



Membership & Account Agreement

This Agreement is the contract of deposit, which covers your and our rights and responsibilities concerning Membership and Account(s) offered to you. In this Agreement, the words “you” and “yours” mean anyone who signs the Account Card or Account Change Card (“Account Card”). The words “we,” “us,” and “our” mean Sound Credit Union (“Credit Union”). The word “account” means any one or more accounts you have with the Credit Union.

The classification and form of ownership of your accounts are designated on your Account Card. By signing the Account Card that is a part of the Agreement, each of you, jointly and severally, agree to the terms and conditions in this Agreement, including the Funds Availability Policy, Electronic Funds Transfer Agreement, Truth-in-Savings Disclosures (Rate and Fee Schedule), and Privacy Policy accompanying this Agreement, any account receipt, the Credit Union’s Bylaws and policies, and any amendments which collectively govern your Membership and Accounts. You agree additional accounts and services you request in the future will be governed by this Agreement, as amended from time to time. **Unless you waive your rights, you understand that certain account designations, such as a joint ownership with right of survivorship or POD beneficiary designation may be invalidated upon the Credit Union’s receipt of notice of marriage dissolution or a testamentary disposition, as required by applicable law.**

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I. MEMBERSHIP AND ACCOUNTS

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT. To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means to you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your government issued photo identification and/or other identifying documents.

- 1. Membership Eligibility.** To be eligible for membership in the Credit Union you must be an individual or entity qualifying within the Credit Union's field of membership and must satisfy the membership qualifications as required by the Credit Union's Bylaws. You authorize us to check your account, credit and employment history, and obtain a credit report from third parties, including credit reporting agencies, to verify your eligibility for accounts and services we may offer.
- 2. Individual Accounts.** An individual account is an account owned by one depositor including any individual, corporation, partnership, trust, or other organization qualified for Credit Union membership. If the account is an individual account, the interest of a deceased individual owner will pass, subject to applicable law, to the decedent's estate or payable on death ("POD") beneficiary, if applicable.
- 3. Joint Accounts.** A joint account is an account owned by two or more persons.
 - a. Rights of Survivorship.** If your account is a joint account, the account is owned as a joint account with rights of survivorship. Upon the death of one of the joint account owners, that person's interest will become the property of the surviving joint account owners. A surviving owner's interest is subject to our statutory lien for the deceased owner's obligations, and to any security interest or pledge granted by a deceased owner.
 - b. Rights of Joint Account Owners.** Any joint account owner is authorized and deemed to act for the other owner(s) and the Credit Union may accept orders and instructions regarding the account and requests for future services from any other account owner. Each account owner guarantees the signature of the other owners. Any account owner may withdraw all funds in the account, stop payment on items drawn on an account, close the account, withdraw, or pledge all or any part of the savings of any account, including funds representing a membership savings, without the consent of the other account owner(s) and the Credit Union shall have no duty to notify any other joint account owner(s). If the Credit Union receives written notice of a dispute between account owners or receives inconsistent instructions from them, the Credit Union may suspend or terminate the account, require a Court order to act, or require that all joint account owners agree in writing to any transaction concerning the account.
 - c. Joint Account Owner Liability.** If any item deposited in a joint account is returned unpaid or an account is overdrawn, or if we do not receive final payment on any transaction, each of the multiple account owners is jointly and severally liable to the Credit Union for the amount of the returned item, overdraft, or unpaid amount and any charges, regardless of who created the overdraft, deposited or cashed the item or benefited from the transaction. If any account owner is indebted to the Credit Union, the Credit Union may enforce its rights against any or all funds in the joint account regardless of who contributed the funds to the joint account.
- 4. POD Beneficiaries.** A Payable on Death (POD) designation is an instruction to the Credit Union that a designated account is an account payable to the owner or owners during their lifetimes, and when the last owner dies, payable to any named and surviving POD beneficiary. Accounts payable to more than one beneficiary are owned jointly with right of survivorship. Individual Retirement Accounts (IRAs) are governed by a separate beneficiary designation. We are not obligated to notify any beneficiary of the existence or interest vesting in any account, except as otherwise provided by law.
- 5. Accounts for Minors.** We may require any account established by or for a minor, to have a joint account owner who is at least eighteen (18) years of age who shall be liable to us for any returned item, overdraft, or unpaid charges or amounts. All funds in the account shall be owned with rights of survivorship unless otherwise indicated on the Account Card. We may make payments of funds directly to the minor without regard to his or her minority. No guardian or parent who is not an owner has any right to access the account. We have no duty to inquire about the use or purpose of any transaction. The minor account owner's Taxpayer Identification Number (TIN) must be shown on the Account Card. We shall not change

the account status when the minor reaches age eighteen (18), unless authorized in writing by all account owners.

6. Uniform Transfer to Minors Accounts. A Uniform Transfer to Minors Account (UTTMA) is established when a custodian deposits funds as an irrevocable gift to a minor (a person under twenty-one (21) years of age). The custodian shall open the account in the name of the minor, include the minor's Taxpayer Identification Number (TIN), and must sign his or her own name on the Account Card. The custodian controls the account for the exclusive right and benefit of the minor and, barring a court order otherwise, is the only party entitled to make deposits to, withdrawals from, or close the account. If the custodian dies, we may place an administrative hold on the account until instructed by a legally authorized person or a court order to withdraw funds.

7. Fiduciary Accounts. A fiduciary account is an account opened by an executor, administrator, personal representative, trustee, conservator, or other fiduciary in such capacity authorized under a will, court order or trust instrument establishing the fiduciary relationship, or a Representative Payee authorized by the Social Security Administration ("fiduciary"). The account owner is the estate, conservatorship, trust or Social Security Administration benefit recipient as the sole owner of this account. The fiduciary is authorized to act on behalf of the account owner but has no ownership interest in the account. The fiduciary is the only authorized party to transact on this account. The fiduciary is expressly authorized to endorse all items payable to or owned by the Account owner for deposit with or collection by the Credit Union and to execute such other agreements and to perform any other account transaction under the Agreement. The fiduciary is authorized to receive account information from the Credit Union, either orally or in writing, and any information related to the account. The authority given to the fiduciary shall remain in full force until a court order, termination of the account owner or written notice of revocation is received by the Credit Union either by a court appointed representative of the account owner or by the Social Security Administration, as applicable. Any such notice shall not affect any items in process at the time notice is given. The fiduciary will notify the Credit Union of any change in the account owner's status affecting the deposit relationship between the account owner and the Credit Union. The fiduciary warrants that all actions he or she takes regarding the account will be for the sole benefit of the account owner and that the fiduciary will not conduct any transaction on the account that will personally benefit the fiduciary or will not comply with the terms of the applicable laws, will, court order or instrument establishing the fiduciary relationship. The Credit Union may rely upon these representations and shall have no duty to examine such authorizing documents for compliance or inquire as to the powers and duties of the fiduciary and shall have no notice of any breach of fiduciary duties by the fiduciary unless the Credit Union has actual notice of wrongdoing. The account owner agrees that the Credit Union shall not be liable for any losses due to the account owner's failure to notify the Credit Union of any unauthorized acts of the fiduciary or changes to the relationship between the fiduciary and account owner. The account owner and fiduciary agree to indemnify and hold Credit Union harmless of any claim or liability as a result of unauthorized acts of the fiduciary upon which Credit Union relies prior to any actual notice of any account change or change of account owner.

8. Accounts of Organizations and Associations. Accounts held in the name of an organization or association member are subject to the same terms set forth in this Agreement and the following additional rules. We may require you to provide an Account Authorization Card informing us who is authorized to act on your behalf. You agree to notify us of any change in authority. We may rely on the written authorization until such time as we are informed of changes in writing and have a reasonable time to act upon such notice. We may require that third party checks payable to an organization be deposited to the account. We shall have no notice of any breach of fiduciary duties arising from a transaction by any agent of yours, unless we have actual notice of any wrongdoing.

9. Deposit Requirements.

a. Endorsements. You authorize us to accept transfers, checks, drafts, and other items for deposit if they are made payable to, or to the order of one or more owners even if they are not endorsed by all payees. You authorize us, in our discretion, to supply missing endorsements if we choose. When you deposit items to your account, you warrant that all prior endorsements are genuine. We may require an endorsement on third party checks presented for deposit either in person or by comparison with member signature files. If insurance, government, and certain other checks or drafts require an endorsement as set forth on the back of the check, the Credit Union may require such endorsement. Endorsements must be placed on the back of the check within 1.5 inches from the top edge. While we may accept endorsements outside this space, if any such endorsement or other markings you or any

prior endorser make on the check causes any delay or error in processing the item for payment, you will be responsible for any loss we incur due to the delay or error.

- b. **Collection of Items.** We are not responsible beyond the exercise of ordinary care for deposit or collection items. Deposits made by mail or at an unstaffed facility are not our responsibility until we receive them. We are not liable for the negligence of any correspondent or for loss in transit. We may send any item for collection. We will handle items drawn on an institution located outside the United States on a collection basis only. You waive any notice of nonpayment, dishonor, or protest regarding any items we purchase or receive for credit or for collection to your account.
- c. **Final Payment.** All items or Automated Clearing House ("ACH") transfers credited to your account are provisional until we receive final payment. If final payment is not received, we may charge your account for the amount of those items or ACH transfers and impose a return charge on your account. After we have received final payment, we refer to these deposits as collected items. If we incur any fee to collect any item, we may charge such fee to your account. We reserve the right to refuse or to return any item or funds transfer. We may charge your account for items returned unpaid, regardless of whether funds were available to you.
- d. **Direct Deposits.** We may offer preauthorized deposits (e.g., payroll checks, Social Security or retirement checks, or other government checks) or transfers from other accounts. You authorize each direct deposit by completing a separate authorization form. You must notify us at least thirty (30) days in advance to cancel or change a direct deposit or transfer option. Upon a bankruptcy filing, if you fail to cancel an authorization, you instruct your employer and us to make and apply direct deposits in accordance with your authorization on file with us. If we are required to reimburse the U.S. Government for any benefit payment directly deposited into your account for any reason, you agree we may deduct the amount returned from any of your accounts, unless prohibited by law.
- e. **Crediting of Deposits.** Generally, deposits made on Saturdays, Sundays, and Credit Union holidays will be credited to your account on the next business day. If we accept deposits on Saturdays at a branch location, we will credit your account that day. Ask for our current deposit cutoff time. Deposits we receive at unstaffed facilities, such as night depositories, will be credited on the day we remove and process such funds. Funds will be credited to your account when we receive final payment.

10. Electronic Check Conversions.

- a. **Electronic Checks.** If you authorize a merchant to electronically debit your checking account using the routing, account, and serial number of your check to initiate the transfer, whether the check is blank, partially, or fully completed and signed, such authorization is an electronic check conversion. An electronic check conversion is an electronic funds transfer ("EFT") subject to terms in Section III. Electronic Funds Transfer Agreement. You authorize us to honor any electronic check conversion from your checking account just the same as a regular written check.
- b. **Electronic Represented Checks.** If you write a check on a personal account that we return unpaid because of insufficient or uncollected funds, the payee or any subsequent holder of the check may re-present the check to us, through an electronic instruction ("Electronic Re-Presented Check") to charge your account for the amount of the check. If we receive an electronic re-presented check, we will pay or return the electronic re-presented check as if the original paper check was presented to us. Any collection fee you authorize the merchant to debit from your account is an electronic funds transfer subject to the terms of Section III. Electronic Funds Transfer Agreement. If you want to reverse an electronic re-presented check, you must give us an affidavit within fifteen (15) days after we send or make available to you the periodic statement that reflects payment of that electronic re-presented check. In your affidavit, you must declare and swear under oath that the electronic re-presented check was ineligible or unauthorized. If we receive proper notice or affidavit from you within the fifteen (15) day period, we will credit your account with the amount of the charge. If you wish to stop payment of any electronic re-presented check, you must follow the procedures contained in this Agreement for stopping payment of checks, not the procedures for stopping payment on electronic loan or bill payments. If you ask us to request the depositor's bank to send us the original paper check or copy of the paper check, and we provide it to you, you agree that you will not seek to have your account recredited due to a prior stop payment order or if the item is otherwise ineligible for collection.

11. Account Access.

- a. **Authorized Signature.** Your signature on the Account Card authorizes your account access. We are authorized to recognize your signature but will not be liable for refusing to honor any item or instruction if we believe in good faith that the signature is not genuine. If you have authorized the use of a facsimile signature, we may honor any draft that appears to bear your facsimile signature even if it was made by an unauthorized person. If you give your account number to a

third person, you authorize us to honor transactions initiated by the third person even if you did not specifically authorize a particular transaction.

- b. Access Options. You may withdraw or transfer funds from your account in any manner we permit (i.e., check, automated teller machine (ATM), debit card, in person, by mail, automatic transfer, audio response, telephone, or Online Banking). If we accept any draft that is not drawn on a form provided by us, you will be responsible for any loss we incur for handling the draft. We may return as unpaid any check that is not drawn in the form provided by us.
- c. Automated Clearing House (ACH). If offered, you may initiate or receive credits or debits to your account via ACH transfer. You agree that if you receive funds by an ACH transfer, the Credit Union is not required to notify you at the time the funds are received. Instead, the transfer will be shown on your periodic statement. Credit given by the Credit Union to you with respect to an ACH credit entry is provisional until the Credit Union receives final settlement for such an entry through a Federal Reserve Bank. If the Credit Union does not receive such final settlement, you are hereby notified and agree that the Credit Union is entitled a refund of the provisional amount credited to you in connection with such entry, and the party making payment to you, i.e. the originator of the entry, via such entry shall not be deemed to have paid you the amount of such entry. The Credit Union (and other institutions) may rely on the account or other identifying number you give as the proper identification number, even if it identifies a different party or institution. ACH transactions are governed by the rules of the National Automated Clearing House Association (NACHA). Under those rules, the Credit Union is not required to give next day notice to you of receipt of an ACH item, and the Credit Union will not do so. However, the Credit Union will continue to notify you of the receipt of ACH payments in your periodic statement. Also, if you have revoked your authorization for previously authorized ACH transactions, the Credit Union will not be responsible for the unauthorized ACH debits to your account if you fail to notify us in writing within fifteen (15) days after we mail or make available to you the statement containing that entry.
- d. International ACH Transactions. You understand that in the event an International ACH Transaction ("IAT") Entry that is transmitted to or from any of your accounts is identified and designated by the Credit Union's screening criteria for review and examination under the OFAC Rules and Regulations ("OFAC Rules"). The settlement of such an IAT Entry may be delayed or suspended pending the Credit Union's review of the IAT Entry and may be terminated under applicable OFAC Rules. You acknowledge that we may be required to place an indefinite hold on the funds covered by the IAT Entry if the IAT Entry is required to be terminated under the OFAC Rules. You agree that any delay described above will be a permissible delay under the regulations applicable to the availability of funds held in deposit accounts. In the event an IAT Entry is delayed or terminated, we will provide you such notice as may be required by applicable laws and regulations.
- e. Wire Transfers. You may initiate a wire transfer from your account. Our wire transfer cut-off time is 1:30 PM PST for domestic wires and 12:30 PM PST for International wires. Wire transfers, cancellations or amendments received after the applicable cutoff time may be treated as having been received on the next Business Day. We will charge your account for the amount of any authorized funds transfer including any wire transfer fees as set forth on the Rate and Fee Schedule. International wire transfers are governed by the Bureau of Consumer Financial Protection's Regulation E. Terms and conditions for international wire transfers will be provided at the time of the transfer transaction.

Security Procedures. You agree any wire transfer request will be subject to the agreed security procedures including photo identification requirements, signature verification, data/password verification, use of a personal identification number (PIN) verification, and agreed callback procedures. For wire transfer requests processed through facsimile or by telephone we may require a call back password verification. If we are unable to reach you by phone to verify the password security within two business days of your wire request, we may cancel the wire request without notice. You agree if we comply with the agreed written security procedures you shall be liable for payment of the transferred amount plus transfer fees, even if the transfer request is not actually transmitted or authorized by you. If we do not follow the agreed security procedure but can prove the transfer request was originated by you, you will still be liable for the transfer amount plus transfer fees. You authorize us to record any telephone calls relating to any transfer under this Agreement. We may reject any transfer request or incoming wire transfer which does not conform to the limitations, security procedures, and requirements and for any reason, except when prohibited by law.

Notice of Errors & Liability. It is your obligation to examine your statements for any discrepancy concerning any wire transfer. If you fail to notify us of statement or transaction errors as required under this Agreement, we will not be liable for and you agree to hold us harmless from any loss which you could have prevented. You agree to indemnify and hold the Credit Union harmless from any

liability, damages or expenses (including reasonable attorney's fees), resulting from acts, omissions, by you or any other person acting on your behalf. We will not be liable for acts or omissions by you or any other person; including without limitation any wire transfer system, any Federal Reserve Bank, any Beneficiary Bank, and any Beneficiary, none of which shall be deemed the Credit Union's agent. We will be excused from delaying or failing to act if caused by emergency conditions or other circumstances beyond the Credit Union's control. In no event shall we be liable for any consequential, special, punitive or indirect losses or damages incurred relating to this Agreement, including any subsequent wrongful dishonor resulting from our acts or omissions. You understand you have no right to cancel or amend any transfer request after receipt by us; however, we shall use reasonable efforts to act on a cancellation or change request so long as it is received in a reasonable time within which to act upon such instructions. We shall have no liability if the cancellation or change is not affected. You may not initiate any wire transfer to facilitate any transaction related to internet gambling. If the funds transfer is delayed or erroneously executed, and a loss is suffered as a result of our error, our sole obligation is to pay or refund such amounts as may be required by applicable law. If we become obligated under UCC Article 4A to pay interest, you agree the interest rate will be the dividend rate applicable to the account to which the funds transfer was or should have been made. The origination of Domestic Wire Transfer requests through the Credit Union shall be governed by Washington law, UCC Article 4A, and Federal Reserve Regulation J, any Wire Transfer Authorization and this Agreement.

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

12. Account Rates and Fees. We pay dividends and impose fees based on the account rates and fees, earnings, payment and balance requirements as set forth on the Rate and Fee Schedule and each Certificate Account Receipt. A current Rate and Fee Schedule has been provided to you separately. You agree we may change the Rate and Fee Schedule from time to time and you will be notified of such changes as required by law.

13. Transaction Limitations.

Withdrawal Restrictions. We will permit a withdrawal only if you have sufficient available funds in your account to cover the full amount of the withdrawal or have an established overdraft protection plan. Drafts or other transfer or payment orders which are drawn against insufficient available funds will be subject to a service charge, set forth in the Rate and Fee Schedule. If there are sufficient available funds to cover some but not all of your withdrawal orders, we may allow those withdrawals for which there are sufficient available funds in any order at our discretion. We may disallow a withdrawal in other cases; for example: any dispute between the owners about the account (unless a court has ordered us to allow the withdrawal); a legal garnishment or attachment is served; the account secures an obligation to us; any required documentation has not been presented; or you fail to repay a Credit Union loan on time. You will be advised of the reasons for refusal if such action is taken. We reserve the right to require you to give notice in writing of any intended withdrawals from any account up to 90 days before such withdrawal.

14. Overdrafts.

- a. Overdraft Liability. If on any day, the available funds in your checking account are not sufficient to cover checks and other items posted to your account, those checks, and items will be handled in accordance with our overdraft procedures or an overdraft protection plan you have with us. Our determination of an insufficient account balance may be made at any time between presentation and our midnight deadline with only one review of the account required. We have no duty to notify you of an insufficient funds check. Your account will then be subject to a charge for the item whether paid or returned as set forth in the Rate and Fee Schedule. Except as otherwise agreed in writing, by covering one or any overdraft, we do not agree to cover overdrafts in the future and may discontinue covering overdrafts at any time. If we pay a draft that would otherwise overdraw your account, you agree to pay the overdraft amount immediately. We reserve the right to pursue collection of previously dishonored items at any time, including giving a payor financial institution extra time beyond any midnight deadline limits.
- b. Overdraft Protection Plans. We offer several discretionary overdraft protection plans that permit transfers from a savings account or line of credit account to cover overdrafts. An overdraft occurs when you do not have enough money in your account to cover a transaction, but we pay it anyway. We can cover your overdrafts for checks, automatic bill payments and recurring ACH transactions.

Also, upon your request, we offer a Courtesy Pay overdraft protection service to pay overdrafts for ATM and debit card transactions as set forth in Section 14.c. We pay overdrafts at our discretion, which means we do not guarantee that we will always authorize and pay any type of transaction. If we do not authorize and pay an overdraft, your transaction will be declined. Under our standard overdraft practices, we will charge you a fee as set forth on the Rate and Fee Schedule, each time we pay an overdraft. There is no limit on the total fees we can charge you for overdrawing your account.

- c. **Courtesy Pay Program.** If you want us to authorize and pay an overdraft on your ATM and debit card/POS transactions under the Courtesy Pay Program, we may, at our discretion and not as a right of yours or our obligation to you, pay overdrafts up to an approved overdraft limit under the terms of this service. We are not obligated to pay any transaction presented for payment if your account does not contain sufficient funds. This overdraft program is not a line of credit, is not guaranteed, and is independent of other overdraft plans we may offer.

Overdraft Limit/Available Balance. Upon approval of the service, the overdraft limit will be determined by an account's prior 90-day ACH deposit activity and will be re-evaluated monthly. The Credit Union's fees and charges and each paid transaction will be included in this limit. This overdraft limit will not be included or reflected in your actual or "available balance" of your account provided by a teller, at an ATM or POS facilities or on your periodic statements. Generally, we will not pay an overdraft in excess of any limit we have established for your account type. Also, we may refuse to pay an overdraft for you at any time, even if we have previously paid overdrafts for you. We may notify you electronically of any insufficient funds, checks, or items paid or unpaid and returned that you may have. However, we have no obligation to notify you before we pay or return any item.

Overdraft Fees. The fee for each paid overdraft is set forth on the Rate and Fee Schedule and will be listed on your statement in the "Summary of Overdraft and Returned Items" section. If we do not pay the overdraft, there is an NSF/Returned Item fee as set forth on the Rate and Fee Schedule and will be listed on your statement in the "Summary of Overdraft and Returned Items" section. We may charge a fee each time a check or item is submitted or resubmitted for payment. Therefore, you may be assessed more than one fee as a result of a returned item or resubmission(s) of the returned item. There is no limit on the number of overdrafts paid on any one day, however there is a maximum of five (5) overdraft fees that will be charged per day. These fees may be amended as set forth in our Rate and Fee Schedule.

Member Repayment Responsibility. You agree your Courtesy Pay balance, including applicable overdraft fees, is due and payable upon demand. If there is more than one owner on an account, all owners are jointly and severally liable for repayment of the overdraft balance. If you fail to repay your overdraft balance within 30 days of notice from us, we may immediately suspend the Courtesy Pay service. Accounts may be closed for failure to repay overdraft balances and we will report account closures to consumer reporting agencies, and we may refer your account to an agency for collection.

Termination of Service. The Credit Union offers the overdraft protection service as a service and convenience to members for incidental overdrafts. We do not encourage you to repeatedly overdraw your account. We encourage you to manage your finances responsibly. You may terminate the service at any time by notifying the Credit Union, by phone, in person or through Online Banking. You understand that by opting-out of this service, the Credit Union may refuse to pay any check or item that is presented against an insufficient balance on your account and you will be responsible for any NSF/Returned Item fees. You are still responsible to pay any overdraft, even if you have terminated the service.

- 15. Postdated and Stale Dated Items.** You authorize us to accept and pay any check, even if the check is presented for payment before its date, unless you notify us of the postdating. Your notification is subject to all terms and conditions of a stop payment request. Your notice will be effective only if we receive the notice in time for us to notify our employees and reasonably act upon the notice and you accurately describe the check, including the number, date, and amount. You understand that the exact information is necessary for our computer to identify the check. If you give us an incorrect, incomplete, or untimely notice, we will not be responsible for paying the item before the date stated and we may charge your account as of the date we pay the item. You may make an oral notice which will lapse within fourteen (14) days unless continued in writing, within that time. A written notice will be effective for six (6) months. A written notice may be renewed in writing from time to time. You also agree not to deposit checks, drafts, or other items before they are properly payable. We have no obligation to you to pay a check or draft drawn on your account which is presented more than six months after its date.

16. Stop Payment Orders.

- a. Stop Payment Request. You may ask us to stop payment on any check drawn upon and ACH debit scheduled from your account. You may request a stop payment online, by telephone, by mail, or in person. For checks and ACH debits, the stop payment will be effective if the Credit Union receives the order in time to act upon the order. For preauthorized ACH debits, the stop payment order must be received at least three (3) business days before the scheduled date of the transfer. You must state the account number, date, and exact amount of the check or ACH, and the number of the check or originator of the ACH debit. If you give the Credit Union incorrect or incomplete information, the Credit Union will not be responsible for failing to stop payment on the item. If the stop payment order is not received in time for us to act upon the order, we will not be liable to you or to any other party for payment of the item. If we recredit your account after paying a check over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to transfer all of your rights against the payee or other holders of the check to us, and to assist us in legal action taken against the person.
- b. Duration of Order. Stop payment orders for checks and Electronic Check Conversion transactions will be effective for six (6) months but will lapse after fourteen calendar days if the original order is verbal and is not confirmed in writing within that period. Stop payment orders for Visa debit and credit transactions will be effective for fourteen (14) months but will lapse after fourteen calendar days if the original order was verbal and is not confirmed in writing within that period. Stop payment orders for Preauthorized Electronic Funds Transfers will remain in effect until a written request to remove the stop payment is received. We are not obligated to notify you when a stop payment order expires.
- c. Liability. We may charge a fee for each stop payment order requested, as set forth on the Rate and Fee Schedule. You may not place a stop payment on any certified check or draft, cashier's check or money order, or any other check, draft, or payment guaranteed by us. You should be aware that while payment of the item may be stopped, you may remain liable to any person, including us, who is a holder of the item despite the stop payment order. You agree to indemnify and hold us harmless from all costs, including attorney fees, damages or claims related to our action in refusing payment of an item, including claims of any multiple party account owner, payee, or endorsee in failing to stop payment of an item as a result of incorrect information provided by you.

17. Lost Items. We act only as your agent in receiving items from you for withdrawal or deposit, and we may reverse the credit for any deposited items or charge your account for the items should they become lost in the collection process.

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

19. Credit Union Lien and Security Interest. To the extent you owe us money as a borrower, guarantor, endorser or otherwise, we have a lien on any or all of the funds in any account in which you have an ownership interest regardless of the source of the funds. We may apply these funds in any order to pay off your indebtedness. If we choose not to enforce our lien, we do not waive our right to enforce the lien at a later time. In addition, you grant us a consensual security interest in your accounts and agree we may use the funds from your accounts to pay any debt or amount owed to us, except obligations secured by your dwelling, unless prohibited by applicable law. All accounts are non-assignable and nontransferable to third parties.

20. Legal Process. If any legal action, such as a levy, garnishment, or attachment, is brought against your account, we may refuse to pay out any money from your account until the dispute is resolved. If we incur any expenses or attorney fees in responding to legal process, such expenses may be charged against your

account without prior notice to you unless prohibited by law. Any legal process against your account is subject to our lien and security interest.

21. Account Information. Upon your request, we will inform you of the name and address of each credit reporting agency from which we obtain a credit report in connection with your account. We agree not to disclose information to third parties about your account regarding any transaction or balances except when: (1) it is necessary to complete the transaction; (2) the third party seeks to verify the existence or condition of your account in accordance with the Fair Credit Reporting Act or other applicable laws and regulations; (3) such disclosure is in compliance with the law, government agencies or court orders; or (4) you give us your written permission.

22. Notices.

- a. Name or Address Changes. It is your responsibility to notify us upon a change of address or change of name. We are only required to attempt to communicate with you at the most recent address you have provided to us. We will accept notice of a change in address and any other notice from you if provided in writing. If we attempt to locate you, we may impose a service fee as set forth on the Rate and Fee Schedule.
- b. Notice of Amendments. Except as otherwise prohibited by applicable law, the terms of this Agreement are subject to change at any time. We will notify you of any changes in account terms, rates, or fees as required by law. Changes in account ownership, such as adding or removing a joint account owner, must be evidenced in writing. No joint owner may remove another joint owner from the account without the consent of all owners. We reserve the right to waive any term in this Agreement. Any such waiver shall not affect our right to enforce any right in the future.
- c. Effect of Notice. Any written notice you give us will be effective when received by us. Any written notice we give to you will be effective when it is deposited in the U.S. Mail, postage prepaid and addressed to you at your mailing address on record. Notice to any one account owner is considered notice to all owners of the account.
- d. Notice of Negative Information. We may report information about your account to credit bureaus. Late payments, missed payments, or other defaults on your account may be reflected in your credit report.
- e. Consent to Communications. By providing an email address, telephone number for cellular phone, or other wireless device, you are expressly consenting to receiving communications at that address or number, including, but not limited to, prerecorded or voice mail message calls, text messages, and calls made by an automatic telephone dialing system from us and our affiliates and agents. This express consent applies to each address or telephone number that you provide to us now or in the future and permits such communication regardless of their purpose. In the regular course of our service to you, we may monitor, and record phone conversations made or received by our employees. You agree that we will have this right with respect to all phone conversations between you and our employees, whether initiated by you or any of our employees. For payment authorizations you provide by telephone, we may require you to confirm such instructions in writing.
- f. Electronic Signatures. You understand and agree that your electronic consent is your electronic signature which specifically records your signature and assent to the Membership and Account Agreement and constitutes your agreement to the terms and conditions of the Membership and Account Agreement. You agree your electronic signature captured and stored as an image by this electronic means shall be sufficient to evidence of your assent to be contractually bound by the Agreement and shall constitute a valid signature for purposes of any provision of this Agreement.

23. Taxpayer Identification Numbers (TIN) and Backup Withholding. If your account is or becomes subject to backup withholding, we are required by law to withhold and pay to the Internal Revenue Service (IRS) a required percentage of payments of dividends and certain other payments under certain conditions. Your failure to furnish a correct taxpayer identification number (TIN) or meet other applicable requirements may result in backup withholding as well as civil or criminal penalties. If you refuse to provide your TIN, we may suspend the opening of your account.

24. Statements.

- a. Contents. If we provide a statement for your account, you will receive a periodic statement of all transactions and activity on your account during the statement period. If a periodic statement is provided you agree that only one statement is necessary for a multiple party account. For checking accounts, you understand that when paid, your original check (or any substitute check) becomes property of the Credit Union and may not be returned to you. You agree to keep a copy or carbon

copy of your original check in order to verify its validity. If you request us to provide you with an original check or sufficient copy, you agree that we may provide an electronic image of the original check or sufficient copy. You understand your statements and checks are made available to you on the date the statement is mailed to you.

- b. **Examination.** You are responsible for examining each statement and reporting any irregularities to us. We will not be responsible for any forged, altered, or unauthorized item drawn on your account if (1) you fail to notify us within sixty (60) days of the mailing date of the earliest statement and availability of checks containing any forgery, alteration, or unauthorized signature on the item; or (2) any items forged or altered in a manner not detectable by a reasonable person including the unauthorized use of a facsimile signature machine.
- c. **Notice to Credit Union.** You agree that our retention of drafts does not alter or waive your responsibility to examine your statements and draft copies or the time limit for notifying us of any errors. The statement will be considered correct for all purposes and we will not be liable for any payment made or charge to your account unless you notify us in writing within the above time limit after the statement and checks are made available to you.
- d. **Electronic Statements (e-statements).** If your statement is provided electronically, statements will be: (1) electronically mailed to you as an attachment; or (2) you will be sent a notice via e-mail that will direct you to a site we maintain or cause to be maintained where you may access, review, print and otherwise copy/download your periodic statements using procedures we authorize. E-mails from us will be sent to the e-mail address provided by the account owner. The mailing date is the date the Credit Union notifies you of the statement availability.

25. Inactive and Abandoned Accounts. If you have an account that has an aggregate deposit balance of less than \$250 and you have not made a withdrawal from, deposit to, or transaction involving your account (deposit or loan) for more than twelve (12) months and the Credit Union has had no other contact with you during that period, the Credit Union may classify your account as inactive and may charge an inactive account service fee as allowed by applicable law and set forth on the Rate and Fee Schedule. Prior to imposing any fee, the Credit Union will notify you at your last known address as required by law. If a deposit or withdrawal has not been made on the account and the Credit Union has had no other contact with you for three (3) years as required by the Uniform Unclaimed Property Act, the account will be presumed to be abandoned. Funds in abandoned accounts will be remitted in accordance with state law. Once funds have been turned over to the state, the Credit Union has no further liability to you for such funds and if you choose to reclaim such funds, you must apply to the appropriate state agency.

26. Death of Account Owner. You irrevocably waive the right to make a testamentary disposition of any account with the Credit Union, now and in the future. You agree that upon your death, your account will be payable in accordance with any existing account designations and the terms of this Agreement. We may require the survivor or other claimant to the account to produce certain documents before releasing the funds in the account. We may continue to honor all transfers, withdrawals, deposits and other transactions on the account until we learn of an account owner's death. Once we learn of a member's death, we may pay checks or honor other payments, or transfer orders authorized by the deceased member for a period of ten (10) days unless we receive instructions from any person claiming an interest in the account to stop payment on the checks or other items. You agree that we can require that anyone who claims funds in your account after your death to indemnify us for any losses resulting from honoring that claim.

27. Termination of Account. We may terminate your account at any time without notice to you or may require you to close your account and apply for a new account if (1) there is a change in owners or authorized signers; (2) there has been a forgery or fraud reported or committed involving your account; (3) there is a dispute as to the ownership of the funds in the account; (4) any account checks are lost or stolen; (5) there are excessive returned unpaid items not covered by an overdraft protection plan; (6) there has been any misrepresentation or any other abuse of any of your accounts; (7) we determine that you no longer meet the criteria we have established to maintain the account; or (8) any account owner is verbally or physically abusive to a Credit Union employee. You may terminate your account at any time by notifying us verbally or in writing. We will not be responsible for payment of any check, withdrawal, or other item once your account is terminated; however, if we pay a check after termination, you agree to reimburse us for the payment.

- 28. Termination of Membership.** You may terminate your Credit Union membership after giving written notice of your intent to withdraw from membership. You may be denied services or expelled from membership for any reason allowed by applicable law, including causing Us a loss. This includes without limitation, any conduct that is abusive, threatening or harassing to a credit union employee, volunteer, or member.
- 29. Special Account Instructions.** You may request us to facilitate certain trust, will, or court ordered account arrangements. However, because we do not give legal advice, we cannot counsel you as to which account arrangement most appropriately meets the specific requirements of your trust, will, or court order. You and any surviving owner or beneficiary agree(s) to indemnify and hold the Credit Union harmless from any claim or liability asserted against the Credit Union as a result of the disposition of funds in reliance on this Agreement and any account designations of yours. If you ask us to follow instructions that we believe might expose us to claims, suits, lawsuits, expenses, liabilities, or damages, whether directly or indirectly, we may refuse to follow your instructions or may require you to post a bond to indemnify us. Any item presented with a full payment legend must be presented in person to a Credit Union officer; otherwise, payment is accepted with full reservation of rights. Account changes requested by you, or any account owner, such as adding or closing an account or service, must be evidenced by a signed Account Card and accepted by us. We will not recognize the authority of someone to whom you have given power of attorney without written authorization and a copy of the Power of Attorney on record with us. The Credit Union reserves the right to accept or refuse a Power of Attorney.
- 30. Severability.** In the event that any paragraph of this Agreement or any portion thereof is held by a court to be invalid or unenforceable for any reason, the other paragraphs and portions of this Agreement shall not be invalid or unenforceable and will continue in full force and effect.
- 31. Enforcement.** You agree to be liable for any loss, or expense as provided in this Agreement that we incur as a result of any dispute involving your accounts or services. You authorize us to deduct any such liability, loss, or expense from your account without prior notice to you. In the event either party brings a legal action to enforce the Agreement or collect any overdrawn funds on accounts accessed under this Agreement, the prevailing party shall be entitled, subject to applicable law, to payment by the other party of its reasonable attorney's fees and costs and any collection agency costs, if applicable, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions, if applicable.
- 32. Governing Law.** This Agreement is governed by the Credit Union Bylaws, federal laws and regulations, the laws and regulations of the State of Washington and local clearinghouse rules, as amended from time to time. Any disputes regarding this Agreement shall be subject to the jurisdiction of the court of the county in which the Credit Union is located.

II. FUNDS AVAILABILITY POLICY

For savings accounts and deposits made through Mobile Deposit, we reserve the right to place reasonable holds on deposited funds to the extent permitted by law. For checking accounts, our Funds Availability policy is set forth below.

- 1. General Policy.** Our policy is to make funds from deposits made to your checking account available to you on the same business day that we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written. For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit after business hours, or on a day we are not open, we will consider the deposit to be made on the next business day we are open.
- 2. Reservation of Right to Hold.** In some cases, we will not make all of the funds that you deposit available to you on the same business day that we receive your deposit. However, the first \$225 of your total combined daily deposit(s) will generally be available on the same business day. The next \$5,300 will be available on the second business day following the day of deposit, and deposit amounts exceeding \$5,525 will be available on the seventh business day following the day of deposit. If we are not going to make all of the funds from your deposit available on the same business day, we will notify you at the time you make your

deposit and tell you when the funds will be available. If the hold on your deposit changes, we will mail you the notice by the next business day after we receive your deposit.

- 3. Holds on Other Funds.** If we cash a check for you drawn on another financial institution, we may withhold the availability of a corresponding amount of funds already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it. If we accept for deposit a check drawn on another financial institution, we may make funds from the deposit available for withdrawal immediately but delay your ability to withdraw a corresponding amount of funds you have on deposit in another account with Us. The funds in the other account would not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.
- 4. Longer Delays May Apply.** We may delay your ability to withdraw funds deposited by check into your account an additional number of days if (a) we believe a check you deposit will not be paid; (b) you deposit checks totaling more than \$5,525 on any one day; (c) you deposit a check that has been returned unpaid; (d) you have overdrawn your account repeatedly in the last six months; or (e) there is an emergency, such as failure of communications or computer equipment. We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh business day after the day of your deposit.
- 5. Night Deposit.** If you deposit funds at a Sound Credit Union night deposit prior to 9:00 am on a business day, then it is considered the day of deposit. However, if you deposit funds after 9:00 am, or on a non-business day, we will consider the day of deposit to be the following business day.
- 6. Special Rules for New Accounts.** If you are a new member, the following special rules may apply during the first 30 days your account is open. Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,525 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state, and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the deposit must be made in person to one of our employees and the check must be payable to you. The excess over \$5,525 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, funds will generally be available on the fifth business day after the day of your deposit. Funds from all other check deposits will generally be available on the ninth business day after the day of your deposit.

III. ELECTRONIC FUNDS TRANSFER AGREEMENT AND DISCLOSURES

By signing the Account Card or signing or using your Visa debit card, Online Banking service or telephone banking service, you agree to the following terms governing your and our rights and responsibilities concerning the electronic funds transfer services and any amendments, as applicable. Terms and conditions set forth elsewhere in this Agreement shall also apply to your electronic funds transfer service. Electronic funds transfers ("EFTs") are electronically initiated transfers of money through pre-authorized transfers and direct deposits, automated teller machines ("ATMs"), telephone banking transactions, Online Banking and Bill Pay transactions, Point of Sale ("POS") terminals, and debit card purchases involving your deposit accounts at the Credit Union.

1. Services.

- a. Automated Teller Machines (ATMs). Upon approval, you may use your debit card and your Personal Identification Number ("PIN") in automated teller machines of the Credit Union, and within such ATM networks we may designate. At the present time, you may use your Card to make the following transactions on your accounts:
 - (i) Withdraw cash from your checking or savings account
 - (ii) Transfer funds between your checking and savings accounts
 - (iii) Deposit funds to your checking or savings account
 - (iv) Other transactions as offered and permitted in the future
- b. Visa Debit Card. Upon approval, you may use your debit card to purchase goods and services any place your Card is honored by participating merchants. Funds to cover your debit card purchases will be deducted from your checking account. A debit card purchase will not be authorized if, at the time the authorization is requested, the amount of purchase exceeds the available balance in your account

and overdraft protection is not available. For a debit card purchase that has been authorized, if there are insufficient funds in your account at the time the authorized transaction is processed by the Credit Union, your overdraft protection plan may be used to pay these transactions. If the balance in your account is not sufficient to pay the transaction amount, your account will be subject to a charge as set forth in the Rate and Fee Schedule, and the Credit Union may terminate all services under this Agreement.

- c. **Non-Visa Debit Transactions.** Some merchants may permit you to initiate debit and bill payment transactions with your card using either the Visa network or another network such as the STAR, PLUS, or CO-OP Network. The Credit Union will honor your debit transactions processed by any of these networks.

Transactions processed over the Visa network do not require you to use your PIN to validate the transaction. Generally, you will sign a receipt, provide your card number (e.g. internet, mail, or telephone transactions), or swipe/dip your card at a terminal. Also, there are certain protections and rights such as the zero liability protections in Section 4. Member Liability, applicable only to Visa processed transactions.

Transactions processed over other networks may require you to use your PIN in order to validate a transaction. Generally, you enter your card number or swipe/dip your card and provide or enter a PIN. However, some merchants may not require you to provide a PIN and allow you to choose whether the transaction is processed by Visa or another network. Provisions applicable only to Visa transactions (such as Visa's zero liability protections) will not apply to non-Visa debit transactions and the liability rules for other EFTs in Section 4. Member Liability will apply.

- d. **Direct Deposit and ACH.** Upon instruction of (a) your employer or (b) the Treasury Department or (c) other financial institutions, the Credit Union will accept direct deposits of your paycheck or of Federal recurring payments, such as Social Security. You may authorize preauthorized debits to your account through ACH transactions. An ACH transaction drawn from a checking account will be covered by overdraft protection if funds are available and a fee may be charged as set forth in the Account Rate and Fee Schedule. If you overdraft your account by use of ACH, your account will be subject to a charge as set forth in the Account Rate and Fee Schedule and may be returned to the payer.
- e. **Telephone Banking.** If we approve the telephone banking service for your accounts, you may choose a Code Number (access code). You must use your access code along with your account number to access your accounts. The Credit Union will not be responsible for any errors or failures involving any telephone service or your computer. At the present time you may use the service to (a) make account balance, certificate, and loan inquiries; (b) transfer funds between your deposit accounts; (c) take an advance on your line of credit; (d) obtain YTD interest information on loans and YTD dividend information on deposit accounts; (e) verify deposits and withdrawals; (f) tell if a particular check has cleared; and (g) complete other transactions as offered and permitted in the future.
- f. **Electronic Check Transactions.** You may authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your check to pay for purchases, pay bills, or pay other obligations ("electronic check transactions"). You agree that your authorization for an electronic check transaction occurs when you initiate such a transaction after receiving any required notice regarding the merchant's right to process the transaction or payment, including any written sign provided by the merchant at the time of your transaction. All terms governing electronic funds transfer services will apply to electronic check transactions, except the \$50 and \$500 limits of liability for unauthorized transactions in Section 4. Member Liability. You remain responsible for notifying us of any unauthorized electronic check transaction shown on your statement. Transactions involving your deposit accounts will be subject to the terms of your Membership and Account Agreement and transactions involving a line of credit account will be subject to your Loan Agreement and Disclosures, as applicable.

2. Service Limitations.

- a. **Automated Teller Machines (ATMs).**

Withdrawals. There is no limit on the number of withdrawals you may make at our ATMs and nonproprietary ATMs. However, you may be charged a fee as set forth on the Fee Schedule. You may withdraw up to \$500 total per day, subject to your account having a sufficient available balance and limits placed on each individual ATM.

Transfers. You may transfer between your savings and checking accounts up to the balance in your accounts at the time of the transfer at available locations.

Deposits. The servicing and processing schedule of automated teller machines may result in a delay between the time a deposit is made and when it will be available for withdrawal. You should refer to the Credit Union's Funds Availability Policy for details.

- b. Debit Card/POS Purchases. You may make debit card purchases at participating merchants and POS terminals up to the maximum amount set by any participating merchant (if there are sufficient funds in your account). We reserve the right to refuse any transaction which would draw upon insufficient funds, lower an account below a required balance, or otherwise require us to increase our required reserve on the account. We may set other limits on the amount of any transaction, and you will be notified of those limits. We may refuse to honor any transaction for which you do not have sufficient available verified funds.
- c. Automated Telephone Banking. Your accounts can be accessed via a touch-tone telephone only. Audio response service will be available for your convenience seven (7) days a week. This service may be interrupted for a short time each day for data processing. There is no limit to the number of inquiries, transfers, or withdrawal requests you may make in any one day. No transfer or withdrawal may exceed the available funds in your account. We reserve the right to refuse any transaction which would draw upon insufficient funds, exceed a credit limit, lower an account below a required balance, or otherwise require us to increase our required reserve on the account. If available, check transactions may not exceed the available balance in your account. All checks are payable to you as a primary member and will be mailed to your address of record. We may set other limits on the amount of any transaction, and you will be notified of those limits. We may refuse to honor any transaction for which you do not have sufficient available verified funds. There is no limit on the number of transaction requests you may make during a single phone call. The system will discontinue service after three unsuccessful attempts to enter a transaction.
- d. Email. The Credit Union may not immediately receive email communications you send and the Credit Union will not take action based on email requests until the Credit Union actually receives your message and has a reasonable opportunity to act. If you need to contact the Credit Union immediately regarding an unauthorized transaction or stop payment request, you may call the Credit Union at the telephone number set forth in Section 4. Member Liability.

3. Conditions of Card Use. The use of your Account and Services are subject to the following conditions:

- a. Ownership of Cards. Any Card or other device which we supply to you is our property and must be returned to us, or to any person whom we authorize to act as our agent, or to any person who is authorized to honor the Card, immediately according to instructions. The Card may be repossessed at any time in our sole discretion without demand or notice. You cannot transfer your Card or Account to another person. You may not use the Card for any illegal or unlawful transaction, and we may decline to authorize any transaction we believe poses an undue risk of illegality or unlawfulness.
- b. Honoring the Card. Neither we nor merchants authorized to honor the Card will be responsible for the failure or refusal to honor the Card or any other device we supply to you. If a merchant agrees to give you a refund or adjustment, you agree to accept a credit to your Account in lieu of a cash refund.
- c. Security of Access Code. The personal identification number or access code ("access code") for this card is for your security purposes. The access code is confidential and should not be disclosed to third parties or recorded. You are responsible for safekeeping your access code. You agree not to disclose or otherwise make your access code available to anyone not authorized to sign on your accounts. If you authorize anyone to use your access code in any manner that authority will be considered unlimited in amount and manner until you specifically revoke such authority by notifying the Credit Union and changing your access code immediately. You are responsible for any transactions made by such persons until you notify us that transactions and access by that person are no longer authorized and your access code is changed. If you fail to maintain or change the security of these access codes and the Credit Union suffers a loss, we may terminate your electronic funds transfer and account services immediately.
- d. Foreign Transactions. Purchases and cash advances made in foreign countries (including telephone and online transactions) will be billed to you in US dollars. The currency conversion rate for international transactions as established by Visa International, Inc. is a rate selected by Visa from the range of rates available in wholesale currency markets for the applicable central processing date, which may vary from the rate Visa itself receives, or the government-mandated rate in effect for the applicable central processing date. In addition, you may be charged a Foreign Transaction Fee as set forth on the Rate and Fee Schedule for any card transaction (including telephone and online) made in a foreign country.
- e. Unlawful Internet Gambling and Other Illegal Activities. You certify that all transactions that you initiate on your account are permissible under federal law and state law in the jurisdiction where you live and/or where the transaction occurred. You understand that you may not use the account or any access devices to make deposits, transfers, or withdrawals of funds for any purpose that is impermissible under state or federal law. You understand that marijuana related transactions on your account may be legal under state law but not under federal law. You agree that you are not engaged

in unlawful internet gambling or any other illegal activity. You agree that you will not use any of your accounts, access devices, or services for unlawful Internet gambling activity or other illegal activities. Display of a payment card logo by an online merchant does not mean that internet gambling transactions are lawful in all jurisdictions in which you may be located. We may terminate your accounts and services if you engage in unlawful Internet gambling or other illegal activities.

- 4. Member Liability.** You are responsible for all transfers you authorize using your EFT services under this Agreement. If you permit other persons to use an EFT service, Card or access code you are responsible for any transactions they authorize or conduct on any of your accounts. Tell us at once if you believe anyone has used your Account, Card or access code and accessed your accounts without your authority or if you believe that an electronic funds transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. If you notify us within two (2) business days of your Card loss or theft, you can lose no more than \$50 if someone used your Card and/ or PIN without your permission, except if you were not fraudulent in handling your Card. Do not write your personal identification (PIN) on your Card. For all other Card or EFT transactions except electronic check transactions, if you tell us of the unauthorized use of your account within two (2) business days, you can lose no more than \$50 if someone accessed your account without your permission. If you do not tell us within two (2) business days after you learn of the unauthorized use of your account or EFT service, and we can prove that we could have stopped someone from accessing your account without your permission if you had told us, you could lose as much as \$500. Also, if your statement shows EFT transfers that you did not make including made by Card, access code or other means, tell us at once. If you do not tell us within sixty (60) days after the statement was mailed to you or was available to you online if you have requested eStatements, you may be liable for the following amounts if we can prove that we could have stopped someone from making the transfers if you had told us in time: (i) for unauthorized debit card purchase transactions -- up to the limits set forth above and (ii) for all other unauthorized EFT transactions -- up to the full amount of the loss. If a good reason (such as a hospital stay) kept you from telling us, we will extend the time periods. If you believe your Card has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call 253.383.2016, email info@soundcu.com, or write to:

Sound Credit Union
PO Box 1595
Tacoma, WA 98401

- 5. Business Days.** Our business days are Monday through Friday. Holidays are not included.
- 6. Fees and Charges.** There are certain charges for electronic funds transfer services as set forth on the Rate and Fee Schedule. From time to time, the charges may be changed. We will notify you of any changes as required by law. In addition, you should be aware of transaction surcharges that may be assessed by owners of an ATM or POS terminal for use of their equipment. These surcharges will be included in the transaction amount posted to your account. If you request a transfer or check withdrawal from your line of credit account, such transactions may be subject to charges under the terms and conditions of your loan agreement.
- 7. Right to Receive Documentation of Transfers.**
- Periodic Statements.** Transfers and withdrawals transacted through an ATM, debit card, Online Banking, Bill Pay, or Mobile or Telephone Banking will be recorded on your periodic statement. You will receive a statement monthly unless there is no transaction in a particular month. In any case, you will receive a statement at least quarterly.
 - Direct Deposits.** If you have arranged to have a direct deposit made to your account at least once every sixty (60) days from the same source and you do not receive a receipt (such as a pay stub), you can find out whether or not the deposit has been made by logging in to Online Banking or calling 253.383.2016.
 - Terminal Receipt.** You will receive a receipt at the time you make a transaction using an ATM, POS terminal or with a participating Visa merchant, except some electronic terminals will not provide receipts for transactions of \$25 or less.
- 8. Account Information Disclosure.** We will maintain the confidentiality and privacy of your account information in accordance with our Privacy Policy. However, we will disclose information to third parties about your account or the transfers you make in the following limited circumstances: (a) as necessary to complete transfers; (b) to verify the existence of sufficient funds to cover specific transactions upon the

request of a third party, such as a credit bureau or merchant; (c) to comply with government agency or court orders; and (d) if you give us your written permission.

- 9. Credit Union Liability for Failure to Make Transfers.** If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you and the instructions you transmit, we will be liable for your actual losses or damages. Our sole responsibility for an error in a transfer will be to correct the error and in no case will we be liable for any indirect, special, incidental or consequential damages. In states which do not allow the exclusion or limitation of such damages, our liability is limited to the extent permitted by applicable law. The Credit Union will not be liable:
- a. If, through no fault of ours, you do not have enough money in your account to make the transfer, your account is closed, or the transfer would go over the credit limit on your line of credit.
 - b. If you used the wrong access code or used an access code in an incorrect manner, or you have not properly followed any applicable computer or Credit Union user instructions for making Online Banking transactions.
 - c. If the Card has expired or is damaged and cannot be used.
 - d. If the automated teller machine (ATM) where you are making the transfer does not have enough cash or was not working properly and you knew about the problem when you started the transaction.
 - e. If your computer fails or malfunctions or the Online Banking service was not properly working, and such problem should have been apparent when you attempted such transaction.
 - f. If circumstances beyond our control (such as fire, flood, telecommunication outages, postal strikes, equipment or power failure) prevent making the transaction.
 - g. If the funds in your account are subject to an administrative hold, legal process or other claim.
 - h. If you have not given the Credit Union complete, correct and current instructions so the Credit Union can process a transfer or bill payment.
 - i. If the error was caused by a system beyond the Credit Union's control such as a telecommunications system, an Internet service provider, any computer virus, or problems related to software not provided by the Credit Union.
 - j. If the ATM or POS terminal retains your Card in certain instances, in which event you may contact us about its replacement.
 - k. If, through no fault of ours, a bill payment or funds transfer transaction does not reach a particular payee due to changes in the payee address, account number or otherwise; the time you allow for payment delivery was insufficient; or the payee failed to process a payment correctly, or in a timely manner, and a fee, penalty, or interest is assessed against you.
 - l. If there are other exceptions as established by the Credit Union from time to time.

10. Preauthorized Electronic Funds Transfers.

- a. **Stop Payment Rights.** If you have arranged in advance to make regular electronic funds transfers out of your account(s) for money you owe others, you may stop payment of such preauthorized transfers from your account. You may not use the Online Banking system to place your stop payment order. You must notify us verbally or in writing at the telephone number and address listed on the back cover any time up to three (3) business days before the scheduled date of the transfer. We may require written confirmation of the stop payment order to be made within fourteen (14) days of any oral notification. If we do require the written confirmation, the oral stop payment orders shall cease to be binding fourteen (14) days after it has been made.
- b. **Notice of Varying Amounts.** If these regular payments may vary in amount, the company you are going to pay will tell you, ten (10) days before each payment, when it will be made and how much it will be.
- c. **Liability for Failure to Stop Payment of Preauthorized Transfers.** If you order us to stop one of these payments three (3) business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

- 11. Termination of Electronic Funds Transfer Services.** You agree that we may terminate this Agreement and any Card or electronic funds transfer service, if you, or any authorized user of your Card or access code, breach this or any other agreement with us; or if we have reason to believe that there has been an unauthorized use of your Card or access code. You or any account owner can terminate this Agreement for electronic funds transfer services by notifying us in writing. Termination of service will be effective the first business day following receipt of your written notice. Termination of this Agreement will not affect the rights and responsibilities of the parties under this Agreement for transactions initiated before termination.

12. Notices. We reserve the right to change the terms and conditions upon which this service is offered. We will mail notice to you at least twenty-one (21) days before the effective date of any change, as required by law. Use of this service is subject to existing regulations governing the Credit Union account and any future changes to those regulations.

13. Billing Errors. In case of errors or questions about your electronic transfers, telephone us at the phone numbers or write us at the address set forth above as soon as you can. We must hear from you no later than sixty (60) days after we sent the first statement on which the problem appears.

- a. Tell us your name and account number.
- b. Describe the transaction you are unsure about and explain as clearly as you can why you believe it is an error or why you need more information.
- c. Tell us the dollar amount of the suspected error.

If you tell us verbally, we may require that you send us your complaint or question in writing within ten (10) business days. We will tell you the results of our investigation within ten (10) business days after we hear from you and will correct the error promptly. For errors related to transactions occurring within thirty (30) days after the first deposit to the account (new accounts), we will tell you the results of our investigation within twenty (20) business days. If we need more time, however, we may take up to forty-five (45) calendar days to investigate your complaint or question (ninety (90) calendar days for POS transaction errors, new account transaction errors, or errors involving transactions initiated outside the United States). If we decide to do this, we will credit your account within ten (10) business days (five (5) business days for debit card purchase transactions) for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within ten (10) business days, we may not credit your account. If we decide after our investigation that an error did not occur, we will deliver or mail to you an explanation of our findings within three (3) business days after the conclusion of our investigation. If you request, we will provide you copies of documents (to the extent possible without violating other members' rights to privacy) relied upon to conclude that the error did not occur.

14. ATM Safety Notice. The following information is a list of safety precautions regarding the use of Automated Teller Machine (ATM) and night deposit facilities.

- Be aware of your surroundings, particularly at night.
- Consider having someone accompany you when the ATM or night deposit facility is used after dark.
- If another person is uncomfortably close to you at the time of your transaction, ask the person to step back before you complete your transaction.
- Refrain from displaying your cash at the ATM or night deposit facility. As soon as your transaction is completed, place your money in your purse or wallet. Count the cash later in the safety of your car or home.
- If you notice anything suspicious at the ATM or night deposit facility, consider using another ATM or night deposit facility or coming back later. If you are in the middle of a transaction and you notice something suspicious, cancel the transaction, take your ATM access device or deposit envelope, and leave.
- If you are followed after making a transaction, go to the nearest public area where people are located.
- Do not write your personal identification number or code on your Card.
- Report all crimes to law enforcement officials immediately.

15. Enforcement. You agree to be liable to the Credit Union for any liability, loss, or expense as provided in this Agreement that the Credit Union incurs as a result of any dispute involving your accounts or services. You authorize the Credit Union to deduct any such liability, loss, or expense from your account without prior notice to you. The Electronic Funds Transfer Agreement and Disclosures shall be governed by and construed under the laws of the state of Washington as applied to contracts entered into solely between residents of, and to be performed entirely in, such state. In the event either party brings a legal action to enforce the Electronic Funds Transfer Agreement and Disclosures or collect any overdrawn funds on accounts accessed under the Electronic Funds Transfer Agreement and Disclosures, the prevailing party shall be entitled, subject to Washington law, to payment by the other party of its reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions, if applicable. Should any one or more provisions of the Electronic Funds Transfer Agreement and Disclosures be determined illegal or unenforceable in any relevant jurisdiction, then such provision be modified by the proper court, if possible, but only to the extent necessary to make the provision enforceable and such modification shall not affect any other provision of the Electronic Funds Transfer Agreement and Disclosures.