



**TRAILHEAD  
FEDERAL CREDIT UNION**

**BUSINESS MEMBERSHIP  
AND ACCOUNT  
AGREEMENT**

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

The classification and form of ownership of your accounts are designated on your Account Card. By signing an Account Card or completing and transmitting an online Account Card or service request that is a part of the Agreement, each of you, agree to the terms and conditions in this Agreement, including the Funds Availability Policy, and Rate and Fee Schedule accompanying this Agreement, any account receipt, the Credit Union's Bylaws and policies, and any amendments which collectively govern your Business Membership and Accounts. You agree that additional accounts and services you request in the future will be governed by this Agreement, as amended from time to time.

## **I. MEMBERSHIP AND ACCOUNTS**

**1. Membership Eligibility.** To be eligible for membership in the Credit Union you must be an individual sole proprietor or entity qualifying within the Credit Union's field of membership and must purchase and maintain at least one share (the Membership Share Account) as required by the Credit Union's Bylaws. You authorize us to check your account, credit and employment history, and obtain a credit report from third parties, including credit reporting agencies, to verify your eligibility for the accounts and services you request.

**2. Accounts of Businesses and Organizations.** You must designate on the Account Card who is authorized to act on behalf of the Account Owner. You agree to notify the Credit Union of any change in authority. The Credit Union may rely on the written authorization until such time as the Credit Union is informed of changes in writing and has had a reasonable time to act upon such notice. The Credit Union may require that third party checks payable to a club or association may not be cashed, but must be deposited to the account. The Credit Union shall have no notice of any breach of fiduciary duties arising from a

transaction by any agent of the account owner, unless the Credit Union has actual notice of any wrongdoing.

## **3. Certificate of Authority.**

a. Name. The Account owner shown on the front of the Account Card is the complete and correct name of the Account Owner.

b. Authorized Signers. The listed officers, authorized agents, or trustees, as applicable of the Account Owner presently occupy the positions shown on the front side and are authorized to transact business on behalf of the Account Owner.

c. Authority.

(1) The individuals signing on the account card certify and agree that the Account Owner's accounts will be governed by the terms set forth in this Business Membership and Account Agreement, as amended from time to time.

(2) The Credit Union is directed to accept and pay without further inquiry any item, bearing the appropriate number of signatures as indicated on the account card, drawn against any of the Account Owner's accounts with the Credit Union.

(3) Unless otherwise indicated, any one Authorized Signer is expressly authorized to endorse all checks, overdrafts, notes and other items payable at the Credit Union, and to execute such other agreements and to perform such other acts as they deem reasonably necessary to carry out the provisions of this Agreement.

(4) The authority given to the Authorized Signers shall remain in full force until written notice of revocation is delivered to and received by the Credit Union. Any such notice shall not affect any items in process at the time notice is given. An authorized officer, trustee, or agent of the Account Owner will notify the Credit Union of any change in the Account Owner's composition, assumed business names, or any aspect of the entity affecting the deposit relationship between the Account Owner and the Credit Union before any such change occurs. The Account Owner agrees that the Credit Union shall not be liable for any losses due to the Account Owner's failure to notify the Credit Union of such changes.

**4. Deposit Requirements.** Funds may be deposited to any account in any manner approved by the Credit Union in accordance with the requirements set forth on the Rate and Fee Schedule. All accounts are non-assignable and nonnegotiable to third parties. Certificate of Deposit accounts are governed by the terms of this Agreement and the terms and disclosures on your Certificate of Deposit

Receipt for each account, which is incorporated herein by this reference.

a. Endorsements. You authorize the Credit Union, in its discretion, to accept transfers, checks, drafts, and other items for deposit into any of your accounts, whether or not they are endorsed by all payees. You authorize the Credit Union to supply missing endorsements if the Credit Union chooses to supply such endorsements. The Credit Union reserves the right to verify all endorsements on third party checks presented for deposit either in person or by comparison with member signature files. If an insurance, government, and certain other checks or drafts require an endorsement as set forth on the back of the check, the Credit Union may require endorsement as set forth on the check. Endorsements must be placed in the space on the back of the check between the top edge and 12 inches from the top edge. The Credit Union may accept drafts or checks with endorsements outside this space. However, if any such endorsement or other markings you or any prior endorser make on the check cause any delay or error in processing the item for payment, you will be responsible for any loss incurred by the Credit Union due to the delay or error.

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

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

d. Direct Deposits. For sole proprietorship accounts, the Credit Union may offer direct deposit options allowing you to preauthorize deposits (i.e., payroll checks,

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

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

## 5. Electronic Check Conversions.

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

b. Electronic Represented Checks. If you write a check on a personal account that we return unpaid because of insufficient or uncollected funds, the payee or any subsequent holder of the check may re-present the check to us, through an electronic instruction ("Electronic Re-presented Check") to charge your account for the amount of the check. If we receive an electronic re-presented check, we will pay or return the electronic re-presented check as if the original paper check was presented to us. Any collection fee you authorize the merchant to debit from your account is an electronic funds transfer subject to the terms of Ill. Electronic Funds Transfer

Agreement. If you want to reverse an electronic re-presented check, you must give us an affidavit within 15 days after we send or make available to you the periodic statement that reflects payment of that electronic re-presented check. In your affidavit, you must declare and swear under oath that the electronic re-presented check was ineligible or unauthorized. If we receive proper notice or affidavit from you within the 15-day period, we will re-credit your account with the amount of the charge. If you wish to stop payment of any electronic re-presented check, you must follow the procedures contained in this Agreement for stopping payment of checks, not the procedures for stopping payment on electronic loan or bill payments. If you ask us to request the depositor's bank to send us the original paper check or copy of the paper check, and we provide it to you, you agree that you will not seek to have your account re-credited due to a prior stop payment order or if the item is otherwise ineligible for collection.

## **6. Account Access.**

a. Authorized Signature. In order to access any account, the Credit Union must have an authorized signature of yours on an Account Card. The Credit Union is authorized to recognize your signature, but will not be liable for refusing to honor any item or instruction of yours if it believes in good faith that the signature on such item or instruction is not genuine. If you have authorized the use of a facsimile signature, the Credit Union may honor any check that appears to bear your facsimile signature even if it was made by an unauthorized person. If you give your account number to a third person, you authorize us to honor transactions initiated by the third person even if you did not specifically authorize a particular transaction.

b. Access Options. You may make withdrawals or transfers from your account in any manner which is permitted by the Credit Union (i.e., check, automated teller machines (ATMs), Call Connection, Visa Check Card, ATM Card, PC Connection and Online Banking, in person, by mail, automatic transfer, or telephone). If the Credit Union accepts any check that is not drawn on a form provided by the Credit Union, you will be responsible for any loss incurred by the Credit Union for handling the check. The Credit Union may return as unpaid any check that is not drawn in the form provided by the Credit Union.

c. ACH & Wire Transfers. If offered, you may initiate or receive credits or debits to your account via wire transfer or ACH ("Automated Clearing House") transfer. You agree that if you receive funds by a wire or ACH transfer, the Credit Union is not required to notify you at the time the funds are received. Instead, the transfer will be shown on your periodic statement. The Credit Union

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

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

**7. Account Rates and Fees.** The Credit Union's payment of dividends on any account is subject to the account rates and fees, earnings, payment and balance requirements as set forth on the Rate and Fee Schedule and each Certificate of Deposit Receipt, which are incorporated herein by this reference. You agree the Credit Union may impose fees and charges for the deposit account services provided by the Credit Union. A current Rate and Fee Schedule has been provided to you separately. You agree the Credit Union may change the Rate and Fee Schedule from time to time and you will be notified of such changes as required by law.

## **8. Transaction Limitations.**

a. Withdrawal Restrictions. The Credit Union will permit a withdrawal only if you have sufficient available funds in your account to cover the full amount of the withdrawal or have an established overdraft protection plan. Checks or other transfer or payment orders which are drawn against insufficient available funds will be subject to a service charge, set forth in the Rate and Fee Schedule. If there are sufficient available funds to cover some but not all of your withdrawal orders, the Credit Union may allow those withdrawals for which there are sufficient available funds in any order at the Credit Union's discretion.

The Credit Union may also refuse to allow a withdrawal in other cases; for example: any dispute between the owners about the account (unless a court has ordered the Credit Union to allow the withdrawal); a legal garnishment or

attachment is served; the account secures an obligation to the Credit Union; any required documentation has not been presented; or you fail to repay a Credit Union loan on time. You will be advised of the reasons for refusal if such action is taken. The Credit Union reserves the right to require members to give notice in writing of any intended withdrawals from any account (except checks) of not less than 7 days and up to 60 days, as required by law, before such withdrawal.

b. Transfer Limitations. For Share, Secondary Savings, and Money Market accounts, you may make up to six (6) preauthorized, automatic, telephonic or Call Connection, PC Connection and Web Banking transfers to another account of yours or to a third party during any calendar month. Of these six, you may make no more than three (3) transfers to a third party by check or debit card purchase, if applicable. A preauthorized transfer includes any arrangement with the Credit Union to pay a third party from the member's account upon oral or written orders, including orders received through the automated clearing house (ACH). There is no limit on the number of transactions you may make in the following manner: (i) transfers to any loan account with the Credit Union; (ii) transfers to another Credit Union account or withdrawals (checks mailed directly to you) when such transfer or withdrawal is initiated in person, by mail or at an ATM. If a transfer request would exceed the transfer limitations set forth above in any statement period, the Credit Union may refuse or reverse the transfer, and your account will be subject to suspension or closure by the Credit Union, and the Credit Union may impose a charge.

c. Transaction Volumes. The Credit Union reserves the right to limit the number of items deposited and/or the frequency of deposits per day. If the transactions on your account exceed the agreed volume or amount considered normal for business account activity, the Credit Union may impose an excess transaction fee, limit your account activity, or close your account.

## 9. Overdrafts.

a. Overdraft Liability. If on any day, the available funds in your checking account are not sufficient to cover checks and other items posted to your account, those checks and items will be handled in accordance with our overdraft procedures or an overdraft protection plan you have with us. The Credit Union's determination of an insufficient account balance may be made at any time between presentation and the Credit Union's midnight deadline with only one review of the account required. The Credit Union has no duty to notify you of an insufficient funds check. Your account will then be subject to a charge for the item whether paid or returned as set forth in the Rate and Fee Schedule. Except as otherwise agreed in writing, the Credit Union, by covering one or

any overdraft, does not agree to cover overdrafts in the future and may discontinue covering overdrafts at any time. If the Credit Union pays a draft that would otherwise overdraw your account, you agree to pay the overdraft amount immediately. We reserve the right to pursue collection of previously dishonored items at any time, including giving a payor bank extra time beyond any midnight deadline limits.

b. Overdraft Protection Plan. If we approve your request for overdraft protection, we will provide an overdraft protection plan for you. We will honor checks drawn on insufficient funds in any checking account by transferring the funds first from a deposit account, then from a loan account of yours, if applicable, to your checking account. We will transfer funds to your overdrawn account from the accounts you direct. The fee for overdraft transfers is set forth on the Rate and Fee Schedule. Transfers from a deposit account will be governed by this Agreement. Transfers from a loan account will be governed by the applicable loan agreement.

c. Effect of NSF and Overdraft Activity. Writing a check or withdrawing funds when you know that your account balance (including an approved Overdraft Protection Agreement with us) is not sufficient to cover the transaction(s) is illegal. If your withdrawals exceed the available funds in your account, checks, transactions, and other items may be returned unpaid. You may incur charges from the merchant as well as the Credit Union. In addition your credit rating can be adversely affected, and many merchants are unwilling to accept checks from customers who have a history of overdrafts. Upon notification of a negative balance, if you do not pay the balance within a reasonable period of time, we may close your account and report the account to a consumer reporting agency.

**10. Postdated and Stale-dated Items.** You authorize us to accept and pay any check, even if the check is presented for payment before its date, unless you notify the Credit Union of the postdating. Your notice will be effective only if the Credit Union receives the notice in time for the Credit Union to notify its employees and reasonably act upon the notice and you accurately describe the check, including the number, date, and amount. You understand that the exact information is necessary for the Credit Union's computer to identify the check. If you give the Credit Union an incorrect, incomplete, or untimely notice, the Credit Union will not be responsible for paying the item before the date stated and the Credit Union may charge your account as of the date the Credit Union pays the item. You may make an oral notice which will lapse within fourteen (14) days unless continued in writing, within that time. A written notice will be effective for six (6) months. A written notice may be

renewed in writing from time to time. You also agree not to deposit checks, drafts, or other items before they are properly payable. The Credit Union is under no obligation to you to pay a check or draft drawn on your account which is presented more than six months after its date.

## 11. Stop Payment Orders.

a. Stop Payment Request. You may ask the Credit Union to stop payment on any check drawn upon or ACH debit scheduled from your checking account. You may request a stop payment by telephone, by mail, or in person. The stop payment will be effective if the Credit Union receives the order in time for the Credit Union to act upon the order and you state the number of the account, date and number of the check and its exact amount. If you give the Credit Union incorrect or incomplete information, the Credit Union will not be responsible for failing to stop payment on the item. If the stop payment order is not received in time for the Credit Union to act upon the order, the Credit Union will not be liable to you or to any other party for payment of the item. If we recredit your account after paying a check over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to transfer all of your rights against the payee or other holders of the check to the Credit Union, and to assist the Credit Union in legal action taken against the person.

b. Duration of Order. If you make an oral stop payment, the Credit Union reserves the right to required written authorization of the stop payment within fourteen (14) days. A written stop payment will be effective for twelve (12) months. A written stop payment order may be renewed in writing from time to time. The Credit Union is not obligated to notify you when a stop payment order expires.

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

**12. Lost Items.** The Credit Union, in receiving items from you for withdrawal or deposit, acts only as your agent

and reserves the right to reverse the credit for any deposited items or to charge your account for the items should they become lost in the collection process.

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

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

**15. Legal Process.** If any legal action, such as a levy, garnishment, or attachment, is brought against your account, the Credit Union may refuse to pay out any money from your account until the dispute is resolved. If the Credit Union incurs any expenses or attorney fees in responding to legal process, such expenses may be charged against your account without prior notice to you, unless prohibited by law. Any legal process against your

account is subject to the Credit Union's lien and security interest.

## 16. Notices.

a. Name or Address Changes. It is your responsibility to notify the Credit Union upon a change of address or change of name. The Credit Union is only required to attempt to communicate with you only at the most recent address you have provided to the Credit Union. The Credit Union will accept notices of a change in address and any other notice from you to the Credit Union only if provided in writing to the Credit Union. The Credit Union may impose a fee for any statements returned with a bad address as set forth on the Rate and Fee Schedule.

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

c. Effect of Notice. Any written notice you give to the Credit Union is effective when it is actually received by the Credit Union. Any written notice the Credit Union gives to you is effective when it is deposited in the U.S. Mail, postage prepaid and addressed to you at your statement mailing address. Notice to any one account owner is considered notice to all owners of the account.

## 17. Statements.

a. Contents. If the Credit Union provides a statement for your account, you will receive a periodic statement of all transactions and activity on your account during the statement period. If a periodic statement is provided, you agree that only one statement is necessary for a multiple party account. For checking accounts, you understand that when paid your original check becomes property of the Credit Union and will not be returned to you, but copies will be retained by Credit Union or a payable through financial institution and made available upon your request. You understand statements and checks are made available to you on the date the statement is mailed to you.

b. Examination. You are responsible for examining each statement and reporting any irregularities to the Credit Union. The Credit Union will not be responsible for any forged, altered, or unauthorized item

drawn on your account if (1) you fail to notify the Credit Union within thirty (30) days of the mailing date of the earliest statement and availability of checks containing any forgery, alteration, or unauthorized signature on the item; or (2) any items forged or altered in a manner not detectable by a reasonable person including the unauthorized use of a facsimile signature machine.

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

**18. Termination of Account.** The Credit Union may terminate your account at any time without notice to you or may require you to close your account and apply for a new account if (1) there is a change in owners or authorized signers; (2) there has been a forgery or fraud reported or committed involving your account; (3) there is a dispute as to the ownership of the funds in the account; (4) any account checks are lost or stolen; (5) if there are excessive returned unpaid items not covered by an overdraft protection plan; or (6) if there has been any misrepresentation or any other abuse of any of your accounts. You may terminate your account at any time by notifying the Credit Union by oral direction or in writing. The Credit Union is not responsible for payment of any check, withdrawal, or other item once your account is terminated; however, if the Credit Union pays a check after termination, you agree to reimburse the Credit Union for payment.

**19. Termination of Membership.** You may terminate your membership at the Credit Union after giving written notice of your intent to withdraw from membership. You may be denied services or expelled from membership for any reason allowed by applicable law, including causing a loss to the Credit Union.

**20. Severability.** In the event that any paragraph of this Agreement or any portion thereof is held by a court to be invalid or unenforceable for any reason, the other paragraphs and portions of this Agreement shall not be invalid or unenforceable and will continue in full force and effect.

**21. Enforcement.** You agree to be liable to the Credit Union for any liability, loss, or expense as provided in this Agreement that the Credit Union incurs as a result of any dispute involving your accounts or services. You authorize the Credit Union to deduct any such liability, loss, or

expense from your account without prior notice to you. In the event either party brings a legal action to enforce the Agreement or collect any overdrawn funds on accounts accessed under this Agreement, the prevailing party shall be entitled, subject to applicable law, to payment by the other party of its reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions, if applicable.

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

## II. FUNDS AVAILABILITY POLICY

You may withdraw funds deposited to your account at Trailhead Federal Credit Union based on the following policy:

**1. Savings Accounts.** For savings accounts, we reserve the right to place reasonable holds on deposited funds to the extent permitted by law.

**2. Checking Accounts.** For checking accounts, our policy is to make funds from your deposits available as follows: the date on which you may withdraw funds is counted in business days from the day of your deposit. Every day is a business day except Saturdays, Sundays, federal holidays, and days the Credit Union is closed.

a. Same Day Availability. Funds from the following deposits are available on the same business day of your deposit:

- (1) U.S. Treasury checks that are payable to you.
- (2) Electronic direct deposits.
- (3) Wire transfers.
- (4) Checks drawn on Trailhead Federal Credit Union.

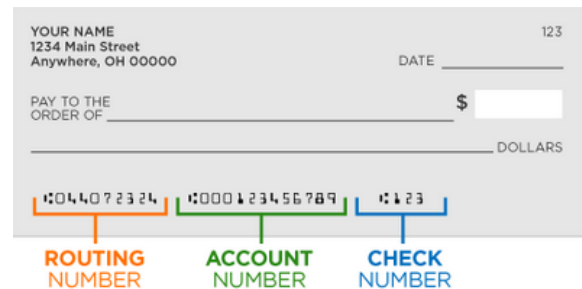
If you make the deposit in person to one of our employees, funds from the following deposits are also available on the same business day of your deposit:

- (1) Cash.
- (2) State and local government checks that are payable to you.

(3) Cashier's, certified, and teller's checks that are payable to you.

(4) Federal Reserve Bank checks, Federal Home Loan Bank checks, and postal money orders, if these items are payable to you.

b. Availability of Other Check Deposits. The delay for other check deposits depends on whether the check is a local or a nonlocal check. To see whether a check is a local or a nonlocal check, look at the routing number on the check:



### ROUTING NUMBER

If the first four digits of the routing number ("0440" in the above example) are 1230 to 1233 or 3230 to 3233, then the check is a local check. Otherwise, the check is a nonlocal check. Some checks are marked "payable through" and have a four or nine-digit number nearby. For these checks, use the four-digit number (or the last four digits of the nine-digit number), not the routing number on the bottom of the check, to determine if these checks are local or nonlocal. Our policy is to make funds from local and nonlocal checks available as follows:

i. Local Checks. The first \$100 from a deposit of local checks will be available on the first business day following the day of your deposit. The remaining funds will be available on the second business day following the day of your deposit. For example, if you deposit a local check in the sum of \$700 on a Monday, \$100 of the deposit is available on Tuesday. The remaining \$600 is available on Wednesday.

ii. Nonlocal Checks. The first \$100 from a deposit of nonlocal checks will be available on the first business day following the day of your deposit. The remaining funds will be available on the fifth business day following the day of your deposit. For example, if you deposit a nonlocal check in the sum of \$700 on a Monday, \$100 of the deposit is available on Tuesday. The remaining \$600 is available on Monday of the following week.

If you deposit both categories of checks, \$100 from the checks will be available on the next business day

following the day of the deposit, not \$100 from each category.

The first \$200 from any deposit (cash or checks) made at Automated Teller Machines (ATMs) will be available on the same day of your deposit. The remaining funds will be available on the first business day after the deposit was made at an ATM.

**3. Holds on Other Funds.** If we cash a check for you that is drawn on another financial institution, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it. If we accept for deposit a check that is drawn on another financial institution, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

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

- a. We believe a check you deposit will not be paid.
- b. You deposit checks totaling more than \$5,000 on any one day.
- c. You deposit a check that has been returned unpaid.
- d. You have overdrawn your account repeatedly in the last six months.
- e. There is an emergency, such as failure of communications or computer equipment.

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

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

Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,000 of a day's total deposits of cashier's, certified, teller's,

traveler's, and federal, state, and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5,000 will be available on the 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 \$5,000 will not be available until the second business day after the day of your deposit. Funds from all other check deposits will be available on the seventh business day after the day of your deposit.

**6. Deposits at Automated Teller Machines.** If offered, the first \$200 from any deposit (cash or checks) made at automated teller machines (ATMs) will be available on the same day of your deposit, however, the remaining funds will not be available until the fifth business day of your deposit, unless the deposit was made at an ATM that we own and operate. If the deposit was made at an ATM we own and operate, the remaining funds will be available the next business day. ATMs owned and operated by the Credit Union are located at the Credit Union branch.