



**SUMMIT**BANK

**Terms and Conditions of Your Consumer Account**

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# SUMMITBANK

## Privacy Policy

FACTS	WHAT DOES SUMMIT BANK DO WITH YOUR PERSONAL INFORMATION?
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>• Social Security Number</li> <li>• Transaction history</li> <li>• Account balances</li> <li>• Payment history</li> <li>• Account transactions</li> <li>• Checking account information</li> </ul> <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Summit Bank chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Summit Bank share?	Can you limit this sharing?
<p><b>For our everyday business purposes -</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus</p>	Yes	No
<p><b>For our marketing purposes -</b> to offer our products and services to you</p>	Yes	No
<p><b>For joint marketing with other financial companies</b></p>	No	We do not share
<p><b>For our affiliates' everyday business purposes -</b> information about your transactions and experiences</p>	Yes	No
<p><b>For our affiliates' everyday business purposes -</b> information about your creditworthiness</p>	No	We do not share
<p><b>For non-affiliates to market to you</b></p>	No	We do not share

<b>Questions?</b>	Call (541) 684-7500 or (877) 566-5544 or visit us at <a href="http://www.sbko.bank">http://www.sbko.bank</a>
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Who We Are	
<b>Who is providing this notice?</b>	We are Summit Bank, an Oregon state chartered bank. We are owned by Summit Bank Group, Inc.

What We Do	
<b>How does Summit Bank protect my personal information?</b>	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.</p> <p>We also maintain other physical, electronic and procedural safeguards to protect this information and we limit access to information to only those employees for whom access is appropriate. We also require companies that work for us to protect your information.</p>
<b>How does Summit Bank collect my personal information?</b>	<p>We collect your personal information, for example, when you:</p> <ul style="list-style-type: none"> <li>• Open an account</li> <li>• Apply for a loan</li> <li>• Make deposits or withdrawals from your account</li> <li>• Give us your contact information</li> <li>• Show your driver's license</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
<b>Why can't I limit all sharing?</b>	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"> <li>• Sharing for affiliates' everyday business purposes - information about your creditworthiness</li> <li>• Affiliates from using your information to market to you</li> <li>• Sharing for non-affiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>

Definitions	
<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and non-financial companies.</p> <ul style="list-style-type: none"> <li>• <i>Our affiliates include our bank holding company Summit Bank Group, Inc.</i></li> </ul>
<b>Non-affiliates</b>	<p>Companies not related by common ownership or control. They can be financial and non-financial companies.</p> <ul style="list-style-type: none"> <li>• <i>Summit Bank does not share with non-affiliates so they can market to you.</i></li> </ul>
<b>Joint Marketing</b>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>• <i>Summit Bank does not jointly market.</i></li> </ul>



**SUMMITBANK**

## Terms and Conditions of Your Consumer Account

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- Welcome!** Thank you for opening an Account with us. These Terms and Conditions of Your Consumer Account (these “**Terms and Conditions**”), along with any other documents we give you relating to your Account(s), are a contract that establish the terms and conditions that apply to your Account(s) (collectively, the “**Agreement**”). The Agreement applies to all of your consumer deposit account(s) (also known as personal deposit accounts) you have with us (your “**Accounts**”). Please read the Agreement carefully and retain a copy for future reference. If you sign our signature card or open or continue to use your Account(s), you agree to the terms and conditions of the Agreement. In addition to these Terms and Conditions, you will also receive from us a separate schedule of rates, qualifying balances, and fees (our “**Schedule of Fees**”).
- Terminology.** As used in the Agreement, the words “**we,**” “**our,**” “**us,**” and the “**Bank**” mean Summit Bank, an Oregon state chartered bank. 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(s). However, the 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 an account is owned by a corporation, partnership, or other organization, individual liability is typically determined by the Applicable Law relevant to that type of organization.
- 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. We may also ask you for specific information regarding the nature of anticipated activity, the sources of your funds, the purposes of transactions, the relationship you have with persons to whom you send funds and persons who send funds to you, the anticipated frequency of such transactions, the ultimate beneficiaries of funds you send and receive, and other questions that may help us clarify the nature and purpose of transactions. We may close accounts if we are unable to understand the purpose of the account, the structure of the organization (if applicable), the authority of the signers, the documentation provided, or the general risk associated with the establishment of the account. We may elect not to disclose the specific reason for our action.

- Applicable Law.** In addition to the terms set forth in the Agreement, your Accounts are subject to (and you agree to comply at all times with) all applicable federal, state, and local laws, rules, and regulations, and all other rules applicable to your Account(s), including but not limited to the operating letters of the Federal Reserve Banks and payment processing system rules (collectively, “**Applicable Law**”), except to the extent that the Agreement can and does vary such Applicable Law, all of which are incorporated into the Agreement.
- 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 endorsement or lack of endorsement 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 Applicable 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 endorsement, claim of alteration, encoding error, 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. If you deliver a deposit to us and you will not be present when the deposit is counted, you must provide us an itemized list of the deposit (e.g., a deposit slip). To process the deposit, we will verify and record the deposit, and credit the deposit to the Account. If there are any discrepancies between the amounts shown on the itemized list of the deposit and the amount we determine to be the actual deposit, we will notify you of the discrepancy. You will be entitled to credit only for the actual deposit as determined by us, regardless of what is stated on the itemized deposit slip. 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 for deposit, we may require any third-party endorsers to verify or guarantee their endorsements, or endorse in our presence.

## 6. **Withdrawals.**

- (a) **Generally.** 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 from such Account may withdraw or transfer all or any part of the Account balance at any time, which you understand will include (without limitation) the authority to close the Account 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 endorse any item payable to you or your order for deposit to the Account or any other transaction with us.
- (b) **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, 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 the frequency limitations. In addition, we may place limitations on your Account(s) until your identity is verified.

Even if we honor a nonconforming request, you understand that 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 it as a transaction account. If we reclassify your Account, your Account may be subject to the fees and earnings rules of the new account classification.

- (c) **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 for us 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.
- (d) **Substitute Checks.** If we are presented with an item drawn against your Account that would be a "substitute check," as defined by Applicable 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. Please refer to our Substitute Checks and Your Rights Disclosure for more information regarding substitute checks.
- (e) **Funds Availability Policy.** Please refer to our Funds Availability Policy for information about when you can withdraw funds you deposit. For those Accounts to which our Funds Availability Policy 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 time when 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.
- (f) **Non-Sufficient Funds.** You understand that we may, at our discretion, honor withdrawal requests that cause a deficit balance in your Account. However, the fact that we may honor withdrawal requests that cause a deficit balance in your Account balance does not obligate us to do so later. You must not rely on us to pay non-sufficient funds on your Account, regardless of how frequently or under what circumstances we have paid non-sufficient funds on your Account in the past. We may change our practice of paying non-sufficient funds on your Account with or without notice to you. You may ask us if we have other account services that might be available to you where we commit to paying non-sufficient funds under certain circumstances, such as a line-of-credit or a plan to sweep funds from another Account you have with us. If a check, item, or transaction is presented without sufficient funds in your Account to pay it, we may, at our discretion, pay the check, item, or transaction (creating a deficit

balance) or return the check, item, or transaction for NSF. We will determine whether there are sufficient funds in your Account to pay such check, item, or transaction based on the available balance in your Account (meaning the amount of funds that can be withdrawn from your Account at a point in time [and which may be less than your Account balance due to pending transactions, such as funds held from deposits, funds held for debit card authorizations, and other holds on funds in your Account]). Where applicable, the amount of NSF fees are disclosed in our Schedule of Fees. Importantly, please note that a check, item, or transaction may be presented multiple times (and as frequently as daily) and that we do not monitor or control the amount of times a check, item, or transaction is presented for payment. If a check, item, or transaction that we previously returned for NSF is subsequently presented to us again, and there are still non-sufficient funds on your Account to pay it at the time of re-presentation, we may charge an NSF fee each time the check, item, or transaction is subsequently presented to us. As such, except for the Daily Maximum set forth in our Schedule of Fees, there is no limit to the number of NSF fees we may charge in connection with a single check, item, or transaction. For consumer accounts, we will not charge fees for non-sufficient funds caused by ATM withdrawals or one-time debit card transactions. We may use subsequent deposits, including direct deposits of social security or other government benefits, to cover such deficit balances and NSF fees.

You may request that we automatically transfer funds from a designated Account in pre-determined increments of your choosing in order to cover deficit balances in another Account. An example of a pre-determined increment is \$100. You understand and acknowledge that the automatic transfer may result in a transfer of funds greater than the amount necessary to cover the deficit balance Account. An automatic transfer which covers the entire deficit balance Account ensures there will be no NSF fee(s) assessed to the deficit balance Account. In some cases, the available funds in the designated deposit Account may not be sufficient to cover the entirety of the deficit balance Account. In this circumstance, you understand that all available funds in the designated deposit Account will transfer to the deficit balance Account and any remaining deficit balance may result in a NSF fee. If you elect to establish an automatic transfer from a money market or savings Account you own to cover deficit balances in another Account, please note that money market and savings accounts are subject to regulatory activity limitations of six (6) debits in a statement cycle as described more fully in Section 11 below. Automatic transfers apply to this limitation of six (6) debits.

- (g) **Multiple Signatures; Electronic Check Conversion.** An electronic check conversion transaction is a transaction where a check or similar item is converted into an electronic fund transfer (an “EFT”) as defined under federal Regulation E. 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 check to examine the signatures on the 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.
- (h) **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; the amount of such penalties are described in our separate documentation governing such time Account(s). 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 action. We may close your Account and impose the early withdrawal penalty on the entire Account balance in the event of a partial early withdrawal. Please refer to our certificate of deposit signature document for additional information.
- (i) **Notice of Withdrawal.** We reserve the right to require not less than seven (7) days' notice in writing before each withdrawal from an interest-bearing Account other than a time deposit, or from any other savings Account as defined by Regulation D. The law requires us to reserve this right, but it is not our general policy to use it. As discussed above in Section 6(h), withdrawals from a time account prior to maturity or prior to any notice period may be restricted and may be subject to penalty.

- 7. **Signature Authorizations.** Any signature appearing upon the signature card for your Account authorizes the signer to access the Account and to conduct any transactions or business relating to your Account, (including but not limited to the authority to close your Account) subject to any limitations noted on that signature card. We may allow any signer, including a signer on a joint account, to add authorized signers to an Account; provided, however, we will have the right to require the signature of all signers to make the change. Only under special circumstances and subject to our prior approval, may a signer remove another signer from an Account. No change in authorized signers is effective until we have received written notice of the change and have had a reasonable opportunity to approve and act on it. You agree that we may treat any signature on a check or other item drawn on your Account as authorized, regardless of whether the signer is designated as an authorized signer on a signature card, if the signer has actual, implied, or apparent authority to act on your behalf. We may act on any signature we believe in good faith is authorized, and we will not be liable for our actions in doing so except in the extent required under Applicable Law. If you voluntarily give information about your Account

(e.g., our routing number and your Account number) to a party that is seeking to sell you goods or services, any debit to your Account initiated by the party to whom you gave your information is deemed authorized, even if you gave the information in error.

8. **Ownership of Account and Beneficiary Designation.** This Section 8 includes terms and conditions that apply to an Account depending upon the form of ownership and beneficiary designation, if any, specified on the Account records. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine to whom we may pay the Account funds.
- (a) **Individual Account.** An Individual Account is an Account in the name of one person, and all funds in the Account are presumed to belong to that person.
  - (b) **Joint Account with Right of Survivorship.** A Joint Account with Right of Survivorship is an Account in the name of two or more persons. In this type of Account, 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 right of survivorship (and not as tenants in common).
  - (c) **Joint Account without Right of Survivorship.** A Joint Account without Right of Survivorship is an Account in the name of two or more persons. Each of you has an equal right to deposit or withdraw from such Account, whether or not any of you are deceased or incompetent. This type of Account does not provide that the funds of one of you become the property of the survivor(s). If we agree to set up an Account as a “tenancy in common,” you understand and agree that such an Account will be treated as a Joint Account without Right of Survivorship.
  - (d) **All Joint Accounts.** Each joint depositor appoints the other as his or her authorized agent for all purposes relating to the Joint Account, including but not limited to endorsement of items for deposit, stopping payment, making deposits and withdrawals, closing the Joint Account, allowing us to offset the Joint Account, or overdrawing the Joint Account. We may pay funds on deposit in the Joint Account to any one or more depositor(s), without regard to the actual ownership of the funds. We may deduct and offset from your Joint Account(s) the amount of any claim we may hold against any joint depositor, even if the other joint depositors are not obligated to us on that claim.
  - (e) **Revocable Trust or Pay-On-Death Account.** If two or more of you create a Revocable Trust or Pay-On-Death Account, you will own the Account jointly with right of survivorship. Beneficiaries of this type of Account cannot withdraw funds unless: (i) all persons creating the Account die, and (ii) the beneficiary is then living. If two or more beneficiaries are named and survive the death of all persons creating the Account, the beneficiaries will own this type of Account in equal shares, without right of survivorship. The person(s) creating this type of Account types may at any time: (i) change beneficiaries; (ii) change Account types; and/or (iii) withdraw all or part of the Account funds.
  - (f) **Fiduciary Accounts.** An Account 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. You understand and agree that we are not responsible for the actions of a fiduciary, including the misuse of funds. This type of Account may be opened and maintained by a person or persons named as a trustee under a written trust agreement, or as executors, personal representatives, 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, letters, or similar documentation. In the context of an estate Account (e.g., an Account opened by an executor, personal representative, administrator, etc., on behalf of an estate), you may request that we change the Account from an interest bearing account to a non-interest bearing account to help facilitate your administration and/or closure of the Account, and you understand and agree that the Account will not bear interest after the date we make such change(s).
  - (g) **Agency Accounts.** In an Agency Account, a single individual is the owner of the Account. 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 will be fully responsible for the transactions of the owner’s agent. We undertake no obligation to monitor transactions to determine that they are on the owner’s behalf or for the owner’s benefit. The owner may typically revoke the agent’s authority at any time, and the agency relationship is automatically terminated by the death of the owner.

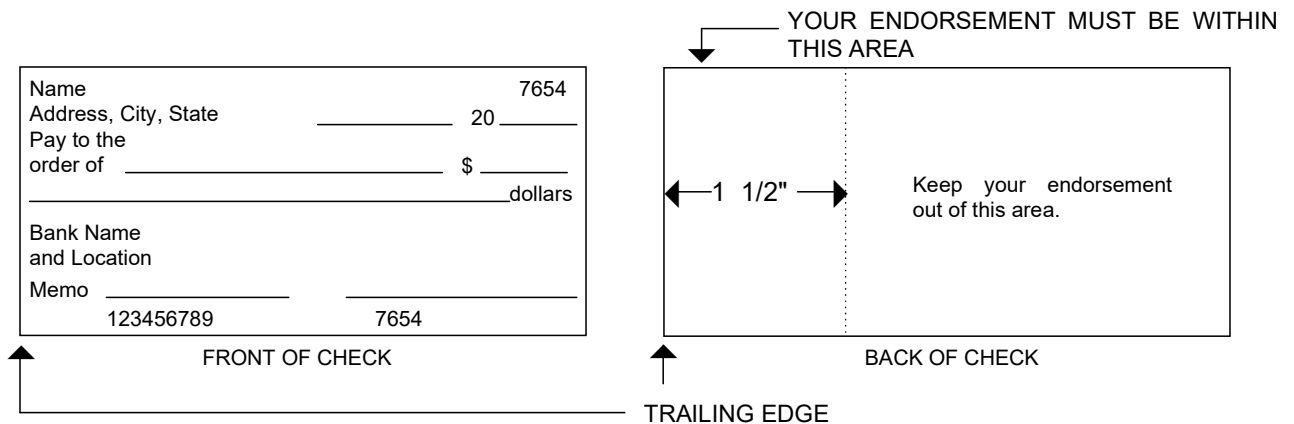


However, following any such revocation or termination, we may continue to honor the transactions of the agent until: (l) we have received written notice or have actual knowledge of the revocation or termination and (b) we have a reasonable opportunity to act on that notice or knowledge. We may refuse to accept the designation of an agent in our sole discretion.

- (h) **UTMA Accounts.** Under the Uniform Transfers to Minors Act (the “**UTMA**”), funds in an UTMA Account are administered by a custodian (or successor custodian) for the benefit of a minor. When the minor reaches the age of majority (or, in some cases, other triggering age as permitted under Applicable Law), the custodian has an obligation to distribute the funds in the UTMA Account to the minor. Before that time, however, the Account may be accessed only by the custodian (or successor custodian). You understand and agree that we have no duty or agreement whatsoever to monitor or insure that the acts of the custodian (or successor custodian) are for the minor’s benefit. Further, 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 solely the custodian’s (or successor custodian’s) responsibility to properly distribute the funds in the UTMA Account upon the minor’s death or attainment of the age of majority (or other triggering age).

**9. Endorsements.**

- (a) **Generally.** We may accept for deposit any item payable to you or your order, even if they are not endorsed by you. We may give cash back to any one of you. We may supply any missing endorsement(s) for any item we accept for deposit or collection, and you warrant that all endorsements are genuine. To ensure that your check or share draft is processed without delay, you must endorse it (sign it on the back) in a specific area. Your entire endorsement (whether a signature or a stamp) along with any other endorsement information (e.g., additional endorsements, ID information, driver’s license number, etc.) must fall within 1½” of the “trailing edge” of a check. Endorsements 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 endorsement information within 1½” of that edge.



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

- (b) **Restrictive Legends or Endorsements.** You understand and agree that the automated processing of the large volume of checks we receive prevents us from inspecting or looking for restrictive legends, restrictive endorsements, or other special instructions on every check. 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 endorsement. We are not required to honor any restrictive legend or endorsement 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, endorsements, or instructions on your checks.

- (c) **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 immediately notify us if you know or suspect that your facsimile signature is being or has been misused.

If you use a facsimile signature or other form of mechanically reproduced signature (such as, but not limited to, desktop publishing, digitized, or computer software generated signature), you agree you will have the sole responsibility for maintaining security of the facsimile or mechanically reproduced signature and the device by which the facsimile or mechanically reproduced signature is affixed. You will bear the entire risk for unauthorized use of the signature or device whether or not you are negligent. You agree that no facsimile or mechanically reproduced signature we have been authorized to honor may be considered a forgery or an unauthorized signature, but that such facsimile or mechanically reproduced signature will be effective as your signature or endorsement whether or not you have been negligent. You further agree to indemnify and hold us harmless from and against any and all loss, costs, damage, liability, or exposure (including a reasonable attorneys' fee) we or you may suffer or incur as a result of the unauthorized use, or misuse by any person of any such facsimile or mechanically reproduced signature or the device by which it is affixed. If you use any form of facsimile or mechanically reproduced signature device, you agree to deliver a sample to us if we request it.

## 10. Stop Payments.

- (a) **Generally.** This Section 10 includes terms that apply to stopping payment of items, such as checks. Additional terms for stopping payment of other types of transfers of funds, such as consumer EFTs, may be established by Applicable Law. 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 Applicable Law and we must receive it in time to give us a reasonable opportunity act on it before our stop-payment cutoff time described in Section 10(d) below. When you place your stop-payment order we may tell you what additional information we need to stop payment. This information must be exact because stop-payment orders are handled by computers. If your information is not exact or accurate, your order will not be effective and we will not be responsible for failure to stop payment. When using electronic (online) means to perform stop-payment requests, it is your responsibility to verify that the item has not already been paid before the stop-payment request is made.
- (b) **Effectiveness.** 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, then it is effective for six (6) months. Your stop-payment order will lapse after that time if you do not renew the stop-payment order in writing before the end of the six (6) month period. If the original stop-payment order was oral, then your stop-payment order will lapse after fourteen (14) calendar days if you do not confirm your stop-payment order in writing within that time period. You understand and agree that we are not obligated to notify you when a stop-payment order expires. A release of the stop-payment request may be made only by the person who initiated the stop-payment order.
- (c) **Indemnity; Cooperation.** 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 a reasonable attorneys' fee. You assign to us all rights against the payee or any other holder of the item. You agree to fully cooperate with us in any legal actions that we may take against such person(s). You understand and acknowledge that anyone holding the item may be entitled to enforce payment against you despite the stop-payment order.
- (d) **Cutoff Time.** Our stop-payment cutoff time is one (1) hour after the opening of the next banking day after the banking day on which we receive the item. If we receive your stop-payment order after our cutoff time, we may (in our sole discretion) attempt to assist you, but we will not be liable for any failure to successfully stop payment on any transaction(s), and we make no representations or warranties with respect to our ability to do so. Additional limitations on our obligation to stop payment are provided by Applicable Law (e.g., if we paid the item in cash or we certified the item, etc.).

- 11. Transfer Limitations.** For savings and money market Accounts you may make up to six (6) transfers or withdrawals by means of a preauthorized, automatic, or telephonic transfer to another Account of yours or to a third party or by check, debit card, or similar order to a third party during any calendar month (or statement cycle of at least four [4] weeks). A preauthorized transfer includes any arrangement with us to pay a third party from your Account at: (a) a predetermined time; (b) on a fixed schedule; or (c) upon oral or written orders, including orders received through the automated clearing house (the “ACH”). If the transfer or withdrawal is initiated in person, by mail, or at an ATM then there is no limit on the number of payments that may be made directly to you, directly to us for amounts you owe us, or transfers to other Accounts you have with us. Withdrawals by phone are also unlimited if you are requesting that a check be mailed to you.
- 12. Statements.** Account statements are a valuable tool to help prevent fraudulent or mistaken transfers. Your Account statement(s) will show the transactions that occurred in connection with your Account during the applicable statement period.
- (a) Duty to Report Unauthorized Signatures, Alterations, and Forgeries.**
- (i) Generally.** Your Account statement will provide sufficient information for you to reasonably identify the items paid (e.g., item number, amount, and date of payment). You should keep a record of each transaction as it is made so that when we give you the information in the statement, you will have a complete understanding of each transaction listed.
- (ii) Duties.** You have some duties in connection with each Account statement. First, you must examine your statement with “reasonable promptness.” Second, if you discover (or reasonably should have discovered) any unauthorized signatures, alterations, or forgeries you must promptly notify us of the relevant facts. As between you and us, if you fail to do either of these duties, you must bear the loss entirely yourself, subject to Applicable Law. The loss you might bear, in whole or part, could be not only with respect to items listed on the Account statement, but also other items with unauthorized signatures, alterations, or forgeries by the same wrongdoer. Of course, an attempt can be made to recover the loss from the thief, but this is often unsuccessful.
- (iii) Examination Periods.** You agree that the time you have to examine your Account statement and report to us will depend on the circumstances, but you will not, in any circumstance, have a total of more than thirty (30) days from when we first send or make the Account statement available to you. You further agree that if you fail to report any unauthorized signatures, alterations, or forgeries in your Account within sixty (60) days of when we first send or make the Account statement available, you cannot assert a claim against us on any items in that Account statement, and as between you and us the loss will be entirely yours.
- (b) Duty to Report Other Errors.** You agree to promptly and periodically review your Account statement(s) for errors in addition to unauthorized signatures, alterations, or forgeries. Promptly reviewing your Account statement(s) is valuable to both you and us because it can help identify, correct, and prevent future mistakes. In addition to your duties described in Section 12(a), you agree to examine your statement with reasonable promptness for any other error(s), such as any encoding errors. In addition, if you receive or we make available either your items or images of your items, you must examine them for any unauthorized or missing endorsements or any other problems. You agree that the time you have to examine your Account statement and items and report to us will depend on the circumstances. However, this time period shall not exceed sixty (60) days of when we first send or make the Account statement available to you. Failure to examine your Account statement and items and report any errors to us within this sixty (60) day period will preclude you from asserting a claim against us for any errors on items identified in that Account statement, and as between you and us the loss will be entirely yours. If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the sixty (60) day time period to report other errors.
- (c) Errors Relating to EFTs or Substitute Checks.** For information on errors relating to EFTs (e.g., computer, debit card, or ATM transactions), refer to our Electronic Fund Transfers Disclosure and the sections on consumer liability and error resolution. For information on errors relating to a substitute check, refer to our Substitute Checks and Your Rights Disclosure.

**13. 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. We will provide you with a declaration form upon your request. However, even if all of these conditions are met, your claim may not be immediately enforceable. We may pay the check until the ninetieth (90th) day after the date of the check (or date of acceptance of a certified check). Therefore, your claim is not enforceable until the ninetieth (90th) 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 cashier's 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, defend, and hold us harmless 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 also require you to provide a surety bond to assure that you can pay us if we suffer a loss.

**14. Amendments; Account Closures.**

(a) **Amendments.** We may amend the terms of the Agreement in our sole discretion. Rules governing changes in interest rates are provided separately in our Truth-in-Savings Disclosure. For other amendments, we will give you reasonable notice in writing or by any other method permitted or required by Applicable Law. If we have notified you of an amendment of any term(s) of the Agreement and you continue to have and/or use your Account with us after the effective date of the amendment, you will be deemed to have agreed to the amended term(s).

(b) **Closing Your Account(s).** Unless otherwise prohibited by Applicable Law, we may close your Account(s) at any time upon reasonable notice to you and tender of the Account balance personally or by mail. We may also close your Account if the balance of your Account remains at zero for a period of thirty (30) consecutive days with or without notice to you. Items presented for payment after an Account is closed may be dishonored. 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. Reasonable notice depends on the circumstances and Applicable Law, 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 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 your account is closed before interest is credited, you will receive the accrued interest.

**15. Fees; Shortages; Costs and Expenses.**

(a) **Fees; Deductions.** You agree, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of the Agreement, including but not limited to our Schedule of Fees, as amended by us from time to time in our discretion. You authorize us to deduct our charges and fees applicable to your Account(s), with or without notice to you, directly from the Account balance as accrued. You further agree to pay any additional reasonable charges for products or services you request which are not covered by the Agreement.

(b) **Account Shortages.** Each of you also agrees to be jointly and severally (individually) liable for any Account shortage resulting from charges, fees, or deficits, whether caused by you or another with access to the Account(s). This liability is due immediately, and can be deducted directly from the Account balance whenever sufficient funds are available. 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, fee, or deficit.

- (c) **Costs and Expenses.** To the fullest extent permitted under Applicable Law, you will be liable for our costs and expenses (including a reasonable attorneys' fee) incurred as a result of collection or in any other dispute involving your Account(s). In addition to the types of disputes described in Section 29 below, this also includes but is not limited to disputes between: (a) you and another joint owner; (b) you and an authorized signer or similar party; or (c) a third party claiming an interest in your Account(s). This also includes any action that you or a third party takes regarding an Account that causes us, in good faith, to seek the advice of an attorney, whether or not we become involved in the dispute. You understand and agree that all such costs and attorneys' fees can be deducted from your Account(s) when they are incurred, with or without notice to you.
- (d) **Limitation.** Subject to Applicable Law, you agree that, except as provided in the Agreement, we will not be liable for any indirect, incidental, special, consequential, or punitive damages related to any error or mistake that we make in good faith. You understand and agree that this limitation applies to any damages that might be in contract or tort, and whether or not the consequences were foreseeable by us.
16. **Direct Deposits.** 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 otherwise prohibited by Applicable Law. We may also use and/or pursue any other legal remedy to recover the amount of our liability.
17. **Night Deposit Facilities.** You assume any and all risk arising out of the use of any night depository facility. You agree that we are not responsible for any loss or damage that results from a mechanical defect or malfunction with respect to the facility itself, lock bag, or any other receptacle used by you, unless such damage or loss is caused by our gross negligence or willful misconduct. You further agree that we will not be responsible for any loss or personal or pecuniary injury occasioned by the use of the night deposit facility resulting from unlawful acts of other persons, including, but not limited to assault, theft, or vandalism.
18. **Right of Setoff.** We may (without prior notice and when permitted by Applicable Law) set off the funds in your Account(s) against any due and payable debt any of you owe us now or in the future. If the Account is owned by one or more of you as individuals, we may also set off any funds in the Account against any 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 with us, 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 the Account(s) if prohibited by Applicable Law. For instance, the right of setoff does not apply to an Account if: (a) it is an Individual Retirement Account or similar tax-deferred account; (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); (c) the debtor's right of withdrawal only arises in a representative capacity; or (d) setoff is prohibited by the Military Lending Act or its implementing regulations. We will not be liable for the dishonor of any check when the dishonor occurs because we set off a debt against your Account(s). You agree to hold us harmless from any claim arising out of or related to our exercise of our right of setoff.
19. **Security Interest.** You grant us a security interest in your Account(s) to secure any amount you owe us, now or in the future. You understand that we may enforce our security interest without demand or prior notice to you. You agree that we will not be liable to you if enforcing our security interest against your Account(s) leaves non-sufficient funds on your Account(s) to cover any outstanding items, checks, or other transactions, or results in NSF fees being charged to your Account(s). You promise not to pledge a security interest in your Account(s) to any third party without our prior written consent, and you understand and agree that any pledge of your Account(s) to a third party will remain subject to our security interest and right of setoff.
20. **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 the Account. However, we may at some time in the future restrict or prohibit further use of the Account if you fail to comply with the requirements we have imposed within a reasonable time.

- 21. Payment Order of Items.** The order in which items are paid is important if there is not enough money in your Account to pay all of the items that are presented. The payment order can affect the number of non-sufficient items or items returned unpaid and the amount of the fees you may have to pay. To assist you in managing your Account, we are providing you with the following information regarding how we process those items.
- (a) **Policy.** Our policy is to process over-the-counter withdrawals first, by dollar amount - smallest to largest on the day they are processed. We process returned deposited items second, by dollar amount - smallest to largest on the day they are processed. We process deposit corrections third, by dollar amount - smallest to largest on the day they are processed. We process electronic transactions fourth, by dollar amount - smallest to largest on the day they are processed. We process checks fifth, by dollar amount - smallest to largest on the day they are processed.
- (b) **Non-Sufficient Funds (NSF) and Returns.** If a check, item, or transaction is presented without sufficient funds in your Account to pay it, we may, at our discretion, pay the item (creating a deficit balance) or return the item for NSF. Please also refer to section 6(f) above for additional information about when we may charge NSF fees. We will not charge you a fee for paying a non-sufficient fund for an ATM or everyday debit card transaction if the affected Account is a consumer account. Where applicable, the amounts of the NSF fees are disclosed in our Schedule of Fees. We encourage you to make careful records and practice good account management. This will help you to avoid creating items without sufficient funds and potentially incurring the resulting fees.
- 22. Check Processing.** You understand and acknowledge that we process items mechanically by relying solely 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 endorsed, 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 endorsements unless you notify us in writing that the check requires multiple endorsements. 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.
- 23. 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 such 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 fingerprint.
- 24. Death or Incompetence.** You agree to immediately notify us if any Account holder or 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 have actual knowledge of such 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 death or adjudication of incompetence unless ordered to stop payment by someone claiming an interest in the Account.
- 25. Credit Verification.** By requesting to open an Account with us, or by agreeing to be a signer on an Account or obtaining any other service from us, you (and, if acting in a representative capacity, individually and for such entity) agree that we may verify credit and employment history by any necessary means, including preparation of a credit report by a credit reporting agency. We may do so at the time you open the Account, at any time while your Account is open, or after your Account is closed if you owe us any amounts related to your Account. If you do not handle your Account in a satisfactory manner and it is necessary to charge off your Account as a loss, we may report such negative information to check or credit reporting agencies.
- 26. Legal Actions Affecting Your Account(s).** 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(s) (a "Legal Action"), we will comply with the Legal Action. Or, in our discretion, we may freeze the assets in the Account(s) and not allow any payments out of the Account(s) until 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(s) or in any way restricted access to your funds in accordance with the Legal Action. Any fees or expenses we incur in responding to any Legal Action (including, without limitation, a reasonable attorneys' fee and our internal expenses) may be charged against your Account(s). Our Schedule of Fees may specify additional fees that we may charge for certain Legal Actions.

**27. Security; Fraud Prevention.**

- (a) **Account Numbers; Debit Cards.** It is your responsibility to protect the Account numbers and electronic access devices (e.g., a debit card) we provide you for your Account(s). Do not discuss, compare, or share information about your Account number(s) with anyone unless you are willing to give them full use of your money. An Account number can be used by thieves to issue an electronic debit or to encode your number on a false demand draft which looks like and functions like an authorized check. If you furnish your access device and grant actual authority to make transfers to another person (e.g., a family member or coworker) who then exceeds that authority, you are liable for the transfer(s) unless we have been notified that transfers by that person are no longer authorized. Your Account number can also be used to electronically remove money from your Account, and payment can be made from your Account even though you did not contact us directly and order the payment.
- (b) **Checkbook.** You must also take precaution in safeguarding your blank checks. You must immediately notify us if you know or suspect that your 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 in accordance with Applicable Law.
- (c) **Fraud Prevention.** Except for consumer EFTs subject to federal 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, such as positive pay or commercially reasonable security procedures, 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, unless we acted in bad faith or to the extent our negligence contributed to the loss. Further, if we offered you a commercially reasonable security procedure which you reject, you agree you are responsible for any payment order, whether authorized or not, that we accept in compliance with an alternative security procedure that you have selected.

**28. Claim of Loss; Cooperation; Law Enforcement.** 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 or forgeries or alterations. We will have a reasonable period of time to investigate the facts and circumstances surrounding any claim of loss. To the fullest extent permitted by Applicable Law, 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 in connection with your claim of loss. 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 (if any) will be reduced by the amount you recover or are entitled to recover from these other sources.

**29. Resolving Account Disputes.** We may place an administrative hold on the funds in your Account (e.g., refuse payment or withdrawal of the funds, etc.) if the Account becomes subject to: (a) a claim adverse to your own interest; (b) others claiming an interest as survivors or beneficiaries of your Account(s); (c) a claim arising by operation of law; or (d) a dispute involving your Account(s) (including but not limited to a dispute over who is entitled to funds in the Account or who is an Account holder or signer on the Account(s)). 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. You understand and agree that 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. In addition to our ability to place a hold on funds in your Account, we may also: (a) interplead the disputed funds into any court of competent jurisdiction asking the court to decide who should have the funds; (b) require joint written instructions from and signed by all conflicting parties or a court order that directs us on how to proceed with the disputed funds; and/or (c) require as a condition to disbursement of any funds in the Account(s), that you execute a bond or indemnification agreement satisfactory to us, indemnifying us for any liability or loss for paying such funds to you. If we choose to interplead the disputed funds, you agree to reimburse us for any costs and expenses (including a reasonable attorneys' fee) that we incur in connection with that interpleader and/or enforcing our rights under the Agreement.

- 30. Waiver of Notices.** To the extent permitted by Applicable Law, you waive any notice of nonpayment, dishonor, or protest regarding any items credited to or charged against your Account(s). For example, if you deposit a check and it is returned unpaid or we receive a notice of nonpayment, we will not be required to notify you unless required by Applicable Law.
- 31. ACH and Wire Transfers.** To the extent applicable, the Agreement is subject to and incorporates Article 4A of the Uniform Commercial Code as adopted in the State of Oregon ("**Article 4A**"). If you originate a fund transfer subject to Article 4A 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 further agree to be bound by (and comply with) the ACH rules of the National Automated Clearing House Association (the "NACHA Rules"). Among other things, the NACHA Rules provide 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 Section 403(a) of Article 4A. 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 by wire or ACH, we are not required to give you any notice of the payment order or credit.
- 32. Pledges.** Each owner of the Account(s) may pledge all or any part of the funds in it for any purpose to which we agree in writing. Any pledge of an 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, (a) the surviving owner's rights in the Account do not take effect until the debt has been satisfied, and (b) the debt may be satisfied with the funds in the Account.
- 33. Power of Attorney.** You may wish to appoint an agent to conduct transactions on your behalf. We, however, have no duty or agreement whatsoever to monitor or insure that the acts of the agent are for your benefit. This may be done by allowing your agent to sign in that capacity on the signature card or by separate form, such as a power of attorney. A power of attorney continues until revoked, your death, or the death of the person given the power. If the power of attorney is not "durable," it is revoked when you become incompetent. We may continue to honor the transactions of your agent until: (a) we have received written notice or have actual knowledge of the termination of the authority or the death of an owner, and (b) we have had a reasonable opportunity to act on that notice or knowledge. You agree not to hold us responsible for any loss or damage you may incur as a result of our following instructions given by an agent acting under a valid power of attorney.
- 34. 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 (6) 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 set forth in Section 10 above.
- 35. Unclaimed Property.** The law establishes procedures under which unclaimed property must be surrendered to the state. 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, not to the Bank. Once funds are surrendered in accordance with Applicable Law, you acknowledge and agree that we will no longer have any liability or responsibility with respect to the funds.
- 36. 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 Account(s). 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.



- 37. Transactions by Mail.** You may deposit checks to your Account(s) by mail. You should endorse the check being sent through the mail with the words "For Deposit Only" and should include your correct Account number underneath to ensure the check is credited to the correct Account. You should use the pre-encoded checking deposit slips found behind your checks in your checkbook. If you do not use your deposit slip or provide us with instructions indicating how or where the check should be credited, we may apply it to any Account or any loan balance you have with us or we may return the check 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 Account statement carefully or call us to ensure that we received the item. Do not send cash through the mail for deposit.
- 38. 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 Applicable Law. 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 written agreement between you and us, we do not have to accept any other electronic or paper image of an original check.
- 39. 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 two (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(s) to pay the amount you owe us, and if there are non-sufficient funds in your Account(s), you still owe us the remaining balance.
- 40. International ACH Transactions.** Financial institutions are required by law to scrutinize or verify any international ACH transaction (an "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.
- 41. Miscellaneous.**
- (a) Unlawful Internet Gambling Notice.** Restricted transactions as defined in Federal Reserve Regulation GG are prohibited from being processed through your Account(s) or our relationship with you. 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.
- (b) Cash Transaction Reporting.** To help law enforcement agencies detect illegal activities, Applicable 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, please contact your local Internal Revenue Service office.
- (c) Monitoring and Recording Calls and Consent to Receive Communications.** Subject to Applicable 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(s), we may need to contact you about your Account(s) from time to time by telephone, text messaging, or e-mail. However, we must first obtain your consent to contact you about your Account in this manner because we must comply with the consumer protection provisions in the federal Telephone Consumer Protection Act of 1991 (the "TCPA"), the CAN-SPAM Act, and their related federal regulations and orders. However, your consent is limited to your Account(s), and as authorized by Applicable Law, and your consent does not authorize us to contact you for telemarketing purposes (unless you otherwise agreed elsewhere). With the above understandings, you authorize us to contact you regarding your Account(s)

throughout its existence using any telephone numbers or e-mail addresses that you provide us. This consent is regardless of whether the number we use to contact you is 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 further authorize us to contact you through the use of voice, voicemail, and text messaging, including the use of pre-recorded or artificial voice messages and an automated dialing device. If necessary, you may change or remove any of the telephone numbers or e-mail addresses at any time using any reasonable means to notify us.

- (d) **Account Transfers.** If you attempt to transfer or assign all or a part of your Account, we will not be bound by the transfer or assignment until we agree in writing to the transfer or assignment. We are not required to accept or recognize any such transfer or assignment. Unless we agree otherwise in writing, any rights of a transferee or assignee will be subject to our right of setoff or prior security interest, if any. We have no obligation to notify you or any other person before disbursing any funds from your Account in accordance with what we in good faith believe to be the terms of the transfer or assignment. If you would like to transfer ownership of your Account(s), we may require that the Account(s) be closed and a new account be opened.
- (e) **FDIC Insurance.** Funds in your Account(s) are insured by the Federal Deposit Insurance Corporation (the “**FDIC**”). 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 and a pay-on-death account are examples of some of the others. Funds are insured up to \$250,000 per depositor for the total of funds combined in all of your other insured Accounts. 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 <http://www.fdic.gov>, which includes detailed contact information as well as a deposit insurance estimator.
- (f) **Changing Account Products.** Subject to Applicable Law, 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.
- (g) **Checking Account Organization.** All checking accounts consist of a demand sub-account and a money market demand sub-account. We may periodically transfer funds between these two sub-accounts. On a sixth transfer during a calendar month, any funds in the money market demand sub-account will be transferred back to the demand sub-account. If your Account is an interest bearing account or includes an earnings credit, your interest or earnings credit calculation will remain the same. Otherwise, the money market demand sub-account will be non-interest bearing. The money market demand sub-account will be governed by the rules governing our other money market demand accounts. This process will not affect your available balance, access to funds, the interest or earnings credit you may earn, your FDIC insurance protection, or your monthly statement(s).
- (h) **No Waiver(s).** No waiver of the Agreement (or any part of the Agreement) is valid unless it is in writing and signed by an authorized officer of ours. Delayed enforcement of any part of the Agreement does not constitute a waiver. Waiver of any part of the Agreement at any one time does not stop us from exercising its terms at any other time.
- (i) **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 in the Agreement, if any. We must receive your notice in time to have a reasonable opportunity to act on the notice. If the 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. Written notice we give you is effective when it is deposited in the United States Mail with proper postage and addressed to your mailing address we have on file. Notice to any of you will constitute notice to all of you.
- (j) **Telephonic Instructions.** Unless required by Applicable Law or we have agreed otherwise in writing, we are not required to act upon instructions you give us via fax machine or leave by voice mail.

- (k) **Address or Name Changes.** You are responsible for notifying us of any change in your address (including your e-mail address, if provided) or your name, which will be effective after we have had a reasonable opportunity to act on your notice. Unless we agree otherwise, a change of address (including your e-mail address) or name must be made in writing by at least one of you (including but not limited to an Account holder or signer on the Account), and you agree to provide us with any additional information, materials, and/or documentation we request in connection with any such change(s). 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 address you have provided to us.
- (l) **Severability.** If any provision of this document is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect.
- (m) **Written Variations.** 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.
- (n) **Interpretation.** The headings in this document 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 document should be construed so the singular includes the plural and the plural includes the singular.
- (o) **Governing Law; Venue.** The Agreement will be interpreted and governed by federal laws and, unless preempted, by the laws of the State of Oregon, without regard to its conflict of law provisions. You and we agree that any legal proceeding arising out of the Agreement must be brought in the state or federal courts situated in Lane County, Oregon, and you and we consent to and submit to the jurisdiction of any such court.



## **SUMMIT**BANK

### **Eugene Location**

96 East Broadway  
Eugene, OR 97401

### **Bend Location**

560 SW Columbia Street  
Bend, OR 97702

### **Portland Location**

222 SW Columbia Street, Suite 200  
Portland, OR 97201

MEMBER

# **FDIC**

# Electronic Fund Transfers Disclosure

## Your Rights and Responsibilities

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1. **General.** This Electronic Fund Transfers Disclosure (this “**Disclosure**”) describes types of electronic fund transfers (“**EFTs**”) we are capable of handling, some of which may not apply to your Account(s). Please read this Disclosure carefully because it describes your rights and obligations for the transactions listed. Terms used but not defined in this Disclosure have the meanings given to them in the Terms and Conditions applicable to your Account(s).
  
2. **EFTs Initiated By Third Parties.** You may authorize a third party to initiate EFTs 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 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 EFT 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 EFTs. 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).
  - ❖ **Electronic Check Conversion.** You may authorize a merchant or other payee to make a one-time electronic payment from your checking Account using information from your check to pay for purchases or pay bills.
  - ❖ **Electronic Returned Check Charge.** You may authorize a merchant or other payee to initiate an EFT to collect a charge in the event a check is returned for insufficient funds.

Please also refer to Section 9 of this Disclosure for limitations that apply to savings and money market Accounts.

3. **ATM Transfers.** You may access your Account(s) by ATM using your debit card and personal identification number (your “**PIN**”) to perform numerous activities, including:
  - Cash withdrawals from checking and savings Account(s); and
  - Get information about the balance of checking and savings Account(s).

Please note that some of the above activities may not be available at all ATM terminals. You will not be charged an ATM fee at ATMs with a “MoneyPass” decal. Please also refer to Section 9 of this Disclosure for limitations that may apply to ATM transfers involving savings or money market Accounts.

4. **Types of Summit Bank Debit Card Point-of-Sale Transactions.** You may access your checking Account(s) 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.

5. **Point-of-Sale Transactions; Dollar Limitations.** Dollar limitations with respect to your debit card(s) will be determined in writing at Account opening. Please also refer to Section 9 of this Disclosure regarding limitations that may apply to your debit card transactions involving savings or money market Accounts.
6. **Advisory against Illegal Use.** You agree not to use your debit card(s) for illegal gambling or other illegal purposes. 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. You agree to comply at all times with Applicable Law.
7. **Visa Account Updater Notice of Right to Opt Out.** Your debit card will be automatically enrolled in the free Visa Account Updater (“VAU”) service. With VAU, your Account files will be updated when information changes because of a product upgrade, card expiration, loss or theft, Account closure, or other change(s). A participating merchant can access that updated card information before requesting a payment. Since not all merchants participate, you should also contact the merchants directly if your card information changes. You are entitled to opt out of this VAU service. You may opt out at any time. If you want to opt out, phone us at (541) 684-7500 or (877) 566-5544 or mail us notice of your intention to opt out at Summit Bank, 96 E. Broadway, Eugene, OR 97401. You must include your name, Account name, address, card number, and signature. If you opt out, you may opt back in if you decide you want the VAU service in the future. You may opt in the same way(s) that you can opt out.
8. **Computer or Mobile Transfers.** You may access your Account(s) by computer or mobile device through the internet by logging onto our website at <http://www.sbko.bank>, to:
  - ❖ Transfer funds from checking to checking;
  - ❖ Transfer funds from checking to savings;
  - ❖ Transfer funds from savings to checking;
  - ❖ Transfer funds from person to person;
  - ❖ Make payments from checking or savings to loan Account(s) with us;
  - ❖ Make payments from checking or savings to third parties;
  - ❖ Get information about the balance of checking or savings Account(s); and
  - ❖ Make a deposit from a mobile device.

Please refer to Section 9 of this Disclosure regarding limitations that may apply to computer or mobile transfers involving savings or money market Accounts.

9. **Limitations on Frequency of Transfers.** Notwithstanding anything to the contrary in the Agreement, please note that transfers from a savings or money market account to another account or to third parties by preauthorized or automatic, telephone, or computer transfer or by check, draft, debit card, or similar order to third parties are limited to six (6) per calendar month or statement cycle. Please refer to Section 11 of the Terms and Conditions applicable to your Account(s) for more information about these limitations.
10. **Fees.** We do not charge for direct deposits to any type of account. We also do not charge for preauthorized payments from any type of account.
11. **ATM Operator/Network Fees.** When you use an ATM not owned or operated by us, you may be charged a fee by the ATM owner or operator or any network used. Please also note that you may be charged a fee for a balance inquiry even if you do not complete a fund transfer through such an ATM.

## 12. Documentation.

- ❖ **Terminal transfers.** You can get a receipt at the time you make a transfer to or from your Account using an ATM 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 sixty (60) days from the same person or company, you can call us at (541) 684-7500 or (877) 566-5544 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 Account(s). You will also get a monthly account statement from us for your savings Account(s), unless there are no transfers in a particular month. In any case, you will get a statement at least quarterly.

## 13. Preauthorized Payments.

- ❖ **Stop Payments.** If you have told us in advance to make regular payments out of your Account(s), 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 at least three (3) business days before the payment is scheduled to be made. If you call, we may also require you to put your request to stop payment(s) in writing and get it to us within fourteen (14) days after you call. Please refer to our Schedule of Fees for fees associated with a stop payment.
- ❖ **Notice of Varying Amounts.** If these regular payments may vary in amount, the person you are going to pay will tell you, ten (10) days before each payment, when it will be made and how much it will be. 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 at least three (3) business days or more before the transfer is scheduled, and we do not do so, we may be liable for your losses or damages under Applicable Law.

## 14. Our Liability.

- ❖ **Liability for Failure to Make Transfers.** If we do not complete an EFT to or from your Account on time or in the correct amount according to the Agreement, we may be liable for your losses or damages under Applicable Law. However, there are some exceptions. For instance, we will not be liable:
  - (i) If, through no fault of ours, you do not have enough money in your Account to make the EFT;
  - (ii) If you have an overdraft line-of-credit and the EFT would go over the credit limit;
  - (iii) If the ATM where you are making the EFT does not have enough cash;
  - (iv) If the terminal or system was not working properly and you knew about the breakdown when you started the EFT; and/or
  - (v) If circumstances beyond our control (such as fire or flood) prevent the EFT, despite reasonable precautions that we have taken.

Please note that the above list is not exhaustive, and there may be other exceptions to our liability stated in the Agreement or under Applicable Law.

## 15. Confidentiality. We will disclose information to third parties about your Account or the EFTs you make:

- (a) Where it is necessary for completing EFTs;
- (b) In order to verify the existence and condition of your Account for a third party, such as a credit bureau or merchant;

- (c) In order to comply with government agency or court orders; and/or
- (d) If you give us written permission.

**16. Unauthorized EFTs.**

- (a) **Liability.** You must immediately notify us if you know or suspect that your card and/or PIN has been lost or stolen, or if you know or suspect that an EFT has been made without your permission using your information. Telephoning us 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 two (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 code without your permission. If you do NOT tell us within two (2) business days after you learn of the loss or theft of your card and/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 EFTs that you did not make, including those made by card, PIN, or other means, notify us immediately. If you do not notify us within sixty (60) days after the statement was mailed to you, you may not get back any money you lost after the sixty (60) days if we can prove that we could have stopped someone from taking the money if you had notified us in time. If a good reason (such as a long trip or a hospital stay) kept you from notifying us, we will extend the time periods.
- ❖ **Additional Limit on Liability for Summit Bank 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 Summit Bank 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 PIN which are not processed by Visa®. Visa is a registered trademark of Visa International Service Association.
- ❖ **Contact in Event of Unauthorized Transfer.** If you know or suspect 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 know or suspect an EFT has been made using your information without your permission.

**17. Error Resolution Notice.** In the case of errors or questions about your EFTs, 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 an EFT listed on the statement or receipt. We must hear from you no later than sixty (60) days after we sent the first statement on which the problem or error appeared. In your notice:

- ❖ Tell us your name and Account number (if any);
- ❖ Describe the error or EFT you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information; and
- ❖ Tell us the dollar amount of the suspected error.

Please note that if you notify us orally, we may require that you send us your complaint or question in writing within ten (10) business days.

We will determine whether an error occurred within ten (10) business days (or five [5] business days for Summit Bank debit card point-of-sale transactions processed by Visa or twenty [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 forty-five (45) days (or ninety [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 credit your Account within ten (10) business days (or five [5] business days for Summit Bank debit card point-of-sale transactions processed by Visa or twenty [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 ten (10) business days, we may not credit your Account. Your Account is considered a "new" Account for the first thirty (30) days after the first deposit is made, unless each of you already has an established Account with us before the "new" Account was opened.

We will tell you the results within three (3) 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.



**SUMMIT**BANK

96 E. Broadway  
Eugene, OR 97401

**Business Days:**

Monday – Friday, excluding Federal Holidays

**Phone:**

(541) 684–7500 or (877) 566–5544 (9:00 A.M. – 5:00 P.M., Monday – Friday)  
Or (833) 699-0105 (After Hours)

**More Detailed Information is Available upon Request**

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## Notice of ATM and Night Deposit Facility User Precautions

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As with all financial transactions, please exercise discretion when using an ATM or night deposit facility. For your own safety, be careful. The following suggestions may be helpful:

- ❖ 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.
- ❖ 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.
- ❖ Compare your records with the Account statements or Account histories that you receive.
- ❖ Don't lend your debit card to anyone.
- ❖ Do not leave your card at the ATM. Similarly, do not leave any documents at a night deposit facility.
- ❖ Protect the secrecy of your PIN. Protect your debit card as though it were cash. Don't tell anyone your PIN. Don't give anyone information regarding your debit 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.
- ❖ Prevent others from seeing you enter your PIN by using your body to shield their view.
- ❖ If you lose your debit card or if it is stolen, promptly notify us. Please refer to our Electronic Fund Transfers Disclosures for additional information about what to do if your debit card is lost or stolen.
- ❖ 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 ATM or night deposit facility, especially after sunset. If you observe any problem, go to another ATM or night deposit facility.
- ❖ Don't accept assistance from anyone you don't know when using an ATM or night deposit facility.
- ❖ 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 debit card and leave. You might consider using another ATM or coming back later.
- ❖ 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.
- ❖ 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.
- ❖ 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 an ATM or night deposit facility. For instance, let us know if a light is not working or there is any damage to an ATM or night deposit facility. Please report any suspicious activity or crimes to both the operator of the location and the local law enforcement officials immediately.

# Funds Availability Policy

## Your Ability to Withdraw Funds

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1. **Funds Availability Policy.** This Funds Availability Policy (this “**Policy**”) applies to “transaction” accounts. 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. Feel free to ask us whether any of your other Accounts might also be under this policy. Terms used but not defined in this Policy have the meanings given to them in the Terms and Conditions applicable to your Account(s).
2. **General.** 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.
3. **Business Days.** For determining the availability of your deposits, every day is a “business day,” except Saturdays, Sundays, and federal holidays. If you make a deposit before 5:00 P.M. (Pacific) on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after 5:00 P.M. (Pacific) or on a day we are not open, we will consider that the deposit was made on the next business day we are open.
4. **Cashing Checks Drawn on Other Banks.** 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.
5. **Depositing Checks Drawn on Other Banks.** 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 Policy for the type of check that you deposited.
6. **Longer Delays May Apply.**
  - (a) **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 not later than the first business day after the banking day on which the deposit was made.

If you will need the funds from a deposit right away, you should ask us when the funds will be available.
  - (b) **Safeguard Exceptions.** In addition to the above, funds you deposit by check may be delayed for a longer period under the following circumstances:
    - (i) We believe a check you deposit will not be paid;
    - (ii) You deposit checks totaling more than \$5,525 on any one day;

- (iii) You redeposit a check that has been returned unpaid;
- (iv) You have overdrawn your Account(s) repeatedly in the last six (6) months; and/or
- (v) 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. The funds will generally be available no later than the seventh business day after the day of your deposit.

**7. Special Rules for New Accounts.** If you are a new customer, the following special rules will apply during the first thirty (30) days your Account is open:

- ❖ Funds from electronic direct deposits to your Account will be available on the day we receive the deposit;
- ❖ Funds from deposits of cash, wire transfers, and the first \$5,525 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state, and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For instance, 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 eleventh business day after the day of your deposit.

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# Substitute Checks and Your Rights

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As our customer we think it's important for you to know about substitute checks. This Substitute Checks and Your Rights Disclosure (this "**Disclosure**") provides information about substitute checks and your rights. Also, so you will recognize substitute checks when you receive them, below we have included a copy of the front side of a substitute check along with an explanation of the substitute check's components. Terms used but not defined in this Disclosure have the meanings given to them in the Terms and Conditions applicable to your Account(s).

- ❖ **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 Disclosure describes rights you have when you receive substitute checks from us. The rights in this Disclosure do not apply to original checks or to electronic debits to your Account(s). However, you have rights under other Applicable 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 (e.g., 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(s) and any fees that were charged as a result of the withdrawal (e.g., 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 Applicable Law. If you use this procedure, you may receive up to \$2,500 of your refund (plus interest if your Account earns interest) within ten (10) business days after we received your claim and the remainder of your refund (plus interest if your Account earns interest) not later than forty-five (45) calendar days after we received your claim. However, we may reverse the refund (including any interest) 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:

**Summit Bank**  
96 E. Broadway  
Eugene, OR 97401  
(541) 684-7500 or (877) 566-5544

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

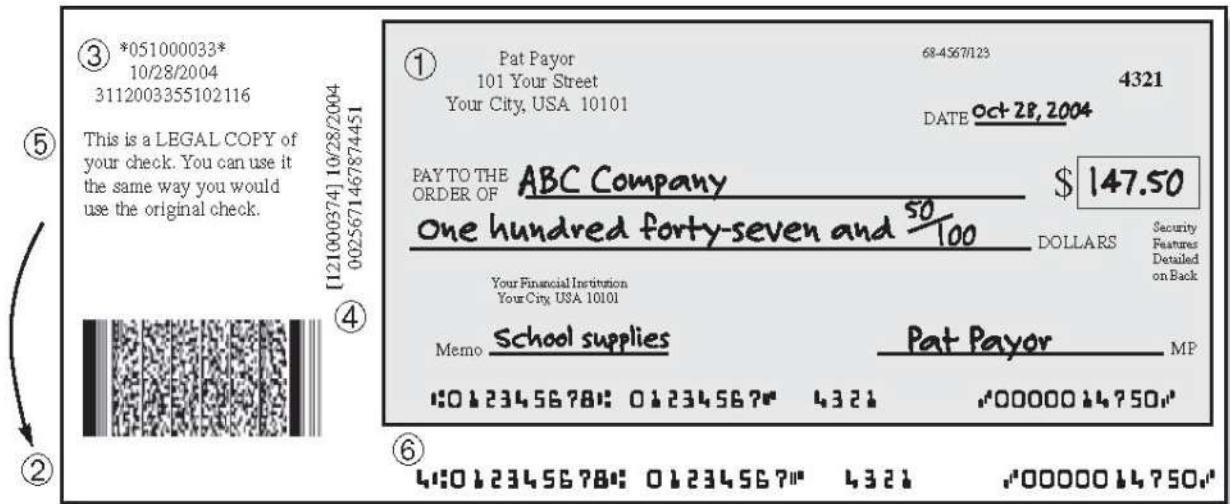
Your claim must include the following information:

- A description of why you have suffered a loss (e.g., 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: (a) the check number, (b) the amount of the check, (c) the date of the check, and the name of the person to whom you wrote the check.

### SUBSTITUTE CHECK IMAGE

Below is an image of a sample substitute check. The numbers listed below the image correspond with the numbers on or near the substitute check image and the corresponding text explains the various components of a substitute check.



These numbers correspond with the numbers on the substitute check image above:

1. An image of the original check appears in the upper right-hand corner of the substitute check.
2. A substitute check is the same size as a standard business check.
3. The information in asterisks relates to the “reconverting bank” (*i.e.*, the financial institution that created the substitute check).
4. The information in brackets (appears sideways facing check image) relates to the “truncating bank”—the financial institution that took the original check out of the check processing system.
5. The Legal Legend states: “*This is a LEGAL COPY of your check. You can use it the same way you would use the original check.*”
6. The MICR lines at the bottom of the image of the original and at the bottom of the substitute check are the same except for the “4” at the beginning of the MICR line on the substitute check, which indicates that it is a substitute check being moved forward for collection purposes. It is also possible for the MICR line on the substitute check to begin with a “5” if the item is being returned. The rest of the MICR line is the same as the original check to ensure that it is processed as though it were the original.

**MEMBER  
FDIC**