

# Business Membership & Account Agreement

Effective November 1, 2023

**SALAL**  **CREDIT UNION**

Federally Insured by NCUA

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# TERMS & CONDITIONS OF YOUR ACCOUNT

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

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

**AGREEMENT** - This document, along with any other documents we give you pertaining to your account(s), is a contract (also referred to as "this Agreement") that establishes rules which control your account(s) with us. Please read this carefully and retain it for future reference. If you open the account (whether in-person, electronically, or by any other method permitted by us) or continue to use the account after receiving a notice of change or amendment, you jointly and severally agree to be bound by the terms and conditions of this Agreement, our bylaws, and our policies and any amendments thereto. You will receive a separate schedule of rates, qualifying balances, and fees if they are not included in this Agreement. If you have any questions, please ask us.

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

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

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

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

**THIS AGREEMENT CONTAINS ARBITRATION, CLASS ACTION WAIVER AND JURY TRIAL WAIVER PROVISIONS.**

**BY OPENING OR CONTINUING TO USE YOUR ACCOUNTS, YOU ARE KNOWINGLY, INTENTIONALLY, AND VOLUNTARILY ACCEPTING AND AGREEING TO THESE PROVISIONS.**

**ARBITRATION: DISPUTES ABOUT YOUR ACCOUNTS UNDER THIS AGREEMENT WILL BE RESOLVED INFORMALLY OR THROUGH BINDING INDIVIDUAL ARBITRATION.**

**WAIVERS: YOU AGREE TO WAIVE YOUR RIGHT TO PARTICIPATE IN COURT ACTIONS OR ARBITRATION PROCEEDINGS AGAINST THE CREDIT UNION THAT ARE CLASS ACTIONS, REPRESENTATIVE ACTIONS, OR PRIVATE ATTORNEY GENERAL ACTIONS. YOU ALSO WAIVE THE RIGHT TO A JURY TRIAL.**

**THE ARBITRATION AND WAIVER PROVISIONS ARE AT PAGE 14 BELOW. THEY AFFECT YOUR RIGHTS. YOU SHOULD READ THEM CAREFULLY.**

**ARBITRATION OPT OUT: YOU HAVE THE OPTION TO TELL US THAT YOU DO NOT WANT THE ARBITRATION PROVISIONS TO APPLY TO YOUR ACCOUNTS. TO DO SO, YOU MUST MEET THE "OPT OUT DEADLINE" AND FOLLOW THE REQUIRED PROCESS THAT IS EXPLAINED AT PAGE 15 BELOW.**

**BYLAWS** - Our bylaws, which we may amend from time to time, establish basic rules about our credit union policies and operations which affect your account and membership. You may obtain a copy of the bylaws on request. Unless we have agreed otherwise, you are not entitled to receive any original item after it is paid, although you may request that we send you an item(s) or a copy of an item(s).

**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 applicable Business Product & Fee Disclosure. You authorize us to deduct these charges, without notice to you, directly from the account balance as accrued. You will pay any additional reasonable charges for services you request which are not covered by this Agreement.

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

You will be liable for our costs as well as for our reasonable attorneys' fees, to the extent permitted by law, whether incurred as a result of collection or in any other dispute involving your account. This includes, but is not limited to, disputes between you and another joint owner; you and an authorized signer or

similar party; or a third party claiming an interest in your account. This also includes any action that you or a third party takes regarding the account that causes us, in good faith, to seek the advice of an attorney, whether or not we become involved in the dispute. All costs and attorneys' fees can be deducted from your account when they are incurred, without notice to you.

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

## **WITHDRAWALS**

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

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

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

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

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

If you (a) have specified that some or all checks must be signed by more than one person, (b) have specified that the authorized signers for checks in one category are different than those for another check category, or (c) utilize checks that require multiple signatures, you acknowledge that those restrictions are for your internal use only and do not bind us even if you have made us aware of them in a certificate of authority or otherwise.

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

**Multiple Signatures, Electronic Check Conversion, & Similar Transactions** - An electronic check conversion transaction is a transaction where a check or similar item is converted into an electronic fund transfer as defined in the Electronic Fund Transfers regulation. In these types of transactions the check or similar item is either removed from circulation (truncated) or given back to you. As a result, we have no opportunity to review the signatures or otherwise examine the original check or item. You agree that, as to these or any items as to which we have no opportunity to examine the signatures, you waive any requirement of multiple signatures.

## **UNDERSTANDING & AVOIDING OVERDRAFT & NONSUFFICIENT FUNDS (NSF) FEES**

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

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

If you use an overdraft protection service that we offer and we cover a transaction for which there is not enough money in your account to pay, we will consider that an overdraft. We treat all other transactions for which there is not enough money in your account as an NSF transaction, regardless of whether we cover the transaction or the transaction is rejected.

**Determining Your Available Balance** - We use the "available balance" method to determine whether your account is overdrawn, that is, whether there is enough money in your account to pay for a transaction. Importantly, your "available" balance may not be the same as your account's "actual" balance. This means an overdraft or an NSF transaction could occur regardless of your account's actual balance.

Your account's actual balance (sometimes called the ledger balance) only includes transactions that have settled up to that point in time, that is, transactions (deposits and payments) that have posted to your account. The actual balance does not include outstanding transactions (such as checks that have not yet cleared and electronic transactions that have been authorized but which are still pending). The balance on your periodic statement is the ledger balance for your account as of the statement date.

As the name implies, your available balance is calculated based on the money "available" in your account to make payments. In other words, the available balance takes ACH credit transactions and debit card transactions that have been authorized, but not yet settled, and adds or subtracts them from the actual balance. In addition, when calculating your available balance, any "holds" placed on deposits that have not yet cleared are also subtracted from the actual balance. For more information on how holds placed on funds in your account can impact your available balance, read the section titled "Your Ability To Withdraw Funds" and the subsection titled "A temporary debit authorization hold affects your account balance."

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

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

**Overdraft Transfer Protection** - Overdraft protection through our Overdraft Transfer Protection plan is available with certain business checking accounts you open with us; however, you must request the service. If enrolled in the service, we will honor the payment of checks and other items drawn on insufficient available funds in your enrolled checking account(s) by transferring the necessary funds from available funds in other accounts of yours (savings or checking accounts, credit cards or line of credit accounts (authorized for this type of overdraft protection [the loan agreement will state if overdraft protection from the line of credit is available]) to your applicable checking account. We will transfer funds to your overdrawn checking account(s) in accordance with your transfer instructions or in accordance with applicable loan agreements. The fee for overdraft transfers under this plan is set forth in the applicable Business Product & Fee Disclosure. Transfers from a deposit account will be governed by this Agreement. Transfers from a loan account, including fees, will be governed by the applicable loan agreement. You must apply for a line of credit, including a credit card and your application is subject to credit approval.

**Overdraft Limit Protection** - For Basic Business Checking accounts, we will consider paying transactions for which your account does not have sufficient available funds up to the overdraft limit established for your account. This service covers overdrafts for checks you write and other recurring transactions you make such as ACH payments and bill payments. Offering this service does not constitute or imply an agreement by us to pay items which may overdraw your account due to insufficient available funds. This discretionary service will be limited to \$700 for any eligible checking account. All fees, including and without limitation, any NSF or overdraft fees (as set forth in the applicable Business Product & Fee Disclosure) will be included in this limit and will apply to any transaction that overdraws your account. This service represents a purely discretionary courtesy or privilege we may provide to you from time to time which may be withdrawn or withheld by us at any time without prior notice, reason, or cause.

Eligible accounts are automatically enrolled in this service; you may opt out of this service at any time. To remain eligible, you must be a member in good standing, meeting the following requirements:

- Not have a negative available balance in a credit union account for more than 30 consecutive days;
- Not be more than 30 days delinquent on any credit union loan;
- Not have a modified loan with the credit union; and
- Not be subject to any legal or administrative order on a credit union account.

We will cancel your participation in this overdraft protection service if you are no longer a member in good standing, as defined above. If you wish to have your limit reinstated, you must be a member in good standing for a period of six months from the date we cancel your participation.

**Restrictions** - Overdraft Transfer and Overdraft Limit Protection may not be available to cover certain internal transfers which may overdraw your enrolled account. This may include loan payments or other scheduled transfers from your enrolled account to a loan or other account you have with us. If your account does not have sufficient available funds to cover these transactions, they may not be processed even if you have a sufficient available balance in a linked account or have a sufficient Overdraft Limit (for Basic Business Checking) and you may need to make your payment another way.

**Changing Or Cancelling Overdraft Services** - If you would like to opt in or out of overdraft protection service, you may notify us as follows:

- At the time of account opening.
- Call us at **800.562.5515 ext. 8913 or 206.298.9398**.
- Visit a Salal Credit Union branch.
- Write to us at:  
Salal Credit Union  
Attention: Business Services  
PO Box 75029  
Seattle, WA 98175-0029

**Payment Types** - Some, but not necessarily all, of the ways you can access the funds in your account include debit card transactions, automated clearing house (ACH) transactions, and check transactions. A debit card transaction might be authorized by use of a PIN, a signature, or a chip. An example of an ACH transaction is a preauthorized payment you have set up on a recurring basis. All these payment types can use different processing systems and some may take more or less time to post. This information is important for a number of reasons. For example, keeping track of the checks you write and the timing



of the preauthorized payments you set up will help you to know what other transactions might still post against your account. For information about how and when we process these different payment types, see the "Payment order of items" subsection below.

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

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

**A Temporary Debit Authorization Hold Affects Your Account Balance** - On debit card purchases, merchants may request a temporary hold on your account for a specified sum of money when the merchant does not know the exact amount of the purchase at the time the card is authorized. The amount of the temporary hold may be more than the actual amount of your purchase. Some common transactions where this occurs involve purchases of gasoline, hotel rooms, or meals at restaurants. When this happens, our processing system cannot determine that the amount of the hold exceeds the actual amount of your purchase. This temporary hold, and the amount charged to your account, will eventually be adjusted to the actual amount of your purchase, but it could be three calendar days, or even longer in some cases, before the adjustment is made. Until the adjustment is made, the amount of funds in your account available for other transactions will be reduced by the amount of the temporary hold. If one or more transactions are presented for payment in an amount greater than the funds left after the deduction of the temporary hold amount, you will be charged an NSF or overdraft fee according to our NSF or overdraft fee policy, which may result in one or more overdraft or NSF fees. You will be charged the fee even if you would have had sufficient funds in your account if the amount of the hold had been equal to the amount of your purchase.

**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 items overdrawn or returned unpaid and the amount of the fees you may have to pay. To assist you in managing your account, please note that we ordinarily process and post debits to your checking account throughout the day in the manner explained below:

- Checks - posted nightly from lowest to highest dollar amount.
- ACH - posted several times per day, each batch of ACH posted is posted from lowest to highest dollar amount and credits post before debits.
- Signature-based and Personal Identification Number (PIN)-based debit card transactions - posted daily in the order received from our network processor.
- Note - Some PIN-based transactions may post to your account in real-time (as the transaction occurs). If a temporary hold is requested by the merchant, holds are placed as soon as they are received from our network processor.

If one or more checks, items, or transactions are presented without sufficient funds in your account to pay it, you will be charged an NSF or overdraft fee according to our NSF or overdraft fee policy, which may result in one or more overdraft or NSF fees. The amounts of the overdraft and NSF fees are disclosed elsewhere. 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.

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

**BUSINESS, ORGANIZATION, & ASSOCIATION ACCOUNTS** - Earnings in the form of interest, dividends, or credits are calculated based on your end of day ledger balance, unless otherwise provided by law or our policy. You represent that you have the authority to open and conduct business on this account on behalf of the entity. We may require the governing body of the 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 entity.

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

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

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

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

**STOP PAYMENTS ON ACH DEBITS** - If we have not already paid an ACH debit from your account, then at your request and risk we may accept a stop payment order on it. If you give us oral instructions, we may require you to confirm them in writing. If you do not confirm the stop payment in writing, we may remove the stop payment after 14 days. You may request a one-time stop payment or a permanent stop payment on an ACH debit.

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

**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 a transfer or withdrawal request would exceed the transfer limitations set forth above in any calendar month, we may, at our sole discretion and in accordance with federal regulations, refuse or reverse the transfer. We may also impose a fee as described in the applicable Business Product & Fee Disclosure. Exceeding the transfer limitations set forth above during three separate calendar months within a rolling 12-month period may result in your savings or money market account being converted to a checking account. 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.

**AMENDMENTS & TERMINATION** - We may amend or delete any term of our bylaws or this Agreement. We may also add new terms to our bylaws or to this Agreement. In addition, we may suspend, modify, convert, or terminate a service, convert this account to another account type, or close this account for any reason (including if your membership in the credit union terminates). For any of these types of changes, we will give you reasonable notice in writing by any reasonable method including by mail, by any electronic communication method to which you have agreed, on or with a periodic statement, or through any other method permitted by law. If we close the account, we will tender the account balance to you or your agent personally, by mail, or by another agreed upon method.

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 becomes effective. For instance, if we suspect fraudulent activity with respect to your account, and if we deem it appropriate under the circumstances and necessary to prevent further fraud, we might immediately freeze or close your account and then give you notice.

Unless otherwise indicated in the notice of change, if we have notified you of a change to your account, and you continue to have your account after the effective date of the change, you have accepted and agreed to the new or modified terms. You should review any change in terms notice carefully as the notice will provide important information of which you may need to be aware.

We reserve the right to waive any term of this Agreement. However, such waiver shall not affect our right to enforce the term at a later date.

If you request that we close your account, you are responsible for leaving enough money in the account to cover any outstanding items or transactions to be paid from the account. Once any outstanding items or transactions are paid, we will close the account and tender the account balance, if any, to you or your agent personally, by mail, or by another agreed upon method.

Any items and transactions presented for payment after the account is closed may be dishonored. Any deposits we receive after the account is closed may be returned. We will not be liable for any damages for not honoring any such debits or deposits received after the account is closed.

Note: Rules governing changes in interest rates are located in the section titled Common Features. In addition, for changes governed by a specific law or regulation, we will follow the specific timing and format notice requirements of those laws or regulations.

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

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

## STATEMENTS

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

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

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

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

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

**ACCOUNT TRANSFER** - 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 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. 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.

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

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

In addition to these contract rights, we may also have rights under a "statutory lien." A "lien" on property is a creditor's right to obtain ownership of the property in the event a debtor defaults on a debt. A "statutory lien" is one created by federal or state statute. If federal or state law provides us with a statutory lien, then we are authorized to apply, without prior notice, your accounts and interest to any debt you owe us, in accord with the statutory lien.

Neither our contract rights nor rights under a statutory lien apply to this account if prohibited by law. For example, neither our contract rights nor rights under a statutory lien apply to this account if: (a) it is an Individual Retirement Account or similar tax-deferred account, or (b) the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest), or (c) the debtor's right of withdrawal arises only in a representative capacity. We will not be liable for the dishonor of any check or draft when the dishonor occurs because we charge and deduct an amount you owe us from your account. You agree to hold us harmless from any claim arising as a result of our exercise of our right to repayment.

**RESTRICTIVE LEGENDS OR INDORSEMENTS** - The automated processing of the large volume of checks we receive prevents us from inspecting or looking for restrictive legends, restrictive indorsements or other special instructions on every check. For this reason, we are not required to honor any restrictive legend or indorsement or other special instruction placed on checks you write unless we have agreed in writing to the restriction or instruction. Unless we have agreed in writing, we are not responsible for any losses, claims, damages, or expenses that result from your placement of these restrictions or instructions on your checks. Examples of restrictive legends placed on checks are "must be presented within 90 days" or "not valid for more than \$1,000.00." The payee's signature accompanied by the words "for deposit only" is an example of a restrictive indorsement.

**FACSIMILE SIGNATURES** - We have no obligation to honor facsimile signatures (such as a stamp or computer software generated signature) 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 or the facsimile actually used by you. It is your responsibility to ensure appropriate security precautions are taken for any mechanized signature device you may use to affix your facsimile signature and you assume all liability for any misuse or unauthorized use. You must notify us at once if you suspect that your facsimile signature is being or has been misused.

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

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

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

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

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





for example), it is properly payable. But it can be risky to authorize a remotely created check. A swindler could issue a remotely created check in an amount greater than you authorized, or issue additional remotely created checks that you have not authorized. We will not know if the withdrawal is unauthorized or in an amount greater than the amount you have authorized. Payment can be made from your account even though you did not contact us directly and order the payment.

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

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

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

**MONITORING & RECORDING TELEPHONE CALLS & ACCOUNT COMMUNICATIONS** - Subject to federal and state law, we may monitor or record phone calls for security reasons, to maintain a record, and to ensure that you receive courteous and efficient service. You consent in advance to any such recording. To provide you with the best possible service in our ongoing business relationship for your account, we may need to contact you about your account from time to time by telephone, text messaging, or email. In contacting you about your account, we may use any telephone numbers or email addresses that you have previously provided to us by virtue of an existing business relationship or that you may subsequently provide to us.

You acknowledge that the number we use to contact you may be assigned to a landline, a paging service, a cellular wireless service, a specialized mobile radio service, other radio common carrier service, or any other service for which you may be charged for the call. You acknowledge that we may contact you by voice, voicemail, or text messaging. You further acknowledge that we may use pre-recorded voice messages, artificial voice messages, or automatic telephone dialing systems.

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

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

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

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

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

**REMOTELY CREATED CHECKS** - Unless we agree otherwise in writing, you warrant and agree that you will not present a remotely created check for deposit or collection, and if you do so you waive any remedies pertaining to such presentment and collection in contract, statute law or otherwise against us unless such waiver is expressly prohibited by law. 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 years from the date of the authorization, and supply us the proof if we ask; and (3) if a check is returned you owe us the amount of the check, regardless of when the check is returned. We may take funds from your account to pay the amount you owe us, and if there are insufficient funds in your account, you still owe us the remaining balance.

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

**FUNDS TRANSFERS** - The terms used in this section have the meaning given to them in Article 4A of the Uniform Commercial Code - Funds Transfers (UCC 4A). This section will generally not apply to you if you are a consumer. However, even if you are a consumer, this section will apply to that part of any funds transfer that is conducted by Fedwire. This section is subject to UCC 4A as adopted in the state of Washington (RCW 62A.4). This Agreement is also subject to all clearing house association rules, rules of the Board of Governors of the Federal Reserve System and their operating circulars. If any part of this Agreement is determined to be unenforceable, the rest of the Agreement remains effective. This Agreement controls funds transfers unless supplemented or amended in a separate written agreement signed by us. This Agreement does not apply to a funds transfer if any part of the transfer is governed by the Electronic Fund Transfer Act of 1978 (EFTA), except this Agreement does apply to a funds transfer that is a remittance transfer as defined in EFTA unless the remittance transfer is an electronic fund transfer as defined in EFTA.

**Funds Transfer** - A funds transfer is the transaction or series of transactions that begin with the originator's payment order, made for the purpose of making payment to the beneficiary of the order. A funds transfer is completed by the acceptance by the beneficiary's bank of a payment order for the benefit of the beneficiary of the originator's order. You may give us a payment order orally, electronically, or in writing, but your order cannot state any condition to payment to the beneficiary other than the time of payment. Credit entries may be made by ACH.

**Authorized Account** - An authorized account is a deposit account you have with us that you have designated as a source of payment of payment orders you issue to us. If you have not designated an authorized account, any account you have with us is an authorized account to the extent that payment of the payment order is not inconsistent with the use of the account.

**Acceptance Of Your Payment Order** - We are not obligated to accept any payment order that you give us, although we normally will accept your payment order if you have a withdrawable credit in an authorized account sufficient to cover the order. If we do not execute your payment order, but give you notice of our rejection of your payment order after the execution date or give you no notice, we are not liable to pay you as restitution any interest on a withdrawable credit in a non-interest-bearing account.

**Cutoff Time** - If we do not receive your payment order or communication canceling or amending a payment order before our cutoff time on a funds transfer day for that type of order or communication, the order or communication will be deemed to be received at the opening of our next funds transfer business day.

**Payment Of Your Order** - If we accept a payment order you give us, we may receive payment by automatically deducting from any authorized account the amount of the payment order plus the amount of any expenses and charges for our services in execution of your payment order. We are entitled to payment on the payment or execution date. Unless your payment order specifies otherwise, the payment or execution date is the funds transfer date we receive the payment order. The funds transfer is completed upon acceptance by the beneficiary's bank. Your obligation to pay your payment order is excused if the funds transfer is not completed, but you are still responsible to pay us any expenses and charges for our services. However, if you told us to route the funds transfer through an intermediate bank, and we are unable to obtain a refund because the intermediate bank that you designated has suspended payments, then you are still obligated to pay us for the payment order. You will not be entitled to interest on any refund you receive because the beneficiary's bank does not accept the payment order.

**Security Procedure** - As described more fully in the Business Digital Banking Disclosure & Agreement and other service agreements, the authenticity of a payment order or communication canceling or amending a payment order issued in your name as sender may be verified by a security procedure. You affirm that you have no circumstances which are relevant to the determination of a commercially reasonable security procedure unless those circumstances are expressly contained in a separate writing signed by us. You may choose from one or more security procedures that we have developed, or you may develop your own security procedure if it is acceptable to us. If you refuse a commercially reasonable security procedure that we have offered you, you agree that you will be bound by any payment order issued in your name, whether or not authorized, that we accept in good faith and in compliance with the security procedure you have chosen.

**Duty To Report Unauthorized Or Erroneous Payment** - You must exercise ordinary care to determine that all payment orders or amendments to payment orders that we accept that are issued in your name are authorized, enforceable, in the correct amount, to the correct beneficiary, and not otherwise erroneous. If you discover (or with reasonable care should have discovered) an unauthorized, unenforceable, or erroneously executed payment order or amendment, you must exercise ordinary care to notify us of the relevant facts. The time you have to notify us will depend on the circumstances, but that time will not in any circumstance exceed 14 days from when you are notified of our acceptance or execution of the payment order or amendment or that your account was debited with respect to the order or amendment. If you do not provide us with timely notice you will not be entitled to interest on any refundable amount. If we can prove that you failed to perform either of these duties with respect to an erroneous payment and that we incurred a loss as a result of the failure, you are liable to us for the amount of the loss not exceeding the amount of your order.

**Identifying Number** - If your payment order identifies an intermediate bank, beneficiary bank, or beneficiary by name and number, we and every receiving or beneficiary bank may rely upon the identifying number rather than the name to make payment, even if the number identifies an intermediate bank or person different than the bank or beneficiary identified by name. Neither we nor any receiving or beneficiary bank have any responsibility to determine whether the name and identifying number refer to the same financial institution or person.

**Record Of Oral Or Telephone Orders** - You agree that we may, if we choose, record any oral or telephone payment order or communication of amendment or cancelation.

**Notice Of Credit** - If we receive a payment order to credit an account you have with us, we are not required to provide you with any notice of the payment order or the credit.

**Provisional Credit** - You agree to be bound by the automated clearing house association operating rules that provide that payments made to you or originated by you by funds transfer through the automated clearing house system are provisional until final settlement is made through a Federal Reserve Bank or otherwise payment is made as provided in Article 4A-403(a) of the Uniform Commercial Code.

**Refund Of Credit** - You agree that if we do not receive payment of an amount credited to your account, we are entitled to a refund from you in the amount credited and the party originating such payment will not be considered to have paid the amount so credited.

**Amendment Of Funds Transfer Agreement** - From time to time we may amend any term of this Agreement by giving you reasonable notice in writing. We may give notice to anyone who is authorized to send payment orders to us in your name, or to anyone who is authorized to accept service.

**Cancellation Or Amendment Of Payment Order** - You may cancel or amend a payment order you give us only if we receive the communication of cancellation or amendment before our cutoff time and in time to have a reasonable opportunity to act on it before we accept the payment order. The communication of cancellation or amendment must be presented in conformity with the same security procedure that has been agreed to for payment orders.

**Intermediaries** - We are not liable for the actions of any intermediary, regardless of whether or not we selected the intermediary. We are not responsible for acts of God, outside agencies, or nonsalaried agents.

**Limit On Liability** - You waive any claim you may have against us for consequential or special damages, including loss of profit arising out of a payment order or funds transfer, unless this waiver is prohibited by law. We are not responsible for attorney fees you might incur due to erroneous execution of payment order.

**Erroneous Execution** - If we receive an order to pay you, and we erroneously pay you more than the amount of the payment order, we are entitled to recover from you the amount in excess of the amount of the payment order, regardless of whether you may have some claim to the excess amount against the originator of the order.

**Objection To Payment** - If we give you a notice that reasonably identifies a payment order issued in your name as sender that we have accepted and received payment for, you cannot claim that we are not entitled to retain the payment unless you notify us of your objection to the payment within one year of our notice to you.

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

**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.

**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.

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

**BACKUP WITHHOLDING/TIN CERTIFICATION** - Federal tax law requires us to report interest payments we make to you of \$10 or more in a year, and to include your taxpayer identification number (TIN) on the report (the taxpayer identification number is your social security number if you are an individual). Interest includes dividends, interest and bonus payments for purposes of this rule. Therefore, we require you to provide us with your TIN and to certify that it is correct. In some circumstances, federal law requires us to withhold and pay to the IRS a percentage of the interest that is earned on funds in your accounts. This is known as backup withholding. We will not have to withhold interest payments when you open your account if you certify your TIN and certify that you are not subject to backup withholding due to underreporting of interest. (There are special rules if you do not have a TIN but have applied for one, if you are a foreign person, or if you are exempt from the reporting requirements.) We may subsequently be required to begin backup withholding if the IRS informs us that you supplied an incorrect TIN or that you underreported your interest income.

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

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



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

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

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

**MEMBERSHIP ELIGIBILITY** - You may be eligible to join this credit union if you are an individual or entity qualifying within the credit union's field of membership as prescribed by the credit union's bylaws and you meet the requirements of our internal policies and all legal or regulatory requirements. In addition, you must maintain at least one account as required by the credit union's bylaws. A joint tenant on any account offered by this credit union cannot vote, borrow money, or hold office, unless the joint tenant is within the field of membership of this credit union and is also a qualified member.

## COMMON FEATURES

Please refer to our separate rate sheet for current interest rate and annual percentage yield information and to the applicable Business Product & Fee Disclosure for additional information about charges.

**FOR ALL ACCOUNTS** - We offer several types of deposit accounts for business members. Our accounts and their applicable fees are described in the applicable Business Product & Fee Disclosure.

**Rate Information** - The interest rate and annual percentage yield (APY) are provided when you open an interest-bearing account with us. The APY is a percentage rate that reflects the total amount of interest to be paid on an account based on the rate and frequency of compounding for an annual period.

For interest-bearing checking, savings and money market accounts, the rate may change monthly as determined by us.

For certificates of deposit (CDs), the rate and APY are fixed and will be in effect for the term of the CD. The APY is based on an assumption that interest will remain on deposit until maturity. A withdrawal of interest will reduce earnings.

Some of our interest-bearing accounts are tiered-rate accounts. Once a balance range is met, the rate and APY for that range will apply to your entire balance.

**Compounding And Crediting** - Interest will be compounded and credited monthly. The interest period for all interest-bearing accounts is monthly and begins on the first calendar day of the month and ends on the last calendar day of the month. Interest is calculated using the daily balance method which applies a daily periodic rate to the ledger balance in the account each day.

For CDs, interest will compound to your CD unless you elect to have interest credited to another account you have with us.

**Accrual Of Interest** - Interest will begin to accrue on deposits on the business day you make your deposit. If you close your account before accrued interest is credited, accrued interest will not be paid.

**Balance Information** - The following information, when applicable, is provided in the applicable Business Product & Fee Disclosure:

- Minimum balance required to open the account.
- Minimum monthly balance required to avoid a monthly service charge (if any).
- Minimum monthly balance required to obtain the disclosed APY.

**Transaction Limitation** - We reserve the right to at any time required not less than seven days notice in writing before each withdrawal from an interest-bearing account (other than a time deposit/CD or demand deposit) or from any other savings deposit as defined by Regulation D.

For CDs, except as otherwise noted, you may not make deposits or withdrawals, including interest, during the term of your CD.

### BUSINESS CERTIFICATES OF DEPOSIT

**Additional Deposits** - Additional deposits may be made at any time during the term as described in the applicable Business Product & Fee Disclosure.

**Renewal** - Your CD automatically renews for another term of the same duration upon maturity. You have a grace period of ten calendar days after maturity in which to withdrawal all or a part of the funds in the CD without being charged an early withdrawal penalty and to prevent automatic renewal. The rate and APY for any renewal term are based upon the rate we offer on the first day of the new term for the type of CD, amount, and term of the renewed CD. Unless specifically stated otherwise, any bonus or special promotion we are offering will not apply to automatically renewing CDs. If at maturity, we no longer offer a CD for the same term and/or type, we may reinvest your funds in a CD we believe offers similar features.

**Early Withdrawal** - When you open a CD, you have contracted to leave your funds in the CD for the stated term. You may not withdraw all or part of the funds from your CD before the end of the term except as explained below. At our discretion, we may allow you to withdraw all or part of your funds during the term of your CD (at times other than the grace period).



**Amount Of Penalty** - Each time we permit you to make an early withdrawal of principal, we may charge you an early withdrawal penalty as follows:

- Less than 6-month term - an amount equal to 30 days interest
- 6 to 12-month term - an amount equal to 90 days interest
- Over 12 month term - an amount equal to 180 days interest

**How The Penalty Works** - The penalty is calculated as a forfeiture of part of the interest that has been or would be earned on a CD. It applies whether or not the interest has been earned. In other words, if the CD has not yet earned enough interest or if the interest has already been paid, the penalty will be deducted from the principal.

At our discretion, we may allow an early withdrawal before maturity without imposing an early withdrawal penalty in the case of a death of the member (for sole proprietorships) or if the business is dissolved.

**Involuntary Withdrawals** - We may impose early withdrawal penalties on a withdrawal from a CD even if you don't initiate the withdrawal. For instance, the early withdrawal penalty may be imposed if the withdrawal is caused by the enforcement of our right to repayment of indebtedness against funds in the account or as a result of an attachment or other legal process. We may close your account and impose the early withdrawal penalty on the entire account balance in the event of a partial early withdrawal.

**Non-Transferable/Non-Negotiable** - Your CD is non-transferable and non-negotiable. Unless we agree in writing, the funds in your CD may not be pledged to secure any obligation except obligations to us.

## YOUR ABILITY TO WITHDRAW FUNDS

This policy statement applies to "transaction" accounts, but not to savings accounts. Transaction accounts, in general, are accounts which permit an unlimited number of payments to third parties 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.

Our policy is to make funds from your cash, check, and electronic direct deposits available to you on the same day we receive your deposit. At that time, 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.

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 5:30 p.m. PT 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 5:30 p.m. PT 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 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 on a day we are not open, we will consider that the deposit was made on the next business day we are open.

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

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

### LONGER DELAYS MAY APPLY

**Case-By-Case Delays** - In some cases, we will not make all of the funds that you deposit by check available to you on the same day we receive your deposit. Depending on the type of check that you deposit, and how you make your 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 same day.

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

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

**Safeguard Exceptions** - In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$5,525 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- There is an emergency, such as failure of computer or communications equipment.

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

**SPECIAL RULES FOR NEW ACCOUNTS** - If you are a new member, the following special rules will apply during the first 30 days your account is open.

Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,525 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 same day as the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5,525 will be available on the seventh 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 seventh business day after the day of your deposit.

**DEPOSITS AT AUTOMATED TELLER MACHINES** - Funds from any deposits (cash or checks) made at automated teller machines (ATMs) we own or operate will be available on the second business day after the day of deposit, except that U.S. Treasury checks that are payable to you will be available on the first business day after the day of deposit. Also, the first \$225 of a deposit will be available on the first business day after the day of deposit. Checks drawn on Salal Credit Union will be available on the first business day after the day of deposit if the deposit is made at an ATM located on our premises.

Funds from any deposits (cash or checks) made at automated teller machines (ATMs) we do not own or operate will not be available until the fifth business day after the day of your deposit.

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

#### **DEPOSITS AT NIGHT DROP**

**Night Drop Deposit** - On weekdays, any deposits made after 4:00 p.m. PT in a night drop will be credited the next business day. On weekends, any deposit made after 10:00 a.m. PT in a night drop will be credited the next business day.

**Commercial Night Drop Deposit** - We may remove the bag from the night depository, open it, verify the contents and deposit the funds at any time we choose.

You agree that any funds placed in the night depository shall not be considered as having been deposited in your account until such time as we or our agent has opened the bag, verified the contents, and accepted the same as a general deposit. You allow up to three business days from the time the deposit is placed in the Night Depository before any credit will be reflected to your account.

In the event of a discrepancy, we will notify you of the adjusted deposit amount.

#### **DEPOSITS VIA MOBILE OR REMOTE DEPOSIT**

**Mobile Check Deposit** - If you make a deposit using Salal Credit Union's Mobile Check Deposit, the first \$225 of the combined daily total of all mobile check deposits will be made available on the day of your deposit. Additional funds will not be available until the second business day after the day of your deposit.

**Business Remote Deposit Capture & Mobile Remote Deposit Capture** - Due to the processing cut-off times in Remote Deposit Capture (RDC) or Mobile Remote Deposit Capture (via the Salal Credit Union Business Deposit app) services, the date you make a deposit may be different from the business day we process the deposit.

Fully completed and approved deposits are exported from this system twice daily at 8:00 a.m. PT and 3:00 p.m. PT. Credit is applied to the account by 10:00 a.m. PT and 5:00 p.m. PT respectively. If your deposit exceeds your established limits, credit to your account may be delayed by up to an additional business day. Deposits returned as uncollectable will be withdrawn out of the account regardless of available balance. Repeated returns of Remote Deposit items may result in the suspension or termination of RDC access.

**DEPOSITS AT SHARED BRANCH LOCATIONS** - The first \$225 of the combined daily total of deposits will be available on the day of deposit. Additional funds will generally be available on the second business day after the business day of your deposit.

## INFORMAL DISPUTE RESOLUTION PROCESS, BINDING ARBITRATION, CLASS ACTION WAIVER & WAIVER OF RIGHT TO JURY TRIAL

Disputes between you and the credit union must be resolved through the Informal Dispute Resolution Process outlined below or, if that is not successful, through binding individual arbitration. Under this Agreement, you are waiving the right to participate in any class or representative action and both you and the credit union are waiving your right to a jury trial.

**REQUIRED INFORMAL DISPUTE RESOLUTION PROCESS** - You agree that you will not initiate or attempt to initiate an arbitration or file or participate in any lawsuit against the credit union until you have completed **both** of the following steps:

1. You provide to the credit union a detailed written explanation of the facts supporting your individual claim and of the specific relief that you are requesting, with supporting documentation for your claim and any damages you seek to recover; **and**
2. you personally participate in and complete a settlement conference with a representative of the credit union in a good faith effort to resolve your claim.

Your written explanation and documentation of your claim shall be sent to the credit union via postal mail to **Salal Credit Union, Attention: Business Services PO Box 75029 Seattle, WA 98175-0029**. The settlement conference shall occur in person or by telephonic or video conference, at your option, at a mutually convenient time during the credit union's regular business hours not sooner than 10 business days after and not later than 20 business days after the credit union actually receives your written explanation of your claim. If the credit union, in its sole discretion, decides it is necessary to take additional time to investigate the facts regarding your claim, it may adjourn the settlement conference for a reasonable period, with the conference to resume not later than 15 business days after it was adjourned.

You agree that until and unless you have completed the above required informal dispute resolution process, no arbitration service provider and no arbitrator shall have jurisdiction or authority to do any of the following: (1) accept from you any statement of claim, filing fee or other document intended to initiate or commence an arbitration, (2) require you or the credit union to pay any filing fees, administration charges, deposits, or other amounts charged for commencing, conducting, or administering an arbitration on your claim, (3) commence, conduct, administer, enter any scheduling orders, grant any relief or enter any interim or final award in arbitration on your claim.

**BINDING ARBITRATION** - All disputes or claims arising out of or relating to this Agreement, or your use of the credit union's products and services offered in the accounts covered under this Agreement, or the relationships that arise from this Agreement or your use of such products and services, whether based in contract, tort or otherwise, that are not resolved through the informal dispute resolution process above **shall be resolved by confidential binding individual arbitration**. If you assert claims against the credit union's officers, directors, employees, or representatives, they are entitled to require binding individual arbitration of such claims under this provision.

**LIMITED EXCEPTIONS TO ARBITRATION** - You and the credit union will not be required to arbitrate (1) actions seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction, (2) mortgage foreclosures, whether judicial or non-judicial, (3) eviction proceedings, (4) actions for recovery of tangible property, e.g., actions for replevin, (5) wage and other garnishments, and (6) actions or proceedings to discover assets, (7) criminal allegations, complaints and proceedings.

**ARBITRATION PROCEDURES** - The arbitration will be conducted under the Commercial Arbitration Rules of the American Arbitration Association (AAA) as in effect at the time the claim is made, except as modified by this Agreement. This arbitration provision shall be interpreted and enforced in accordance with the Federal Arbitration Act in Title 9 of the U.S. Code.

The parties shall each be responsible for and shall pay their respective costs, including attorneys' fees and witness expenses, incurred by them in preparing and presenting their cases or otherwise in connection with the arbitration proceedings. The arbitrator(s) shall award the prevailing party his, her, or its attorney fees and costs to be paid by the non-prevailing party. Arbitrator compensation shall be paid equally by the parties unless allocated to a specific party by the arbitrator(s) in the award. Arbitration hearings will be held in Seattle, Washington, unless the parties mutually agree to another location.

For disputes in which the asserted claims and counterclaims collectively have less than \$500,000.00 US Dollars at issue, exclusive of attorney fees and costs, the arbitration will be conducted before a single neutral arbitrator appointed by the AAA and who is an attorney or a retired judge. For disputes involving asserted claims and counterclaims that collectively have more than \$500,000.00 US Dollars at issue (exclusive of attorney fees and costs), the arbitration will be conducted before three neutral arbitrators appointed by the AAA, each of whom shall be an attorney or a retired judge. The arbitrator/arbitrators shall have experience and knowledge in financial transactions. Any issue concerning whether or the extent to which a dispute or claim is subject to arbitration, including but not limited to issues relating to the number of required arbitrators or the validity or enforceability of these arbitration provisions, shall be determined by the arbitrator(s). All statutes of limitations or other defenses relating to the timeliness of the assertion of a dispute or claim that otherwise would be applicable to an action brought in a court of law shall be applicable in any arbitration under this Agreement, and the commencement of an arbitration under this Agreement shall be deemed the commencement of an action for such purposes. The arbitrator(s) shall apply the terms of this Agreement and the law governing it to decide the dispute.

The arbitrator's/arbitrators' authority to award relief is the same as that available in an individual action (not a class action) in a court of law applying the substantive law of the state of Washington without regard to conflicts of laws principles. Judgment upon the award rendered in arbitration shall be final and may be entered in any court, state or federal, having jurisdiction. If binding arbitration is determined to be prohibited by law, the exclusive forum for any litigation arising out of or relating to this Agreement your use of the credit union's products and services under this Agreement, or the relationships that arise from this Agreement or your use of such products and services, shall be a court situated in King County, Washington.

**CLASS ACTION WAIVER** - You agree that you are knowingly, voluntarily, intelligently, and intentionally waiving your right to act as a class representative, class member, or other party in any arbitration or court proceeding filed against the credit union that is styled, commenced, or maintained as a class action, representative action, private attorney general action, or any other type of representative proceeding. Your agreement to waive these class action rights is a material term of and inducement for the credit union to enter into this Agreement and to open or continue to maintain your accounts.

Class arbitration, collective proceedings, private attorney general, or other representative proceedings shall not be permitted in any arbitration proceeding under this Agreement. You agree that no arbitration provider service or arbitrator has authority to join, consolidate, or administer your arbitration jointly with any other arbitration brought by another person, whether individually or purportedly on behalf of themselves and others, unless the credit union, in its sole discretion, requests such joinder, consolidation or joint administration.

**JURY TRIAL WAIVER** - YOU AND THE CREDIT UNION HEREBY MUTUALLY WAIVE THE RIGHT TO TRIAL BY JURY OF ALL DISPUTES, CONTROVERSIES, AND CLAIMS BY, BETWEEN, OR AGAINST EITHER YOU OR THE CREDIT UNION WHETHER THE DISPUTE, CONTROVERSY, OR CLAIM IS SUBMITTED TO ARBITRATION OR IS DECIDED BY A COURT. This waiver is being provided knowingly, voluntarily, intentionally, and intelligently. This Agreement does not preclude you from informing any federal, state, or local agency or entity of your dispute with the credit union. Such agency or entity may be able to seek relief on your behalf.

**OPTING OUT OF ARBITRATION** - If you do not wish to consent to arbitration, you must opt out of this arbitration clause by sending a written notice to the credit union within thirty (30) days of your receipt of this Agreement. The opt-out notice shall be signed by you, mailed, and postmarked within the deadline to the credit union at:

Salal Credit Union  
Attention: Arbitration Opt Out  
PO Box 75029  
Seattle, WA 98175-0029

Absent a timely and properly delivered opt out, the arbitration clause will be binding. Opting out of this arbitration clause will not terminate this Agreement, the waiver of jury trial rights, or affect any other rights and obligations you or the credit union have under the terms of this Agreement.

Salal Credit Union  
PO Box 75029  
Seattle, WA 98175-0029  
800.562.5515  
www.SalalCU.org