



**TERMS AND CONDITIONS
OF YOUR ACCOUNT**

We are pleased you have chosen a Sterling Savings Bank account. We want you to understand both the benefits and obligations of having an account with us, so please read this agreement carefully.

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

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

AGREEMENT - This document, along with any other documents we give you pertaining to your account(s), is a contract that establishes rules which control your account(s) with us. If you sign the signature card or open or continue to have your account with us, you agree to these rules. You will receive a separate schedule of rates, qualifying balances, and fees if they are not included in this document. If you have any questions, please call us.

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

- (1) summarize some laws that apply to common transactions;
- (2) establish rules to cover transactions or events which the law does not regulate;
- (3) establish rules for certain transactions or events which the law regulates but permits variation by agreement; and
- (4) give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

If any provision of this document is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing either on the signature card for your account or in some other document.

As used in this document the words "we," "our," and "us" mean the financial institution and the words "you" and "your" mean the account holder(s) and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the account. 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.

LIABILITY - You agree, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the schedule of charges. You authorize us to deduct these charges directly from the account balance as accrued. You will pay any additional reasonable charges for services you request which are not covered by this agreement.

Each of you also agrees to be jointly and severally (individually) liable for any account shortage resulting from charges or overdrafts, whether caused by you or another with access to this account. This liability is due immediately, and 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 or overdraft. This includes liability for our costs to collect the deficit including, to the extent permitted by law, our reasonable attorneys' fees.

AMENDMENTS AND TERMINATION - We may change any term of this agreement. Rules governing changes in interest rates are provided separately in the Truth-in-Savings disclosure or in another document. For other changes, we will give you reasonable notice in writing or by any other method permitted by law. We may also close this account at any time upon reasonable notice to you and tender of the account balance personally or by mail. Items presented for payment after the 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 in some cases such as when we cannot verify your identity or we suspect fraud, it might be reasonable for us to give you notice after the change or account closure becomes effective. For instance, if we suspect fraudulent activity with respect to your account, we might immediately freeze or close your account and then give you notice. You agree to keep us informed of your current address at all times. Notice from us to any one of you is notice to all of you. If we have notified you of a change in any term of your account and you continue to have your account after the effective date of the change, you have agreed to the new term(s).

ACCOUNT OPENING - To open your account, you must complete the proper forms and provide us with any other documents, information or forms that we may require to establish an account with us. The requirements include acceptable forms of identification, any required minimum deposit, and your Taxpayer Identification Number.

CREDIT REPORTS - You authorize us to obtain information about you, including a credit report from third parties. If you ask, you will be told whether a credit report was requested and, if so, the name and address of the credit reporting agency that furnished the report. We may report information about your account to credit bureaus. Late payments, missed payments, or other defaults on your account may be reflected in your credit report. If you become aware that information we reported, or may report, is inaccurate you may notify us at the following address: Sterling Savings, 111 N. Wall Street, Spokane, Washington 99201.

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

YOUR RESPONSIBILITY. You must exercise reasonable control over your statement, checks, deposit slips, endorsement and signature stamps, Check and ATM Cards, Personal Identification Numbers and other access devices. It is your responsibility to keep them safe and secure and to promptly discover and report if any of them are missing in time to prevent misuse. You assume full responsibility for monitoring and reviewing the activity of your account.

We may deny a claim for losses due to forged, altered or unauthorized transactions, items or signatures if you do not guard against improper access to your checks, statements, deposit slips, endorsement and signature stamps, and account information.

ACCOUNT STATEMENTS. You should review your Account statement promptly to protect your rights, including your right to dispute a transaction that you believe is forged, unauthorized, missing a signature or endorsement, altered, a missing or diverted deposit, illegible image or any other error or discrepancy relating to a check, deposit or other credit or debit entry to your account. You are responsible for promptly examining your Account statement and reporting any irregularities to us. If you fail to do either of these duties, you will have to either share the loss with us, or bear the loss entirely yourself (depending on whether we used ordinary care and, if not, whether we substantially contributed to the loss). In that regard, we process checks and other items by automated means and do not visually examine all checks or other items. You agree that we do not fail to exercise ordinary care because we use these automated procedures. You also agree that we do not fail to exercise ordinary care if the items were forged or altered so cleverly (as by unauthorized use of a facsimile machine,

Rules & Regulations
General Policies & Disclosures

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photocopy machine, computer equipment or otherwise) that a reasonable person would not detect the forgery or alteration.

The Account statement will be considered correct for all purposes and we will not be liable for any payment made and charged to your Account unless you notify us in writing within a reasonable period of time not exceeding sixty (60) calendar days after the periodic statement is sent or made available to you. However, if your Account is charged for multiple unauthorized signatures or alterations by the same wrongdoer, we will not be liable if you do not notify us in writing a reasonable period of time not exceeding thirty (30) calendar days after information about the first such irregularity was made available to you. If you do not notify us within the applicable time period, then you cannot recover any amount from us with respect to any forged, altered or otherwise unauthorized item.

When you report missing, stolen or unauthorized checks, we may recommend that you close your current account and open a new one. If we recommend you close your account and you do not do so, we are not liable to you for subsequent losses on the account due to forgery or other fraud. When you open a new account, you must notify any third parties that need to know your new account number. Additionally, we may determine your account represents a higher than average risk of fraud and recommend a product or service designed to detect and/or deter fraud. You agree that if you fail to implement any of these products or services, or you fail to follow these and other precautions reasonable for your particular circumstances, you will be precluded from asserting any claims against us for paying any unauthorized, altered, counterfeit or other fraudulent item that such product, service, or precaution was designed to detect or deter, and we will not be required to re-credit your account or otherwise have any liability for paying such items.

If your claim relates to a business account, you agree to pursue all rights you may have under any insurance coverage you maintain before making a claim against us in connection with any transaction involving your accounts or your checks or other withdrawal orders, and to provide us with all reasonable information about your coverage, including the name of your insurance carrier, policy number, policy limits and applicable deductible. Our liability is reduced by the amount of all insurance proceeds you receive or are entitled to receive. At our request, you agree to assign to us your rights under your insurance policy.

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"). Actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars. We are not responsible for transactions by mail or outside depository until we actually record them. We will treat and record all transactions received after our "daily cutoff time" on a business day we are open, or received on a day we are not open for business, as if initiated on the next following business day that we are open.

Endorsements - 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.

WITHDRAWALS -

Generally - Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs in the space designated for signatures on the signature card may withdraw or transfer all or any part of the account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person signing the signature card to endorse any item payable to you or your order for deposit to this account or any other transaction with us.

Any owner, including one of the owners of a joint account, may add owners or authorized signers to an account; however, we have the right to require the signature of all owners to make the change. Only under special circumstances and subject to prior approval by us, may an owner remove an owner or authorized signer from an account. No change in owners or authorized signers is effective until we have received written notice of the change and have had time to act on it.

Postdated checks - A postdated check is one which bears a date later than the date on which the check is written. We may properly pay and charge your account for a postdated check even though payment was made before the date of the check, unless we have received written notice of the postdating in time to have a reasonable opportunity to act.

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

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. See the funds availability policy disclosure for information about when you can withdraw funds you deposit. For those accounts to which our funds availability policy disclosure does not apply, you can ask us when you make a deposit when those funds will be available for withdrawal. In addition, we may place limitations on the account until your identity is verified.

We reserve the right to limit the amount of funds that may be withdrawn from your account in cash for various reasons including, without limitation, the amount of currency that is available at a particular branch location.

Nonconforming requests - Even if we honor a nonconforming request, we are not required to do so later. We may treat continued abuse of the stated limitations (if any) as your act of closing the account, or we may at our option reclassify your account as a transaction account. If we reclassify your account, your account will be subject to the fees and earnings rules of the new account classification. The fact that we may honor withdrawal requests that overdraw the account balance does not obligate us to do so later.

Notice of withdrawal - We reserve the right to require not less than 7 days' notice in writing before each withdrawal from a consumer checking account or 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.) Withdrawals from a time account prior to maturity or prior to any notice period may be restricted and may be subject to penalty. See your notice of penalty for early withdrawal.

OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION - These rules apply to this account depending on the form of ownership and beneficiary designation, if any, specified on the account records. We reserve the right to refuse some forms of ownership on any or all of our accounts. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine to whom we pay the account funds.

Single Account - is owned by one person.

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

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

Community Property Account - Such an account is issued to a husband and wife who intend that all of the property in the account, including earnings, be held as community property.

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

UTMA ACCOUNTS - Under the Uniform Transfers to Minors Act, the funds in the account are owned by the child. The account may be accessed only by the custodian (or successor custodian), and the funds must be used for the benefit of the child. We, however, have no duty or agreement whatsoever to monitor or insure that the acts of the custodian (or successor custodian) are for the child's benefit. For this type of account, the child's SSN/TIN is used for the Backup Withholding Certification.

ABANDONED ACCOUNTS - State and Federal law govern when deposit accounts are considered "Inactive", "Dormant" or "Abandoned." We will send notice, to your last address on file with us, not more than 120 days before your account is classified as abandoned property. The funds in your inactive account will be classified as abandoned property by state law unless, within a period of time defined by state law, you have done at least one of the following: (1) made a deposit or withdrawal; (2) corresponded in writing with us concerning your account; (3) otherwise indicated an interest in your account that is evidenced by a memorandum or other record prepared by us on file; or (4) had another account relationship with us that is active or in which you have indicated an interest to us as described in (2) and (3) above. (Bank charges or interest payments are not considered activity affecting the balance in your account.) State law requires abandoned property to be turned over to the state of the last known address on the abandoned account. Once remitted, you must apply to the appropriate state agency to reclaim your funds. We reserve the right to close your account if there is a zero balance and no activity for a period of time.

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

ACCOUNT BALANCE - Information provided to you regarding your current or available balance may not include outstanding checks, pending card transactions, or scheduled electronic items that have not yet posted to your account.

ADDRESS OR NAME CHANGES - You are responsible for notifying us of any change in your address or your name. Informing us of your address or name change on a check reorder form is not sufficient. We will attempt to communicate with you by use of the most recent address we have on file.

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

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. 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. The TIN is either a social security number (SSN) or an employer identification number (EIN). For most organization or business accounts other than sole proprietorships, the appropriate TIN is the EIN of the organization or business entity. For sole proprietorships, either the SSN or the EIN is appropriate. However, we must supply the IRS with both the individual owner's name and the business name of the sole proprietorship. The appropriate TINs for various other types of accounts are:

Account type - TIN

Individual - SSN of the individual.

Joint Account - SSN of the owner named first on the account.

Uniform Gift/Transfer to Minor - SSN of the minor.

Informal (Revocable) Trust - SSN of the owner.

In some circumstances, federal law requires us to withhold and pay to the IRS a percentage of the interest that is earned on funds in your accounts. This is known as backup withholding. We will not have to withhold interest payments when you open your account if you certify your TIN and certify that you are not subject to backup withholding due to underreporting of interest. 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. If you do not have a TIN, we may defer backup withholding if you certify that you do not have a TIN but have applied for one. However, we must begin backup withholding if you do not supply us with a certified TIN within 60 days. If you do not have a TIN because you are a foreign person (either an individual who is a nonresident alien or a foreign organization) you must certify your foreign status. If you are an exempt payee (receiver of interest payments), you do not need to certify your TIN, but you will have to certify your exempt status and supply us with your TIN. The most common exempt payees are corporations, organizations exempt from tax under Section 501(a), and an individual retirement plan or a custodial account under Section 403(b)(7). If you do not supply us with the appropriate TIN, we may refuse to open your account.

BUSINESS ACCOUNTS - Earnings in the form of interest, dividends, or credits will be paid only on collected funds, unless otherwise provided by law or our policy. We may require the governing body of the legal entity opening the account to give us a separate authorization telling us who is authorized to act on its behalf. We will honor the authorization until we actually receive written notice of a change from the governing body of the legal entity.

CASH TRANSACTION REPORTING - To help law enforcement agencies detect illegal activities, the law requires all financial institutions to gather and report information on some types of cash transactions. If the information we need to complete the report is not provided, we are required to refuse to handle the transaction. If you have any questions regarding these rules, please contact your local Internal Revenue Service office.

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

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

DIRECT DEPOSITS - If, in connection with a direct deposit plan, we deposit any amount in an account which should have been returned to the Federal Government for any reason, you authorize us to deduct the amount of our liability to the Federal Government from the account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of our liability.

DISPUTES - We may refuse to pay money out of your account or otherwise place a hold on funds that are subject to a dispute (including, but not limited to, a dispute over who is an authorized signer or owner) until the dispute about the account is resolved. In addition, if we have actual knowledge of a dispute or adverse claim to funds in your account, we may, at our discretion: (1) require as a condition to disbursement of any funds in the account, that you execute a bond or indemnification agreement satisfactory to us, indemnifying us for any liability or loss for paying such sums to you; or (2) interplead the disputed funds into any court of competent jurisdiction asking the court to decide who should have the funds. You agree to reimburse us for our expenses, including attorneys' fees and costs, incurred in enforcing our rights under this Agreement.

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

FDIC INSURANCE - Funds in your account(s) with us are insured by the Federal Deposit Insurance Corporation (FDIC) and backed by the full faith and credit of the United States. The amount of insurance coverage you have depends on the number of accounts you have with us that are of different "ownership." An individual account is one unique form of "ownership"; a joint account, a pay-on-death account, and a self directed qualified retirement account (e.g., an IRA) are examples of some of the others. Deposit insurance for a person's self directed qualified retirement account is up to \$250,000. (An IRA is a self directed qualified retirement account as is any account where the owner decides where and how to invest the balance.) Deposit insurance for the other ownerships is at least \$100,000 per interest of the owner. FDIC deposit insurance has been temporarily increased from \$100,000 to \$250,000 per depositor through December 31, 2013. If you want a more detailed explanation or additional information, you may ask us or contact the FDIC. You can also visit the FDIC website at www.fdic.gov and click on the Deposit Insurance link. The link includes detailed contact information as well as a deposit insurance estimator.

LEVIES, GARNISHMENTS AND OTHER LEGAL PROCESS - You agree that for purposes of this part your account exists at any and all locations where we operate a "branch." A "branch" is at a brick-and-mortar facility (not just an automated teller machine) established by us where you may make both deposits to and withdrawals from your account with a live teller. You understand that a creditor or governmental agency may attach your account by service of legal process on any branch or at any site designated by us for acceptance of service of process on behalf of a branch. If your account is a joint account, we may pay all amounts in the account in satisfaction of any levy, garnishment or other legal process, even if it attaches to the interest of fewer than all the account holders. You agree that we may process a levy, garnishment, or other legal process served on us even if we do not process it on the same day it was received.

If we are served with any legal process that tries to attach or in some way prevent you from freely using your funds, you give us the right to hold any portion of the funds during any time necessary to determine to our satisfaction who has the legal right to the funds, you agree that we may deposit the funds in your account with a court in the location of the branch where the legal process against your account was deemed served and ask the court to determine to whom the funds belong. You consent to the jurisdiction of such court to determine the legal right to the funds in your account. You agree to reimburse us for our expenses, including attorney's fees and expenses, arising out of the service of the legal process and our response to it.

We will not be liable to you if a garnishment, levy, attachment, hold, or similar payment from your account leaves insufficient funds to cover outstanding items. You agree to hold us harmless from any claim arising as a result of our processing a levy, garnishment, or other legal process.

LOST, DESTROYED, OR STOLEN CERTIFIED, CASHIER'S, OR TELLER'S CHECKS - Under some circumstances you may be able to assert a claim for the amount of a lost, destroyed, or stolen certified, cashier's or teller's check. To assert the claim: (a) you must be the remitter (or drawer of a certified check) or payee of the check, (b) we must receive notice from you describing the check with reasonable certainty and asking for payment of the amount of the check, (c) we must receive the notice in time for us to have a reasonable opportunity to act on it, and (d) you must give us a declaration (in a form we require) of your loss with respect to the check. You can ask us for a declaration form. Even if all of

these conditions are met, your claim may not be immediately enforceable. We may pay the check until the ninetieth day after the date of the check (or date of acceptance of a certified check). Therefore, your claim is not enforceable until the ninetieth day after the date of the check or date of acceptance, and the conditions listed above have been met. If we have not already paid the check, on the day your claim is enforceable we become obligated to pay you the amount of the check. We will pay you in cash or issue another certified check.

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

REGULATORY CLASSIFICATION OF CHECKING ACCOUNTS - We have organized your checking account in a nontraditional way. Your checking account consists of two subaccounts. One of these is a transaction subaccount (e.g., a checking subaccount). You will transact business on this subaccount. The other is a nontransaction subaccount (e.g., a savings subaccount). You cannot directly access the nontransaction subaccount, but you agree that we may automatically, and without a specific request from you, initiate individual transfers of funds between subaccounts from time to time at no cost to you. This account organization will not

change the amount of federal deposit insurance available to you, your available balance, the information on your periodic statements, or the interest calculation, if this is an interest-bearing account. You will not see any difference between the way your checking account operates and the way a traditionally organized checking account operates, but this organization makes us more efficient and helps to keep costs down.

OVERDRAFTS - When you do not have enough available funds in your checking or savings account to cover a check or other debit, we consider the check or debit an insufficient funds item.

If you have sufficient balance in an overdraft protection account, we will transfer the funds to your account to cover the item. If you do not have overdraft protection or enough coverage in your overdraft protection account, we either return the item unpaid or pay it and overdraw your account. In either case we charge you either an overdraft or insufficient funds fee.

If we overdraw your account to pay an item, you agree to immediately repay us. If we pay items by overdrawing your account on one or more occasions, we are not obligated to continue paying any future insufficient funds items. We may stop paying your insufficient funds items without notifying you.

PAYMENT ORDER OF ITEMS - The law permits us to pay items (such as checks or drafts) drawn on your account in any order. To assist you in handling your account with us, we are providing you with the following information regarding how we process the items that you write. When processing items drawn on your account, our policy is to pay them according to the dollar amount. We pay the largest items first but may establish different processing priorities or categories for checks and other items such as ATM withdrawals. Check Card transactions (Point of Sale) or automatic payments. 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. Our current payment policy will cause your largest, and perhaps more important, items to be paid first (such as your rent or mortgage payment), but may increase the overdraft or NSF fees you have to pay if funds are not available to pay all of the items. If an item is presented without sufficient funds in your account to pay it, we may, at our sole discretion, pay the item (creating an overdraft) or return the item (NSF). The amounts of the overdraft and NSF fees are disclosed elsewhere. We encourage you to maintain accurate records and practice good account management. This will help you to avoid writing checks or drafts without sufficient funds and incurring the resulting fees.

PLEDGES - Unless we agree otherwise in writing, each owner of this account may pledge all or any part of the funds in it for any purpose to which we agree. Any pledge of this account must first be satisfied before the rights of any surviving account owner or account beneficiary become effective.

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 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 the 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.

RESTRICTIVE LEGENDS - We are not required to honor any restrictive legend on checks you write unless we have agreed in writing to the restriction. Examples of restrictive legends are "must be presented within 90 days" or "not valid for more than \$1,000.00."

RETURNED ITEMS - If a check or other item you deposit or cash is returned to us for any reason, at any time, we may debit your account for the amount of the item. We may also debit your account for any interest you may have provisionally earned on the item. We also charge you a fee for each returned item. We may debit your account for a returned item at any time on or after the day it is returned to us by electronic or other means, or the day we receive notice that the item is being returned to us - whichever is earlier. Furthermore, if an item deposited in your account has been paid by the financial institution on which it is drawn and that institution later returns the item to us claiming that it was altered, forged or unauthorized or should not have been paid for any other reason, we may debit your account for the amount of the item. If you have insufficient funds to cover a returned item, we may overdraw your account. You agree to repay us immediately.

SECURITY - It is your responsibility to protect the account numbers and electronic access devices (e.g., an ATM card, Online Banking Login ID and Password) 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 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 (a family member or coworker, for example) who then exceeds that authority, you are liable for the transfers 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. If you provide your account number in response to a telephone solicitation for the purpose of making a transfer (to purchase a service or merchandise, for example), payment can be made from your account even though you did not contact us directly and order the payment.

You must also take precaution in safeguarding your blank checks. Notify us at once if you believe 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 (we may have to share some of the loss if we failed to use ordinary care and if we substantially contributed to the loss).

SETOFF - We may (without prior notice and when permitted by law) set off the funds in this account against any due and payable debt you owe us now or in the future, by any of you having the right of withdrawal, to the extent of such persons' or legal entity's right to withdraw. If the debt arises from a note, "any due and payable debt" includes the total amount of which we are entitled to demand payment under the terms of the note at the time we set off, including any balance the due date for which we properly accelerate under the note.

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

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

We may accept an order to stop payment on any item from any one of you. You must make any stop-payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it before our stop-payment cutoff time. When you place your stop-payment order we will tell you what information we need to stop payment. This information must be exact since stop-payment orders are handled by computers. If your information is not exact your order will not be effective and we will not be responsible for failure to stop payment.

You may stop payment on any item drawn on your account whether you sign the item or not, if you have an equal or greater right to withdraw from this account than the person who signed the item. Generally, if your stop-payment order is given to us in writing it is effective for one year. Your order will lapse after that time if you do not renew the order in writing before the end of the one year period. If the original stop-payment order was verbal your stop-payment order will lapse after 14 calendar days if you do not confirm your order in writing within that time period. We are not obligated to notify you when a stop-payment order expires. A release of the stop-payment request may be made only by the person who initiated the stop-payment order.

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

Our stop-payment cutoff time is one hour after the opening of the next banking day after the banking day on which we receive the item. Additional limitations on our obligation to stop payment are provided by law (e.g., we paid the item in cash or we certified the item).

TELEPHONE TRANSFERS - A telephone transfer of funds from this account may be made by the same persons and under the same conditions generally applicable to withdrawals made in writing. Unless a different limitation is disclosed in writing, we restrict the number of transfers from a savings account to another account or to third parties, to a maximum of six per month (less the number of "preauthorized transfers" during the month). Other account transfer restrictions may be described elsewhere.

TRANSFER LIMITATIONS - For savings and money market accounts you may make up to six 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 weeks). A preauthorized transfer includes any arrangement with us to pay a third party from your account at (i) a predetermined time; (ii) on a fixed schedule or (iii) upon oral or written orders including orders received through the automated clearing house (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.

TWO SIGNATURES - We do not offer accounts on which two signatures are required for a check or other withdrawal. You agree that if any account purports to require two or more signers on items drawn on the account, such provision is solely for your internal control purposes and is not binding on us. If more than one person is authorized to write checks or draw items on your account, you agree that we can honor such items signed by any authorized signer, even if there are two or more lines on the items for signatures and two signatures are required.

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

WAIVER OF THESE RULES - Sterling Savings Bank may elect to waive any of its fees or rules. If Sterling Savings Bank elects to waive a fee or rule, or does not otherwise charge a fee or enforce a rule, such waiver of a fee or rule will apply only on that occasion. Sterling Savings Bank does not waive the right to charge the fee or enforce the rule at a subsequent time.

ELECTRONIC FUND TRANSFERS YOUR RIGHTS AND RESPONSIBILITIES

This Electronic Fund Transfer disclosure does not apply to any accounts other than consumer accounts, as defined by Regulation E.

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

Electronic Fund Transfers Initiated By Third Parties. You may authorize a third party to initiate electronic fund transfers between your account and the third party's account. These transfers to make or receive payment may be one-time occurrences or may recur as directed by you. These transfers may use the Automated Clearing House (ACH) or other payments network. Your authorization to the third party to make these transfers can occur in a number of ways. For example, your authorization to convert a check to an electronic fund transfer or to electronically pay a returned check charge can occur when a merchant provides you with notice and you go forward with the transaction (typically, at the point of purchase, a merchant will post a sign and print the notice on a receipt). In all cases, these third party transfers will require you to provide the third party with your account number and bank information. This information can be found on your check as well as on a deposit or withdrawal slip. Thus, you should only provide your bank and account information (whether over the phone, the Internet, or via some other method) to trusted third parties whom you have authorized to initiate these electronic fund transfers. Examples of these transfers include, but are not limited to:

- **Preauthorized credits.** You may make arrangements for certain direct deposits to be accepted into your checking, savings or money market account(s).
- **Preauthorized payments.** You may make arrangements to pay certain recurring bills from your checking, savings or money market 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 electronic funds transfer to collect a charge in the event a check is returned for insufficient funds.

The Sterling Anytime Line™ Telephone Transfers - types of transfers - You may access your account by telephone 24 hours a day, seven days a week, at 509-455-4406 (Spokane area residents) or 888-678-7800 using your personal identification number, a touch tone phone, and your account numbers, to:

- transfer funds between checking and savings
- advance funds from line of credit to checking or savings
- make loan payments from checking or savings
- get information about:

- account balances and recent transactions to checking, savings, money market, HSA, loans, and CDs

Funds transfer via the Anytime Line must be preauthorized.

Sterling ATM Card Transfers - types of transfers - You may access your account(s) by ATM using your Sterling ATM card or Sterling Check Card (also referred to as "Debit Card") Sterling Platinum Check Card or Sterling Private Banking Check Card and personal identification number, to:

- make deposits to checking and savings account(s) with an ATM card or debit card
- get cash withdrawals from checking and savings account(s) with an ATM card or debit card
- transfer funds between checking and savings account(s) with an ATM card or debit card
- get information about:
 - the account balance of your checking and savings accounts with an ATM card or debit card

Some of these services may not be available at all terminals. A personal identification number (PIN) is required to access your account(s) using an ATM.

Types of ATM Card Point-of-Sale Transactions - You may access your checking account(s) to purchase goods (in person) and pay for services (in person).

Types of Sterling Check Card (also referred to as "Debit Card") or Sterling Platinum Check Card or Sterling Private Banking Check 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.

Health Savings Account (HSA) -Check Card

A HSA Check Card is issued to you when you open a Health Savings Account. The Sterling Savings Bank HSA Check Card is exclusively for the purpose of paying your or your family's qualified medical expenses. Accordingly, you are not able to use your Sterling Savings Bank HSA Check Card to access your account at Automated Teller Machines (ATMs).

Transaction Dollar Limits - Using your card, the following daily limits apply:

Card Type	ATM Withdrawals	Point-of-Sale Transactions
ATM Card	\$300	\$200
Health Savings Account (HSA)	NA*	\$2,500*
Sterling Check Card	\$1,000	\$5,000
Sterling Business Check Card	\$1,500	\$5,000
Sterling Platinum Check Card	\$1,500	\$7,500
Sterling Private Banking Check Card	\$1,500	\$7,500

*Health Savings Account (HSA) cards may not be used to withdraw cash at an ATM or for "cash back" on purchases

The withdrawal limits described above represent the total amount you can withdraw with your card on any one day. You can make up to 20 transactions per day using your ATM or Check Card. The 20 transactions can consist of 20 ATM withdrawals, 20 VISA Check Card transactions, 20 POS transactions, or a combination of the three. To maintain the security of the system, the cash withdrawal limit is reduced in some circumstances. You do have the right to limit the daily amount. Contact us if you wish to do so.

Point-of-Sale Purchases and Limits: Your Card permits you to pay for purchases through automatic debits to your checking (or savings if your Card is tied only to your savings) account using your Card at all participating merchant locations. If your checking or savings accounts are tied to the same Card, your checking account will be debited.

When you use the Card at merchant locations, the purchase price is electronically withdrawn from your account and transferred to the merchant's account. When you make a return or correction, amounts are electronically transferred from the merchant's account to your account. Depending on the point-of-sale terminal capabilities, point-of-sale transactions may include cash back. A debit card authorization hold may cause an overdraft if sufficient funds are not available in the account.

Currency Conversion and International Transactions. When you use your Visa®-branded debit card at a merchant that settles in currency other than US dollars, the charge will be converted into the US dollar amount. The currency conversion rate used to determine the transaction amount in US dollars is either a rate selected by Visa from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Visa itself receives, or the government-mandated rate in effect for the applicable central processing date. The conversion rate in effect on the processing date may differ from the rate in effect on the transaction date or posting date.

Visa USA charges us a .8% International Service Assessment on all international transactions, regardless of whether there is a currency conversion. If there is a currency conversion, the International Service Assessment is 1% of the transaction. The fee we charge you for international transactions/currency conversions is disclosed on our separate fee schedule. An international transaction is a transaction where the country of the merchant is outside the USA.

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

Sterling Online Banking Computer Transfers - types of transfers - You may access your account(s) by computer 24 hours a day by visiting our website at www.sterlingsavingsbank.com to register for **Online Banking** access, and then using your appropriate Login ID(s) and Password(s), to perform the activities listed below. Specific activities may require the use of a specific Online Banking product and additional authorization.

- Transfer funds between checking, money market and/or savings accounts
- Advance funds from line of credit to checking or savings
- Make payments from checking, money market, or savings to loan accounts with us
- Make payments with Bill Pay service from checking to third party payees
- Place "Stop Payment" requests
- Reorder checks
- Review online account statements
- Get information about:
 - account balance(s)
 - recent transaction history
 - images of processed check items

Note that online access will be granted based upon the requester providing acceptable information to confirm their identity as an owner or authorized signer of the account(s). The information requested may vary.

FEES

Please refer to our separate fee schedule for any fees that may apply to electronic fund transfers, including international ATM or Check card transactions. **ATM Operator/Network Fees.** When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer).

DOCUMENTATION

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

• **Preauthorized credits.** If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can call us at 888-678-7800 or 509-455-4406 (Spokane area residents) to find out whether or not the deposit has been made.

• **Periodic statements.**

You will get a monthly account statement from us for your checking accounts.

You will get a monthly account statement from us for your savings accounts, unless there are no transfers in a particular month. In any case, you will get a statement at least quarterly.

PREAUTHORIZED PAYMENTS

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

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

Please refer to our separate fee schedule for the amount we will charge you for each stop-payment order you give.

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

• **Liability for failure to stop payment of preauthorized transfer.** If you order us to stop one of these payments 3 business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

FINANCIAL INSTITUTION'S LIABILITY

Liability for failure to make transfers. If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

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

CONFIDENTIALITY

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

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

UNAUTHORIZED TRANSFERS

(a) **Consumer liability.**

• **Generally.** Tell us AT ONCE if you believe your card and/or code has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). If you tell us within 2 business days after you learn of the loss or theft of your card and/or code, 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 2 business days after you learn of the loss or theft of your card and/or code, and we can prove we could have stopped someone from using your card and/or code without your permission if you had told us, you could lose as much as \$500.

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

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

• **Additional Limit on Liability for Sterling Check Card, Sterling Platinum Check Card, or Sterling Private Banking Check Card.** Unless you have been grossly negligent or have engaged in fraud, you will not be liable for any unauthorized transactions using your lost or stolen Sterling Check Card, Sterling Platinum Check Card, or Sterling Private Banking Check Card. This additional limit on liability does not apply to ATM transactions or to transactions using your Personal Identification Number which are not processed by VISA®.

(b) **Contact in event of unauthorized transfer.** If you believe your card and/or code has been lost or stolen, you must notify us immediately by calling the customer service number on your statement or by writing to the address or calling the number listed below. If unauthorized activity occurs, you agree to cooperate during the investigation and to complete and sign an ATM Check Card Dispute Affidavit. You should also call the customer service number on your statement or write to the address or call the number listed below if you believe a transfer has been made using the information from your check without your permission.

ERROR RESOLUTION NOTICE

In Case of Errors or Questions About Your Electronic Transfers, Call or Write us at the telephone number or address listed in this brochure, as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the

statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

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

If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days.

We will determine whether an error occurred within 10 business days (5 business days for Sterling Check Card, Sterling Platinum Check Card or Sterling Private Banking Check Card point-of-sale transactions processed by Visa and 20 business days if the transfer involved a new account) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days if the transfer involved a new account, a point-of-sale transaction, or a foreign-initiated transfer) to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days (5 business days for Sterling Check Card, Sterling Platinum Check Card or Sterling Private Banking Check Card point-of-sale transactions processed by Visa and 20 business days if the transfer involved a new account) for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account. Your account is considered a new account for the first 30 days after the first deposit is made, unless each of you already has an established account with us before this account is opened.

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

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

STERLING SAVINGS BANK
ATM CARD SERVICES
P.O. BOX 19243
SPOKANE, WASHINGTON 99219

For purposes of this disclosure, every day is considered a business day except Saturdays, Sundays, and federal holidays.

Phone:
888-678-7800 or 866-708-9365

MORE DETAILED INFORMATION IS AVAILABLE
ON REQUEST

UNAUTHORIZED ELECTRONIC TRANSACTIONS - BUSINESS CUSTOMERS

Electronic disputes relating to business customers will be governed by NACHA rules that state we cannot return an unauthorized electronic transaction (ACH debit) unless you notify us no later than 1:00 p.m. PST on the business day following the settlement date of the transaction. Otherwise, your sole recourse is to the originator of the transaction.

NOTICE OF ATM/NIGHT DEPOSIT FACILITY USER PRECAUTIONS

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

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

FUNDS AVAILABILITY POLICY YOUR ABILITY TO WITHDRAW FUNDS

This policy statement applies to "transaction" accounts. Transaction accounts, in general, are accounts that 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 covered under this policy.

Our policy is to make funds from your check deposits available to you on the first business day after the day we receive your deposit. Funds from electronic direct deposits, cash, and the first \$100 of checks deposited will be available on the day we receive the deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written.

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.

DEPOSITS AT AUTOMATED TELLER MACHINES

Funds from any deposits (cash or checks) made at automated teller machines (ATMs) will not be available until the next business day after the day of your deposit, except that the first \$100 of cash or checks deposited will be available immediately on the day of deposit.

DETERMINING THE AVAILABILITY OF A DEPOSIT

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before 5:00 P.M. (cutoff times may be later on some days or at some locations) 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. or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

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

HOLDS ON OTHER FUNDS

If we cash a check for you that is drawn on another bank, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it.

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

LONGER DELAYS MAY APPLY

Funds you deposit by check may be delayed for a longer period under the following circumstances:

We believe a check you deposit will not be paid.

You deposit checks totaling more than \$5,000 on any one day.

You redeposit a check that has been returned unpaid.

You have overdrawn your account repeatedly in the last six months.

There is an emergency, such as failure of computer or communications equipment.

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

SPECIAL RULES FOR NEW ACCOUNTS

If you are a new customer, the following special rules will apply during the first 30 days your account is open.

Funds from electronic direct deposits and cash will be available on the day we receive the deposit. Funds from deposits of wire transfers and the first \$5,000 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5,000 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,000 will not be available until the second business day after the day of your deposit.

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

TRUTH-IN-SAVINGS DISCLOSURE

CONSUMER CHECKING AND NOW ACCOUNTS

Rate Information - Your interest rate and annual percentage yield may change. **Frequency of rate changes** - We may change the interest rate on your account at any time.

Determination of rate - At our discretion, we may change the interest rate on your account.

Compounding and crediting frequency - Unless you choose otherwise, interest will be compounded and credited to your account every month.

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

Accrual of interest on noncash deposits - Interest begins to accrue no later than the business day we receive credit for the deposit of noncash items (for example, checks).

Additional information - Please refer to our separate fee schedule, rate update, and product brochures for any fees that may apply, any minimum balance requirements, and current rates.

CONSUMER SAVINGS ACCOUNT

Rate Information - Your interest rate and annual percentage yield may change. **Frequency of rate changes** - We may change the interest rate on your account at any time.

Determination of rate - At our discretion, we may change the interest rate on your account.

Compounding and crediting frequency - Unless you choose otherwise, interest will be compounded and credited to your account every month.

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

Accrual of interest on noncash deposits - Interest begins to accrue no later than the business day we receive credit for the deposit of noncash items (for example, checks).

Transaction limitations:

Federal regulation limits these accounts to six transfers or withdrawals per statement cycle if preauthorized, automatic, telephone, computer, check or debit card. There is no limit to the number of withdrawals or transfers made in person, by ATM or for a loan payment made to us. You will be sent a notice and charged according to the current fee schedule when transfer

limits are exceeded. If you continue to exceed transaction limits for this type of account after we have contacted you, federal law requires us to convert your account to a checking account.

Additional information - Please refer to our separate fee schedule, rate update, and product brochures for any fees that may apply, any minimum balance requirements, and current rates.

CONSUMER MONEY MARKET ACCOUNT

Rate Information - Your interest rate and annual percentage yield may change. **Frequency of rate changes** - We may change the interest rate on your account at any time.

Determination of rate - At our discretion, we may change the interest rate on your account.

Compounding and crediting frequency - Unless you choose otherwise, interest will be compounded and credited to your account every month.

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

Accrual of interest on noncash deposits - Interest begins to accrue no later than the business day we receive credit for the deposit of noncash items (for example, checks).

Transaction limitations:

Federal regulation limits these accounts to six transfers or withdrawals per statement cycle if preauthorized, automatic, telephone, computer, check or debit card. There is no limit to the number of withdrawals or transfers made in person, by ATM or for a loan payment made to us. You will be sent a notice and charged according to the current fee schedule when transfer limits are exceeded. If you continue to exceed transaction limits for this type of account after we have contacted you, federal law requires us to convert your account to a checking account.

Additional information - Please refer to our separate fee schedule, rate update, and product brochures for any fees that may apply, any minimum balance requirements, and current rates.

CERTIFICATES OF DEPOSIT

Certificates are available for various terms at a fixed or variable rate of interest. Rates paid on these accounts vary according to the balance and term of the account.

You will receive a certificate document which sets forth the specific terms and conditions of your account.

The Annual Percentage Yield stated on all term certificates assumes that interest will remain on deposit until maturity. Withdrawal of interest prior to maturity will reduce earnings.

Accrual of interest on noncash deposits - Interest begins to accrue no later than the business day we receive credit for the deposit of noncash items (for example, checks).

CD Renewal - Unless otherwise stated in the specific terms for each CD, your CD is automatically renewable for the original term of your CD and the interest rate for each renewal period will be the rate offered by us for CDs like yours on the maturity date of the immediately preceding term. A CD maturity notice is mailed to you shortly before maturity reminding you that your CD is maturing. If you do not withdraw your funds on the maturity date or within ten days thereafter, your CD will automatically renew. No interest will be earned on a nonrenewable CD after maturity. We may at our option, not renew your CD or we may change the terms and conditions for any renewal period by notifying you prior to the renewal.

Early Withdrawal Penalties - We may, at our option, permit you to withdraw all or part of your CD funds before the maturity date. However, funds withdrawn will be subject to penalty. CDs with original terms of one year or less are subject to a 90-day interest penalty on the amount withdrawn. The penalty for early withdrawal on CDs with terms greater than one year is 180 days interest. If your Certificate of Deposit has not earned enough interest to cover an early withdrawal penalty, a deduction for the required penalty will be made from your principal.

COMMON FEATURES

The bank reserves the right to refuse new accounts or further deposits to existing accounts.

The bank may also terminate the account at any time by written notice mailed to you at the most recent address on the bank's records.

Overdraft fee transaction categories - The categories of transactions for which an overdraft fee may be imposed are those by any of the following means: check, in-person withdrawal, ATM withdrawal, or other electronic means.

Customer agrees to write checks and deposit items in an ink type or color (preferably black or blue ballpoint) that will reproduce clearly when imaged or copied, and bears designs or security features that allow checks to be reproduced clearly. Customer failure to deposit or draw items which are deemed usable can result in additional timeframes for availability or finality of payment, and collection charges including consequential damages suffered as a result of this failure.

YOUR ACCOUNT

Please refer to our separate fee schedule, rate update, and product brochures for any fees that may apply, any minimum balance requirements, and current rates.

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