

BUSINESS ONLINE BANKING TERMS & CONDITIONS

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INTRODUCTION

Thank you for choosing Salal Credit Union for your cash management needs. Salal Credit Union provides a range of cash management services (each, a “Service” and collectively, the “Services”). The term “Credit Union” refers to Salal Credit Union, unless the context clearly requires otherwise. The terms “Member,” “you,” “they,” or “their” refer to the business member identified on the Cash Management Services Agreement and anyone that has been authorized to act on behalf of the business member. The “Member” is further defined as having complete authority on behalf of the business to enroll the business in Cash Management Services (see Representation and Warranties section of this document).

The Member should read these Business Online Banking Terms & Conditions (“Terms”) carefully and keep a copy for their records. The terms under which the Credit Union provides each Service is contained in the following documentation (together, the “CMS Documentation”) which form the basis of our agreement with you and include:

- The specific section of the Terms applicable to each Service (each, a “Service Section”).
- The Cash Management Services Agreement (the “CMS Agreement”).
- The terms set forth in this Introduction and the General Provisions section of the Terms (the “General Provisions”).
- The account agreement(s) for the applicable deposit account(s) specified in the CMS Agreement and for any other account(s) for which the Credit Union may agree to make any Service available (“Authorized Account(s)”) including all applicable account disclosures, policies, and agreement(s) (“Membership and Account Agreement(s)”).
- Appendix A: Security Guidelines (“Appendix A”).
- Any applications, user guides, terms of use, software licenses, fee schedules, specifications, instructions, and procedures provided by the Credit Union in connection with the Services (“User Documentation”).

To the extent capitalized terms are not defined in a Service Section, capitalized terms shall have the meaning set forth in the documents that make up the CMS Documentation. If there is a conflict among the documents that make up the CMS Documentation, the documents will govern in the order set forth above.

By signing and returning the CMS Agreement, the Member agrees to the General Provisions which contain the terms and conditions applicable to all Services. The Member also agrees to the terms of the Service Section(s) that relate to the specific Service(s) the Member has selected in the CMS Agreement. **Only employees of the business and agents (together, “Authorized Users”) designated by the account holder (authority is designated through the Online Banking platform by the designated administrator) shall be permitted to use the Services on behalf of the Member.** The Member shall ensure that all Authorized Users adhere to the Terms and will be held responsible for any of their actions.

To assist in the Credit Union’s compliance with applicable laws, rules, and regulations, the Member agrees to provide the Credit Union with financial and/or other information as it reasonably requests.

GENERAL PROVISIONS

ENTIRE AGREEMENT

The Terms supplements the Business Membership and Account Agreement. The Terms, any attached appendices or exhibits (as may be amended from time to time), the User Documentation, Business or Cash Management Product & Fee Schedule, and the Business Membership and Account Agreement constitute the entire agreement between the Member and the Credit Union with respect to the subject matter hereof, and supersede any prior agreements, written or oral, between the Credit Union and the Member with respect to the subject matter hereof, and shall be binding upon the Credit Union, the Member and their respective successors and permissible assigns. In the event of any inconsistency between the Terms and any Membership and Account Agreement or User Documentation, the Terms will govern.

DESIGNATION OF ACCOUNTS

The Services will be available to the Member only if the Member maintains an Authorized Account in accordance with the applicable Business Membership and Account Agreement. Any change in the designation of Authorized Account(s) will only be effective if such change is communicated through written communication to the Credit Union and any such change will only be effective after accepted by the Credit Union and after the Credit Union has had a reasonable opportunity to act on such a request.

REPRESENTATION AND WARRANTIES

The individual signing the CMS Agreement on behalf of the Member (“Authorized Signer”) warrants that: (a) he/she has all necessary rights, powers, and abilities to accept the Terms on behalf of the Member and to perform the obligations herein; (b) no authorization or approval from any third party is required in connection with the Authorized Signer and/or Member’s execution, delivery, or performance of the Terms; (c) the Terms constitute a legal, valid, and binding obligation, enforceable against the Member in accordance with its terms; (d) the Member’s obligations under the Terms do not violate any law or breach any other agreement to which they are bound; and (e) the Member has obtained, shall maintain in their regular business records, and shall make available to the Credit Union, upon reasonable demand, for a period of seven (7) years after termination of any Service, adequate documentary evidence of proper authorization from the account holder of each Authorized Account.

FEES AND PAYMENTS

The Member will pay the Credit Union for each Service provided pursuant to the applicable Business or Cash Management Product & Fee Schedule, as revised from time to time, except as the Credit Union and the Member otherwise agree to in writing. At the Member's request, the Credit Union will provide the Member a copy of the current Business or Cash Management Product & Fee Schedule. All fees are subject to change. Every effort will be made to provide 30 days written notice to the Member, however, you agree that fees can be changed at any time. Any change implemented to offset an increase in fees charged to the Credit Union by any private or common communication facility, any time-sharing supplier, or any mail or courier services used for delivering any Service may be effective at the time of change.

The Credit Union may, at its option, include fees for the Services in an analysis statement of the Member's account relationship, bill the Member for such fees, or debit the Member's account(s) for payment of charges due. The Member authorizes the Credit Union to debit their account(s) at the Credit Union for the full amount due for the provision of the Services.

Charges for the Services do not include, and the Member shall be solely responsible for payment of, any sales, use, excise, value added, utility, or other similar taxes relating to any Service(s), and any fees or charges provided for in any applicable Business Membership and Account Agreement.

The Credit Union's willingness to provide Services to the Member is dependent on the Business Member's financial condition. The Credit Union may periodically, at its sole discretion, review the Member's financial condition and the Member shall, upon request, provide the Credit Union any information it may reasonably require for such review.

PROPRIETARY INFORMATION

The Member acknowledges that the CMS Documentation is the property of the Credit Union and/or its licensors and, except as provided in the CMS Documentation, the Member will not acquire any rights or interests therein as a result of their use of the Services. The Member agrees to keep all such proprietary information strictly confidential.

MEMBER INFORMATION

The Credit Union will collect, retain, and disclose information and data collected from the Member (including data associated with Services) in accordance with the Credit Union's Privacy Policy, which is available upon request and available anytime on our website.

NOTICES COMMUNICATIONS

Any written notice or other written communication to be given under the Terms will be addressed as follows:

If to the Credit Union:

Mail: Salal Credit Union
ATTN: Business Services
PO Box 75029
Seattle, WA 98175-0029

Phone: 206.298.9398 or 800.562.5515 ext. 8913

Fax: 206.298.3492

If to the Member:

Sent to the Member's mailing address or email address that is on file with the Credit Union at the time of the notice. Additional notices to the Member may be made available to the Member via an announcement on the Credit Union's website or via the Credit Union's Online Banking Service.

Notices are effective upon sent date, or date identified in the notice, except as otherwise provided in the CMS Documentation.

The Member agrees that the Credit Union may electronically record and/or monitor any telephone communications between the Credit Union and the Member as permitted by law. If the Credit Union's records about any communication differ from the Member's, The Credit Union's records will govern.

If the Member chooses to use unencrypted or unsecured electronic mail, facsimile transmission, voice mail, text message, or other telephonic methods ("Electronic Transmission") to initiate payment requests or otherwise communicate with the Credit Union, the Member acknowledges that such Electronic Transmissions are inherently unsecure communication methods due to the possibility of error, delay and observation, or receipt by unauthorized personnel. By using a particular Electronic Transmission method to communicate with the Credit Union, the Member authorizes the Credit Union to return communications using the same method and the Member agrees to bear the risk for, and hold the Credit Union harmless from, any damages that result from any Electronic Transmissions. We recommend that the Member use the most secure method to communicate with the Credit Union at all times.

The Member agrees that the Credit Union may, in its sole discretion and without independent verification, rely on any communication, including Electronic Transmission and oral instructions, that the Credit Union, in good faith, believes to be initiated by the Member, an Authorized Signer, or Non-Signer Designee (Non-Signer Designees may be indicated on the CMS Agreement). Requests that come in through Online Banking will have an additional verification process through multi-factor authentication. Oral or other electronic transmission instructions have the additional verification process using additional ID verification questions that the Member must answer correctly, or information located on the Credit Union's core system of record.

CHANGES, SUPPLEMENTS, OR AMENDMENTS

The Terms may be changed, supplemented, or amended from time to time by the Credit Union. The Credit Union will provide notice to the Member at the address on file with us, via email or via an announcement on the Credit Union's website or Online Banking Service. The Member's failure to object in writing to such changes, supplements, or amendments, or the Member's continued use of any Service, will constitute their acceptance of the changes, supplements, and amendments. The Credit Union may suspend or terminate the Services provided to the Member if the Member rejects any changes, supplements, or amendments to the Terms.

ACCESSING SERVICES VIA THE INTERNET

The Credit Union may make certain Services available on the internet. To the extent applicable, the Member's use of the Services via the internet is subject to the Credit Union's Business Online Banking Terms & Conditions and the CMS Documentation.

The Member agrees not to access or use the Services via the internet in any way that would:

- Violate any law, statute, ordinance, or regulation (including, without limitation, those governing export control, unfair competition, anti-discrimination, defamation, or false advertising).
- Infringe any third-party copyright, patent, trademark, service mark, trade secret, or other proprietary rights, or rights of publicity or privacy.
- Be fraudulent or involve the use of counterfeit or stolen items.
- Violate any contractual provision by which the Member is bound.
- Be false, misleading, or inaccurate.
- Create liability for the Credit Union or any service provider(s) or cause the Credit Union to lose (in whole or in part) the services of any service provider.
- Be defamatory, trade libelous, unlawfully threatening, or unlawfully harassing.
- Interfere with or disrupt computer network(s) used by the Member or the Credit Union.
- Interfere with or disrupt the use by any other member's use of the Services via the internet.

Where passwords or other access information may be required, the Member is solely responsible for the security of such access information and will hold the Credit Union harmless from any unauthorized access or use of any Service, or losses arising from such unauthorized access or use of any Service.

The Credit Union may suspend the Member's access to, and their use of, any Service via the internet when: such action may be required to prevent interference with, or disruption to, services to other members, or to protect the integrity of the Credit Union's systems, or as may be required by law or regulation, or in the event of violation of the CMS Documentation.

Additional security information for Internet-based Services can be found in Appendix A and in each Service Section.

COMPUTER EQUIPMENT AND SOFTWARE

Some of the Services may require the use of computer hardware and/or software. The Member is solely responsible for maintaining its computer equipment in good working order, with the necessary compatibility and format to interface with the Credit Union's systems, including, without limitation, the ability to support the Credit Union's security measures. The Member agrees to install upgrades and other system enhancements within a reasonable time of being requested to do so by the Credit Union. The Member agrees to comply with all applicable software license agreements, whether or not such agreements have been executed by the Member. Except as otherwise agreed to in writing, the Member will not acquire any rights or ownership in any software provided by or through the Credit Union by virtue of their use thereof or access thereto. The Member agrees that they will not transfer, copy, alter, modify, reverse engineer, reproduce, or convey in any manner, in whole or in part, any such software. The Member agrees to, upon the Credit Union's request, return all software and other material associated with any Service. The Credit Union makes no representations or warranties with respect to any equipment, software, or other material provided by the Credit Union.

Some Services are provided through access to a third-party network or by third-party providers. Such Services are dependent upon the availability of the third-party network and/or providers on conditions acceptable to the Credit Union. The Credit Union does not warrant and shall not be responsible for Services received by the Member from any third-party network or provider. The Credit Union reserves the right to discontinue any Service or provide any Service through an alternative third-party network and/or provider and the Member agrees that the Credit Union shall not be liable should such network or party become unavailable.

TERMINATION AND SUSPENSION OF SERVICES

Notwithstanding anything to the contrary in the Terms, if at any time the Credit Union believes that its provision of any Service to the Member may create a risk of financial loss for the Credit Union, or result in an unacceptable credit exposure to the Credit Union, or that an account associated with any Service may be subject to irregular, unauthorized, fraudulent, or illegal activity, the Credit Union may, at its discretion, immediately, without prior notice to the Member, suspend or modify the Member's use of any such Service until such time that such risk, exposure, or activity is eliminated or otherwise resolved.

Without limiting the foregoing, either party may terminate any or all Services upon notice to the other party (written, phone, email). The termination period will include a reasonable amount of time to discontinue the service, which could be up to 5 business days. Notwithstanding the foregoing sentence, the Credit Union may terminate any or all Services effective immediately if any of the following occurs:

- The Member breaches any of the terms and conditions in the Terms or any other agreement with the Credit Union.
- The Member terminates, liquidates, or dissolves their business or a substantial portion of their assets.
- The Member fails, generally, to pay their debts as they become due.
- The Member, voluntarily or involuntarily, becomes the subject of any bankruptcy, insolvency, reorganization, or other similar proceeding.
- The Member initiates any composition with their creditors.
- The Member experiences a material adverse change in their financial condition or their ability to perform their obligations under the Terms.
- Any guaranty of the Member's obligation to the Credit Union terminates, is revoked, or has its validity is contested by the guarantor, or any of the events set forth above attributable to the Member occur to the guarantor.
- All accounts associated with any Service are closed.
- The government or other lawful body requires termination of Services.

If a Service the Member is using is terminated for any reason, the Member will do the following:

- Immediately stop using any materials or equipment related to the terminated Service.
- Erase or delete any software or other electronic material related to the terminated Service.
- At the Credit Union's option, either return or destroy any materials, software, or equipment provided by the Credit Union relating to the terminated Service and certify to the Credit Union that they have done so.

Termination of a Service the Member used does not affect the Member's obligations (including payment obligations) for Services which arose or became effective before such obligation, and any such termination is in addition to the Credit Union's other rights under applicable law and under the applicable Service Section(s), the Terms, and the CMS Documentation. Upon termination, all amounts owed by the Member will become immediately due and payable.

LIMITATION OF CREDIT UNION LIABILITY

All Services Other Than Electronic Funds Transfer Services

To the maximum extent allowed by law, the Credit Union shall only be liable to the Member for actual damages incurred as a direct result of its gross negligence or willful misconduct in performing Services.

Electronic Funds Transfer Services

For wire requests ("Requests") and ACH entries ("Entries") which are subject to Section 4A of the Uniform Commercial Code, as codified in the State of Washington ("RCW 62A.4A"), the Credit Union shall only be liable for damages required to be paid under UCC 4A or the Fedwire Regulations, as applicable, except as otherwise set forth in the CMS Documentation.

For all Requests and Entries which are not subject to RCW 62A.4A and for all other obligations relating to electronic funds transfers, the Credit Union's liability shall be limited, to the extent allowed by applicable law, to actual damages resulting from its willful misconduct or failure to exercise reasonable care, which shall not exceed the following, as applicable:

- In case of an excessive debit to the Member's account, the amount of the excess plus compensation equivalent to interest.
- In case of payment to an account not specified by the Member, the amount of the payment plus compensation equivalent to interest.
- In case of delay in crediting a debit Entry to the Member's account, the amount of compensation equivalent to interest for the period of the delay.

If the Credit Union is obligated to pay interest compensation, the Credit Union may either pay such compensation or credit the Member's account.

If the Member transmits a Request to the Credit Union by way of a funds-transfer system or other third-party communications system not specifically required by the Credit Union, such system is deemed to be the Member's agent for that purpose and the

Credit Union shall not be liable to the Member for any discrepancy between the terms the third party transmits to such system and the terms then transmitted to the Credit Union.

All Services

Except as expressly set forth in the Terms, the Credit Union specifically disclaims all representations, warranties, and conditions whether express or implied, arising by statute, operation of law, usage of trade, course of dealing, or otherwise, including, but not limited to, warranties or conditions of merchantability, fitness for a particular purpose, non-infringement, or title with respect to the Services provided for by the Terms.

The Credit Union further does not represent or warrant that its Services hereunder will always be available, accessible, uninterrupted, timely, secure, accurate, complete, or entirely error-free. The Member understands and agrees that the Credit Union will bear no risk with respect to the Member's sales of the Member's products or Services, including, without limitation, any risk associated with credit card fraud or chargebacks. The Member may not rely upon any representation or warranty regarding the Services or any other Credit Union Services by any third party in contravention of or inconsistent with the foregoing statements, including representations or warranties of any Member Service provider.

In no event shall the Credit Union or any of its affiliates, vendors, officers, directors, employees, or agents be liable, for or any indirect, incidental, consequential, special, exemplary, or punitive damages (however arising), including, without limitation, damages for lost revenue, lost profits, anticipated profits, lost business or injury to business reputation, cost of procurement of substitute Services, under any theory of liability or cause of action, whether in tort (including negligence), contract, the failure of any limited or exclusive remedy to achieve its essential purpose, or otherwise, even if the Credit Union has been advised of the possibility of such claims or demands.

Except as mandated by applicable law or otherwise provided for in the Service Sections that follow, the Credit Union's cumulative liability to the Member for all claims relating to or stemming in any way from any Service(s), any Service Section(s), or the relationship between the Credit Union and the Member (including any cause of action in contract, negligence, tort, strict liability, for breach of any duty imposed by any statute, rule, or regulation, or otherwise) shall not exceed the total amount of all fees paid by the Member to the Credit Union for that Service during the one month period preceding the origination of the claim giving rise to liability. If for any reason the limitation of liability provided for by the Terms is determined to be invalid or unenforceable, the Credit Union's cumulative liability to the Member nevertheless shall be limited to the fullest extent that the law would permit the Credit Union and the Member to limit the liability of the Credit Union by the Terms.

The limitations of liability contained in the Terms shall apply without regard to whether other provisions of the Terms have been breached or have proven ineffective, or whether any limited or exclusive remedy in favor of the Member has failed or would fail of any essential purpose.

The Credit Union will not be responsible for the acts or omissions of the Member or the Member's officers, employees or agents (including, but not limited to, the amount, accuracy, timeliness, or authorization of any instructions or information from the Member) or the acts or omissions of any other person or entity, including, but not limited to, any clearing house association or processor, any Federal Reserve Bank, any other financial institution or any private or common carrier communication or transmission facility, time-sharing supplier, or any mail or courier service.

If the Member permits any other person to access any Service, the Credit Union will not be responsible or liable for such person's access, use, or misuse of the Services or accounts owned by the Member which the Member did not authorize.

The Credit Union will not be liable for any failure or delay in performing a Service if the performance of that Service by the Credit Union and/or its affiliates, subsidiaries, or service providers is prevented, restricted, delayed, or interfered with due to circumstances beyond the Credit Union's reasonable control.

The Credit Union also will not be liable for its failure to act if it reasonably believes that its action would violate any law, rule, regulation, or court order or decree.

The Credit Union and the Member acknowledge and agree that the limitations of liability in the Terms are bargained for allocation of risk and liability, and agree to respect such allocation of risk and liability. Each party acknowledges and agrees that the other party would not offer the Services subject to the Terms without the limitations of liability set forth in this section.

MEMBER LIABILITY

The Member shall be responsible for compliance with all applicable laws, rules and regulations, and with the CMS Documentation.

With respect to any Service where the Credit Union receives payment from a third party on the Member's behalf, the amounts received (less related charges, disbursements, and/or expenses) will be paid to the Member, except if the Credit Union is lawfully required to return any such payment received upon the insolvency, bankruptcy, or reorganization of such third party or for any other lawful reason. The Member agrees to immediately repay to the Credit Union the amount paid to the third party.

In the event the Member requests that the Credit Union provide Services to a parent company, subsidiary, affiliate, or other related entity, the Member agrees that they and any such entity shall be jointly and severally liable for obligations under the Terms.

PROTECTION FROM THIRD PARTIES

To the maximum extent permitted by applicable law, the Member agrees to indemnify the Credit Union against, hold the Credit Union harmless from, and defend the Credit Union against, any and all liabilities, claims, costs, expenses, and damages of any nature (including attorneys' fees and costs) arising out of or relating to a breach by the Member of any of the Terms, by parties other than the Member and the Credit Union. This obligation will continue after a Service the Member is using is terminated.

If the Credit Union receives an adverse claim against any Member account and it reasonably believes that the Credit Union may be subject to liability if the claim is ignored, the Member agrees that the Credit Union may place a hold on the affected account or move the disputed funds to a holding account. The Credit Union may take such action for so long as is reasonably necessary to resolve the claim or employ legal remedies to allow a court to decide such claim. The Credit Union shall have no liability for dishonored transactions which result from such action and the Member agrees to reimburse the Credit Union for all costs, including attorneys' fees and costs, incurred due to such adverse claim.

SEVERABILITY

Should any provision of the Terms contravene any applicable law or regulation of any regulatory agency, or should any provision be held invalid or unenforceable by a court or regulatory body of competent jurisdiction, then each such provision shall be void and all other provisions of the CMS Documentation shall remain in full force and effect to the fullest extent allowed by law.

ASSIGNMENT

The Member shall not assign or delegate any of their rights or obligations hereunder without the Credit Union's prior written consent which may be withheld in the Credit Union's sole discretion. The Credit Union may assign the Terms to an affiliate or subsidiary without the Member's prior consent, provided that the Credit Union remains primarily liable for the performance of its obligations under the Terms. Any attempted assignment or delegation without the required consent will be void.

ATTORNEYS' FEES

In the event of any conflict pertaining to the Services or the Terms in addition to any remedies provided herein or under applicable law, the substantially prevailing party shall be entitled to recover all costs and expenses incurred by such party in defending itself or in enforcing its rights, including, without limitation, court costs, fees of consultants, and reasonable attorneys' fees.

FURTHER ASSURANCES

The parties agree to execute and deliver all additional documents and give all further assurances reasonably necessary to carry out the intent of the parties with respect to these Services.

RELATIONSHIP BETWEEN PARTIES

Acceptance of the Terms will not be construed as creating an agency, partnership, joint venture, or any other form of association, for tax purposes or otherwise, between the parties; and the parties will at all times be and remain independent contractors. Except as expressly agreed by the parties in writing, neither party will have any right or authority, express or implied, to assume or create any obligation of any kind, or to make any representation or warranty, on behalf of the other party or to bind the other party in any respect whatsoever.

THIRD-PARTY BENEFICIARIES

The Terms are for the sole and exclusive benefit of the Credit Union and the Member and are not intended to benefit any third party, except the Credit Union's licensors. The Member and the Credit Union acknowledge and agree that any party that licenses any Service, software, or intellectual property related to the Credit Union, directly or indirectly, is a third-party beneficiary to the Terms with respect to those provisions dealing with use, ownership, and protection of intellectual property.

CONSTRUCTION AND INTERPRETATION

None of the provisions of the Terms shall be construed more favorably to either party based upon the extent of the parties' respective participation in the drafting of the Terms. Headings are used for reference purposes only and shall not be deemed a part of the Terms.

In the event of dispute, no party shall be entitled to claim that any provision hereof should be construed against the other party by reason of the fact that it was drafted by any particular party. The failure of either party to enforce any rights granted under the Terms or to take action against the other party in the event of any breach shall not be considered a waiver of that right or breach unless the waiver has been reduced in writing and signed by the waiving party. If a party effectively waives a right or breach, that waiver will not constitute a waiver of any other right or breach, or of a subsequent breach of the same obligation. If any provision of the Terms is held invalid, illegal, or unenforceable in any particular jurisdiction or circumstance, the remaining provisions of the Terms shall remain valid and enforceable in such jurisdiction or circumstance, and such provision shall remain valid and enforceable in any other jurisdiction or circumstance.

NO IMPLIED WAIVER

No failure by either party to insist upon strict performance of any term or obligation in the Terms, or to exercise any right or remedy under the Terms shall constitute a waiver of any such term, obligation, right, or remedy.

DISPUTE RESOLUTION

Any dispute or claim arising out of or relating to any Service(s) or the Terms, except claims involving intellectual property and claims for indemnification, may be resolved by binding arbitration at the option of either party. The arbitration of any dispute or claim will be conducted in accordance with the American Arbitration Association (“AAA”) rules, as modified by the Terms, and will take place in Seattle, Washington, unless the parties mutually agree to hold the proceedings elsewhere. Acceptance of the Terms is evidence of a transaction in interstate commerce and this arbitration provision will be interpreted and enforced in accordance with the Federal Arbitration Act and federal arbitration law. An arbitrator may not award relief in excess of or contrary to what the Terms provide, or order consolidation or arbitration on a class wide or representative basis, except that the arbitrator may award, on an individual basis, damages required by statute, and may order injunctive or declaratory relief pursuant to an applicable consumer protection statute. Any arbitration will be confidential, and neither party may disclose the existence, content, or results of any arbitration, except as may be required by law or for purposes of enforcement of the arbitration award. Judgment on any arbitration award may be entered in any court having proper jurisdiction. All administrative fees and expenses will be divided equally between the parties, but each party will bear the expense of its own counsel, experts, witnesses, preparation, and presentation of evidence at the arbitration except as otherwise expressly provided in the Terms. IF FOR ANY REASON THIS ARBITRATION CLAUSE IS DEEMED INAPPLICABLE OR INVALID, THE PARTIES WAIVE, TO THE FULLEST EXTENT ALLOWED BY LAW, ANY RIGHT TO PURSUE ANY CLAIMS ON A CLASS OR CONSOLIDATED BASIS, OR IN A REPRESENTATIVE CAPACITY, AND HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY. No action, regardless of form, arising out of or in conjunction with the subject matter of the Terms, except for claims involving intellectual property and claims for indemnification, may be brought by either party more than one (1) year after the cause of action arose.

GOVERNING LAW

The Terms shall in all respects be governed by, and construed and interpreted in accordance with, the laws of the State of Washington without giving effect to any conflicts of law principles of such state that might refer the governance, construction, or interpretation of the Terms to the laws of another jurisdiction.

COMPLIANCE WITH LAWS

Each party will comply with all applicable federal, state, and local laws and regulations with respect to the Terms and such party’s activities covered by or related to the Terms.

FORCE MAJEURE

Except for the obligation to make payments, nonperformance by either party will be excused to the extent performance is prevented or delayed due to causes beyond such party’s reasonable control and without its negligent or willful misconduct, including, without limitation, acts of God, natural disasters, terrorist acts, war or other hostilities, labor disputes, civil disturbances, governmental acts, orders or regulations, third-party nonperformance or failures, or fluctuations in electrical power, heat, light, air conditioning, or telecommunications equipment.

CREDIT UNION’S REMEDIES CUMULATIVE

Except as may be explicitly stated to the contrary in the Terms, none of the rights or remedies of the Credit Union provided for in any Service Section, the Terms, or the CMS Documentation are intended to be exclusive of any other rights or remedies of the Credit Union, either under any Service Section, the Terms, the CMS Documentation, or otherwise existing in favor of the Credit Union at law or in equity, but all such rights and remedies instead are intended to be cumulative and in addition to each other.

Financial Review

You are subject to satisfactory financial review by the Credit Union from time to time, at the Credit Union’s sole option and discretion, and in accordance with the Credit Union’s established criteria. You shall, upon the Credit Union’s request, provide to the Credit Union any such information and assistance as the Credit Union may require in order to perform any such evaluation. Your failure to meet such standards or to provide such information or assistance when requested shall constitute a breach of this Service Section and shall permit the Credit Union to cease providing Services.

BUSINESS ONLINE BANKING & MOBILE BANKING

Salal Credit Union (“Credit Union”) agrees to provide certain Online Banking and Mobile Banking Services (“Online Banking” or the “Services”) to you (“Member”), whose Business name appears on the CMS Agreement. For purposes of this Service Section only, “us,” “we,” “our,” or “Credit Union” shall refer to Salal Credit Union. “You,” “Your,” “Users,” or “Member” shall refer to you and each person who conducts Transactions on your Account(s).

Your use of the Online Banking and Mobile Banking Services are subject to this Service Section, the Business Membership and Account Agreement governing your Account(s), and any additional agreements, terms and conditions, and regulations applicable to Services offered by the Credit Union and utilized through Online Banking, including but not limited to, Automated Clearing House Rules (specifically including, but not limited to, the National Clearing House Association (“NACHA”) Operating Rules and Guidelines) (collectively, the “ACH Rules”), all as may be amended from time to time. Capitalized terms shall have the meaning as

set forth in this Service Section, including those provided in your other agreements with Credit Union, or in the applicable rules and/or regulations applicable to the particular Service offered by the Credit Union.

- **Online Banking** – Salal Credit Union’s online banking service.
- **Services** – Include the wide range of Online Banking and Cash Management Services Salal Credit Union provides to Members included in this Service Section.
- **Username** – Part of the login information necessary to access Online Banking.
- **Account** or **Accounts** – Refer to your accounts that may be accessed through Online Banking, including the account you have designated as the Primary Account.
- **Business Day** – Defined as Monday through Friday, excluding federal holidays. Transactions, deposits, instructions, and entries received by the Credit Union after established cut-off deadlines may be treated as received on the next Business Day. The Credit Union may change any cut-off deadline at any time upon notice to you.
- **Password** – Part of the login information necessary to access Online Banking.
- **Primary Account** – Refers to the Account you have designated as the Account from which your bills will be paid using Bill Payment.
- **Transaction** – Any account transaction initiated through Online Banking.
- **Transfer Instructions** – Instructions you give us through Online Banking to transfer funds between Accounts you can access through Online Banking.

USE OF ONLINE BANKING

Access

You may gain access to Online Banking via the internet utilizing your Online Banking Username and Password. Online Banking can be accessed through a website and internet browser or by using a mobile application that is downloaded to a mobile device (including a phone or tablet). The Credit Union grants to the Member a non-exclusive, non-transferable, revocable license to use Online Banking, and to use those components of Online Banking selected by you, subject to and in accordance with the terms and conditions of this Service Section.

Accounts You May Access

You may designate the Account(s) you wish to access through Online Banking. Access to such Account(s) is subject to the Credit Union’s approval and any restrictions that we may impose.

Use of Internet

You acknowledge and agree that there is certain security, corruption, transmission error, and access availability risks associated with relying upon and utilizing Online Banking, and you hereby expressly assume all such risks. You acknowledge that you have made your own independent assessment of the adequacy of the internet and Online Banking for accessing information and initiating Transactions, without reliance on any representations or warranties from the Credit Union, and that you have determined to proceed with the use of the Credit Union’s Online Banking based upon your assessment.

Member’s Access Devices

You are solely responsible for the purchase, hook-up, installation, loading, operation, and maintenance of all hardware, software, and internet access to your personal computer or any other device through which you access Online Banking, including mobile devices. You agree to use, maintain, and run anti-virus, firewall, browser, anti-spyware, and security software on your device that is updated regularly. You also agree to routinely install all new hardware and software patches, or use the automatic update feature when available on your computer and all of your software, including your operating system and application software. The Credit Union makes no representations or warranties regarding your computer or other access device, software, or the means with which you access Online Banking. The Credit Union is not responsible for any computer virus, Trojan horse, or related problems that may arise in connection with your use of the internet, compromising your Online Banking Username, Password, or use of Online Banking.

Availability of Services

The Member understands that online access may be temporarily unavailable during the period Services are ordinarily available, such as during system maintenance or upgrades or when the Credit Union’s equipment needs servicing or is otherwise unavailable. Online Banking Services may also be unavailable due to causes beyond the control of the Credit Union, including power failure, acts of nature, etc. The Credit Union will not be responsible for any losses or inconveniences caused by these temporary unavailability periods.

Failure to Complete Transaction

We will use our best efforts to comply with your instructions with respect to any Transaction initiated through Online Banking. However, we will incur no liability (and no obligation as to late charges) if we are unable to complete any Transaction because of internet or communication line interruptions or failures.

Our Liability

The Credit Union will have no liability for failure to complete a Transaction in the following, non-exclusive, circumstances:

- If, through no fault of ours, you do not have sufficient funds in your Account to complete a Transaction.
- If a Transaction would result in you exceeding the credit limit on your overdraft line (if applicable).
- If the equipment, phone lines, or computer systems were not working properly.
- If circumstances beyond our control, such as fire, flood, or electronic failure prevented the Transaction.
- If a court order or legal process prevents us from completing a Transaction.
- If you default under any agreement with us or if we or you terminate this service.

There may be other exceptions under applicable law and as stated in our other agreement(s) with you governing your Accounts.

Proprietary Property

You acknowledge that all aspects of Online Banking, including programs and systems used in providing the Services and all information relating thereto, constitute proprietary property of the Credit Union, have great commercial value to the Credit Union, and that you shall not acquire any proprietary interest or rights therein as a result of your use of Online Banking.

Third Parties; Disclosure of Information

Provision of certain Services is dependent upon the Credit Union's ability to provide access to third-party networks. In the event any third-party network is unavailable or in the event the Credit Union determines, in its discretion, that it is unable to continue providing any third-party network access, the Credit Union may discontinue the related Service or may provide the Service through an alternate third-party network and shall have no liability for the unavailability of access. The Member authorizes the Credit Union to disclose information on the Member's Accounts and services to the Credit Union's affiliates or third parties who provide the Services.

Designation of Accounts

The Member agrees to designate one of its Accounts with the Credit Union as its "Primary Account" for the Services. The Member authorizes the Credit Union to debit the Primary Account (or any other Account maintained by the Member at the Credit Union) for any fees or other amounts due to the Credit Union in connection with the Services. If the Primary Account is closed for any reason, the Member's Services may be stopped along with any unprocessed Transactions. To reinstate its Services, the Member must designate a new Primary Account. The Member agrees to maintain sufficient available funds (as determined under the Credit Union's funds availability policy) in each Account accessible via the Services to cover all Transactions initiated by the Member and affecting the Account, or such higher amounts as the Credit Union may specify from time to time. The Member agrees that the Member's funds may be held by the Credit Union for a period of time following termination of the Services to protect the Credit Union against any possible losses relating to the use by the Member of the Services. The Member may not designate a savings or money market account type as the Primary Account.

Services

The Credit Union may provide Services which are not included in the Services section of this Service Section. By accepting and utilizing any such Service, You agree that the service will be governed by this Service Section, as well as any additional terms and conditions or agreements applicable to such service(s).

Membership / Account Ownership

Though Online Banking or Bill Payment Services are generally transacted through Online Banking, we may act on the verbal, written, or electronic instructions of any authorized signer on the account(s)

In general, the Member warrants to the Credit Union that all accounts listed are for business and commercial purposes and not for personal use. However, the Member may authorize accounts to be listed on the same business setup. These accounts could include businesses with different tax ID numbers and even personal accounts. The Member acknowledges that the ability to view and transact on accounts via online banking allows Authorized Users the ability to transact between these accounts (regardless of ownership) and that the Credit Union incurs no responsibility for any losses that result in the transfer of funds between separate entities (whether intentional or unintentional).

Authority to Combine Funds

You hereby represent and warrant to the Credit Union that any and all transfers and commingling of funds required or permitted by any Service, and all other aspects of the performance hereof by you and the Credit Union, have been duly authorized by all necessary parties, including, without limitation, the account holder of each Account, and, as applicable, that you have obtained and shall maintain in your regular business records and make available to the Credit Union upon reasonable demand, for a period of six (6) years after termination of the Service, adequate documentary evidence of such authorization from the account holder of each Account, executed by the duly authorized officer(s) of each account holder in accordance with that account holder's corporate by-laws, board resolutions, or applicable law. You further represent and warrant that each transfer or commingling of funds autho-

rized hereunder is not a violation of any by-law, board resolution, or agreement of the Member or any affiliates or subsidiaries, nor in violation of any applicable federal, state, or local statute, ordinance, regulation or rule of law, or of any decree, judgment or order of any judicial or administrative authority. Each representation and warranty contained herein shall be continuing and shall be deemed to be repeated upon the Credit Union's effecting each transfer and commingling of funds authorized hereunder.

Third-Party Data Input

You acknowledge that the Services may require that data be input into the program by parties other than us. In some cases, we may provide such parties with information instructing them how to input data into the program; however, in no event shall we be liable for the accuracy, completeness, correctness, or format of data input by parties other than us.

Member Records

This Service Section and the performance by the Credit Union of the Services hereunder shall not relieve you of any obligation imposed by law or contract regarding the maintenance of records, or from employing adequate audit, accounting and review practices as are customarily followed by similar businesses. You shall retain and provide to the Credit Union, upon request, all information necessary to remake or reconstruct any deposit, transmission, file or Entry until ten (10) Business Days following receipt by the Credit Union of the deposit, file, entry, transmission, or other order affecting an Account.

Notice

You agree that we may send notices and other communications, to the current address shown in our records, whether or not that address includes a designation for delivery to the attention of any particular individual. You further agree that the Credit Union will not be responsible or liable to you in any way if information is intercepted by an unauthorized person, either in transit or at your place of business.

Overdraft

If your use of Online Banking or Cash Management Services overdraws your Account, you agree to make immediate payment to us of the amount of any such overdraft, together with related service charges. You also agree that we may charge the overdraft and related service charges against your other Accounts with us to the extent permitted by law or by your Business Membership and Account Agreement. In any event, the Credit Union is not obligated to honor any transfer request against insufficient funds.

Credit Union Not Obligated to Honor Transfer

The Credit Union may, in its sole discretion, refuse to accept or otherwise execute any request for Services, and may refuse to whether for cause or without cause, and shall have no liability for such refusal.

Messaging

Online Banking includes secure messaging capabilities allowing you to send and receive secure messages to and from the Credit Union within Online Banking. Internet email messages from or to external email addresses are NOT secure, can be intercepted by third parties, and will never be used to send or receive emails containing confidential Account information. We will never send you an email requesting Confidential Information such as Account numbers or Passwords. If you receive such an email purportedly from us, DO NOT respond to the email and notify us by calling 206.298.9398 or 800.562.5515 ext. 8913.

Fees and Charges

Unless otherwise agreed in writing, you shall pay the Credit Union the fees, charges, and assessments set forth for the Services provided in the most current Business or Cash Management Product & Fee Schedule of the Credit Union, plus additional fees and expenses for any extraordinary services.

If you obtain Account analysis services from the Credit Union, the amounts due hereunder may be charged to analysis. If you do not obtain Account analysis services or if your monthly analysis credits are insufficient to pay the amounts due hereunder, you agree to pay such amounts directly to the Credit Union upon demand. The Credit Union may charge you directly for third-party expenses incurred on your behalf. You agree that the Credit Union may debit your Accounts for any and all such fees, expenses, taxes, or assessments.

Services under this Service Section are subject to the fees and charges stated in the Business Product & Fee Schedule. All fees and charges will be assessed directly to the Account involved in the Online Banking requested service. In any case, the Credit Union may exercise its right of setoff against any of your other Accounts as provided by law or your Business Membership and Account Agreement.

SECURITY

Your Online Banking Access Credentials

The Member agrees to use the Services solely for the purpose intended and in accordance with Credit Union procedures and agreements (as amended from time to time) which may be applicable to use of the Services and the related Accounts. All Online Banking Transactions or inquiries must be initiated by use of your Username and Password. Once we have accepted your Online Banking application, we will assign an Online Banking Username and Password to the Accounts and users you designated in

your application. All users will be required to change their Password the first time they access the Online Banking service. You may change your Online Banking Password at any time through the Service. We recommend you change your Online Banking Password at least every 180 days.

The Credit Union reserves the right to change any or all of the Security Procedures at any time by giving oral or written notice to you. The Member will require authorized persons to create new Passwords at reasonably frequent periods, based on the Member's assessment of the security requirements appropriate for the Services utilized by the Member. The Member agrees to promptly change Passwords and levels of authority in the event of any change in personnel or when reasonably prudent to do so.

Security Procedures

Where required for any Service, you agree to utilize any Security Procedures used in connection with any communication between you and the Credit Union ("Security Procedures"). Security Procedures may include Online Banking Username, Password, and other security precautions implemented or required by the Credit Union. Notwithstanding any such Security Procedures, you are strictly responsible for establishing and maintaining your own procedures to safeguard against unauthorized transmissions or Transactions, and to maintain confidentiality of the Security Procedures, including your Online Banking Username, Password, and any related instructions provided by the Credit Union in connection with the Online Banking Service.

Authorization and Processing Transaction Requests.

You are responsible for controlling access to the Services and for any limitations placed, by you, on the Services an authorized person may utilize. The fact that we are, or may be made aware of, or could have discovered, any limitation on access to a Service does not make us obligated to enforce or attempt to enforce any limitation. You further understand that each Authorized User may utilize Services (including inquiries, transfers, and account verification) without regard to any restrictions otherwise applicable to an Account. You agree that any arrangements with us to require one or more authorized signatures for Transactions involving your Accounts do not apply to transaction using the Services. If a Transaction request or instructions related thereto received by us purports to have been transmitted or authorized by you in compliance with the Security Procedures, it will be deemed effective as your request and you will be obligated to us for such Transaction, even if the Transaction was not actually authorized by you.

Protection of Credentials

You are strictly responsible to establish and maintain the procedures to safeguard against unauthorized Transactions. You will protect the confidentiality and security of your Online Banking Username and Password, and not make your Online Banking Username and Password available to any unauthorized person. When you or any authorized user signs on to Online Banking using your Password you authorize us to follow the instructions we receive relating to your Accounts and to charge and credit your Accounts accordingly. The Member agrees that the Credit Union will not be responsible for verifying whether a payment order or other communication is originated by an authorized person other than through the verification process contained in the Security Procedures of the Services.

You agree, to the extent allowed by applicable law, that you will be liable for all Transactions conducted using your Online Banking Username and Password, regardless of whether or not such Transactions were authorized in-fact. We may suspend or cancel your Online Banking Username even without receiving such notice from you, if we suspect your Online Banking Username is being used in an unauthorized or fraudulent manner.

Notification of Compromise or Unauthorized Activity; Cooperation

If you believe your Online Banking Username or Password has been lost, stolen, or compromised, or if there has been any unauthorized or fraudulent Transactions on your Account, you SHALL IMMEDIATELY NOTIFY THE CREDIT UNION BY TELEPHONE AND AGREE TO CONFIRM THAT ORAL NOTIFICATION, IN WRITING, TO THE CREDIT UNION WITHIN 24 HOURS. Calling us at 206.298.9398 or 800.562.5515 ext. 8913 is the best way to mitigate loss. You could lose all the money in your Account(s) (plus your maximum overdraft line of credit, if any).

THE CREDIT UNION WILL HAVE NO LIABILITY TO YOU FOR ANY UNAUTHORIZED PAYMENT OR TRANSFER MADE USING YOUR ONLINE BANKING USERNAME OR PASSWORD THAT OCCURS BEFORE YOU HAVE NOTIFIED US OF POSSIBLE UNAUTHORIZED USE AND WE HAVE HAD REASONABLE OPPORTUNITY TO ACT ON THAT NOTICE.

With respect to any Online Banking Transaction which you contend is unauthorized, you agree to:

- Cooperate fully with us in our investigation of the unauthorized transaction.
- Assign to us your right of recovery against the wrongdoer if we reconstitute your Account.
- Assist us and cooperate fully with us in the recovery of any loss we sustain and in the prosecution of any wrongdoers.

You further agree to take whatever steps are deemed necessary by the Credit Union to mitigate any compromise, including selection of a new Online Banking Username or Password.

Use by Employees/Agents (Authorized Users)

If you, as an authorized user of the Online Banking system, give your Online Banking Username or Password to anyone, you hereby authorize that person to access your Accounts through Online Banking and give us instructions relating to your Accounts

as an authorized user. You also authorize us to comply with such instructions. When a user is added as an Authorized User on the system, you agree that the Credit Union may treat that person as “authorized” if the Security Procedures are followed, without verifying that employee with the Member or otherwise investigating whether the employee is exercising actual authority granted by the Member or whether such activity is consistent with any internal limitations on activity established by the Member for that employee.

The person(s) whom you name “Administrator(s)” may request Account access authorizations as well as grant financial authority to additional users. Additional users will log into the system using the Online Banking Username and Password that is established by your Administrator that will allow such users to gain access to the Accounts authorized by the Administrator.

The Member assumes all risks associated with disclosure of any Online Banking Username or Password to its employees. The Member agrees to limit disclosures of Online Banking Usernames and Passwords to those employees it will authorize to use the Services or who have a specific need to know, warrants that no individual will be allowed to initiate transactions in the absence of proper supervision and safeguards, and agrees to take reasonable steps to establish procedures to protect and maintain the confidentiality of the Security Procedures and Online Banking Usernames, Passwords, and any related instructions provided by the Credit Union in connection with the Security Procedures described in this Service Section. You agree to instruct each person to whom you give an Online Banking Username that he or she is not to disclose such information to any unauthorized person, and will immediately notify the Credit Union in the event of any such unauthorized disclosure.

Acknowledgement of Commercially Reasonable Security Procedures

By using Online Banking Services, you acknowledge and agree that the CMS Documentation sets forth Security Procedures for Online Banking Transactions which are commercially reasonable. You agree to be bound by instructions, whether authorized or unauthorized, which we implement in compliance with these procedures, unless you have given us prior notice of possible unauthorized use as described above (and we had a reasonable opportunity to act on such notice).

SERVICES

ACH Payments (External Transfers)

All commercial requests relating to entries through an automated clearing house must be processed by the Member consistent with NACHA rules. The Member will review and implement all Security Procedures available in connection with the Services.

A Receiving Depository Financial Institution (“RDFI”) is the institution that receives ACH entries from the ACH Operator and posts them to the Accounts of its member or depositors (“Receivers”). The Member agrees to be bound by the provision of the National Automated Clearing House Rules making payment of a credit Entry by the RDFI to the Receiver provisional until receipt by the RDFI of final settlement for such credit Entry. The Member understands that if final settlement is not received, the RDFI will be entitled to a refund from the Receiver of the amount credited and the Member will not be deemed to have paid the Receiver the amount of the credit Entry.

The Member agrees that any payment by the Credit Union to the Member for any returned credit Entry or credit reversal is provisional until receipt by the Credit Union of final settlement for such Entry. If final settlement is not received, the Credit Union is entitled to a refund from the Member of the amount credited and the Credit Union may charge the Member’s Account for the amount credited. The Credit Union may refuse to permit the use of any amount credited for a credit reversal if it believes that there may not be sufficient funds in the Member’s Account to cover a chargeback or return of such reversal.

Internal Transfers from One Deposit Account to another Account

A feature of Online Banking permits you to transfer funds between the Accounts you can access through Online Banking. The following transfers are allowed:

- From checking to checking, money market, or savings.
- From money market to checking, money market, or savings.
- From savings to checking, money market, or savings.

Per Regulation D, any combination of transfers and withdrawals from your savings or money market accounts (to include those made by check, draft, debit card, electronic medium, or similar order) are limited to no more than six (6) per calendar month or statement cycle.

Automated Stop Payment Services

The Member may order, through the Services, stop payments on any of its checks which have not yet been paid by the Credit Union. The Member must be able to provide information adequate to describe the item with reasonable certainty and afford the Credit Union a reasonable opportunity to act on that notice of not less than one (1) full business day. Any loss suffered by the Member due to the Member’s failure to accurately identify the check in the stop payment request will be the responsibility of the Member and not of the Credit Union. Unless the Credit Union has otherwise agreed in writing, any stop payment order placed through the Automated Stop Payment Service will automatically expire six (6) months from the date of placement if you do not renew the order in writing. You agree to reimburse the Credit Union for all damages, costs, and expenses to which the Credit Union

may be subjected to by reason of refusal to honor said check, and it is hereby understood that the Credit Union will use reasonable efforts to stop said check; however, should said check be paid after reasonable due diligence by the Credit Union, the Credit Union shall not be liable in any way, and said check and any related charges shall be debited from your Account. After the expiration of a stop payment order, a check may be paid even though the check is stale dated (i.e., the check is presented more than six (6) months after the date indicated on the face of the check).

Account Information Services and e-Statements

The Credit Union offers the following information online for Accounts you select and designate in your application with the Credit Union. You can obtain information regarding your Accounts with the Credit Union, including Account balances and certain transaction.

CONSENT TO RECEIVE ELECTRONIC NOTICES, DISCLOSURES AND OTHER RECORDS

By using the Service, you consent to and agree that:

- Any notice, disclosure, record, or other type of information that is provided to you in connection with your Accounts or the Service, such as Account disclosures, change in terms notices, privacy disclosures, fee schedules, transaction notices and alerts, Account status notices, service messages, and any other type of notice (each referred to hereafter as a “Notice”), may be sent to you electronically, as allowed by applicable law. A Notice may be provided as a separate electronic document or may be included in an electronic Account statement. An electronic Notice sent to any Member shall be deemed sent to, and received by, all Account owners on the day we send it. We reserve the right to send a Notice in paper format by postal mail.
- We will not be obligated to provide any Notice to you in paper form unless you specifically request us to do so, as allowed by applicable law. You may request a paper copy of a Notice by contacting us at 206.298.9398 or 800.562.5515 ext. 8913. You may be charged a fee for a paper copy of a Notice as set forth in your Business Membership and Account Agreement and/or applicable Fee Schedule.
- Your consent to receive Notices electronically remains in effect until you withdraw your consent, close your membership, or discontinue or terminate Service with us. You may withdraw this consent to receive electronic delivery of Notices by contacting us 206.298.9398 or 800.562.5515 ext. 8913.
- In order to receive Notices electronically you must maintain computer hardware and software of sufficient capability to be able to access and retain them electronically. See “Computer Requirements” below.

Computer Requirements

Prior to enrolling in the Service and accepting the electronic version of this Agreement, you should verify that you have the required hardware and software necessary to access the Service and to retain a copy of this Agreement. In order to enroll in the Service:

- Your Account(s) with us must be in good standing.
- You must have a computer or mobile device with a supported internet browser capable of HTTPS encrypted connections.
- You will need internet access through an internet service provider (ISP).
 - For security purposes, we support the following browsers:
 - Internet Explorer – current and most recent version.
 - Edge – current and most recent version.
 - Chrome – current and most recent version.
 - Mozilla Firefox – current and most recent version.
 - Safari – current or most recent version.
 - Browser must support 128-bit encryption.
- You will need access to a printer and/or other storage medium such as a hard drive for printing disclosures, eStatements, or downloading information.
- You will also need an external email address for the delivery of electronic notices and disclosures.

We may revise hardware and software requirements, and if there is a material chance that the changes may impact your ability to access the Service, we will give you advance notice of these changes and provide you an opportunity to cancel the Service and/or change your method of receiving electronic disclosures (e.g. change to paper format vs. an electronic format) without the imposition of any fees.

Processing

Transfer and Payment Instructions we receive from you are not processed instantaneously; rather, your instructions are processed and your Account is debited or credited appropriately with other Transactions affecting your Account during our nightly processing of your Account after the close of each Business Day. The available balance figure includes funds that are subject to the Credit Union’s funds availability policy and may include funds that are not available for immediate withdrawal or transfer.

Bill Payment

All Bill Payments will be deducted from any one of the Accounts you designated as your Bill Payment Funding Accounts. You can select one of those accounts during the payment set up process. Any payee (business or individual) you wish to pay through Online Banking must be payable in U.S. Dollars and be located in the United States. Each payee must appear on the payee list in your Bill Pay Payee Menu or you will create a new payee. If your payee requires additional information to process your payment, such as a coupon, voucher, or similar advice, you should use an alternate payment method.

Bill Payment System processing times are scheduled to occur at 12:00 p.m. PT each Business Day. If a scheduled Bill Payment falls on a federal holiday or weekend, it will not be processed until the next Business Day.

Bill payments are delivered to the payee either electronically, which may take up to one to two (1-2) business days from the scheduled Process Date, or by check to those payees not set up to accept electronic payments, which may take up to five to seven (5-7) business days from the scheduled Process Date. It is your responsibility to schedule your bill payments so that your obligations will be paid on time. You should enter and transmit your bill payment instructions at least ten (10) business days before a bill is due. If you do not allow sufficient time, you assume full responsibility for any late payments or finance charges that may be imposed as a result of your failure to transmit a timely bill payment authorization. For eligible payees, you may choose to send an expedited payment for faster delivery. Fees will apply for this service and may vary depending on the type of payee. You must agree to these fees at the time of scheduling an expedited payment and have sufficient funds available in your Account for the payment and expedited fees. Expedited payments cannot be canceled or edited.

You have the ability to edit or delete any scheduled payment, Electronic or Check, prior to the processing times on the scheduled payment date.

After an Electronic payment has processed you will have to contact the payee for a refund. After a Check payment has processed, (printed and mailed), a Stop Payment can be placed on the check in the same manner as for a regular check written out of your checkbook.

Regulation D limits monthly account activity to six (6) preauthorized withdrawals, this includes Bill Payments, from your Savings or Money Market Accounts.

You must allow sufficient time (up to three (3) business days for electronic or six (6) business days for check) for Online Banking to receive your request and process the Bill Payments in order for funds to be delivered to the payee before the payment due date. If you do not allow sufficient time, you will assume full responsibility for all late fees, finance charges, or other actions taken by the payee. If you schedule payment within sufficient time, and the payment was not received by the payee, or was received late, the Credit Union will not assume responsibility for any late charges or finance charges incurred as a result of any failure on your part.

The Credit Union is responsible only for exercising ordinary care in making payments pursuant to your authorization and for mailing or sending a payment to the designated payee. The Credit Union is not liable in any way for damages incurred:

- If you do not have sufficient funds in your Account to make the payment on the processing date.
- If the estimate of time to allow for delivery to the payee is inaccurate.
- Due to delays in mail delivery, changes of merchant address or Account number.
- Due to the failure of any merchant to account correctly for or credit the payment in a timely manner.
- Due for any other circumstances beyond the control of the Credit Union.

AUTOMATED CLEARING HOUSE (ACH)

SERVICE

This Service Section applies to the Credit Union's provision of Automated Clearing House services ("ACH Services"). ACH Services allow the Member to initiate requests to debit or credit accounts ("Entries," as such term is more particularly defined in the Rules described below) using the Credit Union's Online Banking Service. The Credit Union is willing to act as an Originating Depository Financial Institution ("ODFI") with respect to such Entries, subject to the provisions of the Terms. The Terms, together with the CMS Agreement and other related documents as referenced herein, constitute the complete agreement. Use of the Credit Union's ACH Services constitutes the Member's acknowledgement of, and agreement to, the Terms.

ADDITIONAL DEFINITIONS OF TERMS USED IN THIS SECTION

By participating in the ACH Services, the Member acknowledges that it has read and understands fully the Rules and their application to such programs. Unless otherwise defined in this Service Section, any capitalized terms used in this Service Section have the meanings prescribed in the NACHA Rules. **It is the Member's responsibility to maintain a current copy of the NACHA Rules**, which may be obtained directly from NACHA at www.nacha.org.

The following terms are defined as follows:

- **ACH Operator** – An entity that acts as a central facility for the clearing, delivery, and settlement of Entries.

- **Business Day** – Is defined as every day except Saturday, Sunday, and federal holidays.
- **Entry and Entries** – A request (or requests) for the transfer of money to or from a Receiver’s account.
- **Entry Date** – The date the Entry is transmitted to the Credit Union for processing.
- **Effective Date** – The date specified by the Originator as the intended date of settlement.
- **NACHA** – The National Automated Clearing House Association.
- **NACHA Rules** – The NACHA Operating Rules & Guidelines available at www.nacha.org and as amended from time to time.
- **ODFI** – Originating Depository Financial Institution; a financial institution that transmits an Entry to an ACH Operator for further transmittal to an RDFI on behalf of an Originator, for the purposes of this agreement the ODFI means Salal Credit Union.
- **Originator** – A person or organization that has authorized a financial institution to transmit a credit or debit entry to a person or organization’s account, for the purposes of this agreement the Originator means the Member.
- **RDFI** – Receiving Depository Financial Institution; the financial institution that receives an Entry.
- **Receiver** – A person or an organization that has authorized an Originator to initiate a credit or debit Entry to their account.
- **Rules** – The terms and conditions set forth in this Service Section, the terms and conditions applicable to the Credit Union’s Online Banking Services, and the NACHA Rules, as amended from time to time, and the rules of any other clearing house or ACH Operator used by the Credit Union from time to time.
- **Same-Day Entry** – A request for the transfer of money to or from a Receiver’s account where the Entry Date is the same as the Effective Date and the amount of the Entry is less than \$25,000.
- **Settlement Date** – The date the ODFI and RDFI exchange funds with respect to an Entry.

OFAC

It shall be the responsibility of the Member that the origination of ACH transactions complies with U.S. law. This includes, but is not limited to, sanctions enforced by the Office of Foreign Assets Control (OFAC). It shall further be the responsibility of the Member to obtain information regarding such OFAC enforced sanctions. The Member is required to check payees against OFAC compliance checklists (This information may be obtained directly from the OFAC Compliance Hotline at 800.540.OFAC or from the OFAC SDN list at <https://www.treasury.gov/resource-center/sanctions/Pages/default.aspx>).

TRANSMITTAL OF ENTRIES BY THE MEMBER

General Requirements

The Member agrees that it will transmit all Entries to the Credit Union at the location(s) and in compliance with all formatting, security, and other requirements as are established and/or amended by the Credit Union from time to time. The Member acknowledges that Entries may not be initiated that violate the laws of the United States. All Entries must designate the Member as the Originator.

Acceptance of Entries; ACH Exposure Limit

The Member acknowledges the Credit Union’s acceptance of Entries is dependent, among other things, upon:

- Pre-funding: Pre-funding may be required for any member and is at the discretion of the Credit Union. Events, such as if the Member fails to furnish current financial reports with the Credit Union as requested, may also prompt a change to pre-funding. With pre-funding, the Credit Union may require a hold on funds in the Authorized Account from the time the Entries are submitted until the settlement date. Alternately, the Credit Union may withdraw funds from the Authorized Account at the time the Entries are submitted.
- The Credit Union’s assessment of the Member’s creditworthiness.
- Should the Credit Union decide to offer ACH transactions that are not pre-funded, then the total amount of Entries outstanding at any one time which have been accepted by the Credit Union but for which the Credit Union has not received final settlement (“Unsettled Entries”), the Credit Union will establish an exposure limit applicable to the Member’s Entries (“ACH Exposure Limit”) as noted on the CMS Agreement. The Credit Union may amend the ACH Exposure limit from time to time without notice to the Member. The Credit Union has no obligation to accept any Entry which, when combined with all Unsettled Entries, exceeds the Member’s ACH Exposure Limit. The Member agrees to furnish to the Credit Union the Member’s then-current balance sheet, income statement, and such other financial reports as the Credit Union deems necessary, both annually and upon request by the Credit Union.

Third-Party Providers

Third-party providers have a separate agreement that must be signed. This includes the requirements from NACHA for third-party originators.

Cancellations or Amendment of Entries by the Member

The Member has no right to cancel or amend any Entry after its receipt by the Credit Union. However, the Credit Union agrees to use reasonable efforts to act on a request by the Member for cancellation or amendment of an Entry, provided such request complies with any applicable security procedures. Notwithstanding such efforts, the Credit Union will have no liability whatsoever if such cancellation or amendment is not affected.

Vendor Processors

If the Member is using a third-party vendor to initiate Entries, the Member acknowledges and agrees that such processor is acting as the Member's agent for all purposes under the Terms. The Member is solely responsible for providing any funds to the Credit Union to cover any Entry transmitted by such processor, and the Credit Union will have no liability for any compensation due to such processor for providing services as the Member's agent. The Credit Union will be entitled to rely conclusively upon the authority of such processor until the Credit Union receives written notice of the Member's revocation of that authority and has had a reasonable opportunity to act on such notice.

PROCESSING BY CREDIT UNION

General

Except as otherwise provided in this section, the Credit Union:

- Reserves the right to amend Entries it receives in order to process them in a file format that conforms with the specifications set forth in the Rules.
- Will transmit such Entries to an ACH Operator selected by the Credit Union.
- Will settle for such Entries as provided in the Rules.

Receipt and Transmittal

The Credit Union will transmit such Entries to the ACH Operator by the deadline of the ACH Operator one or two Business Days prior to the date the Member intends the Entries to be settled (as such date is shown in such entries) ("Effective Entry Date") provided:

- Such Entries are received by the Credit Union no later than **3:30 p.m. Pacific Time** ("PT") one or two Business Days, depending on the type of file, prior to the Effective Entry Date, or in the case of Same-Day Entries no later than **10:30 a.m. PT** on the Effective Entry Date, or such other day and time as may be established by the Credit Union from time to time.
- ACH Operator is open for business on the Business Day on which the Credit Union receives the Entries. For purposes of this Service Section, Entries will be deemed received by the Credit Union, when the transmission is completed in accordance with the Credit Union's formatting, security, and other requirements. If Entries are not received by the Credit Union in a timely manner, the Credit Union agrees to use reasonable efforts to transmit such Entries to the ACH Operator by the next deposit deadline of the ACH Operator which is a Business Day and a day on which the ACH Operator is open for business; however, the Credit Union will have no liability for its failure to do so.

On-Ups Entries

In the case of an Entry received for posting to an account maintained with the Credit Union (an "On-Ups Entry"), the Credit Union will credit/debit the Receiver's account in the amount of such Entry on a Settlement Date which is on or before the Effective Entry Date contained in such Entry, provided the Entry is received by the Credit Union in a timely manner as described in this Service Section. If the Entry is not timely, the Credit Union will credit/debit such account on the Business Day following such Effective Entry Date.

Rejection of Entries by Credit Union

Notwithstanding the foregoing, the Credit Union may reject any Entry that does not comply with formatting, security, and other requirements outlined in this Service Section. The Credit Union may also reject any Entry:

- For any reason prescribed by the Rules.
- If the Member has failed to comply with its Account balance obligations as described in the section titled "The Account."
- If such Entry would cause the Member's available balance to be exceeded or otherwise.
- For any other reason the Credit Union, in its sole discretion, deems appropriate.

The Credit Union will make every effort to notify the Member of such rejection, via such means as the Credit Union deems appropriate, no later than the Business Day such Entry would otherwise have been transmitted by the Credit Union to the ACH Operator or, in the case of an On-Ups Entry, its Effective Entry Date. The Credit Union will have no liability to the Member by reason of the rejection of any Entry or the fact that such notice is not given at an earlier time.

Notice of Returned Entries

The Credit Union will notify the Member of the Credit Union's receipt of any returned Entry, via such means as the Credit Union deems appropriate, no later than one Business Day after the Business Day of such receipt. The Credit Union has no obligation to retransmit a returned Entry.

Notification of Change (NOC)

The Credit Union will provide the Member all information, as required by the NACHA Rules, with respect to each Notification of Change (NOC) Entry or Corrected Notification of Change (Corrected NOC) Entry received by the Credit Union relating to Entries transmitted by the Member. The Credit Union must provide such information to the Member within two (2) Banking Days of the Settlement Date of each NOC or Corrected NOC Entry. The Member will ensure that changes requested by the NOC or Corrected NOC are made within six (6) Banking Days of the Member's receipt of the NOC information from the Credit Union or prior to initiating another Entry to the Receiver's account, whichever is later. The Credit Union may pass any fines received to the member for non-compliance.

THE ACCOUNT

General

The Member agrees to maintain one or more deposit Accounts (collectively, the "Account") with the Credit Union and will deposit sufficient funds into the Account to facilitate the transactions covered by this Service Section. The Account will be subject to the CMS Documentation, including the Credit Union's then current Business Membership and Account Agreement.

Debit Entries and Adjustments

Subject to the provision of this section, the Credit Union will credit the Account for any debit Entries it transmits on behalf of the Member. The Member will at all times prior to final settlement maintain sufficient available funds in the Account to pay for all returned or reversed debit Entries, Adjustment Entries, fees and other amounts that the Member is obligated to pay the Credit Union under the terms of this Service Section. The Credit Union has the right to defer any credit to the Account resulting from a debit Entry until the Credit Union receives final settlement for such debit Entry. Any credit provided prior to final settlement is provisional, and the Member agrees to pay the Credit Union immediately the full amount of such credit upon the Member's receipt of notice that final settlement has not or will not occur. In addition, the Member agrees to pay the Credit Union immediately the full amount of:

- Any returned or rejected debit Entry for which the Member has previously received credit at the time the Credit Union receives such rejection or return.
- Any Adjustment Entry which reduces the amount of an original corresponding debit Entry upon its receipt by the Credit Union.
- Any refund paid by the Credit Union to a Receiver in connection with such Receiver's claim that an Entry was, in whole or in part, not authorized.

Credit Entries

The Credit Union, in its sole discretion and on any subsequent occasion, may require that the Member have such available funds in the Account prior to the Credit Union's transmittal of a credit Entry to an ACH Operator (Pre-funding). Should the Credit Union decide to offer ACH transactions that are not pre-funded, by the Settlement Date, the Member will deposit into its Account sufficient available funds to cover the amount of each credit Entry transmitted by the Credit Union.

Indebtedness and Collateral

To the extent there are not sufficient available funds in the Account to cover the Member's obligations under the terms of this Service Section, the Member agrees that such obligations constitute an indebtedness (the "Indebtedness") owed by the Member to the Credit Union. The Indebtedness will be deemed to be immediately due and payable in full and will accrue interest at a rate equal to the rate applied to overdrafts as described in the Business or Cash Management Statement of Fees for the period involved. If the Member has any other outstanding loans or extensions of credit with the Credit Union (collectively, the "Loans"), then for purposes of any security agreements, pledge agreements, or guarantees executed in connection with Loans (collectively, the "Security Documents"), the Indebtedness will be and become part of the Loans secured by the Security Documents, and any collateral securing the Loans will also secure repayment of the Indebtedness, subject to the terms of the Security Documents. Each Authorized Account Owner, as indicated on the CMS Agreement, agrees, personally and for the Member, to be bound by the terms and conditions of this Service Section. Owners that are signers on the CMS Agreement agree individually, jointly, and severally to unconditionally guaranty payment of any Indebtedness under this Service Section. This guaranty applies to all Indebtedness until the Credit Union receives written notice of the termination of this account as defined in this Service Section. Guarantors agree that the Credit Union may Amend or otherwise alter the terms of this Service Section without notice to or consent of such signer(s). Guarantors further waive any surety defenses they may have as guarantors. Guarantors further agree not to exercise any subrogation rights against the Member and agree to pay costs incurred enforcing the Terms. The Credit Union may also debit any account maintained by the Member with the Credit Union and the Credit Union may set off against any amount the Member has on deposit in order to obtain payment of the Indebtedness.

Account Reconciliation

Entries debited/credited to a Receiver's account maintained with the Credit Union will be reflected on the Credit Union's Online Banking Service. The Credit Union recommends that Members review their account every day to verify the activity. The request to return a received ACH Entry must be communicated to the Credit Union within 24 hours of settlement. Requests received after 24

hours are the Member's liability and any disputes may have to be settled outside of the ACH network.

MEMBER REPRESENTATIONS, WARRANTIES, AND AGREEMENTS

Entries Authorized

The Member represents and warrants to the Credit Union that to the extent such authorization is required by the Rules:

- Each person shown as the Receiver on an Entry received by the Credit Union has authorized:
 - The initiation of such Entry and the posting of such Entry to its account in the amount and on the Effective Entry Date shown on such Entry.
 - The transmission of debit and credit Entries to correct erroneous Entries to Receiver's accounts.
 - The Credit Union to access all required information concerning such Receiver to enable the Credit Union to recover such Entries.
- Such authorization is operative at the time of transmittal or posting by the Credit Union as provided in this Service Section. The Member agrees that it will immediately cease initiating Entries for a Receiver's account upon the termination or revocation of Receiver's authorization, and the Credit Union will have no liability for Entries transmitted after such revocation or termination. **The Member also agrees to retain the original or a copy of each authorization received by the Member for two (2) years after termination or revocation of the authorization and to provide the Credit Union with copies of same upon the Credit Union's request.**
- Entries transmitted to the Credit Union by the Member are limited to the following types of credit and debit Entries as set forth in the ACH Set-Up Request and as defined in the ACH Operating Rules:
 - PPD (Pre-arranged Payment and Deposit): An Entry initiated by an Organization and authorized by a receiver to transfer funds to or from a Consumer Account based on a standing or single-entry authorization from the receiver (e.g. a direct payroll deposit or a pre-authorized bill payment).
 - CCD (Corporate Credit or Debit): An Entry initiated by an Organization to transfer funds to or from an account of that Organization or another Organization.

The Credit Union may approve additional Entry types to be made available to the Member on a case by case basis. This accommodation may result in additional requirements for the Member, who agrees to abide by the Rules pertaining to these Entry types.

Security

The Member is solely and strictly responsible to determine, establish, and maintain internal procedures necessary to safeguard against unauthorized transmissions, including the maintaining of adequate security and control of any and all passwords, codes, security devices, and related instructions furnished by the Credit Union. The Member warrants that no individual will be allowed to initiate transfers in the absence of proper supervision, training, and safeguards. The Member will restrict access to all such passwords, codes, security devices, and related instructions to such employees and agents as may be reasonably necessary to use the ACH Services, and will ensure that each employee or agent of the Member using the ACH Services is aware of and otherwise complies with all applicable provisions of this Service Section.

If the Member believes or suspects that any such information or instructions have been known or accessed by unauthorized persons or for unauthorized purposes, the Member agrees to notify the Credit Union immediately, followed by written confirmation. The occurrence of unauthorized access will not affect any transfers made in good faith by the Credit Union prior to receipt of such notification and within a reasonable time period to prevent unauthorized transfers.

The Member will take all commercially reasonable precautions to prevent the introduction of a computer virus, malicious code, or other defect that might disrupt the ACH Services, including the installation, operation, and proper configuration of commercially reasonable anti-virus software. The Member will comply with all security procedures described in the Rules, including but not limited to, the security guidelines that accompany the Terms in Appendix A. The Member is also responsible for regularly reviewing the security of their computers and networks to ensure these precautions are effective.

The Member and the Credit Union shall comply with the Security Procedures (Appendix A) described herein and as amended from time to time with respect to Entries transmitted by the Member to the Credit Union. The Member acknowledges that the purpose of such Security Procedures is for verification of authenticity and not to detect an error in the transmission or content of an Entry. No Security Procedures for the detection of any such error has been agreed upon between the Credit Union and the Member.

THE MEMBER AGREES THAT THE UPLOADING OR TRANSMITTING OF FILES WILL BE HANDLED UNDER DUAL CONTROL, AND UNDERSTAND AND ASSUME THE RISK AND LIABILITY BY REFUSING TO PERFORM TRANSACTIONS IN THIS MANNER. YOU FURTHER AGREE TO ASSUME THE RISK FOR ANY TRANSACTIONS INITIATED BY AUTHORIZED USERS, OR BY USERNAME'S CREATED BY SUCH AUTHORIZED USERS, WHETHER OR NOT SUCH USERS HAVE ACTUAL AUTHORITY TO INITIATE ANY SPECIFIC TRANSACTION ON YOUR ACCOUNT(S).

The Member agrees to originate all ACH and wires over a secure connection.

ODFI Warranties

The Member warrants to the Credit Union each and every warranty imposed by the Rules on the Credit Union as an Originating Depository Financial Institution, as such warranties may be amended from time to time. Specifically, and without limitation, the Member represents and warrants to the Credit Union each of the following with respect to each Entry transmitted to the Credit Union:

- **Timeliness and Accuracy of Entries:** Each credit Entry is timely, and each debit Entry is for an amount which on the settlement date will be due and owing to the Member from the Receiver, is for a sum specified by the Receiver to be paid to the Member or is to correct a previously transmitted erroneous credit Entry. All Entries are accurate and complete.
- **Compliance with Other Requirements:** All applicable requirements of Section 2.2 of the Rules (Prerequisites to Origination) have been satisfied, the Entry has not been reinitiated in violation of subsection 2.12.4 of the Rules (Re-Initiation of Returned Entries), and the Entry otherwise complies in all respects with the Rules.
- **Re-Initiation of Returned Entries:** For all returned Entries, such Entries have not been reinitiated unless:
 - The Entry was returned for insufficient or uncollected funds.
 - The entry was returned for stopped payment and re-initiation was authorized by the Receiver.
 - The Credit Union has taken corrective action to remedy the reason for the return.

Indemnification of Credit Union

The Member agrees to indemnify, defend, and hold the Credit Union harmless from and against any claim, demand, loss liability, or expense (including attorney's fees, costs and expenses) directly or indirectly resulting from or arising out of:

- Any breach of any of the foregoing representations, warranties, or agreements.
- Any action or omission of the Member, its agents, contractors, or employees, including, without limitation, any action or omission of the Member which give rise to an indemnification obligation on the part of the Credit Union, whether under the Rules or otherwise.

In the event the Member causes fines and/or penalties to be charged to the Credit Union by NACHA, the Member agrees to immediately reimburse the Credit Union for these fines or penalties.

LIMITATIONS OF CREDIT UNION'S LIABILITY

Services; Acts of Others

The Credit Union is responsible only for performing the services expressly provided for in this Service Section and will be liable only for its gross negligence in performing those services. The Credit Union is not responsible for the Member's acts or omissions (including, without limitation, any acts or omissions with respect to the amount, accuracy, timeliness of transmittal, or due authorization of any Entry) or those of any other person, including, without limitation, any person designated by the Member as an authorized user of one or more of the services covered by the Terms ("Authorized User"), any Federal Reserve Bank or transmission or communications facility, the ACH Operator, any payroll processor transmitting an Entry using the Member's Account number, any Receiver or any RDFI (including, without limitation, the return of an Entry by such Receiver or RDFI); and no such person will be deemed the Credit Union's agent for any purpose. The Member agrees to indemnify, defend, and hold the Credit Union harmless from and against any loss, liability, or expense (including attorney's fees and expenses) resulting from or arising out of any claim of any person that the Credit Union is responsible for any act or omission of the Member or any other person described in this section.

Limitation of Loss and Damage

IN NO EVENT WILL THE CREDIT UNION BE LIABLE FOR ANY CONSEQUENTIAL, SPECIAL, PUNITIVE, OR INDIRECT LOSS OR DAMAGE WHICH THE MEMBER MAY INCUR OR SUFFER IN CONNECTION WITH THE SERVICE.

If an Entry received by the Credit Union purports to have been authorized by the Member, it will be deemed effective as the Member's Entry and the Member shall be obligated to pay the Credit Union the amount of such Entry even if the entry was not authorized by the Member, provided the Credit Union accepted the Entry in good faith and acted in compliance with the security procedures referred to in the CMS Documentation.

Force Majeure; Government Regulation

Without limiting the generality of the foregoing provisions, the Credit Union will be excused from failing to act or delay in acting if such failure or delay is caused by legal constraint, interruption of transmission or communication facilities, equipment failure, war, emergency conditions, or other circumstances beyond the Credit Union's control. In addition, the Credit Union will be excused from failing to transmit or any delay in transmitting an Entry if such transmittal would result in the Credit Union's violating any provision of any present or future risk control program of the Federal Reserve or any rule or regulation of any other governmental regulatory authority.

Liability Limited to Lost Interest

Subject to the foregoing limitations, unless otherwise required by applicable law, the Credit Union's liability will be limited only to loss of interest resulting from its error or delay, and the interest will be calculated based on the interest rate or earnings credit rate on the account for the period. At the Credit Union's option, payment of such interest may be made by crediting the Account.

PAYMENT FOR SERVICES

The Member agrees to pay the Credit Union the applicable fees and charges for the services described in this Service Section. Such fees and charges may be amended by the Credit Union from time to time. Such fees and charges do not include, and the Member shall be responsible for payment of, any applicable taxes and any additional fees or charges provided for in the Business Membership and Account Agreement.

CHANGES IN DEBIT ENTRIES; NOTICE TO CONSUMER

With respect to debit Entries transmitted by the Member to a Consumer account which vary in amount from the previous debit Entry relating to the same authorization or preauthorized amount, or where the Member has changed the scheduled Effective Entry Date with respect to one or more debit Entries, the Member agrees to provide the notices required by the Rules in Section 2.3 (subsection 2.3.2.6 - Notices of Variable Debits to Consumer Accounts), as the same may be amended from time to time.

CREDIT ENTRIES - PROVISIONAL PAYMENT

The Member represents to the Credit Union and agrees that it will be bound by the provision of the Rules (subsection 3.3.1.4 - Credit Entries Subject to Article 4A are Provisional) making payment of an Entry by the RDFI to the Receiver provisional until receipt by the RDFI of final settlement for such Entry, and specifically acknowledges that it has received notice of that Rule and of the fact that, if such settlement is not received, the RDFI will be entitled to a refund from the Receiver of the amount credited, and the Member will not be deemed to have paid the Receiver that amount of the Entry.

INCONSISTENCY OF NAME AND ACCOUNT NUMBER

The Member acknowledges and agrees that, an RDFI may rely solely on the account number contained in an Entry when posting the Entry to a Receiver's account, regardless of whether the name of the Receiver in the Entry matches the name associated with the account number.

AMENDMENTS

From time to time the Credit Union may amend any of the terms and conditions contained in this Service Section. Except as otherwise provided in this Service Section, such amendments will become effective upon receipt of notice by the Member pursuant to the General Provisions of the Terms (Notices and Communications) hereof or such later date as may be stated in the Credit Union's notice to the Member.

TERMINATION

The Member may terminate this Service at any time, by phone, email, or written notice. Such termination will be effective as soon as is commercially reasonable by the Credit Union to terminate the Service depending on the state of any ongoing transactions at the time of notice of termination. The Member agrees to notify the Credit Union immediately if the Member's agreement with any third-party vendor processor terminates. The Credit Union reserves the right to terminate this Service immediately. No termination of this Service or the Terms will affect any of the Member's obligations arising prior to the effective date of such termination.

TAPES AND RECORDS

All magnetic tapes, entries, security procedures, and related records use by the Credit Union for transactions contemplated by this Service Section shall be and remain the Credit Union's property. The Credit Union may, at its sole discretion, make available such information upon the Member's request. Any expenses incurred by the Credit Union in making such information available to the Member shall be paid by the Member.

EVIDENCE OF AUTHORIZATION

The Member shall obtain all consents and authorizations required under the Rules and shall retain such consents and authorizations for two (2) years after they expire.

COOPERATION IN LOSS RECOVERY EFFORTS

In the event of any damages for which the Credit Union or the Member may be liable to each other or to a third party pursuant to the services provided under this Service Section, the Credit Union and the Member will undertake reasonable efforts to cooperate with each other, as permitted by applicable law, in performing loss recovery efforts and in connection with any actions that the relevant party may be obligated to defend or elects to pursue against a third party.

REMOTE DEPOSIT SERVICES

SERVICES

This Service Section sets forth the terms pursuant to which the Credit Union provides Remote Deposit Capture Services ("RDC")

and Mobile Services (“mRDC”), collectively, the “Services.” The Services provide participating Members the ability to process Checks electronically for deposit to their authorized Account(s).

ADDITIONAL DEFINITIONS OF TERMS USED IN THIS SECTION

Terms used but not defined in this Service Section shall have the meanings assigned to such terms in Regulation CC. Terms used but not defined in this Service Section or by Regulation CC shall have the meanings assigned to such terms in the Uniform Commercial Code, as codified in the State of Washington (the “UCC”). The following terms are defined as follows:

- **Account** – The Member’s account(s) at the Credit Union into which Checks transmitted electronically will be deposited.
- **Administrator** – The Member or the Member’s Authorized User, as assigned on the CMS Agreement.
- **Business Day** – Any calendar day other than a weekend or federal holiday.
- **Authorized Equipment** – Equipment that has been approved by the Credit Union for use with the Software.
- **Check** – A draft that is payable on demand, drawn on or payable through or at an office of a United States Financial Institution, whether negotiable or not, and payable to the Member, and includes Electronic Checks, Original Checks, and Substitute Checks. Such term does not include Non-Cash Items (as defined in Regulation CC) or items payable in a medium other than United States dollars.
 - Note: The Credit Union’s processing of items that do not meet this definition shall neither constitute a waiver by the Credit Union nor obligate it to process nonconforming items in the future. The Credit Union may discontinue processing of nonconforming items at any time, without cause or prior notice.
- **Coupon or Remittance Coupon** – An item containing information necessary for processing a payment. Example: Condo Association payment coupon.
- **Electronic Check** – A digitized image of an Original Check or Image Replacement Document, as approved by the Credit Union for processing through the System that may be cleared with a payor’s financial institution, with or without the need to convert the image to a “Substitute Check” and:
 - Contains an image of the front and back of the Original Check.
 - Conforms, in paper stock, MICR line information, dimension, and otherwise, with generally applicable industry standards for electronic checks.
 - Is suitable for automated processing in the same manner as the Original Check.
- **Imaged Item, Original Check, or Original Item** – The original paper check used to create the Electronic Check.
- **Image Replacement Document (IRD) or Substitute Check** – A paper reproduction created from the digitized image of a Check with the following characteristics:
 - Consists of an image of the front and back of the Check that accurately and legibly represents all of the information that was on the Check (including the full MICR line), with the exception of color, background designs, texture, pen pressure, and other similar non-textual information that cannot be captured by a digitized representation.
 - Includes the endorsement information for any Person that handled the Check or IRD.
 - If the document is for a returned Check, bears a legend stating the return reason.
 - Is on paper, MICR-encoded to match the MICR line of the Check, and suitable for automated processing in the same manner as the Check.
 - Meets such other technical standards as required under Regulation CC.
- **Indemnifying Credit Union** – A Credit Union that is providing an indemnity under Regulation CC with respect to a Check.
- **MICR** – The numbers, which may include the routing number, account number, Check number, Check amount, and other information, that are printed near the bottom of a Check in magnetic ink in accordance with generally applicable industry standards.
- **mRDC** – All information, web and cellular phone-based services, technological infrastructure, and installed software and applications on the Member’s mobile devices, which allows the Member to submit Checks for deposit through the Credit Union’s Application.
- **Payor Financial Institution** – The Financial Institution ordered in a Check to make payment to the payee(s) named on the Check.
- **Software** – That portion of the software developed, licensed, and/or provided by the Credit Union and its licensors for operation of the Services, that the Credit Union delivers or provides to the Member hereunder.
- **RDC** – All information, web-based services, technological infrastructure, and installed software on the Member’s computers, which allows the Member to submit Checks for deposit to the Credit Union. RDC referred to herein after in the agreement includes mRDC as defined above.

- **RDC Documentation** – All documentation, application forms, manuals, and instructions relating to the Services or the Authorized Equipment which the Credit Union provides to the Member and/or the Member purchases from the Credit Union from time to time pursuant to this Service Section, including, without limitation, documentation regarding installation and use of the Software.
- **Remittance Specification Form** – A form to be used to determine customized scan zones on a Coupon or Remittance Coupon.
- **Single Field Entry** – The ability for the Member to enter free-form information in a data field that is applicable to the specific check image.
- **Web Service** – That portion of the Credit Union’s service, through which a member of the Credit Union may access its accounts through a website, which has been developed, licensed, and/or provided by the Credit Union and its licensors to the Member to be used in connection with the Services.

LICENSE

Subject to the terms and conditions of this Service Section, the Credit Union hereby grants the Member a non-exclusive, non-transferable license to:

- Use the Software and/or mobile application for those portions of the Services selected by the Member, solely for processing Checks in connection with the Member’s own business operations, in accordance with the RDC Documentation and solely on Authorized Equipment.
- Use the RDC Documentation solely to support the Member’s authorized use of the Software.
- Copy any Software actually delivered to the Member solely for archival or backup purposes.

REPRESENTATIONS AND WARRANTIES OF THE MEMBER

The Member represents and warrants that, with respect to each Check and corresponding Electronic Check processed in connection with the Services:

- The Member is entitled to enforce the Check and Electronic Check.
- All signatures on the Check and Electronic Check are authentic and authorized.
- The Check and Electronic Check are not counterfeit.
- The Check and Electronic Check have not been altered.
- The Electronic Check is a digitized image of the Check and accurately represents all the information on the front and back of the Check as of the time the Check was converted to an Electronic Check.
- The Electronic Check will conform to the technical standards set forth in Regulation J and/or Federal Reserve Credit Union Operating Circulars and will allow the Credit Union to create a valid Substitute Check under Regulation CC.
- Neither the Check, nor any Electronic Check or other digitized image of the Check, will be presented for payment such that an endorser, Depository Financial Institution, Payor Financial Institution, or the drawer will be asked to make a payment twice with respect to the Check, including, without limitation, by placing such restrictive endorsement on Checks, or voiding Checks, as the Credit Union may reasonably require.
- The Check and Electronic Check are not subject to a defense or claim in recoupment of any party that can be asserted against the Member.
- The Member has no knowledge of any insolvency proceeding commenced with respect to the Member, or in case of an unaccepted Check, the drawer.
- The Check is and was at the time of its creation, a bona fide and existing obligation of a debtor of the Member.
- The Member makes all transfer and presentment warranties under applicable law with respect to each Electronic Check to the same extent as if the Electronic Check was a paper Check.

The Member also agrees to comply with the Member Responsibilities outlined in this Service Section.

LIMITS

The Member will have limits set as defined in the CMS Agreement. Limits may be adjusted at the sole discretion of the Credit Union as necessary from time to time. There are three (3) different limit types that may apply:

- **Per Item Limit:** Total dollar amount allowed for any one check within a deposit.
- **Daily Limit:** Total dollar amount of all deposits processed during one business day.
- **Bi-Weekly Cycle Limit:** Total dollar amount of all deposits processed during a bi-weekly cycle.

FEES

The Member will pay the Credit Union the license and service fees as set forth in the Credit Union’s Business Product & Fee Schedule. The Credit Union may charge to the Account all fees imposed on the Credit Union that are the responsibility of the

Member. Amounts owed by the Member will be collected on a monthly basis by the Credit Union. The Credit Union may collect amounts owed by debiting any of the Member's accounts with the Credit Union or by billing the Member. The Credit Union reserves the right to change fees from time to time. Every effort will be made to provide 30 days written notice to the Member, however, you agree that fees can be changed at any time. The Member will be responsible for any attorney fees or related expenses that the Credit Union may incur when collecting any fees or sums owed by the Member. The Member shall be responsible for and pay all sales and other taxes applicable to this Service Section as imposed by any governmental authority, including, without limitation, any sales, use, and other taxes associated with the Service or Authorized Equipment, except income taxes of the Credit Union, including all applicable excise, property, value-added, sales or use, or similar taxes, any withholding taxes, national pension or other welfare taxes, customs, import, export or other duties, levies, tariffs, taxes, or other similar charges.

TERM AND TERMINATION

The terms of this agreement shall commence upon execution hereof and shall continue thereafter until terminated as follows:

- By either party by phone, email, or written notice to the other party, for any reason.
- By the Credit Union upon notice to the Member for the Member's failure to:
 - Pay the Credit Union any amount due to the Credit Union under this Service Section.
 - Install and use any changes or updates to the Software as required herein.
 - The Member fails to provide financial or other information reasonably requested by the Credit Union.
- By the Credit Union immediately if:
 - The Credit Union discovers any willful misconduct (including "bad checks" or fraudulent activities) on the part of the Member or any other party with respect to Checks or Electronic Checks processed by the Member or the Member otherwise violates the terms of this agreement.
 - If in the good faith opinion of the Credit Union the Member is involved in illegal or unethical business practices.
 - Upon a site survey by the Credit Union or by any determination the Credit Union learns of the Member's non-compliance with security measures.
 - The Member becomes insolvent or files, or has filed against it, any bankruptcy or other insolvency, reorganization, liquidation, or dissolution proceeding of any kind.
 - The Member experiences material or adverse changes to the Member's business or financial condition.
 - The Credit Union determines it is impractical or illegal to provide Services to the Member due to changes in law, rules, or regulations.

Any termination will not affect obligations arising prior to termination, such as the obligation to process any Checks and Electronic Checks, including, without limitation, returned Electronic Checks that were in the process of being transmitted or collected prior to the termination date. Within 30 days after termination of this agreement, the Member will return or destroy all copies of the Software and RDC Documentation in its possession or under its control, and will, upon request, certify in writing that it has returned or destroyed all such copies. In addition, the Member will keep its Account at the Credit Union open until the later of:

- 60 days after the date of termination.
- Final payment with respect to all processing fees, and will keep in such Account an amount sufficient to cover any remaining outstanding Checks. If any such outstanding Checks or returned items exceed the amount in the Account, the Member will pay such excess to the Credit Union upon demand. The Member will also continue to retain Checks and forward Checks to the Credit Union as provided in this Service Section.

All aspects of this Service Section which are intended by their terms to survive termination of the Service, will survive any termination of the Terms.

CONFIDENTIAL INFORMATION

For the purposes of this Service Section, Confidential Information is defined as any information obtained by or disclosed or made available to either party hereto (whether in writing, verbally, or by observation of objects or processes) from or by the other party, that is accompanied by a clear indication that the disclosing party considers the information to be confidential or proprietary, or is of a type that the recipient should reasonably consider it the confidential or proprietary information of the disclosing party or its licensors.

Confidential Information does not include information that:

- Is or becomes generally available to the public other than as a result of a disclosure by the recipient.
- Was in the recipient's possession before the time of disclosure.
- Is or becomes available to the recipient on a non-confidential basis from another source, provided that the recipient has no actual knowledge that the source of such information was bound by and in breach of a confidentiality obligation with respect to such information.

- Is independently developed by the recipient without reference to or use of the disclosing party's other Confidential Information.

Each party acknowledges that it may obtain or have access to the Confidential Information of the other party, and agrees to:

- Maintain the confidentiality, integrity, and security of such Confidential Information.
- Use such Confidential Information only for the purposes set forth in this Service Section, including, without limitation, for the performance of its obligations and exercise of its rights hereunder.
- Disclose such Confidential Information only:
 - To its employees, agents, auditors, accountants, attorneys, and regulators, and only as necessary to perform its obligations and/or exercise or enforce its rights hereunder.
 - If and to the extent necessary to comply with obligations imposed upon it by law.
- Maintain physical, technical, procedural, and administrative controls, and safeguards reasonably designed (taking into account the nature and circumstances of such party's business) to ensure the security, integrity, and confidentiality of Confidential Information, and to protect against any anticipated threats or hazards to the security or integrity of, or unauthorized access to, the Confidential Information, subject to the Credit Union's limited liability as set forth in this Service Section.

The Web Service and the RDC Documentation, and any database, proprietary data, processes, methods, information, or documentation disclosed or made available to the Member as part of or in connection with the performance of the Credit Union's services under this Service Section, shall be deemed the Confidential Information of the Credit Union for purposes of this Service Section. Upon any termination of this Service for any reason, the Member shall return to the Credit Union any and all copies of any Confidential Information within the possession or control of the Member.

The Member acknowledges and agrees that information provided over the Web Service may be processed by third-party service providers. The Credit Union does not warrant the Confidential Information or Services information will be transported without unauthorized interception or modification, or that the Member's account will not be accessed or compromised by unauthorized third parties (e.g. hackers), and the Member holds the Credit Union harmless therefrom.

MEMBER INDEMNITY

The Member will indemnify and hold harmless the Credit Union, its licensors and providers of the Services, and their respective directors, officers, shareholders, employees, and agents, against any and all third-party suits, proceedings, claims, demands, causes of action, damages, expenses (including reasonable attorneys' fees and other legal expenses), liabilities, and other losses resulting from:

- The wrongful acts or omissions of the Member, or any person acting on the Member's behalf, arising in connection with the Member's use of the Services or processing of Checks hereunder, including, without limitation:
 - A breach by the Member of any provision, representation, or warranty of this Service Section.
 - The negligence or willful misconduct (whether by act or omission) of the Member, its members, or any third party on behalf of the Member.
 - Any modifications or changes to the Software made by the Member or any third party within the control or on behalf of the Member.
 - Any misuse of the Services by the Member or any third party within the control or on behalf of the Member.
 - The failure by the Member to comply with applicable state and federal laws and regulations.
 - Any failure by the Member to prevent the loss or theft of a Check or to prevent a Check, digitized image of a Check, or Electronic Check from being presented for payment more than once.
 - Any failure by the Member to void a Check properly.
- Any act or omission of the Credit Union that is in accordance with this Service Section or instructions from the Member.
- Actions by third parties (such as the introduction of a virus) that delay, alter or corrupt the transmission of an Electronic Check to the Credit Union.
- Any damage to the Member's Information Technology infrastructure due to incompatibility with the Services.

The Member will indemnify and hold harmless the Credit Union and any subsequent recipient of the Electronic Check (including a collecting or returning financial institution, the drawer, the drawee, the payee, and any indorser—collectively "Recipients") for any loss incurred by Recipients if that loss occurred due to the receipt of a Substitute Check or Electronic Check instead of the Original Check. This provision shall survive termination of this Service.

WARRANTY

The Services are provided on an "as is," "as available" basis. The Member expressly acknowledges that the Services are computer network-based services, which may be subject to outages, interruptions, attacks by third parties, and delay occurrences. In such an

event and subject to the terms hereof, the Credit Union will use commercially reasonable efforts to remedy material interruptions and will provide adjustments, repairs, and replacements, within its capacity, that are necessary to enable the Services to perform their intended functions in a reasonable manner. The Member acknowledges that the Credit Union does not warrant that such efforts will be successful. If the Credit Union's efforts are not successful, the Member may terminate this Service(s). The foregoing will constitute the Member's sole remedy, and the Credit Union's sole liability, in the event of interruption, outage, or other delay occurrences in the Services. The Credit Union does not warrant the services of any third party, including, without limitation, the Member service provider or any third-party processor.

CREDIT UNION'S LIABILITY

The Credit Union will not be liable for any of the following, unless liability of loss is a result of the gross negligence, willful misconduct, or failure to exercise ordinary care of the Credit Union or its Authorized Users:

- Any damages, costs, or other consequences caused by or related to the Credit Union's actions that are based on information or instructions that the Member provides to the Credit Union.
- Any unauthorized actions initiated or caused by the Member or its employees or agents.
- The failure of third parties or vendors to perform satisfactorily.
- Any refusal of a Payor Financial Institution to pay an Electronic Check or Substitute Check that was allegedly unauthorized, was a counterfeit, had been altered, or had a forged signature.
- Any other party's lack of access to the internet or inability to transmit or receive data.
- Failures or errors on the part of internet service providers, telecommunications providers, or any other party's own internal systems.
- Any of the matters described under Member Indemnity.

The Credit Union's liability for errors or omissions with respect to the data transmitted or printed by the Credit Union will be limited to correcting the errors or omissions. Correction will be limited to reprinting and/or representing Substitute Checks or Electronic Checks to the Payor Financial Institution. In no event will clerical errors or mistakes in judgement be constituted as failure to exercise ordinary care.

Notwithstanding anything to the contrary in this Service Section, the Credit Union's aggregate liability to the Member for claims relating to this Service, whether for breach, negligence, infringement, in tort, or otherwise, and arising during any twelve-month period, shall be limited to an amount equal to the total fees paid by the Member to the Credit Union for such twelve-month period.

In no event will either party be liable for any consequential, indirect, incidental, special, or punitive damages, or any lost profits or loss of any opportunity or good will, even if such party has been advised of the possibility of such damages.

LIMITATION OF THE CREDIT UNION'S LIABILITY

The Member expressly agrees that the Credit Union will not be liable for any loss (however arising, including negligence), arising from or related to:

- The Member's failure to properly activate, integrate, or secure its Account.
- Fraudulent transactions processed through its payment gateway account.
- Disruption of the Credit Union services, systems, server, or web site by any means, including, without limitation, distributed denial of service ("DDoS") attacks, software viruses, Trojan horses, worms, time bombs, or any other technology.
- Actions or inactions by any third party, including, without limitation, a Member service provider, payment processor, or other Credit Union.
- Unauthorized access to:
 - Data, Member data (including credit card numbers and other personally identifiable information), transaction data, or personal information belonging to the Credit Union, the Member or any third party.
 - The Services, or any system or program associated herewith.
 - The limitation of the functioning of any software, hardware, equipment, or service.

The Credit Union and the Member acknowledge and agree that the limitations of liability in this section are a bargained for allocation of risk and liability and agree to respect such allocation of risk and liability. Each party acknowledges and agrees that the other party would not offer the Services subject to this Service Section without the limitations of liability set forth in this section.

INTERMEDIARIES

The Credit Union may act on any communication and provide the Services using any payment system or intermediary organization it reasonably selects. The Credit Union's performance of the Services is subject to the rules and regulations of any

such system or organization. The Credit Union may engage third parties to provide the Services. The Credit Union shall have no obligation to disclose arrangements with third parties to the Member or obtain the Member's consent thereto. The Member authorizes the transfer of information relating to the Member to agents of the Credit Union or the Member for use in connection with the Services or as required by law.

CREDIT UNION'S RESPONSIBILITIES

The Credit Union will deliver to the Member, or otherwise provide access to, the Software and the Authorized Equipment.

The Credit Union will provide installation and training support as reasonably required for the Member's implementation of the Services. Any onsite installation or training support outside of King County, Washington, shall be on such terms and conditions as the parties agree, including reimbursement for the Credit Union's reasonable travel costs.

The Credit Union will provide maintenance and support for the Software as reasonably necessary to permit the Member's processing of Checks through the Services. Such maintenance and support shall include:

- Corrections, work arounds, and bug fixes.
- Such modifications, enhancements, and updates as the Credit Union elects to make generally available to its members with or without additional license fees.
- Telephone support to the Member during the Credit Union's regular business hours.

The Credit Union will accept for deposit to the designated Account(s) digitized images of Checks that are transmitted to the Credit Union in compliance with this Service Section. Digitized images shall be deemed received by the Credit Union upon Successful Receipt of the transmission of such images that are complete, usable, and legible. If the digitized images are not complete, are not useable, or are not legible, the images may not be processed by the Credit Union or its agents, in which event the Member's deposit will be adjusted and notification will be provided. Final determination of image quality will be at the discretion of the Credit Union.

The Member's digitized images will be processed after Successful Receipt. If Successful Receipt occurs after 3:00 p.m. PT on a Business Day, processing will not occur until the next Business Day. The Credit Union will use commercially reasonable efforts to present Electronic Checks and Substitute Checks for collection.

In the event the Services are temporarily unavailable, there are other options for deposit. In-person branch deposit, ATM deposit, Night depository deposit, or the Member may also send items for deposit to the Credit Union via regular mail.

If a Payor Financial Institution returns an item to the Credit Union unpaid, the Credit Union will charge the Member Account for such returned item, and may either:

- Return the item to the Member or;
- Re-present the item to the Payor Financial Institution before returning it to the Member. Items may be returned as Image Exchange Items (as defined in Regulation CC), rather than IRDs, as agreed by the parties.

If a Payor Financial Institution or other third party makes a claim against the Credit Union or seeks a re-credit with respect to any Electronic Check, the Credit Union may provisionally freeze or hold aside a like amount in the Member Account pending investigation and resolution of the claim.

The Credit Union may suspend immediately the Services or the processing of any Check or corresponding Electronic Check if the Credit Union has reason to believe that there has been a breach in the security of the Services, fraud involving the Member's Account or such Check, or any uncertainty as to the authorization or accuracy of Electronic Checks. The Credit Union reserves the right at any time to process Electronic Checks on a collection basis.

Spontaneous, on-site visits and security audits may be conducted by the Credit Union or its agent to determine the Member's compliance with the CMS Documentation.

MEMBER RESPONSIBILITIES

The Member will maintain an Account at the Credit Union for the receipt of deposits of digitized images of Checks, in accordance with applicable Business Membership and Account Agreement.

The Member will install the Software and Authorized Equipment in accordance with the RDC Documentation and will install and implement any changes and upgrades to the Software as the Credit Union may require, within 30 days of receipt of such change or upgrade, or within such shorter time frame as the Credit Union may reasonably require in the event such change or upgrade is necessary to comply with statutory or regulatory changes or developments, or to protect the integrity and security of the Services.

The Member shall use the Authorized Equipment to scan the Original Check, the result of which will be to create a digital image of the front and back of the Original Check, which has a legible payee, handwritten or typewritten dollar amount, numerical dollar amount, and MICR data, and which is in a format that will allow the Credit Union to create an Electronic Check or a Substitute Check.

The Member is responsible for ensuring the dollar amount of each Electronic Check is based on the legal written dollar amount from the Original Check.

The Member is responsible for verifying the accuracy of all MICR data captured by the Authorized Equipment by visually comparing the image in the Software to the Original Item. To ensure accuracy, the Member is responsible for re-scanning the Original Item or making any necessary edits within the Software.

The Member will ensure all Original Checks are endorsed with their name and a restrictive endorsement (such as “For Remote Deposit Only at Salal CU”), regardless of whether the RDC Service provides a virtual or electronic endorsement.

The Member will use the Authorized Equipment and the Software, including the entering, processing, and transmittal of items, in accordance with the RDC Documentation. The Member must limit the use of all Authorized Equipment to the processing of transactions with the Credit Union. The Member may not use the Authorized Equipment with any other Person or for any other purpose without the prior express written authorization of the Credit Union. The Member will ensure that the scanner will be located in a physically secure location. The Member will ensure the Authorized Equipment is clean and operating properly and will inspect and verify the quality of images and that the digitized images of Checks are legible for all posting and clearing purposes.

The Member will ensure that no financial institution (depository, collecting, or payor), drawee, drawer, or endorser, with respect to a Check processed by the Member, will receive presentment or return of, or otherwise be charged for, the Check (including the Original Check or Substitute Check), corresponding Electronic Check, and/or other paper or electronic representation of the Check such that such person will be asked to make payment based on an item that it already paid. The Member will not deposit Checks more than once.

The Member will not use the Services to deposit the following:

- “Third-Party Checks” or Checks that are endorsed over to the Member.
- Checks drawn on the same account where the deposit is being made.
- Foreign Checks.
- Cash.
- Previously deposited items.
- Travelers Cheques.

The Member will take all commercially reasonable precautions to prevent the introduction of a computer virus, malicious code, or other defect that might disrupt the operations of the Authorized Equipment or the Software, including the installation, operation, and proper configuration of commercially reasonable anti-virus software. The Member will comply with all security procedures described in the RDC Documentation (including, but not limited to, the security guidelines that accompany the Terms in Appendix A) and will not bypass, override, or disable any security mechanisms in the Authorized Equipment or Software. The Member is also responsible for regularly reviewing the security of their computers and networks to ensure these precautions are effective.

The Member will assign an Administrator on the CMS Agreement. The Member may change the Administrator at any time by contacting the Credit Union and signing a new CMS Agreement. The Administrator is responsible for adding, removing, and monitoring all users entitled to access the Services. This includes assigning access to the Services by assigning usernames and passwords as applicable, assigning access to accounts, assigning dollar limits, ensuring adherence to the terms of this Agreement as well as the Member’s internal controls and security procedures.

The Member will restrict access to usernames, passwords, and accounts to the Member’s Authorized Users as may be reasonably necessary consistent with the purposes of this Service Section. The Member will be responsible for training its employees in the use of the Services, and for supervising and auditing their use of the Services. This includes training for its employees and agents on the identification of fraudulent, counterfeit, altered, and forged Checks, and the proper safeguard and disposal of Checks as required by this Service Section. The Member is solely responsible for maintaining adequate security and control of all usernames, passwords, or any other codes that are issued to the Member under this Service Section. The Member will change its passwords periodically and whenever anyone who has had access to a password is no longer employed or authorized by it to use the Services.

The Member will retain each Check for a reasonable period of time, but in no event fewer than 15 days or greater than 60 days after such Check has been digitized and processed. The Member will promptly provide any retained Original Check (of if the Check is no longer in existence, a sufficient copy of the front and back of the Check) to the Credit Union as requested to aid in the clearing and collection process or to resolve claims by third parties with respect to any check.

The Member will use a commercially reasonable method approved by the Credit Union to destroy checks after the Member’s retention period has expired (e.g. a cross-cut shredder or a commercial shredding vendor).

While Checks are in their possession, the Member will take all reasonable measures to comply with industry standards for the security and safekeeping of all Checks prior to their destruction. Industry standards include, but are not limited to, use of locked storage and restricted access.

In the event of lost, mistaken, incomplete, or unusable Electronic Checks, or in the event of claims of fraud, alteration, counterfeit, or otherwise, the Member shall cooperate fully with the Credit Union in providing information.

It is strongly recommended that the Member establish an Incident Response Plan or procedures for notifying their customers and vendors if a security breach, theft, lost items, or other security deficit at the Member's place of business or of the Member's computer systems has resulted in the accidental or intentional compromise of their confidential account information.

The Credit Union may, from time to time, request that the Member provide financial information including, but not limited to, tax returns for review. Failure to provide the requested information may be cause for the termination of the Terms.

In the event that the file containing the digitized images is unable to be transferred to the Credit Union, the Member should use an alternate means to make the deposit (same means as existed prior to the commencement of the Services).

If an item is "dishonored" (charged back), the Member will receive an image of the Original Check or a Substitute Check as the charged back item.

The Member agrees to promptly contact the Credit Union in the event they experience a security breach that may compromise confidential information.

The Member agrees to promptly return the Authorized Equipment to the Credit Union should the Services be terminated for any reason. If the Member does not promptly return the Authorized Equipment, the Member agrees to pay the Credit Union, on demand, the then-current replacement cost of the Authorized Equipment without any deduction for depreciation, wear and tear, or physical condition of the Authorized Equipment. The Member authorizes the Credit Union to charge the Account for such costs. The Credit Union may also continue to charge the Member all applicable fees until any remaining Authorized Equipment is returned.

INJUNCTIVE RELIEF

Notwithstanding any dispute resolution procedures herein, the Member acknowledges that its violation of the sections of this Service Section entitled License and Confidential Information may cause irreparable injury to the Credit Union, and agrees that the Credit Union shall be entitled in the first instance, or at any other time, to seek temporary and preliminary injunctive relief in a court of competent jurisdiction, without the necessity of proving actual damages or posting a bond, to prevent such violation, and without being required to demonstrate that a money judgment would be inadequate as a remedy.

WIRE TRANSFER SERVICES

SERVICES

This Service Section, together with the attachments referenced and incorporated by reference herein, describes the terms under which the Credit Union offers wire transmission of the Member's funds to and/or from specified accounts as designated by the Member ("Wire Transfer Services"). The Credit Union may make a wire transfer by any reasonable means, including, without limitation, the use of such intermediary financial institution as the Credit Union deems advisable.

ADDITIONAL DEFINITIONS OF TERMS USED IN THIS SECTION

As used in this Service Section, the following terms are defined as follows:

- **Authorized Representative** - An authorized account signer or another person designated by the Member to initiate and/or approve Requests on behalf of the Member.
- **Fedwire** - The funds transfer system owned and operated by the Federal Reserve Bank that is used primarily for the transmission and settlement of payment orders governed by the Fedwire Regulation.
- **Fedwire Regulation** - Subpart B of Regulation J of the Board of Governors of the Federal Reserve System, as amended from time to time.
- **Repetitive Transfer** - Wire transfers in which the receiving financial institution, payee, and account are the same for each transfer, and only the transfer date and amount may vary.
- **Request** - The Member's request to the Credit Union for a wire transfer, or for a cancellation or amendment of a wire transfer, made in the name, or having the unique identifier, of the Member as sender requesting that funds belonging to, or under the control of, the Member be transferred to a specified account or beneficiary.
- **Security Procedure** - The applicable procedure for verifying the authenticity of Requests set forth in the section of this Service Section entitled "Security Procedure," as the same may be amended by the Credit Union from time to time.

ACCEPTANCE AND EXECUTION OF REQUEST BY THE CREDIT UNION

The Member authorizes the Credit Union to transfer funds to and/or from any accounts designated by the Member. The Credit Union, subject to its Security Procedure, will execute wire transfers in accordance with Requests from the Member. Funds must be available in the account specified in the Request at the time the Request is made. The Credit Union will not search for funds in accounts other than the Account specified in the Request.

For the Member's protection, Authorized Representatives must provide the Credit Union with such information as the Credit Union may request in connection with each Request, including, without limitation, the Member's name, Authorized Representative's name, amount to be transferred, Member's account at the Credit Union from which funds are to be transferred, beneficiary's (receiver) name, financial institution and ABA number, beneficiary's account number, city and state, and any other information the Credit Union deems necessary. All or part of such information may be contained on the Business Outgoing Wire Transfer Request Form ("Request Form") or delivered electronically through Online Banking.

The Member shall issue Requests during the Credit Union's normal business hours Monday through Friday, excluding federal holidays, prior to the cut-off time established by the Credit Union.

For businesses:

- Domestic and International US dollar Requests must be received before 1:30 p.m. PT.
- International foreign currency requests must be received before 12:00 p.m. PT.

The Member acknowledges that the earlier in the day that Requests are issued, the greater the likelihood that funds will be received by the beneficiary's financial institution on the same day, however, the Credit Union cannot under any circumstances guarantee same-day receipt of funds. Requests received after the deadline on a Banking day or on a weekend, federal holiday, or other day the Credit Union is not open for business, or on any day when Fedwire is not available, may be executed the next day that the Credit Union's wire transfer department is open for business. Wire transfer deadlines are subject to change from time to time at the sole discretion of the Credit Union.

The Member's Request is considered accepted by the Credit Union when the Credit Union executes it. The order in which the Credit Union processes Requests and incoming wire transfers is determined solely by the Credit Union.

No instructions or other restrictions limiting the Credit Union's acceptance of Member's Request(s) shall be effective unless accepted and agreed to in writing by the Credit Union. However, the Credit Union, at its option, may elect to act consistently with such instructions or other restrictions which it believes in good faith were made by the Member.

REJECTION OF WIRE TRANSFER OR REQUEST

The Credit Union has no responsibility to accept any incoming wire transfer for the Member's benefit. Likewise, the Credit Union has a right to reject the Member's Request for an outgoing wire transfer for reasons including, but not limited to, insufficient funds or insufficient available funds in the account specified in the Request, the Credit Union's inability to execute the wire transfer, or if the Credit Union is unable to verify the authenticity of Member's Request. The Credit Union will notify the Member by email communication, phone, or mail if it rejects the Member's Request.

CANCELLATION OR AMENDMENT OF REQUEST

Cancellations and amendments of Requests are considered a Request and are subject to this Service Section. The Member may not be able to cancel or amend a Request after it is received by the Credit Union. However, the Credit Union may, at its discretion, use reasonable efforts to act on the Member's Request for cancellation or amendment. However, the Credit Union shall have no liability if such cancellation or amendment is not affected. Furthermore, the Member agrees to indemnify and hold the Credit Union harmless from any and all liabilities, costs, and expenses the Credit Union may incur in attempting to cancel or amend the wire transfer.

SECURITY PROCEDURES

The Member shall issue payment orders to the Credit Union in accordance with the following Security Procedures and those outlined in Appendix A. The Member agrees that the Security Procedures are commercially reasonable. The Member furthermore agrees that any Request acted upon by the Credit Union in compliance with the Security Procedures, whether or not authorized by the Member, shall be treated as the Member's authorized Request.

If the Credit Union believes in its sole judgment that changes in any security procedure are immediately necessary to reduce the risk of unauthorized funds transfer, the Credit Union may initiate such changes immediately. The Credit Union will notify the Member of such changes as soon as practicable.

In-Person Requests

An in-person request is an exception to the normal wire delivery process through Online Banking and must be pre-approved by Business Services before execution. With respect to in-person Requests, an Authorized Representative shall present themselves at the Credit Union's designated offices and present photo identification satisfactory to the Credit Union. In-person Requests shall be made using a Request Form provided by the Credit Union or such other form approved by the Credit Union. The Credit Union may confirm payment orders by obtaining the signature of an Authorized Representative on the Request Form. The Credit Union shall have no additional obligation to confirm the actual identity of Authorized Representative.

Requests by Fax or Scanned Attachment to Email

A request by fax or scanned attachment to email is an exception to the normal delivery process through Online Banking and must

be pre-approved by Business Services before execution. With respect to faxed or emailed Requests, an Authorized Representative shall deliver a Request Form, signed by an Authorized Representative, and sent via facsimile transmission (fax) or Salal Credit Union's secure email system. On all such Requests, the Credit Union will confirm Requests by a telephone call. The Credit Union shall have no obligation to confirm the actual identity of Authorized Representatives, by voice recognition or otherwise.

All Requests must include the signature of an Authorized Representative. From time to time, Authorized Representatives may not be able to sign the Credit Union's Request Form due to extraordinary circumstances such as travel overseas or lack of access to a fax machine or scanner. In such circumstances, the signature of the Authorized Representative must be supplied in some manner, even if the Request Form is not signed. When a signature cannot be obtained on the completed Request Form, the Credit Union will not be liable for any errors in the Request.

Online Banking Requests

With respect to Online Banking Requests, an Authorized Representative shall communicate with the Credit Union by using the Credit Union's Online Banking services. Such communication shall utilize user identification, passwords, and dollar limits and may also utilize secondary approval, rekey, or verification of totals as established by the Member within the Online Banking services. The Credit Union will not perform call back confirmations on Requests submitted through Online Banking.

The Member and the Credit Union shall comply with the Security Procedures (Appendix A) described herein with respect to Requests transmitted by the Member to the Credit Union. The Member acknowledges that the purpose of such Security Procedures is for verification of authenticity and not to detect an error in the transmission or content of a Request. No Security Procedures for the detection of any such error has been agreed upon between the Credit Union and the Member.

YOU AGREE THAT THE UPLOADING OR TRANSMITTING OF REQUESTS WILL BE HANDLED USING MULTI-FACTOR AUTHENTICATION AND UNDERSTAND AND ASSUME THE RISK AND LIABILITY BY REFUSING TO PERFORM TRANSACTIONS IN THIS MANNER. YOU FURTHER AGREE TO ASSUME THE RISK FOR ANY TRANSACTIONS INITIATED BY AUTHORIZED USERS, OR BY USERNAMES CREATED BY SUCH AUTHORIZED USERS, WHETHER OR NOT SUCH USERS HAVE ACTUAL AUTHORITY TO INITIATE ANY SPECIFIC TRANSACTION ON YOUR ACCOUNT(S).

The Member agrees to not originate Wire Transfers via a wireless connection.

Passwords and Codes:

The Credit Union may assign to the Member one or more confidential passwords or codes to be used in requesting wire transfers. When so assigned, Requests will not be acted upon without use of correct codes. The Member has the responsibility of maintaining the confidentiality of such passwords and codes and for notifying the Credit Union if it is suspected the code(s) has been compromised.

Wire Transfer Setup Form

The Credit Union may require the Member to complete the CMS Agreement to establish specific security directives for the submission of Requests to the Credit Union, designate Authorized Representatives permitted to initiate and/or approve Requests. The Member agrees that all directives described in the CMS Agreement are commercially reasonable and acceptable to the Credit Union. The directives and elections on the CMS Agreement will remain in effect until written instructions to cancel or a new CMS Agreement is received and accepted by the Credit Union. All signers on the account are authorized unless otherwise noted. Additional signers may be assigned with the setup form.

RECORDING AND RECORDS

The Member authorizes the Credit Union, at the Credit Union's sole discretion if permitted by applicable law, to record electronically all telephone calls between the Credit Union and any Authorized Representative, and to keep those recordings as long as the Credit Union considers it necessary. The Credit Union shall have no obligation to record any or all such calls. If the Credit Union's records, including its written records and any recordings, about a Request are different than the Member's records, the Credit Union's records will govern.

PAYMENT TO CREDIT UNION

The Member shall pay all wire transfers based on Request which:

- Are authorized by the Member.
- The Member is otherwise bound to pay under the laws of agency.
- Are accepted by the Credit Union in compliance with the security procedures, even if unauthorized. The Member shall pay all wire transfers based on erroneous payment orders in the amount accepted by the Credit Union whether or not issued in compliance with the security procedure. The Member shall pay the Credit Union fees for wires transfers in accordance with the Credit Union's Business or Cash Management Product & Fee Schedule which may change from time to time. In the event a completed wire transfer results in an overdraft, the Credit Union shall be entitled to collect applicable fees as listed on the Credit Union's Business or Cash Management Product & Fee Schedule. In the event the Credit Union must refer the collection of amounts payable hereunder to an attorney, the Member agrees to pay the Credit Union's reasonable attorneys' fees and collection costs, incurred with or without litigation and on appeal.

INCONSISTENCY OF NAME AND ACCOUNT NUMBER

The Member acknowledges and agrees that when the Member provides the Credit Union with a beneficiary name and account number when requesting a wire transfer, that payment may be made solely on the basis of the account number even if the account number identifies a beneficiary different from the beneficiary named by the Member. The Member furthermore agrees that its obligation to pay the amount of the wire transfer to the Credit Union is not excused in such circumstances. Likewise, wire transfers received by the Credit Union for the Member's benefit may be paid by the Credit Union solely on the basis of account number. The Credit Union reserves the right to return incoming wire transfers that do not indicate an account number recognizable to the Credit Union without incurring any liability. The Member agrees that the Credit Union shall not be responsible for any delay arising out of the Credit Union's attempt to reconcile inconsistencies between name and account number, or otherwise investigate suspected irregularities.

ACCOUNT STATEMENTS

All wire transfers will be reflected on the Member's periodic statement and via the Credit Union's Online Banking Service. The Member should review each statement, or other such Credit Union notice for any discrepancies in connection with wire transfers. If the Member thinks a wire transfer is wrong or needs more information about a wire transfer, the Member must contact the Credit Union in writing upon discovery of the error or within 14 days after the Member receives the first notice or statement which has a discrepancy, whichever is earlier. Failure to do so will relieve the Credit Union of any obligation to pay interest on or otherwise compensate the Member for the amount of an unauthorized or erroneous wire transfer.

METHOD USED TO MAKE THE WIRE TRANSFER

In connection with the Member's use of this service, the Credit Union notifies the Member of the following:

- The Credit Union may use Fedwire when acting upon Member's Request.
- Any subsequent Credit Union or Bank may use Fedwire when carrying out Member's Request.
- The rights and obligations of the Credit Union and the Member in a wire transfer intended to carry out the Member's Request, any part of which is carried out through the use of Fedwire, are governed by Fedwire Regulation.

OBLIGATIONS OF THE PARTIES

The Credit Union shall exercise good faith and reasonable care in processing the Member's wire transfers. The Member shall exercise good faith and reasonable care in observing and maintaining Security Procedures, in communicating Requests to the Credit Union, and in reviewing Credit Union statements or notices for any discrepancies, the Member is responsible for ensuring the accuracy of Requests and the Credit Union has no duty whatsoever to verify the accuracy of Requests, nor will it be liable for losses or damages arising out of Requests containing erroneous information. The Member will comply with the terms of the Electronic Funds Transfer Act or Uniform Commercial Code Article 4A, as codified in the State of Washington, as applicable, and shall perform its obligations under this Service Section in accordance with all applicable laws and regulations.

LIABILITY OF THE CREDIT UNION

The Credit Union shall be liable for the Member's lost interest and any fees directly related to the Member's Request if the Credit Union fails to exercise ordinary care. The Credit Union shall not be liable in any case for any special, indirect, exemplary, or consequential damages (including lost profits) of any kind. Compensation for loss of interest or use of funds will be, at the Credit Union's option, in the form of an adjustment to Member's account(s) to reflect the average balance on the Member's account analysis that would have resulted had no error or delay occurred, or by a direct credit to the Member's account, not to exceed the Credit Union's actual cost of funds for the period and amount in question. The adjustment will be computed on a daily basis.

LIABILITY OF THE MEMBER

The Member shall be liable for any loss or damage resulting from Member's breach of the terms of this Service Section or to which the Member's negligence contributed, or which resulted from unauthorized, fraudulent, or dishonest acts by the Member's current and/or former Authorized Representatives. Such liability includes instances when a current or former Authorized Representative effects one or more wire transfers to the Member's detriment.

MODIFICATION/TERMINATION

The Credit Union may amend this Service Section, including the Security Procedures, upon written or email notice to the Member.

Either party may terminate this Service with or without cause by notifying the other by email, phone, or written notice. Such termination shall not affect transfers made prior to receipt and implementation of the termination notice. Notwithstanding the foregoing, the Credit Union may terminate this Service immediately at any time upon telephone notification to the Member, followed by written notification, if:

- The Credit Union reasonably deems itself insecure.
- The Member has breached the terms of this Service Section.
- The Credit Union becomes aware of information which may indicate illegal or improper transactions.

POSITIVE PAY SERVICES

SERVICES

This Service Section describes the terms under which the Credit Union offers Positive Pay Services (the “Positive Pay Service”). The Positive Pay Service can be used to identify fraudulent checks or ACH items attempting to clear the Account(s) which the Member has enrolled in the Service(s).

The Check Positive Pay Service allows the Member to submit issued check data to the Credit Union by using a file containing issued check data (“Issued Item File”) or by keying issued check data directly into the Service by established deadlines. The Credit Union’s system will compare the issued check data to checks presented for payment against the Member’s Account(s). If a check is presented for payment that does not match the Member’s issued check data, the Member will be notified through the Service. The Member must then authorize the Credit Union to return the check. If no such authorization is received by the Credit Union by the established deadline of 12:00 p.m. PT, the item will be paid unless other arrangements have been made with written instructions.

The ACH Positive Pay Service allows the Member to define Pre-Authorized ACH Debit Rules for each enrolled Account. These rules may include the originating company, standard entry class code, and maximum authorized dollar amount. When an ACH Debit posts to an enrolled account, the established rules will determine if the item requires authorization from the Member to return the item. If no such authorization is received by the Credit Union by the established deadline of 12:00 p.m. PT, the item will be paid unless other arrangements have been made with written instructions.

ADDITIONAL DEFINITIONS OF TERMS USED IN THIS SECTION

Unless otherwise defined in this Service Section, capitalized terms shall have the meanings set forth in Articles 3 and 4 of the Uniform Commercial Code, as codified in the State of Washington. As used in this Service Section:

- **Available Funds** - Funds on deposit in an Authorized Account and available for withdrawal pursuant to Regulation CC, the Credit Union’s applicable funds availability schedule and policies as described in the current Business Membership and Account Agreement.
- **Business Day** - Every day except Saturday, Sunday, and federal holidays.
- **Exception Check** - A Presented Check that does not match a check included in an Issued Item File.
- **Exception ACH Debit** - A Presented ACH Debit that does not match the pre-authorized ACH Debit rules defined by the Member.
- **Exception Report** - An electronic notification from the Positive Pay Service of any Exception Checks or ACH Debits presented for payment that do not exactly match a check shown on an Issued Item File.
- **Issued Item File** - A record that describes checks written by the Member on an Authorized Account, provided by the Member to the Credit Union pursuant to the terms in this Service Section.
- **Pay Request** - The instructions of the Member to the Credit Union requesting the Credit Union to pay an Exception Check or ACH Debit.
- **Pre-Authorized ACH Debit Rules** - The rules that are established by the Member in the Positive Pay Service, which may include, without limitation, the maximum allowed dollar amount, originating company information, or standard entry class code.
- **Presented Check** - A check drawn on an Authorized Account and presented to the Credit Union for payment through the check collection system.
- **Presented ACH Debit** - An ACH Debit posted to an Authorized Account and presented to the Credit Union for payment through the ACH network.
- **Return Request** - The instructions of the Member to the Credit Union instructing the Credit Union not to pay an Exception Check or ACH Debit.

ISSUED ITEM FILE

Members participating in the Check Positive Pay Service will submit an Issued Item File for each Authorized Account to the Credit Union on every banking day that the Member issues checks. The Issued Item File shall accurately state the check number, date, and the exact dollar amount of each check drawn on an Authorized Account since the last Issued Item File was submitted.

The Member shall provide the Issued Item File to the Credit Union through the Credit Union’s Online Banking Service in a format acceptable to the Credit Union and agreed to by the Member. If the Issued Item File cannot be received by the Credit Union or the Credit Union cannot process the file because of a system failure or otherwise, the file shall be considered as not received, even if the Credit Union has possession of the file.

Issued items may be entered into the system manually if the Issued Item File cannot be provided through the Credit Union’s Online Banking Service.

PAYMENT OF PRESENTED ITEMS AND EXCEPTION REPORTS

The Credit Union will compare each Presented Check by check number and amount against each Issued Item File received by the Credit Union. The Credit Union will compare each Presented ACH Debit against the Pre-Authorized ACH Debit Rules as established by the Member in the Positive Pay Service. On each banking day, the Credit Union:

- May pay and charge to the Authorized Account each Presented Check that matches (by check number and amount) a check shown in any Issued Item File.
- May pay and charge to the Authorized Account each Presented ACH Debit that did not cause an Exception ACH Debit.
- Shall use its best efforts to make available to the Member an Exception Report by 9:00 a.m. PT each business day via the Credit Union's Online Banking Service. The member can establish automatic email alerts to be notified when exception decisions are required.

PAY REQUEST/RETURN REQUEST/DEFAULT PAY

The Member shall review the exception items and electronically communicate Pay Requests and Return Requests for all exceptions by 12:00 p.m. PT on the business day the exception item was received. If the Member misses the deadline, the Credit Union may make final payment of the Exception Check(s) or ACH Debit(s) and charge the applicable Authorized Account.

INELIGIBLE ITEMS

The Positive Pay Service is not available for, and this Service Section does not apply to, checks or ACH Debits the Credit Union has already cashed, negotiated, paid, or are otherwise already committed to honor or pay under applicable laws, regulations, or rules governing such items. This service is not available for checks that might be presented for payment in a branch. The ACH Positive Pay Service is not available for, and this Service Section does not apply to, any ACH Credit items.

MEMBER AND CREDIT UNION COMMUNICATIONS

The Member or the Credit Union, at its discretion, may each submit to the other party a revision of any communication related to the Positive Pay Service or this Service Section. Revised communications from the Member must:

- Be sent in their entirety and not in the form of a partial amendment to the communication originally sent.
- Identify the original communication.
- Be sent in the format and medium, by the deadline(s), and at the place(s) established by the Credit Union.

In the event the above conditions are met, and the Credit Union receives and processes such communication with a reasonable amount of time to act upon such communication, the revised communication shall revoke and replace the original communication.

The Member shall use only Exception Reports that comply with this Service Section and have not been revoked by the Credit Union in the preparation of Pay Requests and Return Requests.

The Credit Union shall not be obligated to comply with any Pay Request or Return Request received in a format or medium, after a deadline, or in a manner or at a place inconsistent with this Service Section, and may treat such a Pay Request or Return Request as though it had not been received.

The Credit Union is not responsible for detecting any Member error contained in any Issued Item File, Pre-Authorized ACH Debit Rule, Pay Request, Return Request, other communication sent by the Member to the Credit Union.

SECURITY PROCEDURES

The Member shall comply with the security procedures established by the Credit Union including, but not limited to, those outlined in Appendix A. The Credit Union may reject Issued Item Files, Pre-Authorized ACH Debit Rules, Pay Requests or Return Requests which are provided to the Credit Union in violation of the security procedures. If the Credit Union reasonably complies with the applicable security procedures, the Member shall be responsible for any unauthorized reports or requests originating from the Member and shall hold the Credit Union harmless therefrom.

PAYMENT FOR SERVICES

The Member agrees to pay the Credit Union the applicable fees and charges for the services described in this Service Section. Such fees and charges may be amended by the Credit Union from time to time. Such fees and charges do not include, and the Member shall be responsible for payment of, any applicable taxes and any additional fees or charges provided for in the Business or Cash Management Product & Fee Schedule.

LIMITATION OF LIABILITY

The Credit Union shall have no liability to the Member if the Credit Union returns a Presented Check or Presented ACH Debit:

- That it reasonably believed was not properly payable.
- If there are insufficient Available Funds on deposit in the Authorized Account.
- If required to do so by the service of legal process on the Credit Union or the instructions of regulatory or government authorized or courts.

- If otherwise permitted by applicable laws, rules or regulations.

The Credit Union shall not be liable for any incidental, indirect, special, punitive, or consequential damages. The Credit Union shall not be liable for any damages arising from failure to perform or delay due to fire, power failure, power surge, natural disaster, war, civil commotion, labor dispute, and failure in communication network, legal process, or any other even beyond its control.

Except for losses caused solely by the Credit Union's (but not its third-party processing agents') gross negligence or willful misconduct, the Credit Union's aggregate liability to the Member for claims relating to the Positive Pay Service or this Service Section, whether for breach, negligence, infringement, in tort, or otherwise, shall be limited to an amount equal to the total fees paid by the Member for the Positive Pay Service during the prior six (6) month period.

INDEMNIFICATION

The Member will indemnify, defend, and hold the Credit Union harmless against any and all actions, proceedings, liabilities, losses, costs (including attorneys' fees and costs), and claims, including, without limitation, warranty claims, that result from or arise in connection with:

- The Credit Union's processing of checks or ACH items through the Positive Pay Service, under this Service Section, or in accordance with the Member's instructions.
- The Member's actions or omissions, including their negligence, willful misconduct or breach of any warranty or failure to comply with this Service Section.
- Any misuse of the Positive Pay Service by the Member, their employees or agents.
- The Member's failure to comply with applicable state and federal laws and regulations.
- Actions by third parties, such as an introduction of a virus, that delay, alter, or corrupt the transmission of information to the Credit Union.

AMENDMENTS

From time to time the Credit Union may amend any of the terms and conditions contained in this Service Section. Except as otherwise provided in this Service Section, such amendments will become effective upon receipt of notice by the Member pursuant to the General Provisions of the Terms (Notices and Communications) hereof or such later date as may be stated in the Credit Union's notice to the Member.

TERMINATION

Either party may terminate the Service by notice to the other. If the Credit Union reasonably determines in its sole discretion that it may bear a loss due to members breach of the terms of this Agreement and in such case may terminate immediately. Notwithstanding such termination, the terms of this Service Section shall remain in full force and effect as to all Presented Checks or Presented ACH Debits that have been presented to the Credit Union prior to the date of termination. Upon termination, if requested by the Member, the Credit Union will provide the Member (or its representative) with an outstanding check report.

AUTOMATIC SWEEP

SERVICES

This Service Section applies to the preauthorized transfer of funds between authorized accounts, as identified by the Member in the CMS Agreement.

ACCOUNTS

The Member shall designate the applicable account(s) on the CMS Agreement.

FREQUENCY

The Member shall designate the frequency of the preauthorized transfer of funds between authorized accounts on the CMS Agreement. The Member can elect to transfer funds from one authorized account to another:

- On a pre-determined reoccurring schedule.
- When the ledger or available balance in an account exceeds a specified amount.
- When the balance in an account falls below a minimum amount.

AUTHORIZATION

The Credit Union is authorized and directed to transfer funds between authorized accounts as set forth on the CMS Agreement.

CHANGES TO DIRECTIONS

The Member may change these instructions by completing a revised CMS Agreement and delivering the same to the Credit Union. The Credit Union will not be required to implement the revised instructions set forth on the revised CMS Agreement until the Credit Union accepts the revised CMS Agreement.

AVAILABLE FUNDS

The Member is responsible for maintaining Available Funds in all accounts in an amount sufficient to cover checks and other debit items presented. If there are insufficient Available Funds in the accounts to cover the total amount of checks and other debit items presented, the Credit Union may return the checks or items to the parties who presented them for payment.

APPENDIX A: SECURITY GUIDELINES

These guidelines are representative of a portion of the Terms and Conditions that pertain to your use of Cash Management Services. They are intended to amend but not replace the Cash Management Services Agreement (“CMS Agreement”), the Business Online Banking Terms & Conditions, or any other Membership and Account Agreement or CMS Documentation (collectively “Agreements”). Security guidelines must be fluid given the nature of financial fraud schemes, so the Credit Union in its sole discretion may revise these guidelines at any time. The Members continued use of the Services offered under these Agreements is consent by the Member to any new or revised Security Procedures.

GENERAL SECURITY GUIDELINES

The Member and the Credit Union will comply with security procedure requirements established and/or amended by the Credit Union from time to time. Such security procedures are the for the purpose of evaluating the authenticity and protecting the confidentiality of Cash Management Services requests (“Requests”). However, the Credit Union has no obligation to verify, review, edit, correct, amend, cancel, or reverse any such Requests, and will incur no liability with respect to the amount, accuracy, timeliness, or authorization of any such Request. If signature comparison is to be used as a part of such security procedures, the Credit Union will be deemed to have complied with that part of such security procedure if it compares the signature accompanying a Request (or a cancellation or amendment of a Request) received with the signature of an Authorized Signer and, on the basis of such comparison, believes the signature accompanying such file to be that of such Authorized Signer.

If a Request (or a cancellation or amendment of a Request) received by the Credit Union purports to have been transmitted or authorized by the Member, it will be deemed effective as the Member’s Request even though the Request was not authorized by the Member, provided the Credit Union accepted the Request in good faith and acted in compliance with the security procedures referred to in the Agreements.

If the Member permits any other person to access any Service, the Credit Union will not be responsible or liable for such person’s access, use, or misuse of the Services or accounts owned by you which you did not authorize.

MEMBER RESPONSIBILITIES

The Member is solely and strictly responsible for:

- Determining, establishing, and maintaining internal procedures necessary to safeguard against unauthorized access to Services.
- Maintaining adequate security and control of any and all passwords, codes, security devices, and related instructions furnished by the Credit Union.
- Maintaining the confidentiality of security procedures.
- Restricting access to all passwords, codes, security devices, and related instructions to such employees and agents as may be reasonably necessary to use Services.
- Ensuring each employee or agent of the Member using Services is aware of and otherwise complies with all applicable provisions of the Agreements.
- Notifying the Credit Union immediately by written confirmation if the Member believes or suspects that any such information or instructions have been known or accessed by unauthorized persons or for unauthorized purposes.
- Securing the data residing on the server or other computer systems of the Member or a third party designated by the Member (e.g. a web-hosting company, cloud-based service, process, or other service provided), including, but not limited to, account numbers, security codes, and passwords.
- Ensuring their compliance with all applicable laws and regulations governing the Services.
- Installing and maintaining firewall, anti-virus, and anti-spyware software on their computers and networks.
- Establishing an incident response plan and procedures for notifying their members or vendors if any of their information was compromised due to a breach in security.

GENERAL SECURITY GUIDELINES FOR WEB-BASED SERVICES

We may make certain Services available on the internet.

You are solely responsible for maintaining your computer equipment in good working order, with the necessary compatibility and format to interface with our systems, including, without limitation, the ability to support our security measures.

You agree to install upgrades and other system enhancements within a reasonable time of being required to do so by us.

There are a number of ways a criminal can gain access to your Confidential Information via the internet. Here are a handful of threats every member should be aware of. Please note: this list is not exhaustive; new methods of intrusion are developed every day.

- **Phishing/Spoofing** – Creating a fraudulent website or email disguised as a legitimate website or email designed to fool users into revealing Confidential Information to a hacker (i.e. usernames, passwords, credit card information).
- **Social Engineering** – A criminal tricks or deceives a person into divulging Confidential Information by posing as a trusted individual (i.e. a Credit Union employee).
- **Virus** – Malicious software that inserts itself into other programs or documents on your computer and can be spread from computer to computer as documents and files are shared.
- **Worm** – Malicious software that spreads to computers on a shared network but does not require the sharing of documents or files to propagate.
- **Spyware** – Software that collects information about a user and then diverts that information to another person or company – often (but not always) for use by a criminal or hacker. Often “piggybacks” onto a computer with the download of other, seemingly harmless software, sometimes without the knowledge of the user.
- **Trojan Horse** – A spyware program that purports to perform one function but is actually doing another such as undermining the security settings or software on a computer, allowing a hacker to gain access.
- **Keylogger** – Spyware software designed to record every keystroke on an infected computer allowing a criminal access to passwords, credit card numbers, and other confidential information.
- **Password Cracking** – Attempting to discern a password through guessing or recovering stored data.

What follows are some general best practices for using Web-Based Services to assist in lessening the threat these schemes can pose to you and your business. Please consult with an internet technology expert for additional support or information.

- **Logging Off** – All Users should log off after every Service session to ensure the Service isn’t inadvertently left exposed to an unauthorized user. Online sessions will automatically end after periods of inactivity to protect Users who have left their computer unattended after logging in.
- **Public Networks** – The security of public computers (e.g. in a library, coffee shop, or internet café) cannot be assured. We recommend that Members refrain from accessing Services on a public computer or public wireless network.
- **Anti-Virus Software** – Members are required to utilize Anti-Virus Software from a reliable software provider and to routinely scan their computer(s), server(s), and electronic media for viruses. It is imperative that Anti-Virus Software be kept updated as recommended by the software provider to protect you against new or developing virus threats.
- **Anti-Spyware Software** – Members are strongly encouraged to utilize Anti-Spyware Software from a reliable software provider and to routinely scan their computer(s), server(s), and electronic media for spyware. Spyware and viruses are not the same and your Anti-Virus software may not be sufficient to protect you against spyware.
- **Firewalls** – Software and/or hardware designed to protect computers and their contents by controlling the incoming and outgoing traffic on the network. When properly installed and maintained, it protects a computer against threats from the public Internet.
- **Security Updates and Patches** – From time to time, vulnerabilities are discovered in programs installed and/or running on a computer that may be exploited by criminals to gain unauthorized access to computers. Software publishers will release updates (or “patches”) to correct these weaknesses. **YOU ARE REQUIRED TO KEEP YOUR COMPUTER’S OPERATING SYSTEM AND BROWSER FULLY “PATCHED” FOR CRITICAL SECURITY ISSUES.**
- **Electronic Communication** – Unencrypted email, fax, voice mail, text message, or other electronic communication methods are inherently unsecure and should not be used to communicate confidential information, passwords, account numbers, etc. Secure email programs can be utilized to encrypt data contained in these communications.
- **Password Protection** – Maintaining a secure, difficult to guess password is essential to ensuring your security. Change your password regularly and use a combination of alpha-numeric and special characters. Additional password guidelines are provided below.

Following these procedures cannot guarantee your security but will significantly lessen your exposure.

PASSWORDS AND ACCESS CREDENTIALS GUIDELINES

By signing the CMS Agreement, the Member agrees that their Authorized Users will not share or make available their passwords or other means of access to Services or Accounts to any unauthorized individuals.

The Member assumes responsibility for all transactions and entries that are authorized via the Service, even those submitted by unauthorized individuals with whom passwords have been shared.

If the Member has reason to believe that a password belonging to an Authorized User has been compromised, lost or stolen, or that an unauthorized individual has or may attempt to use the Service, the Member must notify the Credit Union immediately via

secured email correspondence or by calling 206.298.9398 or 800.562.5515 ext. 8913.

IF YOU OR YOUR AUTHORIZED USERS DISCLOSE YOUR PASSWORDS TO ANYONE AND/OR IF YOU ALLOW SOMEONE TO USE YOUR PASSWORD TO ACCESS THE SERVICE(S), YOU HAVE AUTHORIZED THEM TO ACT ON YOUR BEHALF AND YOU WILL BE RESPONSIBLE FOR ANY USE OF THE SERVICE BY THEM.

Because a Password is used to access account information and submit transactions, Authorized Users should treat it as they would any other sensitive personal data:

- Carefully select a Password that is hard to guess.
- Do not use words based on your name, address, or other personal information.
- Special characters may be used to increase security.
- Do NOT use dictionary words.
- Keep your Password safe.
- Memorize your Password and do NOT write it down.
- Change your password regularly.
- Change your password immediately if you suspect that it has been compromised.

NEITHER THE CREDIT UNION NOR ITS SERVICE PROVIDERS WILL CONTACT YOU VIA TELEPHONE OR EMAIL REQUESTING PERSONAL INFORMATION, YOUR LOGIN INFORMATION, OR YOUR PASSWORD. IF YOU ARE CONTACTED BY ANYONE REQUESTING THIS INFORMATION, PLEASE CONTACT US IMMEDIATELY.

ONLINE BANKING SECURITY GUIDELINES

Access to Service

All Online Banking Transactions or inquiries must be initiated by the use of your Online Banking Username and Password.

User sessions are automatically ended after 15 minutes of inactivity.

Transaction limits may be assigned by the Credit Union and amended from time to time at the Credit Union's discretion.

Passwords

- Authorized Users will be required to change their Password the first time they access the Online Banking Service.
- Passwords are encrypted in our database and neither the Credit Union nor its Service Providers have access to this information.
- Users may change their Password at any time through the Service.
- Access to the Service will automatically be disabled after three (3) consecutive unsuccessful login attempts.
- Authorized Users with Administrator access can re-set another User's Password.
- All Authorized Users are strongly encouraged to change their Password at least every 180 days.
- Multiple users should not share a profile; each user should have their own Username and Password.

Administrator Role

The Member is required to designate a Primary Administrator on their CMS Agreement. Primary Administrators receive automatic access to all new Accounts and Services as they are added. They must add the Accounts and Services to other Authorized Users within the company via the Administration function of the Service.

Primary Administrators can designate some or all Authorized Users as Administrators. Users with Administrator privileges have the highest level of access to the Accounts and Services including, but not limited to, the ability to perform loan advances, transfers, and transmit Wires and ACH Entries if those privileges apply. They have the authority to set limits, Account access, and security levels for any other Authorized User, including other Administrators.

Mandatory Dual Control

Authorized Users can be granted the ability to create transfers, Wire transfers, and ACH Entries and/or transmit them to the Credit Union. THE MEMBER IS STRONGLY ENCOURAGED TO ESTABLISH INTERNAL CONTROLS TO REQUIRE DUAL CONTROL WHEN SUBMITTING TRANSFERS, WIRE TRANSFERS, AND ACH ENTRIES VIA ONLINE BANKING. Opting for sole control decreases the amount of security provided for Online Banking transactions. If the Member opts out of establishing Dual Control, they agree to hold the Credit Union harmless in the event of error or fraud resulting from this election.

REMOTE DEPOSIT CAPTURE SECURITY GUIDELINES

Access to Service

All Remote Deposit Capture Transactions or inquiries must be initiated by the use of your Remote Deposit Capture Company

Name, Username and Password. Once we have accepted your CMS Agreement, we will assign each Member a Company Name, Username, and Password and add the Accounts you designate in your Request for the Service.

User sessions are automatically ended after 15 minutes of inactivity.

Transaction limits may be assigned by the Credit Union and amended from time to time at the Credit Union's discretion.

User Roles

Upon Enrollment, the Credit Union will provide the Member with login credentials for the Company Administrator ("Administrator"). The Administrator is responsible for creating and deleting RDC User or RDC Admin User profiles and assigning access to enrolled Accounts. The Administrator cannot create, scan, or transmit Remote Deposit transactions via the Service.

RDC Users can create and scan Remote Deposit transactions but they cannot approve transactions for transmission to the Credit Union.

RDC Admin Users can create, scan, and approve for transmission Remote Deposit transactions.

Passwords

- Authorized Users will be required to change their Password the first time they access the Remote Deposit Capture Service.
- Passwords are encrypted in our database and neither the Credit Union nor its Service Providers have access to this information.
- Users may change their Password at any time through the My Settings function of the Service.
- Access to the Service will automatically be disabled after three (3) consecutive unsuccessful login attempts.
- The Company Administrator can re-set another User's Password.
- All Users are required to change their Password every 90 days.
- Multiple users should not share a profile; each user should have their own Username and Password.

Physical Security

- Secure scanned items in a locked location, accessible only by authorized personnel, for a minimum of 15 days and a maximum of 60 days.
- Shred scanned items after the retention period using a commercially reasonable method such as a cross-cut shredder or a professional shredding service.
- Endorse all checks prior to scanning.

FAILURE TO FOLLOW THE ABOVE GUIDELINES MAY RESULT IN TERMINATION OF THE SERVICE.

In addition to the security features described above, there may be other security related notices posted on our website or the Service from time to time. It is your responsibility to read all security notice.