



# Welcome

Say hello to neighborhood banking that puts you 1st.

**1ST SECURITY BANK**

## A Letter from our CEO

Welcome to 1st Security Bank of Washington (“1SB”). We are a local bank based in the Pacific Northwest since 1936. We are excited to have the opportunity to serve you and many other great clients in the communities of Waldport, Newport, Tillamook, Manzanita, Goldendale, White Salmon and Ontario.

We hope this Welcome Guide will serve as a helpful resource as we get to know each other better. If you are unable to find answers to any of your questions in this guide, please give us a call. Yes, believe it or not, we love talking to our clients.

Also, as you may have heard, 1SB is offering jobs to all your current branch bankers. We can’t wait to work with our new teammates and we are thrilled that you will be able to continue working with bankers you have come to know and trust. We truly see this as a win-win for everyone.

As I mentioned above, if you have any questions, please do not hesitate to call us. We would love to chat with you.

Take care and we look forward to serving you soon!



Joe Adams  
CEO, 1ST SECURITY BANK



### Customer Service

(800) 658-7744  
Monday – Friday, 8:30am – 5pm PT



**1st Security Bank Branches**  
**WA:** Aberdeen, Capitol Hill, Edmonds, Elma, Hadlock, Lacey, Lynnwood, Mill Creek, Montesano, Ocean Shores, Olympia, Overlake, Port Angeles, Port Townsend, Poulsbo, Puyallup, Sequim, Silverdale, South Hill Puyallup, Westport

**Home Lending**  
**WA:** Aberdeen, Bellevue, Everett, Lacey, Mill Creek, Mountlake Terrace, Olympic Peninsula, Port Orchard, Poulsbo, Puyallup, Tri-Cities, Vancouver

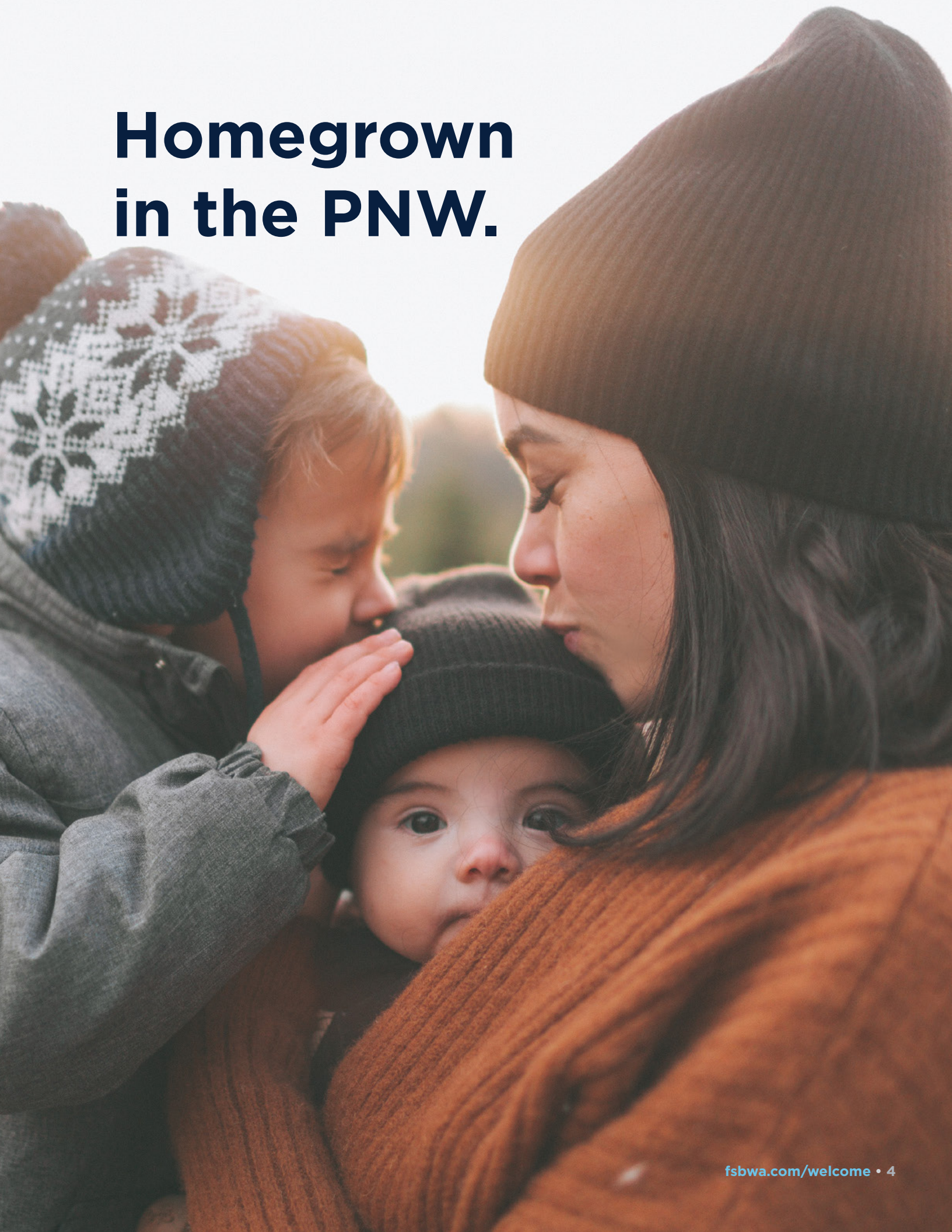
**Commercial Lending**  
**WA:** Mountlake Terrace, Tacoma

**Administrative Center**  
**WA:** Mountlake Terrace

**Future Branches**  
**WA:** Goldendale, White Salmon  
**OR:** Manzanita, Newport, Ontario, Tillamook, Waldport



# Homegrown in the PNW.



# Save the Dates

Welcome to the 1st Security Bank family. We want to make this the smoothest, easiest transition possible, so here are a few important dates to keep in mind:

## 1st Security Visa® Debit Cards

- 1/30 - 2/3/23 New 1st Security Visa debit cards mailed
- 2/24/23 You may use your Columbia Bank debit card until 11:59pm local time
- 2/25/23 You may begin using your new 1st Security Bank Visa debit card



## Online Banking

- 2/24/23 Columbia Bank's Bill Pay services become unavailable at 6am PT
- 2/24/23 Columbia Bank's Online Banking services become unavailable at 6pm PT
- 2/27/23 1st Security Bank's Bill Pay and Online Banking services become available

## Branch Banking

- 2/24/23 Final day of business as Columbia Bank. Branches will close at 2pm local time
- 2/27/23 First day of business as 1st Security Bank at Manzanita, Newport, Ontario, Tillamook, and Waldport, OR and Goldendale and White Salmon, WA. All branch locations will be open Monday - Friday from 9am - 5pm local time

## Customer Service

(800) 658-7744  
Monday - Friday, 8:30am - 5pm PT

All information in this guide  
is current as of 1/12/23

# Checking, Savings & CDs


## Checking Accounts

Your existing <b>Columbia Bank</b> Checking Account	WILL BECOME	Your 1st <b>Security Bank</b> Checking Account
Prime Checking		1st Classic Checking—see page 7
Neighborhood Account, Foundation Account		1st Gold Checking—see page 7
Relationship Account, Accelerated Checking		1st Platinum Checking—see page 7

## Savings Accounts

Your existing <b>Columbia Bank</b> Savings Account	WILL BECOME	Your 1st <b>Security Bank</b> Savings Account
Boost Money Market, Everyday Savings, IDA Savings		Preferred Savings—see page 8
Money Market Account, Premier Money Market		Tiered Rate Money Market—see page 8

## Health Savings Accounts

Your existing <b>Columbia Bank</b> Health Savings Account	WILL BECOME	Your 1st <b>Security Bank</b> Health Savings Account
ID Medical Savings		Idaho Medical Savings Account

## CDs

Your current CD terms and conditions will be updated as follows:

As of 2/27/23, interest will be compounded and credited monthly on the last day of each month using the daily balance method. No additional deposits or withdrawals will be accepted including recurring transfers, except for existing 'Jump and Bump' CD holders. The 'Jump & Bump' option offered by Columbia Bank will be honored until the CD's original maturity.

If your CD is a 180-day, 1 year, 21-month, 30-month, 48-month or 5-year CD, your CD will mature on its original maturity date and automatically renew at 1st Security Bank's posted rate unless you take other action during the ten-day grace period. The rate on your CD will not change until it reaches its maturity.

CDs with terms differing from those mentioned previously will not automatically renew. A notice will be mailed to you in advance of maturity and you will have the opportunity to choose from one of our existing products.

We may impose a 90-day interest penalty if you withdraw any of the funds from a CD with a term of less than 1 year before the maturity date. We may impose a 180-day interest penalty if you withdraw any funds from a CD with a term of 1 year up to 48-months. We may impose a 365-day interest penalty if you withdraw any of the funds from a CD with a term of 48 months or greater before the maturity date. The penalty is not limited to the interest paid to date. The interest penalty will be calculated on the amount of the withdrawal. At our option, we may pay the account before maturity without imposing an early withdrawal penalty when an account owner becomes deceased.

## Personal Checking Account Features

### Your 1st Security Bank Checking Account

	1st Classic	1st Gold	1st Platinum
Mobile and Online Banking 	✓	✓	✓
Mobile Deposit	✓	✓	✓
ATM Usage: Free at Over 40,000 Locations in the Moneypass® Network	✓	✓	✓
Paper Statement: \$2; Online Statement: Free		✓	
Check Images with Statements: \$3	✓	✓	✓
Monthly Maintenance Service Charge: \$0 if requirements are met. Otherwise, \$7*		✓	
Monthly Maintenance Fees: \$0 if requirements are met. Otherwise, \$15**			✓
Monthly Maintenance Service Charge: \$0	✓		
Includes 1st Rewards 		✓	✓
Earns Interest Interest is compounded and credited at the end of each month using the daily balance method			✓
No Annual Fee on Individual Retirement Accounts (IRAs) and Health Savings Accounts (HSAs). One Free Small Safe Deposit Box (or its Cost as a Discount Against the Cost of a Larger Box)—Subject to Availability			✓
Additional Benefits and Features: One Free Order Single, Standard Checks Per Year	✓		

1st Security Bank will not assess a monthly maintenance fee on all deposit accounts through 4/30/23. If you decide that another type of account fits you better or if you want to schedule an account review with your banker please call your local branch.

\*Maintain a minimum daily balance of \$500 or per statement cycle, receive a direct deposit or swipe your debit card at least 10 times.

\*\*Maintain a minimum daily balance of \$2,500 and receive a direct deposit per statement cycle.

# Money Market & Savings

## Personal Money Market

### 1st Security Bank Tiered Rate Money Market | Save More. Earn More

If you'd like to earn a higher interest rate than offered by our Preferred Savings account, consider this account. Interest rates are tiered, so you earn more if you deposit more. If you maintain a minimum daily balance of \$1,500, there is no monthly maintenance fee.

Current Annual Percentage Yield (APY)	Visit <b>fsbwa.com</b>
Minimum Daily Balance	\$1,500
Minimum Balance to Earn Interest*	Tiered rate schedule, visit <b>fsbwa.com</b> for more details
Monthly Maintenance Fee	\$15 if requirement is not met
How to Avoid Monthly Maintenance Fee	Maintain a minimum daily balance of at least \$1,500

## Personal Savings Account

### 1st Security Bank Preferred Savings | Watch Your Money Grow

This is the savings account that works for everyone. If you maintain a minimum daily balance of \$300, there is no monthly maintenance fee.

Current Annual Percentage Yield (APY)	Visit <b>fsbwa.com</b>
Minimum Daily Balance	\$300
Minimum Balance to Earn Interest*	None
Monthly Maintenance Fee	\$10 if requirement is not met
How to Avoid Monthly Maintenance Fee	Maintain a minimum daily balance of at least \$300

\*Interest is compounded and credited at the end of each month using the daily balance method.





# Cards & ATMs

## Debit Cards

- All current Columbia Bank debit cards will be replaced by 1st Security Bank Visa debit cards
- Your new 1st Security Bank Visa debit card will have a new card number
- Your daily purchase limit is the available balance in your checking account or \$2,500, whichever is less
- Your daily ATM withdrawal limit is the available balance in your checking account or \$700, whichever is less
- The last day you may use your Columbia Bank debit card is 2/24/23, at 11:59pm PT
- You may begin using your 1st Security Bank Visa debit card on 2/25/23
- Set your new personal identification number (PIN) by following the instructions that you will receive with your new 1st Security Bank Visa debit card

### What you can do to help assure a smooth account transition:

- Watch for your new 1st Security Bank Visa debit card and instructions for setting your PIN
- Provide your new 1st Security Bank Visa debit card number and expiration date to any merchant or bank where your existing debit card is being used for transactions occurring on or after 2/24/23 (for example, an athletic club monthly payment)

## Account Statements

- Checking deposit statements are produced at the end of each month and generally available electronically by the 3rd business day of the following month. You will receive an email when the statements are available in Online Banking
- Other deposit statements such as savings may be produced quarterly or semi-annually
- If you are currently enrolled in eStatements with Columbia Bank, you will be automatically enrolled in 1st Security Bank's Online Statements on 2/27/23. Prior to this change,

**please print or save** any prior Columbia Bank eStatements you would like to retain as they **will not be available** after 2/24/23

- If you currently receive a duplicate statement or have one mailed to a third party, please note that 1st Security Bank will be unable to continue this service. You can arrange third party view only shared access to statements through Online Banking. For more information, call our Customer Relationship Center at (800) 658-7744

## Credit Cards

You will continue to use your existing Columbia Bank credit card as you do today.

## ATMs

Visit [fsbwa.com/atm-locator](https://fsbwa.com/atm-locator) to find an ATM near you.

You also have the benefit of using more than 40,000 surcharge-free ATMs nationwide through the MoneyPass® ATM network. Regardless of where you may be in the US you can always find the nearest surcharge-free ATM by visiting our website, [fsbwa.com](https://fsbwa.com), or the MoneyPass website: [moneypass.com](https://moneypass.com). You can also download the MoneyPass® mobile app from the App Store or Google Play.

Look for this icon:



# Online & Mobile Banking

## Online Banking

Your existing Columbia Bank Online Banking access will be disabled at 6pm PT on 2/24/23. Columbia Bank's Mobile Deposit services will be disabled at 6pm PT on 2/24/23. Your Columbia Bank Bill Pay tab will be disabled at 6am PT on 2/24/23. Payments scheduled after 2/24/23 will be paid by 1st Security Bank. 1st Security Bank's Online Banking and Bill Pay services will become available to you at 9am PT on 2/27/23. We will be sending you additional letters in late-January that will contain information needed to login to 1st Security Bank's Online Banking service. Please watch your mail for these important documents.

### What you can do to help assure a smooth account transition:

- Print or save your existing eStatements from Columbia Bank and keep them in a secure location before the system is disabled on 2/24/23
- Starting on 2/27/23, please log on to 1st Security Bank's Online Banking to:
  - Re-establish any scheduled recurring account transfers you wish to continue
  - Re-create any previously established Zelle® or external account transfers
  - Personalize your Online Banking by setting up Alerts

## Personal Online Banking Features and Benefits

- Access your accounts for up-to-date information on your time
- Customize your experience by creating account nicknames
- Set up email or text alerts to inform you of your account activity
- Take control of your finances with our Money Management tool
- Pay bills, setup up automatic payments and more with Bill Pay

- View, print and save front and back images of checks that have cleared your account
- View Online Statements
- Connect to Quicken or export your transaction history in .CSV, .OFX or .QFX formats to use with your accounting software
- Easily send money to friends, family, or yourself with Zelle®



## Consumer Mobile Banking

Whether you need to check your account balance at the grocery store or transfer money between accounts while on the go, 1st Security Bank has you covered.



### Our app will give you the flexibility to:

- Deposit checks
- Check your transaction history and account balances
- Transfer funds between your 1st Security Bank accounts
- Create and manage bill payments
- Send money to friends and family using Zelle®
- Search for surcharge-free ATMs within the MoneyPass® network

## CardValet

Protect and manage your debit card while on the go with CardValet.



### CardValet allows you to:

- Control how and where your card is used
- Receive real-time alerts when transactions occur
- Turn your card on and off in real time

Look for these apps in the Google Play or Apple App Stores.



# FAQs

We are dedicated to making your transition to 1st Security Bank as easy as possible and more information will be provided to you in the weeks leading up to the conversion.

## When will the conversion to 1st Security Bank accounts and services occur?

The conversion is scheduled for the weekend of 2/25/23. The changes to your account will be effective on 2/27/23.

## Will the business hours at my branch change?

Yes, effective 2/27/23, all branch locations will be open Monday – Friday from 9am – 5pm local time.

## Will the phone number of my branch remain the same?

Yes, branch phone numbers will remain the same.

## Will any of my current services be unavailable during the conversion weekend?

You will be unable to access your accounts through Online and Mobile Banking during the conversion weekend. However, you will have access to your checking account through the use of your debit card or checks.

## Does 1st Security Bank have a mobile app?

Yes, 1st Security Bank has a personal Mobile Banking app for both Apple and Android products. Find it in the Google Play or Apple App stores and start using it on or after 2/27/23.

## Will my deposit account or routing numbers change?

Your account number will not change, however your routing number will. **Your new routing number is: 325182289.** Please begin using your new 1st Security Bank checks on 2/25/23.

## Will my outstanding Columbia Bank checks be cleared through my new 1st Security Bank checking account?

Yes, any outstanding Columbia Bank checks will be processed for 30 days after the conversion. After this 30-day period, Columbia Bank will return them to the payee. You should begin using your 1st Security Bank checks on 2/25/23.

## Can I continue to make my Columbia Bank credit card payments at my local branch?

Please note, we are unable to accept your Columbia Bank credit card payments after 2/24/23. Contact Columbia Bank for alternate ways you can make your payments going forward, such as online or mail.

## Will I have to order new checks for my consumer checking account?

Yes, 1st Security Bank will mail a starter supply of checks in mid-February. This will include instructions on how you can order your first complete supply of checks. Start using your 1st Security Bank checks on 2/25/23, and destroy your remaining Columbia Bank checks at that time.

## Will my Direct Deposit (ACH) deductions/ deposits transfer without interruption, or will I have to set them up again?

All ACH withdrawals and deposits initiated by another party (payroll, social security, etc.) will need to be updated. Please provide new routing number and bank name instructions to every company that is paying you or set up to auto withdraw money from your account (insurance payments, etc.) for all transactions dated on or after 2/25/23.

## I currently have a certificate of deposit (CD). Will my rate change?

No, 1st Security Bank will honor the rate on your CD for the duration of the certificate term. For CDs which renew automatically we will mail you an advance reminder of your CD's maturity 20 days in advance; for non-renewing CDs we will mail the reminder 10 days in advance. During the 10-calendar-day grace period, you may transition to one of our competitive deposit products. To view 1st Security Bank's current rates, please visit [fsbwa.com/rates](https://fsbwa.com/rates).

## Does 1st Security Bank belong to the same ATM network as Columbia Bank?

No, however your ATM network will expand as a 1st Security Bank customer. To locate an ATM in the MoneyPass® network, please visit [fsbwa.com/atm-locator](https://fsbwa.com/atm-locator), or download the free MoneyPass® app.



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## CUSTOMER SERVICE INFORMATION

(800) 658-7744, Monday – Friday 8:30am – 5pm PT • [fsbwa.com/welcome](https://fsbwa.com/welcome)

### Will my debit card number change?

Yes, your debit card number will change. Your new 1st Security Bank Visa debit card will be mailed the week of 1/30 – 2/3/23.

### Will my IRA transfer to 1st Security Bank?

Yes, 1st Security Bank will become the new custodian of your IRA.

### Will I receive check images with my monthly statement?

Columbia Bank customers who currently receive check images with their monthly statements will not need to re-enroll with 1st Security Bank after 2/27/23. The service charge for check images with statements is \$3. You can also view, print, or save the front and back of the images of checks that have cleared your account in Online Banking.

### Will my Internal Overdraft Protection on my checking account continue?

Yes, 1st Security Bank will transfer enough funds from your checking or savings account, Line of Credit or Personal Reserve Account to cover the overdraft. Overdraft transfers from a savings or checking account is \$10 per transfer.

### Will my deposits still be FDIC-insured?

Yes, your accounts will be insured up to the maximum amount allowed by the FDIC, provided they meet certain requirements. For the specific FDIC coverage rules which apply to your deposits during an acquisition or merger, please visit [fdic.gov](https://fdic.gov). Consumers generally have a six-month period after the date of acquisition before they need to rearrange any accounts which could be uninsured because they exceed the FDIC limits. There are different rules for CDs and the six-month rule does not apply to business entities. The FDIC's Electronic Deposit Insurance Estimator (EDIE) can help you calculate the insurance on your deposits, [fdic.gov/edie/calculator.html](https://fdic.gov/edie/calculator.html).

### Where can I find additional information about 1st Security Bank and its products and services?

Visit our website at [fsbwa.com](https://fsbwa.com) or contact our Customer Relationship Center at (800) 658-7744 or email us at [welcome@fsbwa.com](mailto:welcome@fsbwa.com) with questions or for additional information.

### When will I start sending my loan payments to 1st Security Bank?

You will begin sending your payments to us on 2/27/23.

### Where will I send my payment?

You can mail your payment to:

1st Security Bank  
PO Box 97000  
Lynnwood WA 98046

or you can pay online at [fsbwa.com/online-banking](https://fsbwa.com/online-banking).

### Will the terms of my loan change?

Most loan terms will not change. You will be contacted directly if yours is one of the select few that will be changing.

### Will my loan number change?

Most loan account numbers will not change. You will be contacted directly if yours is one of the select few that will be changing.

### Do I need to change my electronic loan payment?

If your electronic loan payment was established through Columbia Bank's Online Banking, you will need to re-establish that payment via 1st Security Bank's Online Banking on or after 2/27/23. You do not need to make any changes if you did not use Columbia Bank's Online Banking to set up any electronic loan payments between your accounts at Columbia Bank.

### Can I continue to use my Columbia Bank HELOC Checks?

Any outstanding Columbia Bank checks will be processed for 30 days after 2/27/23. After this 30-day period, Columbia Bank will return them to the payee. 1st Security Bank HELOC checks may be ordered upon request. After the conversion on 2/25/23, you should immediately begin using your 1st Security Bank HELOC checks.

### Will my insurance and property taxes continue to be paid with my mortgage payment?

Yes, if you had an escrow account set up 1st Security Bank will continue to handle any services covered under your escrow account based on your original agreement.

### Who can I call if I have questions about my loan?

Beginning 2/27/23, you can call (800) 658-7744 and a 1st Security Bank Loan Representative will be able to assist you or you can email us at [loan\\_ops@fsbwa.com](mailto:loan_ops@fsbwa.com).

# Fees & Charges

## Current Schedule of Fees and Charges

<b>Abandoned/Dormant Account</b>	\$60
<b>Account Overdraft Transfer from Savings or Checking</b>	\$10/transfer
<b>Account Research</b> Legal Claims & Orders, Immigration Account Verification, Balancing Account/Checkbook, General Account Research	\$10/15 minutes
<b>1st Debit Design Visa Debit Card</b>	\$10/card
<b>Debit Card—Replace</b> First 2 cards per account are free	\$15/card
<b>Debit Card Rush Orders</b>	\$50/card
<b>ATM Use—Out of Network</b>	\$2/use
<b>Cancelled Check Copy</b>	\$2/copy
<b>Check Cashing</b> Non-Customer cashing an “on-us” check	\$5/check
<b>Check Images with Statements</b>	\$3/month
<b>Counter Checks</b> 3 checks per page, minimum 1 page	\$3/page
<b>Canadian Foreign Check Deposit</b>	\$15/deposit
<b>IRA/HSA Annual Maintenance Fee</b> Fee waived with 1st Platinum Checking	\$15/year
<b>Inactive Account</b> All checking/savings & money market accounts after 365 days of inactivity	\$5/month
<b>Insufficient Funds (Paid/Returned Item)</b> Overdrafts created by check, in-person withdrawal, ATM withdrawal or other electronic means when funds are not on deposit	\$35/item

<b>Legal Processing Fee</b> Requests for information from government and enforcement agencies, including, but not limited to: levies, subpoenas, and garnishments	\$100/request
<b>Medallion Signature Guarantee</b>	
• Customer	No charge
• Non-Customer	Not available
<b>Notary</b>	
• Customer	No charge
• Non-Customer	\$5/notarization
<b>Cashier's Checks</b>	\$5/check
<b>Returned Check (Deposit item)</b>	\$10/item
<b>Sales Draft Copy (Visa Debit Card)</b>	\$10/copy
<b>Statement Copy</b>	\$3
<b>Stop Payment</b>	\$30/stop
<b>Undeliverable Statement</b>	\$5
<b>Verification of Deposit or Loan Account</b>	\$10
<b>Visa/MC Cash Advance Processing Fee</b> (Advances by Phone)	\$10/advance
<b>Wire Transfer</b>	
• Incoming	\$10
• Outgoing—Domestic	\$20
• Outgoing—International in US funds	\$35
• Outgoing—International in Foreign funds	\$25



## Safe Deposit Box Annual Rental Fees

If you are a Columbia Bank safe deposit box customer, you will keep using your safe deposit box at the same branch location, with your current box keys.

Size	Automatic Payment from a 1SB Account	Without Automatic Payment
2 x 5	\$30	\$35
3 x 5		
4 x 5	\$40	\$45
5 x 5		
2 x 10	\$45	\$50
3 x 10		
4 x 10	\$65	\$70
5 x 10		
6 x 10	\$80	\$85
7 x 10		
8 x 10	\$100	\$105
9 x 10		
10 x 10		
10 x 11		

## Other Service Charges and Fees

<b>Drilling</b> 1SB will choose the Locksmith. Includes travel time/mileage	\$200 minimum
<b>Safekeeping Drilled Contents</b>	\$5/year

<b>Lost Key</b>	\$10/key
<b>Late Payment Fee</b>	\$10/year



# 1ST SECURITY BANK

## YOUR CONSUMER DEPOSIT ACCOUNT

TERMS AND CONDITIONS OF YOUR ACCOUNT .....	16	Instructions From You.....	21
Important Information About Procedures for Opening a New Account.....	16	Monitoring and Recording Telephone Calls and Account Communications .....	21
Agreement.....	16	Claim of Loss .....	21
Liability.....	17	Early Withdrawal Penalties.....	21
Deposits.....	17	Changes in Name and Contact Information .....	21
Withdrawals .....	17	Resolving Account Disputes.....	21
Understanding and Avoiding Overdraft and Nonsufficient Funds (NSF) Fee .....	17	Waiver of Notices.....	21
Ownership of Account and Beneficiary Designation.....	18	ACH and Wire Transfers .....	21
Stop Payments.....	18	Pledges .....	21
Telephone Transfers .....	19	Agency (Power of Attorney) Designation.....	22
Amendments and Termination .....	19	Stale-Dated Checks.....	22
Correction of Clerical Errors.....	19	FDIC Insurance.....	22
Notices .....	19	Unclaimed Property.....	22
Statements .....	19	UTMA Accounts.....	22
Account Transfer .....	19	Cash Transaction Reporting.....	22
Reimbursement of Federal Benefit Payments.....	19	Backup Withholding/TIN Certification.....	22
Temporary Account Agreement.....	19	Lost, Destroyed or Stolen Certified, Cashier's or Teller's Checks .....	22
Setoff .....	19	Changing Account Products.....	22
Agent .....	19	Transactions by Mail.....	22
Restrictive Legends or Indorsements .....	19	Check Storage and Copies .....	22
Facsimile Signatures.....	20	Truncation, Substitute Checks, and Other Check Images.....	22
Check Processing.....	20	Remotely Created Checks .....	23
Check Cashing.....	20	Unlawful Internet Gambling Notice.....	23
Indorsements.....	20	International ACH Transactions .....	23
Death or Incompetence.....	20	ELECTRONIC FUND TRANSFERS YOUR RIGHTS AND RESPONSIBILITIES .....	23
Fiduciary Accounts.....	20	YOUR ABILITY TO WITHDRAW FUNDS .....	25
Credit Verification.....	20	SUBSTITUTE CHECKS AND YOUR RIGHTS.....	26
Legal Actions Affecting Your Account Security .....	20	DEPOSIT RECLASSIFICATION NOTICE .....	27
Account Security.....	20		

### TERMS AND CONDITIONS OF YOUR ACCOUNT

#### IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING

**A NEW ACCOUNT** - To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

**AGREEMENT** - This document, along with any other documents we give you pertaining to your account(s), is a contract (also referred to as "this agreement") that establishes rules which control your account(s) with us. Please read this carefully and retain it for future reference. If you open

the account (whether in-person, electronically, or by any other method permitted by us) or continue to use the account after receiving a notice of change or amendment, you agree to these rules. You will receive a separate schedule of rates, qualifying balances, and fees if they are not included in this agreement. If you have any questions, please ask us.

This agreement is subject to applicable federal laws, the laws of the state of Washington and other applicable rules such as the operating letters of the Federal Reserve Banks and payment processing system rules (except to the extent that this agreement can and does vary such rules or laws). The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here. The purpose of this agreement is to:

- (1) summarize some laws that apply to common transactions;
- (2) establish rules to cover transactions or events which the law does not regulate;



(3) establish rules for certain transactions or events which the law regulates but permits variation by agreement; and

(4) give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

If any provision of this agreement is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing either on the signature card for your account or in some other document. Nothing in this agreement is intended to vary our duty to act in good faith and with ordinary care when required by law.

As used in this agreement the words "we," "our," and "us" mean the financial institution and the words "you" and "your" mean the account holder(s) and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the account. However, this agreement does not intend, and the terms "you" and "your" should not be interpreted, to expand an individual's responsibility for an organization's liability. If this account is owned by a corporation, partnership or other organization, individual liability is determined by the laws generally applicable to that type of organization. The headings in this agreement are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this agreement should be construed so the singular includes the plural and the plural includes the singular.

**LIABILITY** - You agree, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the schedule of charges. You authorize us to deduct these charges, without notice to you, directly from the account balance as accrued. You will pay any additional reasonable charges for services you request which are not covered by this agreement.

Each of you also agrees to be jointly and severally (individually) liable for any account shortage resulting from charges or overdrafts, whether caused by you or another with access to this account. This liability is due immediately, and we can deduct any amounts deposited into the account and apply those amounts to the shortage. You have no right to defer payment of this liability, and you are liable regardless of whether you signed the item or benefited from the charge or overdraft.

You will be liable for our costs as well as for our reasonable attorneys' fees, to the extent permitted by law, whether incurred as a result of collection or in any other dispute involving your account. This includes, but is not limited to, disputes between you and another joint owner; you and an authorized signer or similar party; or a third party claiming an interest in your account. This also includes any action that you or a third party takes regarding the account that causes us, in good faith, to seek the advice of an attorney, whether or not we become involved in the dispute. All costs and attorneys' fees can be deducted from your account when they are incurred, without notice to you.

**DEPOSITS** - We will give only provisional credit until collection is final for any items, other than cash, we accept for deposit (including items drawn "on us"). Before settlement of any item becomes final, we act only as your agent, regardless of the form of indorsement or lack of indorsement on the item and even though we provide you provisional credit for the item. We may reverse any provisional credit for items that are lost, stolen, or returned. Unless prohibited by law, we also reserve the right to charge back to your account the amount of any item deposited to your account or cashed for you which was initially paid by the payor bank and which is later returned to us due to an allegedly forged, unauthorized or missing indorsement, claim of alteration, encoding error, counterfeit cashier's check or other problem which in our judgment justifies reversal of credit. You authorize us to attempt to collect previously returned items without giving you notice, and in attempting to collect we may permit the payor bank to hold an item beyond the midnight deadline. Actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars. We are not responsible for transactions by mail or outside depository until we actually record them. We will treat and record all transactions received after our "daily cutoff time" on a business day we are open, or received on a day we are not open for business, as if initiated on the next business day that we are open. At our option, we may take an item for collection rather than for deposit. If we accept a third-party check or draft for deposit, we may require any third-party indorsers to verify or guarantee their indorsements, or indorse in our presence.

#### **WITHDRAWALS** -

**Important terms for accounts where more than one person can withdraw**

- Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs to open the account or has authority to make withdrawals may withdraw or transfer all or any part of the account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person who signs or has authority to make withdrawals to indorse any item payable to you or your order for deposit to this account or any other transaction with us.

**Postdated checks** - A postdated check is one which bears a date later than the date on which the check is written. We may properly pay and charge your account for a postdated check even though payment was made before the date of the check, unless we have received written notice of the postdating in time to have a reasonable opportunity to act. Because we process checks mechanically, your notice will not be effective and we will not be liable for failing to honor your notice unless it precisely identifies the number, date, amount and payee of the item.

**Checks and withdrawal rules** - If you do not purchase your check blanks from us, you must be certain that we approve the check blanks you purchase. We may refuse any withdrawal or transfer request which you attempt on forms not approved by us or by any method we do not specifically permit. We may refuse any withdrawal or transfer request which is greater in number than the frequency permitted by our policy, or which is for an amount greater or less than any withdrawal limitations. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply any frequency limitations. In addition, we may place limitations on the account until your identity is verified.

Even if we honor a nonconforming request, we are not required to do so later. If you violate the stated transaction limitations (if any), in our discretion we may close your account or reclassify your account as another type of account. If we reclassify your account, your account will be subject to the fees and earnings rules of the new account classification.

If we are presented with an item drawn against your account that would be a "substitute check," as defined by law, but for an error or defect in the item introduced in the substitute check creation process, you agree that we may pay such item.

**Cash withdrawals** - We recommend you take care when making large cash withdrawals because carrying large amounts of cash may pose a danger to your personal safety. As an alternative to making a large cash withdrawal, you may want to consider a cashier's check or similar instrument. You assume full responsibility of any loss in the event the cash you withdraw is lost, stolen, or destroyed. You agree to hold us harmless from any loss you incur as a result of your decision to withdraw funds in the form of cash.

#### **Multiple signatures, electronic check conversion, and similar transactions**

- An electronic check conversion transaction is a transaction where a check or similar item is converted into an electronic fund transfer as defined in the Electronic Fund Transfers regulation. In these types of transactions the check or similar item is either removed from circulation (truncated) or given back to you. As a result, we have no opportunity to review the signatures or otherwise examine the original check or item. You agree that, as to these or any items as to which we have no opportunity to examine the signatures, you waive any requirement of multiple signatures. **Notice of withdrawal** - We reserve the right to require not less than 7 days' notice in writing before each withdrawal from an interest-bearing account, other than a time deposit or demand deposit, or from any other savings deposit as defined by Regulation D. (The law requires us to reserve this right, but it is not our general policy to use it.) Withdrawals from a time account prior to maturity or prior to any notice period may be restricted and may be subject to penalty. See your separately provided notice of penalty for early withdrawal.

**UNDERSTANDING AND AVOIDING OVERDRAFT AND NONSUFFICIENT FUNDS (NSF) FEES** -

**Generally** - The information in this section is being provided to help you understand what happens if your account is overdrawn. Understanding the concepts of overdrafts and nonsufficient funds (NSF) is important and can help you avoid being assessed fees or charges. This section also provides contractual terms relating to overdrafts and NSF transactions.

An overdrawn account will typically result in you being charged an overdraft fee or an NSF fee. Generally, an overdraft occurs when there is not enough money in your account to pay for a transaction, but we pay (or cover) the transaction anyway. An NSF transaction is slightly different. In an NSF transaction, we do not cover the transaction. Instead, the transaction is rejected and the item or requested payment is returned. In either situation, we can charge you a fee.

**NSF or Overdraft Fees for each Presentment** - You understand that when you authorize a merchant or payee to receive payment from your account, such as by writing a check or through ACH, the merchant or payee may present that authorization for payment to us more than once if the initial or subsequent presentment is rejected due to insufficient funds or other reason. Each time that the merchant or payee presents this authorization for payment constitutes a separate "item" which may incur a non-sufficient funds (NSF) Fee, Overdraft Fee, or other fee pursuant to our schedule of fees. By way of example, if you write a check to a merchant for which you do not have funds in your account, and the merchant presents that check to us for payment and that presentment is rejected, you may be charged an NSF Fee. Subsequently, without further action from you, the merchant may present the check to us additional times, and if you do not have sufficient funds in your account, each time may lead to a charge of an additional, separate NSF Fee. In this way, you may receive multiple fees in connection with a single underlying transaction with a merchant or payee where you do not have sufficient funds in your account.

**Overdrafts** - You understand that we may, at our discretion, honor withdrawal requests that overdraw your account. However, the fact that we may honor withdrawal requests that overdraw the account balance does not obligate us to do so later. So you can NOT rely on us to pay overdrafts on your account regardless of how frequently or under what circumstances we have paid overdrafts on your account in the past. We can change our practice of paying, or not paying, discretionary overdrafts on your account without notice to you. You can ask us if we have other account services that might be available to you where we commit to paying overdrafts under certain circumstances, such as an overdraft protection line-of-credit or a plan to sweep funds from another account you have with us. You agree that we may charge fees for overdrafts. We may use subsequent deposits, including direct deposits of social security or other government benefits, to cover such overdrafts and overdraft fees.

**Non-sufficient funds (NSF) fees** - If an item drafted by you (such as a check) or a transaction you set up (such as a preauthorized transfer) is presented for payment in an amount that is more than the amount of money available in your account, and we decide not to pay the item or transaction, you agree that we can charge you an NSF fee for returning the payment. Be aware that such an item or payment may be presented multiple times by the merchant or other payee until it is paid, and that we do not monitor or control the number of times a transaction is presented for payment. You agree that we may charge you an NSF fee each time a payment is presented if the amount of money available in your account is not sufficient to cover the payment, regardless of the number of times the payment is presented.

**Balance information** - Keeping track of your balance is important. You can review your balance in a number of ways including reviewing your periodic statement, reviewing your balance online, accessing your account information by phone, or coming into one of our branches.

**Funds availability** - Knowing when funds you deposit will be made available for withdrawal is another important concept that can help you avoid being assessed fees or charges. Please see our funds availability disclosure (generally titled, "Your Ability to Withdraw Funds") for information on when different types of deposits will be made available for withdrawal. For an account to which our funds availability policy disclosure does not apply, you can ask us when you make a deposit when those funds will be available for withdrawal. An item may be returned after the funds from the deposit of that item are made available for withdrawal. In that case, we will reverse the credit of the item. We may determine the amount of available funds in your account for the purpose of deciding whether to return an item for insufficient funds at any time between the times we receive the item and when we return the item or send a notice in lieu of return. We need only make one determination, but if we choose to make a subsequent determination, the account balance at the subsequent time will determine whether there are insufficient available funds.

**A temporary debit authorization hold affects your account balance** - On debit card purchases, merchants may request a temporary hold on your account for a specified sum of money when the merchant does not know the exact amount of the purchase at the time the card is authorized. The amount of the temporary hold may be more than the actual amount of your purchase. Some common transactions where this occurs involve purchases of gasoline, hotel rooms, or meals at restaurants. When this happens, our processing system cannot determine that the amount of the hold exceeds the actual amount of your purchase. This temporary hold, and the amount charged to your account, will eventually be adjusted to the actual amount

of your purchase, but it could be three calendar days, or even longer in some cases, before the adjustment is made. Until the adjustment is made, the amount of funds in your account available for other transactions will be reduced by the amount of the temporary hold. If one or more transactions are presented for payment in an amount greater than the funds left after the deduction of the temporary hold amount, you will be charged an NSF or overdraft fee according to our NSF or overdraft fee policy, which may result in one or more overdraft or NSF fees. You will be charged the fee even if you would have had sufficient funds in your account if the amount of the hold had been equal to the amount of your purchase.

#### **OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION -**

These rules apply to this account depending on the form of ownership and beneficiary designation, if any, specified on the account records. We reserve the right to refuse some forms of ownership and beneficiary designations on any or all of our accounts unless otherwise prohibited by law. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine to whom we pay the account funds.

**Single Account** - is owned by one person.

**Joint Account - With Survivorship (And Not As Tenants In Common)** - is an account in the name of two or more persons. Each of you intend that when you die the balance in the account (subject to any previous pledge to which we have agreed) will belong to the survivor(s). If two or more of you survive, you will own the balance in the account as joint tenants with survivorship and not as tenants in common.

**Joint Account - No Survivorship (As Tenants In Common)** - This is owned by two or more persons, but none of you intend (merely by opening this account) to create any right of survivorship in any other person. We encourage you to agree and tell us in writing of the percentage of the deposit contributed by each of you. This information will not, however, affect the number of signatures necessary for withdrawal.

**Community Property Account** - Such an account is issued to two married persons who intend that all of the property in the account, including earnings, be held as community property.

**Revocable Trust or Pay-On-Death Account** - If two or more of you create this type of account, you own the account jointly with survivorship. Beneficiaries cannot withdraw unless: (1) all persons creating the account die, and (2) the beneficiary is then living. If two or more beneficiaries are named and survive the death of all persons creating the account, beneficiaries will own this account in equal shares, without right of survivorship. The person(s) creating either of these account types may: (1) change beneficiaries, (2) change account types, and (3) withdraw all or part of the account funds at any time.

**STOP PAYMENTS** - The rules in this section cover stopping payment of items such as checks and drafts. Rules for stopping payment of other types of transfers of funds, such as consumer electronic fund transfers, may be established by law or our policy. If we have not disclosed these rules to you elsewhere, you may ask us about those rules.

We may accept an order to stop payment on any item from any one of you. You must make any stop-payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it before our stop-payment cutoff time. Because the most effective way for us to execute a stop-payment order is by using an automated process, to be effective, your stop-payment order must precisely identify the number, date, and amount of the item, and the payee. You may stop payment on any item drawn on your account whether you sign the item or not. Generally, if your stop-payment order is given to us in writing it is effective for six months. Your order will lapse after that time if you do not renew the order in writing before the end of the six-month period. If the original stop-payment order was oral your stop-payment order will lapse after 14 calendar days if you do not confirm your order in writing within that time period. We are not obligated to notify you when a stop-payment order expires.

If you stop payment on an item and we incur any damages or expenses because of the stop payment, you agree to indemnify us for those damages or expenses, including attorneys' fees. You assign to us all rights against the payee or any other holder of the item. You agree to cooperate with us in any legal actions that we may take against such persons. You should be aware that anyone holding the item may be entitled to enforce payment against you despite the stop-payment order.

Our stop-payment cutoff time is one hour after the opening of the next banking day after the banking day on which we receive the item. Additional

limitations on our obligation to stop payment are provided by law (e.g., we paid the item in cash or we certified the item).

**TELEPHONE TRANSFERS** - A telephone transfer of funds from this account to another account with us, if otherwise arranged for or permitted, may be made by the same persons and under the same conditions generally applicable to withdrawals made in writing. Limitations on the number of telephonic transfers from a savings account, if any, are described elsewhere.

**AMENDMENTS AND TERMINATION** - We may change any term of this agreement. For such changes, we will give you reasonable notice in writing or by any other method permitted by law. We may also suspend or terminate a service or close this account at any time upon reasonable notice to you and, if we close the account, tender of the account balance personally or by mail. Reasonable notice depends on the circumstances, and in some cases, such as when we cannot verify your identity or we suspect fraud, it might be reasonable for us to give you notice after the change or account closure becomes effective. For instance, if we suspect fraudulent activity with respect to your account, we might immediately freeze or close your account and then give you notice. If we have notified you of a change in any term of your account and you continue to have your account after the effective date of the change, you have agreed to the new terms.

When you close your account, you are responsible for leaving enough money in the account to cover any outstanding items to be paid from the account. Items presented for payment after the account is closed may be dishonored.

Note: Rules governing changes in interest rates are provided separately in the Truth-in-Savings disclosure or in another document. In addition, for changes governed by a specific law or regulation, we will follow the specific timing and format notice requirements of those laws or regulations.

**CORRECTION OF CLERICAL ERRORS** - Unless otherwise prohibited by law, you agree, if determined necessary in our reasonable discretion, to allow us to correct clerical errors, such as obtaining your missing signature, on any account documents or disclosures that are part of our agreement with you. For errors on your periodic statement, please refer to the STATEMENTS section.

**NOTICES** - Any written notice you give us is effective when we actually receive it, and it must be given to us according to the specific delivery instructions provided elsewhere, if any. We must receive any notice in time to have a reasonable opportunity to act on it. If a notice is regarding a check or other item, you must give us sufficient information to be able to identify the check or item, including the precise check or item number, amount, date and payee. Notice we give you via the United States Mail is effective when it is deposited in the United States Mail with proper postage and addressed to your mailing address we currently have on file. Notice we give you through your email of record, or other electronic method to which you agreed, will be treated as delivered to you when sent. Notice to any of you is notice to all of you.

**STATEMENTS - Your duty to report unauthorized signatures (including forgeries and counterfeit checks) and alterations on checks and other items** - You must examine your statement of account with "reasonable promptness." If you discover (or reasonably should have discovered) any unauthorized signatures or alterations (including forgeries and counterfeit checks), you must promptly notify us of the relevant facts. As between you and us, if you fail to do either of these duties, you will have to either share the loss with us, or bear the loss entirely yourself (depending on whether we used ordinary care and, if not, whether we substantially contributed to the loss). The loss could be not only with respect to items on the statement but other items with unauthorized signatures or alterations by the same wrongdoer.

You agree that the time you have to examine your statement and report to us will depend on the circumstances, but will not, in any circumstance, exceed a total of 30 days from when the statement is first sent or made available to you.

You further agree that if you fail to report any unauthorized signatures or alterations in your account within 60 days of when we first send or make the statement available, you cannot assert a claim against us on any items in that statement, and as between you and us the loss will be entirely yours. This 60-day limitation is without regard to whether we used ordinary care. The limitation in this paragraph is in addition to that contained in the first paragraph of this section.

**Your duty to report other errors or problems** - In addition to your duty to review your statements for unauthorized signatures and alterations, you agree to examine your statement with reasonable promptness for

any other error or problem - such as an encoding error or an unexpected deposit amount. Also, if you receive or we make available either your items or images of your items, you must examine them for any unauthorized or missing indorsements or any other problems. You agree that the time you have to examine your statement and items and report to us will depend on the circumstances. However, this time period shall not exceed 60 days. Failure to examine your statement and items and report any errors to us within 60 days of when we first send or make the statement available precludes you from asserting a claim against us for any errors on items identified in that statement and as between you and us the loss will be entirely yours.

**Errors relating to electronic fund transfers or substitute checks** - For information on errors relating to electronic fund transfers (e.g., online, mobile, debit card or ATM transactions) refer to your Electronic Fund Transfers disclosure and the sections on consumer liability and error resolution. For information on errors relating to a substitute check you received, refer to your disclosure entitled Substitute Checks and Your Rights.

**Duty to notify if statement not received** - You agree to immediately notify us if you do not receive your statement by the date you normally expect to receive it. Not receiving your statement in a timely manner is a sign that there may be an issue with your account, such as possible fraud or identity theft. Absent a lack of ordinary care by us, a failure to receive your statement in a timely manner does not extend the time you have to conduct your review under this agreement.

**ACCOUNT TRANSFER** - This account may not be transferred or assigned without our prior written consent.

**REIMBURSEMENT OF FEDERAL BENEFIT PAYMENTS** - If we are required for any reason to reimburse the federal government for all or any portion of a benefit payment that was directly deposited into your account, you authorize us to deduct the amount of our liability to the federal government from the account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other available legal remedy to recover the amount of our liability.

**TEMPORARY ACCOUNT AGREEMENT** - If the account documentation indicates that this is a temporary account agreement, it means that all account owners have not yet signed the signature card, or that some other account opening requirement has not been completed. We may give you a duplicate signature card so that you can obtain all of the necessary signatures and return it to us. Each person who signs to open the account or has authority to make withdrawals (except as indicated to the contrary) may transact business on this account. However, we may at some time in the future restrict or prohibit further use of this account if you fail to comply with the requirements we have imposed within a reasonable time.

**SETOFF** - We may (without prior notice and when permitted by law) set off the funds in this account against any due and payable debt any of you owe us now or in the future. If this account is owned by one or more of you as individuals, we may set off any funds in the account against a due and payable debt a partnership owes us now or in the future, to the extent of your liability as a partner for the partnership debt. If your debt arises from a promissory note, then the amount of the due and payable debt will be the full amount we have demanded, as entitled under the terms of the note, and this amount may include any portion of the balance for which we have properly accelerated the due date.

This right of setoff does not apply to this account if prohibited by law. For example, the right of setoff does not apply to this account if: (a) it is an Individual Retirement Account or similar tax-deferred account, or (b) the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest), or (c) the debtor's right of withdrawal only arises in a representative capacity. We will not be liable for the dishonor of any check when the dishonor occurs because we set off a debt against this account. You agree to hold us harmless from any claim arising as a result of our exercise of our right of setoff.

**AGENT (Single Accounts only)** - A single individual is the owner. The agent is merely designated to conduct transactions on the owner's behalf. We undertake no obligation to monitor transactions to determine that they are on the owner's behalf.

**RESTRICTIVE LEGENDS OR INDORSEMENTS** - The automated processing of the large volume of checks we receive prevents us from inspecting or looking for restrictive legends, restrictive indorsements or other special instructions on every check. For this reason, we are not required to honor any restrictive legend or indorsement or other special instruction placed

on checks you write unless we have agreed in writing to the restriction or instruction. Unless we have agreed in writing, we are not responsible for any losses, claims, damages, or expenses that result from your placement of these restrictions or instructions on your checks. Examples of restrictive legends placed on checks are "must be presented within 90 days" or "not valid for more than \$1,000.00." The payee's signature accompanied by the words "for deposit only" is an example of a restrictive indorsement.

**FACSIMILE SIGNATURES** - Unless you make advance arrangements with us, we have no obligation to honor facsimile signatures on your checks or other orders. If we do agree to honor items containing facsimile signatures, you authorize us, at any time, to charge you for all checks, drafts, or other orders, for the payment of money, that are drawn on us. You give us this authority regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen filed with us, and contain the required number of signatures for this purpose. You must notify us at once if you suspect that your facsimile signature is being or has been misused.

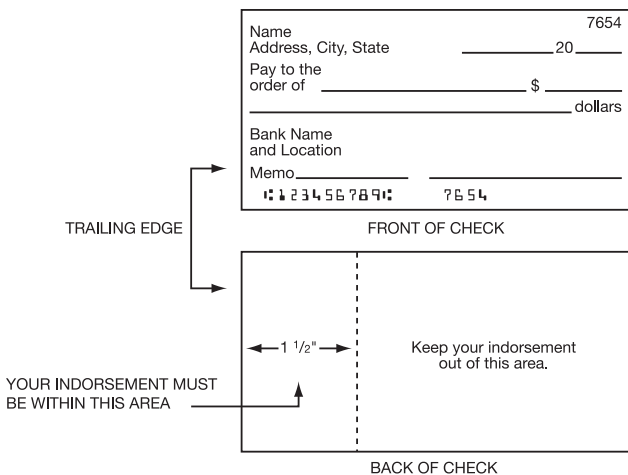
**CHECK PROCESSING** - We process items mechanically by relying almost exclusively on the information encoded in magnetic ink along the bottom of the items. This means that we do not individually examine all of your items to determine if the item is properly completed, signed and indorsed or to determine if it contains any information other than what is encoded in magnetic ink. You agree that we have exercised ordinary care if our automated processing is consistent with general banking practice, even though we do not inspect each item. Because we do not inspect each item, if you write a check to multiple payees, we can properly pay the check regardless of the number of indorsements unless you notify us in writing that the check requires multiple indorsements. We must receive the notice in time for us to have a reasonable opportunity to act on it, and you must tell us the precise date of the check, amount, check number and payee. We are not responsible for any unauthorized signature or alteration that would not be identified by a reasonable inspection of the item. Using an automated process helps us keep costs down for you and all account holders.

**CHECK CASHING** - We may charge a fee for anyone that does not have an account with us who is cashing a check, draft or other instrument written on your account. We may also require reasonable identification to cash a check, draft or other instrument. We can decide what identification is reasonable under the circumstances and such identification may be documentary or physical and may include collecting a thumbprint or fingerprint.

**INDORSEMENTS** - We may accept for deposit any item payable to you or your order, even if they are not indorsed by you. We may give cash back to any one of you. We may supply any missing indorsement(s) for any item we accept for deposit or collection, and you warrant that all indorsements are genuine.

To ensure that your check or share draft is processed without delay, you must indorse it (sign it on the back) in a specific area. Your entire indorsement (whether a signature or a stamp) along with any other indorsement information (e.g. additional indorsements, ID information, driver's license number, etc.) must fall within 1 1/2" of the "trailing edge" of a check. Indorsements must be made in blue or black ink, so that they are readable by automated check processing equipment.

As you look at the front of a check, the "trailing edge" is the left edge. When you flip the check over, be sure to keep all indorsement information within 1 1/2" of that edge.



It is important that you confine the indorsement information to this area since the remaining blank space will be used by others in the processing of the check to place additional needed indorsements and information. You agree that you will indemnify, defend, and hold us harmless for any loss, liability, damage or expense that occurs because your indorsement, another indorsement or information you have printed on the back of the check obscures our indorsement.

These indorsement guidelines apply to both personal and business checks.

**DEATH OR INCOMPETENCE** - You agree to notify us promptly if any person with a right to withdraw funds from your account(s) dies or is adjudicated (determined by the appropriate official) incompetent. We may continue to honor your checks, items, and instructions until: (a) we know of your death or adjudication of incompetence, and (b) we have had a reasonable opportunity to act on that knowledge. You agree that we may pay or certify checks drawn on or before the date of death or adjudication of incompetence for up to ten (10) days after your death or adjudication of incompetence unless ordered to stop payment by someone claiming an interest in the account.

**FIDUCIARY ACCOUNTS** - Accounts may be opened by a person acting in a fiduciary capacity. A fiduciary is someone who is appointed to act on behalf of and for the benefit of another. We are not responsible for the actions of a fiduciary, including the misuse of funds. This account may be opened and maintained by a person or persons named as a trustee under a written trust agreement, or as executors, administrators, or conservators under court orders. You understand that by merely opening such an account, we are not acting in the capacity of a trustee in connection with the trust nor do we undertake any obligation to monitor or enforce the terms of the trust or letters.

**CREDIT VERIFICATION** - You agree that we may verify credit and employment history by any necessary means, including preparation of a credit report by a credit reporting agency.

**LEGAL ACTIONS AFFECTING YOUR ACCOUNT** - If we are served with a subpoena, restraining order, writ of attachment or execution, levy, garnishment, search warrant, or similar order relating to your account (termed "legal action" in this section), we will comply with that legal action as required by applicable law. However, nothing in this agreement shall be construed as a waiver of any rights you may have under applicable law with regards to such legal action. Subject to applicable law, we may, in our sole discretion, choose to freeze the assets in the account and not allow any payments or transfers out of the account until there is a final court determination regarding the legal action. We may do these things even if the legal action involves less than all of you. In these cases, we will not have any liability to you if there are insufficient funds to pay your items because we have withdrawn funds from your account or in any way restricted access to your funds in accordance with the legal action and applicable law. Any fees or expenses we incur in responding to any legal action (including, without limitation, attorneys' fees, and our internal expenses) may be charged against your account, unless otherwise prohibited by applicable law. The list of fees applicable to your account(s) - provided elsewhere - may specify additional fees that we may charge for responding to certain legal actions.

**ACCOUNT SECURITY - Your duty to protect account information and methods of access** - Our policy may require methods of verifying your identity before providing you with a service or allowing you access to your account. We can decide what identification is reasonable under the circumstances. For example, process and identification requirements may vary depending on whether they are online or in person. Identification may be documentary or physical and may include collecting a fingerprint, voiceprint, or other biometric information.

It is your responsibility to protect the account numbers and electronic access devices (e.g., an ATM card, point-of-sale card and/or PIN) we provide you for your accounts. You should also safeguard your username, password, and other access and identifying information when accessing your account through a computer or other electronic, audio, or mobile device or technology. If you give anyone authority to access the account on your behalf, you should exercise caution and ensure the trustworthiness of that agent. Do not discuss, compare, or share information about your account numbers with anyone unless you are willing to give them full use of your money. Checks and electronic withdrawals are processed by automated methods, and anyone who obtains your account number or access device could use it to withdraw money from your account, with or without your permission.

**Positive pay and other fraud prevention services** - Except for consumer electronic fund transfers subject to Regulation E, you agree that if we offer you services appropriate for your account to help identify and limit fraud or other unauthorized transactions against your account, and you reject those services, you will be responsible for any fraudulent or unauthorized transactions which could have been prevented by the services we offered. You will not be responsible for such transactions if we acted in bad faith or to the extent our negligence contributed to the loss. Such services include positive pay or commercially reasonable security procedures. The positive pay service can help detect and prevent check fraud and is appropriate for account holders that issue a high volume of checks, a lot of checks to the general public, or checks for large dollar amounts.

**Account numbers** - Thieves can encode your account number on a check which looks and functions like an authorized check and can be used to withdraw money from your account. Your account number can also be used to issue a "remotely created check." Like a typical check, a remotely created check (sometimes called a telecheck, preauthorized draft or demand draft) is a draft or check that can be used to withdraw money from your account. Unlike a typical check or draft, however, a remotely created check is not issued by the paying bank and does not contain the signature of the account owner (or a signature purported to be the signature of the account owner). If you have truly authorized the remotely created check (to purchase a service or merchandise, for example), it is properly payable. But it can be risky to authorize a remotely created check. A swindler could issue a remotely created check in an amount greater than you authorized, or issue additional remotely created checks that you have not authorized. We will not know if the withdrawal is unauthorized or in an amount greater than the amount you have authorized. Payment can be made from your account even though you did not contact us directly and order the payment.

**Access devices** - If you furnish your access device and grant actual authority to make transfers to someone who then exceeds that authority, you will be liable for the transfers unless we have been notified that transfers by that person are no longer authorized. Please review the additional information you have received or will receive regarding transfers by access device.

**Blank checks** - You must also take precaution in safeguarding your blank checks. Notify us at once if you think your blank checks have been lost or stolen. As between you and us, if you are negligent in safeguarding your checks, you must bear the loss entirely yourself, or share the loss with us if we failed to use ordinary care which substantially contributes to the loss.

**INSTRUCTIONS FROM YOU** - Unless required by law or we have agreed otherwise in writing, we are not required to act upon instructions you give us via facsimile transmission, email, voicemail, or phone call to a facsimile number, email address, or phone number not designated by us for a particular purpose or for a purpose that is unrelated to the request or instruction.

**MONITORING AND RECORDING TELEPHONE CALLS AND ACCOUNT COMMUNICATIONS** - Subject to federal and state law, we may monitor or record phone calls for security reasons, to maintain a record, and to ensure that you receive courteous and efficient service. You consent in advance to any such recording.

To provide you with the best possible service in our ongoing business relationship for your account, we may need to contact you about your account from time to time by telephone, text messaging, or email. In contacting you about your account, we may use any telephone numbers or email addresses that you have previously provided to us by virtue of an existing business relationship or that you may subsequently provide to us. You acknowledge that the number we use to contact you may be assigned to a landline, a paging service, a cellular wireless service, a specialized mobile radio service, other radio common carrier service, or any other service for which you may be charged for the call. You acknowledge that we may contact you by voice, voicemail, or text messaging. You further acknowledge that we may use pre-recorded voice messages, artificial voice messages, or automatic telephone dialing systems.

If necessary, you may change or remove any of the telephone numbers, email addresses, or other methods of contacting you at any time using any reasonable means to notify us.

**CLAIM OF LOSS** - The following rules do not apply to a transaction or claim related to a consumer electronic fund transfer governed by Regulation E (e.g., an every day/one-time consumer debit card or ATM transaction). The error resolution procedures for consumer electronic fund transfers can be found in our initial Regulation E disclosure generally titled, "Electronic

Fund Transfers." For other transactions or claims, if you claim a credit or refund because of a forgery, alteration, or any other unauthorized withdrawal, you agree to cooperate with us in the investigation of the loss, including giving us an affidavit containing whatever reasonable information we require concerning your account, the transaction, and the circumstances surrounding the loss. You will notify law enforcement authorities of any criminal act related to the claim of lost, missing, or stolen checks or unauthorized withdrawals. We will have a reasonable period of time to investigate the facts and circumstances surrounding any claim of loss. Unless we have acted in bad faith, we will not be liable for special or consequential damages, including loss of profits or opportunity, or for attorneys' fees incurred by you.

You agree that you will not waive any rights you have to recover your loss against anyone who is obligated to repay, insure, or otherwise reimburse you for your loss. You will pursue your rights or, at our option, assign them to us so that we may pursue them. Our liability will be reduced by the amount you recover or are entitled to recover from these other sources.

**EARLY WITHDRAWAL PENALTIES (and involuntary withdrawals)** - We may impose early withdrawal penalties on a withdrawal from a time account even if you don't initiate the withdrawal. For instance, the early withdrawal penalty may be imposed if the withdrawal is caused by our setoff against funds in the account or as a result of an attachment or other legal process. We may close your account and impose the early withdrawal penalty on the entire account balance in the event of a partial early withdrawal. See your separately provided notice of penalty for early withdrawal for additional information.

**CHANGES IN NAME AND CONTACT INFORMATION** - You are responsible for notifying us of any change in your name, address, or other information we use to communicate with you. Unless we agree otherwise, notice of such a change must be made in writing. Informing us of your address or name change on a check reorder form is not sufficient. We will attempt to communicate with you only by use of the most recent information you have provided to us. If provided elsewhere, we may impose a service fee if we attempt to locate you.

**RESOLVING ACCOUNT DISPUTES** - We may place an administrative hold on the funds in your account (refuse payment or withdrawal of the funds) if it becomes subject to a claim adverse to (1) your own interest; (2) others claiming an interest as survivors or beneficiaries of your account; or (3) a claim arising by operation of law. The hold may be placed for such period of time as we believe reasonably necessary to allow a legal proceeding to determine the merits of the claim or until we receive evidence satisfactory to us that the dispute has been resolved. We will not be liable for any items that are dishonored as a consequence of placing a hold on funds in your account for these reasons.

**WAIVER OF NOTICES** - To the extent permitted by law, you waive any notice of non-payment, dishonor or protest regarding any items credited to or charged against your account. For example, if you deposit an item and it is returned unpaid or we receive a notice of nonpayment, we do not have to notify you unless required by federal Regulation CC or other law.

**ACH AND WIRE TRANSFERS - This agreement is subject to Article 4A of the Uniform Commercial Code** - Fund Transfers as adopted in the state in which you have your account with us. If you originate a fund transfer and you identify by name and number a beneficiary financial institution, an intermediary financial institution or a beneficiary, we and every receiving or beneficiary financial institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a financial institution, person or account other than the one named. You agree to be bound by automated clearing house association rules. These rules provide, among other things, that payments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A-403(a) of the Uniform Commercial Code. If we do not receive such payment, we are entitled to a refund from you in the amount credited to your account and the party originating such payment will not be considered to have paid the amount so credited. Credit entries may be made by ACH. If we receive a payment order to credit an account you have with us by wire or ACH, we are not required to give you any notice of the payment order or credit.

**PLEDGES** - Each owner of this account may pledge all or any part of the funds in it for any purpose to which we agree. Any pledge of this account must first be satisfied before the rights of any surviving account owner or account beneficiary become effective. For example, if an account has two owners and one of the owners pledges the account (i.e., uses it to secure

a debt) and then dies, (1) the surviving owner's rights in this account do not take effect until the debt has been satisfied, and (2) the debt may be satisfied with the funds in this account.

**AGENCY (Power of Attorney) DESIGNATION** - In the case of a multiple-party account, the owners may use a writing signed by all owners to designate as agent of all owners on an account a person other than an owner. The agent is merely designated to conduct transactions on the owner's behalf. The owner does not give up any rights to act on the account, and the agent may not in any manner affect the rights of the owner or beneficiaries, if any, other than by withdrawing funds from the account. The owner is responsible for any transactions of the agent. We undertake no obligation to monitor transactions to determine that they are on the owner's behalf. The owner may terminate the agency at any time, and the agency is automatically terminated by the death of the owner. However, we may continue to honor the transactions of the agent until: (a) we have received written notice or have actual knowledge of the termination of the agency, and (b) we have a reasonable opportunity to act on that notice or knowledge. We may refuse to accept an agent.

**STALE-DATED CHECKS** - We are not obligated to, but may at our option, pay a check, other than a certified check, presented for payment more than six months after its date. If you do not want us to pay a stale-dated check, you must place a stop-payment order on the check in the manner we have described elsewhere.

**FDIC INSURANCE** - Funds in your account(s) with us are insured by the Federal Deposit Insurance Corporation (FDIC) and backed by the full faith and credit of the United States. The amount of insurance coverage you have depends on the number of accounts you have with us that are of different "ownership." An individual account is one unique form of "ownership"; a joint account, a pay-on-death account, and a self-directed qualified retirement account (e.g., an IRA) are examples of some of the others. Deposit insurance for a person's self-directed qualified retirement account is up to \$250,000. (An IRA is a self-directed qualified retirement account as is any account where the owner decides where and how to invest the balance.) Funds are insured to \$250,000 per depositor for the total of funds combined in all of your other insured accounts with us. If you want a more detailed explanation or additional information, you may ask us or contact the FDIC. You can also visit the FDIC website at [www.fdic.gov](http://www.fdic.gov) and click on the Deposit Insurance link. The link includes detailed contact information as well as a deposit insurance estimator.

**UNCLAIMED PROPERTY** - The law establishes procedures under which unclaimed property must be surrendered to the state. (We may have our own rules regarding dormant accounts, and if we charge a fee for dormant accounts it will be disclosed to you elsewhere.) Generally, the funds in your account are considered unclaimed if you have not had any activity or communication with us regarding your account over a period of years. Ask us if you want further information about the period of time or type of activity that will prevent your account from being unclaimed. If your funds are surrendered to the state, you may be able to reclaim them, but your claim must be presented to the state. Once your funds are surrendered, we no longer have any liability or responsibility with respect to the funds.

**UTMA ACCOUNTS** - Under the Uniform Transfers to Minors Act, the funds in the account are owned by the child who has unconditional use of the account when he or she reaches the age of majority. Before that time, the account may be accessed only by the custodian (or successor custodian), and the funds must be used for the benefit of the child. We, however, have no duty or agreement whatsoever to monitor or insure that the acts of the custodian (or successor custodian) are for the child's benefit. We are not responsible to monitor age or eligibility for an UTMA account, even though our records may include the minor's date of birth. It is the custodian's responsibility to properly distribute the funds in the account upon the minor's death or attainment of the age of majority. For this type of account, the child's SSN/TIN is used for the Backup Withholding Certification.

**CASH TRANSACTION REPORTING** - To help law enforcement agencies detect illegal activities, the law requires all financial institutions to gather and report information on some types of cash transactions. If the information we need to complete the report is not provided, we are required to refuse to handle the transaction. If you have any questions regarding these rules, the U.S. Treasury Financial Crimes Enforcement Network (FinCEN) maintains a frequently asked questions (FAQ) document online. The FAQ also includes additional information for contacting FinCEN.

**BACKUP WITHHOLDING/TIN CERTIFICATION** - Federal tax law requires us to report interest payments we make to you of \$10 or more in a year,

and to include your taxpayer identification number (TIN) on the report (the taxpayer identification number is your social security number if you are an individual). Interest includes dividends, interest and bonus payments for purposes of this rule. Therefore, we require you to provide us with your TIN and to certify that it is correct. In some circumstances, federal law requires us to withhold and pay to the IRS a percentage of the interest that is earned on funds in your accounts. This is known as backup withholding. We will not have to withhold interest payments when you open your account if you certify your TIN and certify that you are not subject to backup withholding due to underreporting of interest. (There are special rules if you do not have a TIN but have applied for one, if you are a foreign person, or if you are exempt from the reporting requirements.) We may subsequently be required to begin backup withholding if the IRS informs us that you supplied an incorrect TIN or that you underreported your interest income.

**LOST, DESTROYED, OR STOLEN CERTIFIED, CASHIER'S, OR TELLER'S CHECKS** - Under some circumstances you may be able to assert a claim for the amount of a lost, destroyed, or stolen certified, cashier's or teller's check. To assert the claim: (a) you must be the remitter (or drawer of a certified check) or payee of the check, (b) we must receive notice from you describing the check with reasonable certainty and asking for payment of the amount of the check, (c) we must receive the notice in time for us to have a reasonable opportunity to act on it, and (d) you must give us a declaration (in a form we require) of your loss with respect to the check. You can ask us for a declaration form. Even if all of these conditions are met, your claim may not be immediately enforceable. We may pay the check until the ninetieth day after the date of the check (or date of acceptance of a certified check). Therefore, your claim is not enforceable until the ninetieth day after the date of the check or date of acceptance, and the conditions listed above have been met. If we have not already paid the check, on the day your claim is enforceable we become obligated to pay you the amount of the check. We will pay you in cash or issue another certified check.

At our option, we may pay you the amount of the check before your claim becomes enforceable. However, we will require you to agree to indemnify us for any losses we might suffer. This means that if the check is presented after we pay your claim, and we pay the check, you are responsible to cover our losses. We may require you to provide a surety bond to assure that you can pay us if we suffer a loss.

**CHANGING ACCOUNT PRODUCTS** - We may change your account to another product offered by us at any time by giving you notice that your account will be changed to another product on a specified date. If your account is a time account, the change will not occur before the next maturity date of your account. If you do not close your account before the date specified in the notice, we may change your account to that other product on the date specified in the notice.

**TRANSACTIONS BY MAIL** - You may deposit checks or drafts by mail. You should indorse the item being sent through the mail with the words "For Deposit Only" and should include your correct account number underneath to ensure the item is credited to the correct account. You should use the pre-encoded deposit slips found in your checkbook. If you do not use your deposit slip or provide us with instructions indicating how or where the item should be credited, we may apply it to any account or any loan balance you have with us or we may return the item to you. Receipts for such transactions will be mailed to you only if a self-addressed stamped envelope is provided. Following your deposit, examine your statement carefully or call us to ensure that we received the item. Do not send cash through the mail for deposit.

**CHECK STORAGE AND COPIES** - You agree that you will not receive your canceled checks. We will store your canceled checks or copies of them for a reasonable retention period. You may request copies from us in the manner we require.

**TRUNCATION, SUBSTITUTE CHECKS, AND OTHER CHECK IMAGES** - If you truncate an original check and create a substitute check, or other paper or electronic image of the original check, you warrant that no one will be asked to make payment on the original check, a substitute check or any other electronic or paper image, if the payment obligation relating to the original check has already been paid. You also warrant that any substitute check you create conforms to the legal requirements and generally accepted specifications for substitute checks. You agree to retain the original check in conformance with our policy for retaining original checks. You agree to indemnify us for any loss we may incur as a result of any truncated check transaction you initiate. We can refuse to accept substitute

checks that have not previously been warranted by a bank or other financial institution in conformance with the Check 21 Act. Unless specifically stated in a separate agreement between you and us, we do not have to accept any other electronic or paper image of an original check.

**REMOTELY CREATED CHECKS** - Like any standard check or draft, a remotely created check (sometimes called a telecheck, preauthorized draft or demand draft) is a check or draft that can be used to withdraw money from an account. Unlike a typical check or draft, however, a remotely created check is not issued by the paying bank and does not contain the signature of the account owner (or a signature purported to be the signature of the account owner). In place of a signature, the check usually has a statement that the owner authorized the check or has the owner's name typed or printed on the signature line.

You warrant and agree to the following for every remotely created check we receive from you for deposit or collection: (1) you have received express and verifiable authorization to create the check in the amount and to the payee that appears on the check; (2) you will maintain proof of the authorization for at least 2 years from the date of the authorization, and supply us the proof if we ask; and (3) if a check is returned you owe us the amount of the check, regardless of when the check is returned. We may take funds from your account to pay the amount you owe us, and if there are insufficient funds in your account, you still owe us the remaining balance.

**UNLAWFUL INTERNET GAMBLING NOTICE** - Restricted transactions as defined in Federal Reserve Regulation GG are prohibited from being processed through this account or relationship. Restricted transactions generally include, but are not limited to, those in which credit, electronic fund transfers, checks, or drafts are knowingly accepted by gambling businesses in connection with the participation by others in unlawful Internet gambling.

**HEALTH SAVINGS ACCOUNTS (HSA)** - For your convenience, we permit you to take distributions from your HSA by check. This feature can raise a variety of tax concerns - for example getting additional cash back on an HSA checking transaction. As a result, if you have more than one account with us, it is a good practice to make sure you are using the appropriate checkbook for the transaction. Also, it is your responsibility to ensure your distributions and other actions related to the HSA comply with the law, including federal tax law. As always, we recommend consulting a legal or tax professional if you have any questions about managing your HSA. The terms of this agreement are intended to work in conjunction with the HSA Agreement provided to you earlier. In the event of a conflict, the terms of the HSA Agreement control. You understand that your HSA is intended to be used for payment of qualified medical expenses. It is your responsibility to satisfy any tax liability resulting from use of your HSA for any purpose other than payment or reimbursement of qualified medical expenses. We do not monitor the purpose of any transaction to or from your HSA. Nor are we responsible for ensuring your eligibility for making contributions or ensuring withdrawals are used for payment or reimbursement of qualified medical expenses. Refer to your HSA Agreement for more information relating to the use of your HSA.

**INTERNATIONAL ACH TRANSACTIONS** - Financial institutions are required by law to scrutinize or verify any international ACH transaction (IAT) that they receive against the Specially Designated Nationals (SDN) list of the Office of Foreign Assets Control (OFAC). This action may, from time to time, cause us to temporarily suspend processing of an IAT and potentially affect the settlement and/or availability of such payments.

## ELECTRONIC FUND TRANSFERS YOUR RIGHTS AND RESPONSIBILITIES

Indicated below are types of Electronic Fund Transfers we are capable of handling, some of which may not apply to your account. Please read this disclosure carefully because it tells you your rights and obligations for the transactions listed. You should keep this notice for future reference.

**Electronic Fund Transfers Initiated By Third Parties.** You may authorize a third party to initiate electronic fund transfers between your account and the third party's account. These transfers to make or receive payment may be one-time occurrences or may recur as directed by you. These transfers may use the Automated Clearing House (ACH) or other payments network. Your authorization to the third party to make these transfers can occur in a number of ways. For example, your authorization to convert a check to an electronic fund transfer or to electronically pay a returned check charge

can occur when a merchant provides you with notice and you go forward with the transaction (typically, at the point of purchase, a merchant will post a sign and print the notice on a receipt). In all cases, these third party transfers will require you to provide the third party with your account number and bank information. This information can be found on your check as well as on a deposit or withdrawal slip. Thus, you should only provide your bank and account information (whether over the phone, the Internet, or via some other method) to trusted third parties whom you have authorized to initiate these electronic fund transfers. Examples of these transfers include, but are not limited to:

- Preauthorized credits. You may make arrangements for certain direct deposits to be accepted into your checking or savings account(s).
- Preauthorized payments. You may make arrangements to pay certain recurring bills from your checking or savings account(s).

**24 Hour Telephone Banking Transfers - types of transfers** - You may access your account by telephone 24 hours a day at 1-800-433-0888 using your personal identification number, to:

- transfer funds from checking to checking
- transfer funds from checking to savings
- transfer funds from savings to checking
- transfer funds from savings to savings
- transfer funds from line of credit to checking
- transfer funds from line of credit to savings
- make payments from checking to loan accounts with us
- make payments from savings to loan accounts with us

**ATM Transfers - types of transfers, and dollar limitations** - You may access your account(s) by ATM using your debit card and personal identification number, to:

- make deposits to checking account(s) with a debit card
  - make deposits to savings account(s) with a debit card
  - get cash withdrawals from checking account(s) with a debit card
    - you may withdraw no more than \$705.00 per day on your card between all available accounts
  - get cash withdrawals from savings account(s) with a debit card
    - you may withdraw no more than \$705.00 per day on your card between all available accounts
  - transfer funds from savings to checking account(s) with a debit card
  - transfer funds from checking to savings account(s) with a debit card
- Some of these services may not be available at all terminals.

**Types of Debit Card Point-of-Sale Transactions** - You may access your checking account to purchase goods (in person, online or by phone), pay for services (in person, online or by phone), get cash from a merchant, if the merchant permits, or from a participating financial institution and do anything that a participating merchant will accept.

**Point-of-Sale Transactions - frequency and dollar limitations** - Using your card:

- you may make no more than 25 transactions per day
- you may not exceed \$2,500.00 in transactions per day

Please also see **Limitations on frequency of transfers** section regarding limitations that apply to debit card transactions.

**Advisory Against Illegal Use.** You agree not to use your card(s) for illegal gambling or other illegal purpose. Display of a payment card logo by, for example, an online merchant does not necessarily mean that transactions are lawful in all jurisdictions in which the cardholder may be located.

**Non-Visa Debit Transaction Processing.** We have enabled non-Visa debit transaction processing. This means you may use your Visa®-branded Debit Card on a PIN-Debit Network\* (a non-Visa network) without using a PIN. The provisions of your agreement with us relating only to Visa transactions are not applicable to non-Visa transactions. For example, the additional limits on liability (sometimes referred to as Visa's Zero Liability Policy) and the streamlined error resolution procedures offered on Visa debit card transactions are not applicable to transactions processed on a PIN-Debit Network.

\* Visa Rules generally define PIN-Debit Network as a non-Visa debit network that typically authenticates transactions by use of a personal identification number (PIN) but that is not generally known for having a card program.

**Online Banking Transfers - types of transfers** - You may access your account(s) by computer through the Internet by logging onto our website at [www.fsbwa.com](http://www.fsbwa.com) and using multifactor authentication, to:

- transfer funds from checking to checking
- transfer funds from checking to savings
- transfer funds from savings to checking
- transfer funds from savings to savings
- transfer funds from line of credit to checking
- transfer funds from line of credit to savings
- make payments from checking to loan account(s) with us
- make payments from savings to loan account(s) with us

**Mobile Banking Transfers - types of transfers** - You may access your account(s) through the browser on your cell or mobile phone at [www.fsbwa.com](http://www.fsbwa.com) or by downloading our mobile banking app and using multifactor authentication, to:

- transfer funds from checking to checking
- transfer funds from checking to savings
- transfer funds from savings to checking
- transfer funds from savings to savings
- transfer funds from line of credit to checking
- transfer funds from line of credit to savings
- make payments from checking to loan account(s) with us
- make payments from savings to loan account(s) with us

You may be charged access fees by your cell phone provider based on your individual plan. Web access is needed to use this service. Check with your cell phone provider for details on specific fees and charges.

**Health Savings Accounts (HSA).** We permit some electronic fund transfers to and/or from your HSA. The electronic fund transfers we permit are offered for the convenience of managing your HSA. However, electronically moving funds to or from your HSA - for example, depositing more than the allowable amount, or getting additional cash back on an HSA debit card transaction - can raise a variety of tax concerns. As a result, before electronically accessing any account you may have with us, it is a good practice to make sure you are using the correct access device (such as a card) or accessing the appropriate account for the transaction. Also, it is your responsibility to ensure the contributions, distributions, and other actions related to your HSA, comply with the law, including federal tax law. As always, we recommend consulting a legal or tax professional if you have any questions about managing your HSA. The terms of this disclosure are intended to work in conjunction with the HSA Agreement provided to you earlier. In the event of a conflict, the terms of the HSA Agreement control. You understand that your HSA is intended to be used for payment of qualified medical expenses. It is your responsibility to satisfy any tax liability resulting from use of your HSA for any purpose other than payment or reimbursement of qualified medical expenses. We do not monitor the purpose of any transaction to or from your HSA. Nor are we responsible for ensuring your eligibility for making contributions or ensuring withdrawals are used for payment or reimbursement of qualified medical expenses. Refer to your HSA Agreement for more information relating to the use of your HSA.

**Limitations on frequency of transfers.** In addition to those limitations on transfers elsewhere described, if any, the following limitations apply:

- For security reasons, there are other limits on the number of transfers you can make by debit card.

#### **FEES**

- We do not charge for direct deposits to any type of account.
- We do not charge for preauthorized payments from any type of account.

Except as indicated elsewhere, we do not charge for these electronic fund transfers.

**ATM Operator/Network Fees.** When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer).

#### **DOCUMENTATION**

- **Terminal transfers.** You can get a receipt at the time you make a transfer to or from your account using an automated teller machine or point-of-sale terminal. However, you may not get a receipt if the amount of the transfer is \$15 or less.

- **Preauthorized credits.** If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can call us at 1-800-683-0973 to find out whether or not the deposit has been made.
- Periodic statements.
  - You will get a monthly account statement from us for your checking accounts.
  - You will get a monthly account statement from us for your savings accounts, unless there are no transfers in a particular month. In any case, you will get a statement at least quarterly.

#### **PREAUTHORIZED PAYMENTS**

- **Right to stop payment and procedure for doing so.** If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here is how:

Call or write us at the telephone number or address listed in this disclosure in time for us to receive your request 3 business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call.

We will charge you \$30.00 for each stop-payment order you give.

- **Notice of varying amounts.** If these regular payments may vary in amount, the person you are going to pay will tell you, 10 days before each payment, when it will be made and how much it will be. (You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.)
- **Liability for failure to stop payment of preauthorized transfer.** If you order us to stop one of these payments 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.

**Visa Account Updater.** 1st Security Bank participates in VISA's mandated service, Visa Account Updater. This service provides secure updates that include expiration date charges, card status changes, etc. to merchants who maintain 'card on file' account information to process recurring payments, such as subscriptions or utility companies. All 1st Security Bank cardholders are enrolled in this service.

#### **FINANCIAL INSTITUTION'S LIABILITY**

**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:

- (1) If, through no fault of ours, you do not have enough money in your account to make the transfer.
- (2) If you have an overdraft line and the transfer would go over the credit limit.
- (3) If the automated teller machine where you are making the transfer does not have enough cash.
- (4) If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
- (5) If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
- (6) There may be other exceptions stated in our agreement with you.

#### **(7) CONFIDENTIALITY**

(8) We will disclose information to third parties about your account or the transfers you make:

- (9) where it is necessary for completing transfers; or
- (10) in order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or
- (11) in order to comply with government agency or court orders; or
- (1) as explained in the separate Privacy Disclosure.

#### **UNAUTHORIZED TRANSFERS**

##### **(a) Consumer liability.**

- **Generally.** Tell us AT ONCE if you believe your card and/or PIN has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check. 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 you tell us within 2 business days after you learn of the loss or theft of your card and/or PIN, you can lose no more than \$50 if someone used your card and/or PIN without your permission.



If you do NOT tell us within 2 business days after you learn of the loss or theft of your card and/or PIN, and we can prove we could have stopped someone from using your card and/or PIN without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, including those made by card, PIN or other means, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time.

If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods.

- **Additional Limit on Liability for Visa®-branded Debit Card.** Unless you have been negligent or have engaged in fraud, you will not be liable for any unauthorized transactions using your lost or stolen Visa®-branded Debit Card. This additional limit on liability does not apply to ATM transactions outside of the U.S., to ATM transactions not sent over Visa or Plus networks, or to transactions using your Personal Identification Number which are not processed by VISA®. Visa is a registered trademark of Visa International Service Association.

**(b) Contact in event of unauthorized transfer.** If you believe your card and/or PIN has been lost or stolen, call or write us at the telephone number or address listed in this disclosure. You should also call the number or write to the address listed in this disclosure if you believe a transfer has been made using the information from your check without your permission.

#### ERROR RESOLUTION NOTICE

In Case of Errors or Questions About Your Electronic Transfers, Call or Write us at the telephone number or address listed in this disclosure, as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

(1) Tell us your name and account number (if any).

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

(3) 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 10 business days.

We will determine whether an error occurred within 10 business days (5 business days for Visa®-branded Debit Card point-of-sale transactions processed by Visa and 20 business days if the transfer involved a new account) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days if the transfer involved a new account, a point-of-sale transaction, or a foreign-initiated transfer) to investigate your complaint or question. If we decide to do this, we will provisionally credit your account within 10 business days (5 business days for Visa®-branded Debit Card point-of-sale transactions processed by Visa and 20 business days if the transfer involved a new account) 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 10 business days, we may not provisionally credit your account. Your account is considered a new account for the first 30 days after the first deposit is made, unless each of you already has an established account with us before this account is opened.

We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation.

You may ask for copies of the documents that we used in our investigation.

1ST SECURITY BANK DEPOSIT OPERATIONS  
P.O. BOX 97000  
LYNNWOOD, WA 98046

Business Days: Monday - Friday 9am to 5pm  
Phone: 1-800-683-0973

MORE DETAILED INFORMATION IS AVAILABLE ON REQUEST

#### NOTICE OF ATM/NIGHT DEPOSIT FACILITY USER PRECAUTIONS

As with all financial transactions, please exercise discretion when using an automated teller machine (ATM) or night deposit facility. For your own

safety, be careful. The following suggestions may be helpful.

1. Prepare for your transactions at home (for instance, by filling out a deposit slip) to minimize your time at the ATM or night deposit facility.
2. Mark each transaction in your account record, but not while at the ATM or night deposit facility. Always save your ATM receipts. Don't leave them at the ATM or night deposit facility because they may contain important account information.
3. Compare your records with the account statements or account histories that you receive.
4. Don't lend your ATM card to anyone.
5. Remember, do not leave your card at the ATM. Do not leave any documents at a night deposit facility.
6. Protect the secrecy of your Personal Identification Number (PIN). Protect your ATM card as though it were cash. Don't tell anyone your PIN. Don't give anyone information regarding your ATM card or PIN over the telephone. Never enter your PIN in any ATM that does not look genuine, has been modified, has a suspicious device attached, or is operating in a suspicious manner. Don't write your PIN where it can be discovered. For example, don't keep a note of your PIN in your wallet or purse.
7. Prevent others from seeing you enter your PIN by using your body to shield their view.
8. If you lose your ATM card or if it is stolen, promptly notify us. You should consult the other disclosures you have received about electronic fund transfers for additional information about what to do if your card is lost or stolen.
9. When you make a transaction, be aware of your surroundings. Look out for suspicious activity near the ATM or night deposit facility, particularly if it is after sunset. At night, be sure that the facility (including the parking area and walkways) is well lit. Consider having someone accompany you when you use the facility, especially after sunset. If you observe any problem, go to another ATM or night deposit facility.
10. Don't accept assistance from anyone you don't know when using an ATM or night deposit facility.
11. If you notice anything suspicious or if any other problem arises after you have begun an ATM transaction, you may want to cancel the transaction, pocket your card and leave. You might consider using another ATM or coming back later.
12. Don't display your cash; pocket it as soon as the ATM transaction is completed and count the cash later when you are in the safety of your own car, home, or other secure surrounding.
13. At a drive-up facility, make sure all the car doors are locked and all of the windows are rolled up, except the driver's window. Keep the engine running and remain alert to your surroundings.
14. We want the ATM and night deposit facility to be safe and convenient for you. Therefore, please tell us if you know of any problem with a facility. For instance, let us know if a light is not working or there is any damage to a facility. Please report any suspicious activity or crimes to both the operator of the facility and the local law enforcement officials immediately.

#### YOUR ABILITY TO WITHDRAW FUNDS

This policy statement applies to "transaction" accounts, but not to savings deposits. Transaction accounts, in general, are accounts which permit an unlimited number of payments to third persons and an unlimited number of telephone and preauthorized transfers to other accounts of yours with us. Checking accounts are the most common transaction accounts. Savings accounts and money market deposit accounts are examples of savings deposits. Feel free to ask us whether any of your other accounts might also be under this policy.

Our policy is to make funds from your cash and check deposits available to you on the first business day after the day we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once the funds are available, you can withdraw them in cash and we will use the funds to pay checks that you have written.

Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

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 closing 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 closing or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

If you make a deposit at an ATM before 3:00 P.M. on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit at an ATM after 3:00 P.M. or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

If we cash a check for you that is drawn on another bank, 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 bank, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

#### **LONGER DELAYS MAY APPLY**

**Case-by-case delays.** In some cases, we will not make all of the funds that you deposit by check available to you on the first business day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. The first \$225 of your deposits, however, will be available on the first business day.

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

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

**Safeguard exceptions.** In addition, funds you deposit by check may be delayed for a longer period 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. They will generally be available no later than the seventh business day after the day of your 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 first 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 30th business day after the day of your deposit.

#### **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 second business day after the day of your deposit.

All ATMs that we own or operate are identified as our machines.

## **SUBSTITUTE CHECKS AND YOUR RIGHTS**

As our customer we think it's important for you to know about substitute checks. The following Substitute Check Disclosure provides information about substitute checks and your rights. So you will recognize substitute checks when you receive them, we have included a copy of the front side of a substitute check along with an explanation of the substitute check's components.

#### **What is a substitute check?**

To make check processing faster, federal law permits banks 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:

1st Security Bank  
Attn: Deposit Operations PO Box 97000  
Lynnwood, WA 98046  
1-800-683-0973

You must contact us within 40 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, the amount of the check, the date of the check, and the name of the person to whom you wrote the check.



# 1ST SECURITY BANK

PO Box 97000  
Lynnwood WA 98046

## Welcome to 1st Security Bank

Say hello to neighborhood  
banking that puts you 1st.



“I have finally found a real banking home for my nonprofit organization and for my family. Warm, authentic, capable staff with a huge commitment to building a strong, diverse community.”

**Denise, Wider Horizons**  
**1st Security Bank Customer**



# 1ST SECURITY BANK

Customer Service

(800) 658-7744 • Monday – Friday, 8:30am – 5pm PT • [fsbwa.com/welcome](https://www.fsbwa.com/welcome)