request for cancellation or amendment is subject to applicable security procedure(s). We shall have no liability if such cancellation or amendment is not effected. Furthermore, you agree to indemnify and hold us harmless from any and all liabilities, costs and expenses we may incur in attempting to cancel or amend any transfer.
- 7. Member Instructions Identifying Beneficiary or Financial Institution.** You acknowledge and agree that when you provide us with the name and account number when requesting a transfer, that payment may be made solely on the basis of the account number even if the account number identifies a beneficiary different from the beneficiary named by you. Further, payment instructions identifying a beneficiary's financial institution name, routing and transit number may result in payment solely on the basis of the routing and transit number even if the name of the institution does not correspond to said numbers. You further agree that your obligation to pay the amount of the wire transfer to us is not excused in such circumstances. Likewise, wire transfers received by us for your benefit may be paid by us solely on the basis of account number.
- 8. Account Statements and Notices.** All transfers subject to this Agreement will be reflected on your periodic account statement(s). Notification of receipt of all such transfers will be provided by including such item in the periodic account statement(s) we provide to you. You may inquire whether a specific transfer has been received at any time during our normal business hours.

You agree to review each statement or other notice for any discrepancies in connection with transfers. If you think a transfer is not authorized, wrong, or if you need more information about a transfer, you must contact us in writing upon discovery of the error or within 30 days after you receive the first notice or statement that reflects the discrepancy you allege, whichever is earlier. Failure to do so will relieve us of any obligation to pay interest or otherwise compensate you for the amount of any unauthorized or erroneous transfer.
- 9. Method Used to Make the Wire Transfer.** We may select any means for the transmission of funds we consider suitable, including but not limited to the Credit Union's own internal systems or Fedwire. Any subsequent financial institution may also use Fedwire. Any use of Fedwire shall be governed by applicable Fedwire regulations. The Credit Union is not responsible for performance failure as a result of an interruption in transfer facilities, labor disputes, power failures, equipment malfunctions, suspension of payment by another party, refusal or delay by another financial institution to accept the transfer, war, emergency conditions, fire, earthquake or other circumstances not within our control.
- 10. Limitation of Credit Union's Liability.** In addition to any defense or exception from liability provided in this Agreement or

applicable law, the Credit Union shall not be liable in any case for any special, indirect, exemplary, consequential or punitive damages (including lost profits). Further, we shall in no case be responsible for the payment of any attorneys' fees or other legal expenses whatsoever. If we become obligated to pay dividends to you under applicable law, you agree that the dividend rate shall be equal to the dividend rate applicable to the account on which the transfer was made.

- 11. Provisional Payment.** We may in our sole discretion give you a credit for automated clearing house (ACH) payments or wire transfers before we receive final settlement of the funds transfer. We reserve the right to reject any such payment or transfer without liability to you. Any such credit is provisional until we receive final settlement. If we do not receive such settlement, we are entitled to a refund from you in the amount provisionally credited.
- 12. Choice of Law.** We may accept on your behalf payments to your account which have been transmitted through one or more Automated Clearing Houses (ACH) and which are not subject to the Electronic Fund Transfer Act and your rights and obligations with respect to such payments shall be construed in accordance with the laws and as provided in the operating rules of the National Automated Clearing House Association.

## FUNDS AVAILABILITY POLICY

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### Your Ability to Withdraw Funds

Our policy is to make funds from your cash and check deposits available to you on the same business day that we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit, unless they involve an International ACH Transaction. See below for more information on International ACH Transactions. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written.

### Longer Delays May Apply

However, in some cases, the availability of funds may be delayed under the following circumstances.

**Case-by-Case Holds:** Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. The first \$225 of your deposits, however, will be available on the first business day after the date of deposit.

If we are not going to make all of the funds from your deposit available on the first business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit.

If you will need the funds from a deposit right away, you should ask us when the funds will be available.

**Exception Holds:** In addition, funds you deposit by check may be delayed for up to the 7th business day after the day of your deposit under the following circumstances:

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$5,525 on any one day.
- You redeposit 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 computer or communications 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.

### Deposits at Automated Teller Machines

Funds from any deposits (cash or checks) made at automated teller machines (ATMs) we do not own or operate will not be available until the fifth business day after the day of your deposit. This rule does not apply at ATMs that we own or operate. All ATMs that we own or operate are identified as our machines.

Funds from deposits (cash or checks) made at automated teller machines (ATMs) we own or operate will follow the same availability schedule as making a deposit in person to one of our employees, except that same day availability may not apply to the items noted. These deposits may be available the first day after the day of deposit.

### Special Rules for New Accounts

If you are a new customer, the following special rules will apply during the first 30 days your account is open. Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,525 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 next business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over \$5,525 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,525 will not be available until the second business day after the day of your deposit.

Funds from all other check deposits will be available on the ninth business day after the day of your deposit.

### Business Days and Cut-off Times

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 4:30 pm 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 that time or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

### International ACH Transactions

International ACH Transactions (IAT) that are transmitted to or from any of your accounts may be identified and designated by us for review and examination under the Office of Foreign Assets Control Rules and Regulations (OFAC Rules). In such a case, settlement of the IAT may be delayed or suspended, and may be terminated under applicable OFAC Rules. You also acknowledge that we may be required to place an indefinite hold on funds covered by the IAT if the IAT is required to be terminated under OFAC Rules. You agree that any such delay is permissible under the laws applicable to the availability of funds held in deposit accounts. In the event an IAT is delayed or terminated, we will provide you such notice as may be required by applicable law.

## **Foreign Checks or Drafts**

Checks drawn on financial institutions located outside the U.S. (foreign checks) cannot be processed the same as checks drawn on U.S. financial institutions. Foreign checks are exempt from the policies outlined in this disclosure. Generally, the availability of funds for deposits of foreign checks will be delayed for the time it takes us to collect the funds from the financial institutions upon which it is drawn.

## **Substitute Checks and Your Rights-Important Information About Your Checking Account**

### **What Is a Substitute Check?**

To make check processing faster, federal law permits financial institutions to replace original checks with "substitute checks." These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states: "This is a legal copy of your check. You can use it the same way you would use the original check." You may use a substitute check as proof of payment just like the original check.

Some or all of the checks that you receive back from us may be substitute checks. This notice describes rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have rights under other law with respect to those transactions.

### **What Are My Rights Regarding Substitute Checks?**

In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, bounced check fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to interest on the amount of your refund if your account is an interest-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

If you use this procedure, you may receive up to \$2,500 of your refund (plus interest if your account earns interest) within 10 business days after we received your claim and the remainder of your refund (plus interest if your account earns interest) not later than 45 calendar days after we received your claim.

We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

### **How Do I Make a Claim for a Refund?**

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us at 406.523.3300. You must contact us within 60 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include –

- A description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect);
- An estimate of the amount of your loss;
- An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss; and
- A copy of the substitute check or the following information to help us identify the substitute check: the check number, payee and dollar amount of the check.