
Harborstone Credit Union

Business Membership and Account Agreement

The information you need to know
about the policies and guidelines
that govern your business accounts.



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Your Membership and Account Agreement with Harborstone Credit Union

This Membership and Business Account Agreement (Agreement) is the contract of deposit that covers your and our rights and responsibilities concerning membership and business accounts offered to you. In this Agreement, the words “you” and “yours” mean those who sign the Business Account Card (Account Card). The words “we,” “us,” “our,” and “Credit Union” mean Harborstone Credit Union. The word “account” means any one or more deposit accounts you have with the Credit Union.

The classification and form of ownership of your accounts are set forth on your Account Card. By signing the Account Card that is part of the Agreement, each of you, jointly and separately, agree to the terms and conditions in the Agreement, including the Funds-Availability Policy, ATM/POS/Visa® debit card, Money Express™ Agreement, and the Truth-in-Savings Disclosures (Rate and Fee Schedule) accompanying this Agreement, any account receipt, the Credit Union’s bylaws and policies, and any amendments that collectively govern your membership and accounts. You agree that additional accounts and services you request in the future will be governed by this Agreement.

I. Membership

1. **Membership Eligibility.** To be eligible for membership in Harborstone Credit Union, you must be an individual or entity qualifying within the Credit Union’s field of membership, must purchase and maintain at least one share (the membership share) as required by the Credit Union’s bylaws, and must pay a membership fee. You authorize us to check your account, credit, and employment history, and to obtain a credit report from third parties, including credit reporting agencies, to verify your eligibility for accounts and services.

2. **Accounts of Sole Proprietors.** Accounts of sole proprietor(s) are subject to the following ownership rules.

a. **Individual Accounts.** An individual account is an account owned by one sole proprietor member. 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.

b. **Joint Accounts.** An account owned by two or more sole proprietors is a joint account. For a joint account with rights of survivorship upon the death of one of the joint account owners, that person’s interest will pass to the surviving owners. For a joint account without rights of survivorship, the interest of a deceased owner will pass to the decedent’s estate. Unless otherwise stated on the Account Card, a joint account is an account with rights of survivorship. Any

joint account owner is authorized and deemed to act for the other joint 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 joint account owner guarantees the signature of the other owner(s). Any account owner may withdraw all funds in the account, stop payment on items drawn on an account, or transfer or pledge all or any part of the shares of any account (except the membership share) without the consent of the other account owner(s), and the Credit Union shall have no duty in such event to notify any other account owner(s). The Credit Union reserves the right to require written consent of all account owners for a change of ownership or termination of the joint account. 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 account owners agree in writing to any transaction concerning the account. 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 joint account owners is jointly and separately 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 account regardless of who contributed the funds to the joint account.

c. **Death of an Account Owner.** For accounts owned by a sole proprietor, 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. The Credit Union may continue to honor all transfers, withdrawals, deposits, and other transactions on the account until the Credit Union learns of a member’s death. Once the Credit Union is notified of a member’s death, the Credit Union may pay checks or honor other payments or transfer orders authorized by the deceased member for a period of ten (10) days unless the Credit Union receives instructions from any person claiming an interest in the account. You agree that the Credit Union can require anyone who claims funds in your account after your death to indemnify the Credit Union for any losses resulting from honoring that claim. The Membership and Business Account Agreement will be binding upon any heirs or representatives of any account owner.

3. **Accounts of Businesses and Organizations.** The Credit Union reserves the right to require the member to provide

written confirmation informing the Credit Union who is authorized to act on its behalf. You agree to notify the Credit Union of any change in authority. The Credit Union may rely on the written authorization until such time as the Credit Union is informed of changes in writing and has had a reasonable time to act upon such notice. The Credit Union may require that third-party checks payable to a business not be cashed but be deposited to a business account. The Credit Union shall have no notice of any breach of fiduciary duties arising from a transaction by any agent of the account owner unless the Credit Union has actual notice of any wrongdoing.

4. Termination of Account. The Credit Union 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: (a) there is a change in owners or authorized signers; (b) there has been a forgery or fraud reported or committed involving your account; (c) there is a dispute as to the ownership of the funds in the account; (d) any account checks are lost or stolen; (e) there are excessive returned unpaid items not covered by overdraft protection or excessive returns of third-party checks; or (f) there has been any misrepresentation or any other abuse on any of your accounts. You may terminate any individual account at any time by notifying the Credit Union in writing. Any joint member-owner of a joint account may terminate a joint account. The Credit Union is not responsible for payment of any check, withdrawal, or other item after your account is terminated; however, if the Credit Union pays a check after termination, you agree to reimburse the Credit Union for payment.

5. Termination of Membership. You may terminate your membership at the Credit Union 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 and Credit Union policies, including causing a financial loss to the Credit Union.

6. Enforcement. In the event that any portion of this Membership and Account Agreement is held by a court to be invalid or unenforceable for any reason, the remainder of this Agreement shall not be invalid or unenforceable and will continue in full force and effect.

You agree to be liable to the Credit Union for any loss, cost, or expense as provided in this Agreement that the Credit Union incurs as a result of your failure to follow this Agreement. You authorize the Credit Union to deduct any such loss, costs, or expenses from your account without prior notice to you. In the event the Credit Union brings a legal action to enforce the Agreement or collect any amount due or owed the Credit Union, the Credit Union shall be entitled, subject to applicable law, to payment of its reasonable attorney fees and costs, including fees on any

appeal bankruptcy proceedings and any post judgment collection actions if applicable.

7. Governing Law. This Agreement is governed by Harborstone Credit Union's bylaws; federal laws and regulations; all applicable laws, including principles of contract law, the regulations of the state of Washington, and local clearing house rules, as amended from time to time. To the extent permitted by applicable law, any legal action regarding this Agreement shall be brought in the court of the county in which the Credit Union is located.

8. Regulation GG. The Unlawful Internet Gambling Enforcement Act (UIGEA) of 2006 (the Act) prohibits Harborstone Credit Union from processing restricted transactions through your business account. The Act prohibits any person engaged in the business of betting or wagering (as defined in the Act) from knowingly accepting payments in connection with the participation of another person in unlawful Internet gambling. The Department of Treasury and the Federal Reserve Board have issued a joint final rule, Regulation GG, to implement this Act. As defined in Regulation GG, unlawful Internet gambling means to "place, receive or otherwise knowingly transmit a bet or wager by any means which involves the use, at least in part, of the Internet where such bet or wager is unlawful under any applicable Federal or State law in the State or Tribal lands in which the bet or wager is initiated, received or otherwise made." As a member of Harborstone Credit Union, these restricted transactions are prohibited from being processed through your account or banking relationship with us. If you do engage in an Internet gambling business and open a new account with us, we will ask that you provide evidence of your legal capacity to do so.

9. Agreement to Arbitration of Claims or Disputes. PLEASE REVIEW THIS PROVISION CAREFULLY; IT AFFECTS YOUR LEGAL RIGHTS. Either party may choose to have any claim or dispute resolved through arbitration rather than in court. Arbitration of a dispute results in loss of any right to participate in a class action lawsuit related to the claims arbitrated.

a. Claims Subject To Arbitration; Class Action Waiver. If there is a claim or dispute between us arising from or related in any way to any account, product, or service, either you or we may require the claim or dispute be resolved through binding arbitration before a neutral party instead of a lawsuit or other resolution in court. This includes all past, present, and future claims, including claims that arose before this provision became effective.

If either party requires the claim or dispute to be resolved through arbitration, it will be subject to arbitration even if the other party does not agree. This arbitration provision will apply irrespective of whether the claim or dispute arises

under contract, tort, statute, or any other basis. Such claim or dispute shall be arbitrated on an individual basis and not in a class action. You and we waive any right to arbitrate disputes as part of a class action. If a class action lawsuit is initiated against us, you agree that this provision applies to such action and if we require claims covered by the class action to be arbitrated, you will withdraw from or agree to dismissal of the class action and allow your claim to be arbitrated on an individual basis.

b. Claims Not Subject to Arbitration. A claim filed against either you or us in small claims court in Washington is excluded from this arbitration requirement as long as the claim remains in small claims court as an individual claim and not a class action. In addition, no claim is subject to this arbitration requirement if you are an active duty armed service member.

c. Arbitration Procedures. Either of us may require arbitration of a claim or dispute even if one of us has already initiated legal action related to the claim or dispute. The arbitration may be required and initiated by: (i) making written demand for arbitration on the other party; (ii) initiating an arbitration proceeding against the other party; or (iii) filing a motion to compel arbitration in a court in which litigation has already begun. The arbitration shall be conducted pursuant to the Consumer Arbitration Rules of the American Arbitration Association (“AAA”). The arbitration shall take place in the federal judicial district in which you reside, or in which you entered into this Agreement. We will reimburse the amount of filing, case management, administration, and arbitrator fees you pay to the arbitration organization and the arbitrator that exceed \$250, to a maximum of \$5000, unless the arbitration rules or arbitrator’s decision requires us to pay more. We will not reimburse any fees if the arbitrator determines that your claim or dispute was frivolous or baseless. Each party shall be responsible for its own fees in any arbitration unless the arbitrator awards attorney fees under applicable law or agreement. More information about the AAA rules and procedures is available at www.adr.org or by phone at (800) 778-7879. This arbitration provision and any arbitration conducted under it are governed by the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and are not subject to any state law related to arbitration.

d. Right to Reject this Agreement to Arbitration of Claims and Disputes. You may opt out of this agreement to arbitrate if you tell us within 30 days after: (i) the opening of your initial Account or (ii) your receipt of a notice of change in terms informing you of this Agreement, whichever is later. To opt out, send us written notice including your name as listed on your account, your account number, and a statement that you reject the Agreement to Arbitration of Claims and Disputes. You must send your written notice to: Harborstone Credit Union—Attention Risk Management, P.O. Box 4207, Tacoma WA 98438-0207.

e. Acceptance of Arbitration and Class Action Waiver. Your decision not to reject this Agreement as confirmed by

your continued use of your Account constitutes your consent to the Agreement to Arbitration of Claims and Disputes provision for all of your accounts and services.

II. Accounts

1. Account Access.

a. Authorized Signature. To access any account, the Credit Union must have an authorized signature of yours on an Account Card. The Credit Union is authorized to recognize your signature but will not be liable for refusing to honor any item or instruction of yours if it believes in good faith that the signature on such item or instruction is not genuine. If you have authorized the use of a facsimile signature, the Credit Union may honor any draft that appears to bear your facsimile signature, even if it was made by an unauthorized person.

b. Access Options. You may make withdrawals or transfers from your account in any manner that is permitted by the Credit Union (e.g., check, automated teller machines [ATMs], Visa debit card or point-of-sale transactions, in person, by mail, automatic transfer, or telephone as applicable). If the Credit Union accepts any draft that is not drawn on a form provided by the Credit Union, you will be responsible for any loss incurred by the Credit Union for handling the draft. The Credit Union may return any unpaid check that is not drawn in the form provided by the Credit Union.

c. Automated Clearing House (ACH) and Wire Transfers. You may initiate or receive credits or debits to your account via wire transfer or ACH transfer. Wire transfers are governed by Federal Reserve Regulation J if the transfers are cleared through the Federal Reserve. ACH transactions are governed by the rules of the National Automated Clearing House Association (NACHA). As provided by NACHA rules, you agree that if you receive funds by a wire or 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. At its discretion, the Credit Union may provisionally credit your account for an ACH transfer before it receives final settlement for the transfer. You agree that if the Credit Union does not receive final settlement for any ACH transfer, it may reverse the provisional credit to your account or you will refund the amount to the Credit Union. In that case, the originator of the transfer will not be considered to have paid the amount of the transfer to you. When you initiate a wire transfer, you may identify either the recipient or any financial institution by name and account or by identifying number. The Credit Union (and other institutions) may rely on the account or other identifying number as the proper identification number, even if it identifies a different party or institution.

d. Credit Union Examination. The Credit Union is not required to verify information on any check other than the signature of the drawer, the amount of the item, and any magnetic encoded information. You agree the Credit Union

does not fail to exercise ordinary care in paying an item solely because its procedures do not provide for sight examination of items.

e. Electronic Check Transactions.

i. *Electronic Checks.* If you authorize a merchant to electronically debit your checking account using the routing, account, and serial numbers of your check to initiate the transfer, whether the check is partially blank or fully completed and signed, such authorization is an electronic check conversion. An electronic check conversion is an electronic funds transfer (EFT), subject to the terms of Section V of your Membership and Business Account Agreement, "Electronic Funds Transfers." You authorize us to honor any electronic check conversion from your checking account just the same as a regular written check.

ii. *Electronic Re-Presented Checks.* If you write a check on a personal account that we return unpaid because of insufficient or uncollected funds, 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 V, "Electronic Funds Transfers." 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 a proper notice or affidavit from you within the 15-day period, we will recredit 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 a 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.

2. Account Rates and Fees. The Credit Union's payment of earnings on any account is subject to the account's rates, fees, earnings, and payment and balance requirements as set forth on the Rate and Fee Schedule and each Certificate Account Receipt, which are incorporated herein by this reference. You agree the Credit Union may impose fees and charges for the deposit account services provided by the Credit Union. A current Rate and Fee Schedule has been provided to you separately. You agree that the Rate

and Fee Schedule may change from time to time, and you will be notified of such changes as required by law.

3. Withdrawal Restrictions. The Credit Union may permit a withdrawal only if you have sufficient available funds in your account to cover the full amount of the withdrawal or have sufficient funds in your savings account to cover the overdraft. Drafts or other transfer or payment orders that are drawn against insufficient funds will be subject to a service charge as set forth in the Rate and Fee Schedule. If there are sufficient funds to cover some but not all of your withdrawal orders, the Credit Union may allow those withdrawals for which there are sufficient funds in any order at the Credit Union's discretion.

The Credit Union may also refuse to allow a withdrawal in other cases; for example, any dispute between the owners about the account (unless a court has ordered the Credit Union to allow the withdrawal), a legal garnishment or attachment is served, the account secures an obligation to the Credit Union, 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. The Credit Union reserves the right to require members to give notice in writing of any intended withdrawals from any account (except checks) of not less than seven (7) days and up to sixty (60) days, as required by applicable law, before such withdrawal.

4. Deposit Requirements. Funds may be deposited to any account in any manner approved by the Credit Union in accordance with the requirements set forth on the Rate and Fee Schedule.

a. Endorsements. You may authorize the Credit Union, in its discretion, to accept transfers, checks, drafts, and other items for deposit into any of your accounts whether or not they are endorsed by all payees. You authorize the Credit Union to supply missing endorsements of any owners if the Credit Union chooses to supply such endorsements. The Credit Union reserves the right to verify all endorsements on third-party checks presented for payment or deposit either in person or by comparison with member signature files. If an insurance, government, or certain other check or draft requires an endorsement as set forth on the back of the check, the Credit Union may require endorsement as set forth on the item. Endorsements must be placed in the space on the back of the check between the top edge and 1½ inches from the top edge. The Credit Union may accept drafts or checks with endorsements outside this space. However, if any such endorsement or any other markings you or any prior endorser has made on the check or draft cause any delay or error in processing the item for payment, you will be responsible for any loss incurred by the Credit Union due to the delay or error.

b. Collection of Items. The Credit Union shall not be responsible for deposits made by mail or at an unstaffed facility until the Credit Union actually receives them. In

handling items for deposit or collection, the Credit Union acts as your agent and assumes no responsibility beyond the exercise of ordinary care. The Credit Union will not be liable for negligence of any correspondent or for loss in transit, and each correspondent will be liable only for its own negligence. The Credit Union reserves the right to send any item for collection.

c. Final Payment. All items or Automated Clearing House (ACH) transfers credited to your account are provisional and subject to our receipt of final payment. If final payment is not received, we reserve the right to charge your account for the amount of such items or ACH transfers and impose a return charge on your account. If the Credit Union incurs any fee to collect any item, the Credit Union may charge such fee to your account. The Credit Union reserves the right to refuse or return all or any item or funds transfer. The Credit Union shall have the right to charge back against your account all previously deposited items or other items endorsed by you that are returned to the Credit Union unpaid, regardless of whether the amount of the item has been available for your use.

d. Direct Deposits. The Credit Union may offer deposit options allowing you to preauthorize deposits (e.g., payroll checks, Social Security or retirement checks, or other government checks) or preauthorize transfers from other accounts at the Credit Union. You must authorize any direct deposits to your accounts by a separate authorization form. If applicable, you must notify the Credit Union at least thirty (30) days prior to any direct deposit or preauthorized transfer if you wish to cancel or change the direct deposit or preauthorized transfer option. Upon filing bankruptcy, if you fail to cancel any direct-deposit authorization, you instruct your employer and the Credit Union to make and apply direct deposits in accordance with your authorization on file with the Credit Union. If the Credit Union is required to reimburse the U.S. government for any benefit payment directly deposited into your account for any reason, you agree the Credit Union may deduct the amount returned from any of your accounts, unless prohibited by law.

e. Crediting of Deposits. Deposits made after the deposit cutoff time and deposits made on federal holidays and on days that are not business days of the Credit Union will be credited to your account on the next business day. Deposits received at unstaffed facilities, such as night depositories, will be credited on the day funds are removed and processed by the Credit Union. Items drawn from institutions located outside the United States may be handled on a collection basis only. Deposits will be credited to your account when we receive final payment. You waive any notice of nonpayment, dishonor, or protest regarding any items purchased or received by the Credit Union for credit to your account or for collection.

5. **Lost Items.** The Credit Union, in receiving items from you for withdrawal or deposit, acts only as your agent and reserves the right to reverse the credit for any deposited

items or to charge your account for the items should they become lost in the collection process.

6. **Credit Union Liability.** If the Credit Union does not properly complete a transaction according to this Agreement, the Credit Union will be liable for your losses or damages, not to exceed the amount of the transaction except as otherwise provided by law. The Credit Union will not be liable if: (a) through no fault of the Credit Union, your account does not contain enough money to make the transactions; (b) circumstances beyond the Credit Union's control prevent 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. The Credit Union will not be liable for consequential damages except liability for wrongful dishonor.

The Credit Union's 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 the Credit Union. You grant the Credit Union the right, in making payments of deposited funds, to rely exclusively on the form of the account and the terms of this Agreement. Any conflict between oral representations by you or the Credit Union employees and any written form will be resolved by reference to this Agreement and applicable written form.

7. **Credit Union Lien and Security.** To the extent you owe the Credit Union money as a borrower, guarantor, endorser, or otherwise, the Credit Union has a lien on any or all of the funds in any account in which you have an ownership interest at the Credit Union, regardless of the source of the funds. The Credit Union may apply these funds in any order to pay off your indebtedness. If the Credit Union chooses not to enforce its lien, the Credit Union does not waive its right to enforce the lien at a later time. In addition, you grant the Credit Union a consensual security interest in your accounts and agree the Credit Union may use the funds from your accounts to pay any debt or amount now or hereafter owned by the Credit Union, except for obligations secured by your dwelling, unless prohibited by applicable law. You may not assign or transfer any account to a third party.

8. **Legal Process.** If any legal action, such as a levy, garnishment, or attachment, is brought against your account, the Credit Union may refuse to pay out any money from your account until the dispute is resolved or may pay out funds according to the terms of the levy. If the Credit Union incurs 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 the Credit Union's lien and security interest.

9. Account Information to Third Parties. Upon your request, the Credit Union will inform you of the name and address of each credit-reporting agency from which the Credit Union obtains a credit report in connection with your account. You authorize the Credit Union to provide information to credit-reporting or check-verification companies about your account history with the Credit Union. The Credit Union agrees not to disclose information to third parties about your account regarding any specific account transaction or account balances.

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

- a. As necessary to complete transactions you request.
- 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.
- d. If you give us your express permission.

10. Notices.

a. Name or Address Changes. It is your responsibility to notify the Credit Union upon a change of address or change of name. The Credit Union is required to attempt to communicate with you at the most recent address you have provided to the Credit Union. The Credit Union may accept oral notices of a change in address but may require any other notice(s) from you to the Credit Union in writing.

b. Notice of Amendments. Except as otherwise prohibited by applicable law, the terms of this Agreement are subject to change at any time. The Credit Union 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 by a signed Account Card which, upon authorization, will be incorporated herein by this reference. The Credit Union reserves the right to waive any term in this Agreement. Any such waiver shall not affect the Credit Union's right to enforce any right in the future.

c. Effect of Notice. Any written notice you give to the Credit Union is effective when it is actually received by the Credit Union. Any written notice the Credit Union gives to you is effective when it is deposited in the U.S. mail, postage prepaid, and addressed to you at your statement mailing address. Notice to any one account owner is considered notice to all owners of the account.

11. Certificate Accounts. Any certificate account offered by the Credit Union is subject to the terms of this Agreement and the specific terms and disclosures set forth on the Certificate Account Receipt for each account and any Certificate Renewal Notice, which are incorporated herein by reference.

12. Overdrafts.

a. Overdraft Liability. If on any day the available funds in your checking account are not sufficient to cover checks and other items (ACH, debit card, or ATM card transactions) posted to your account, those checks and items will be handled in accordance with our overdraft protection procedures. The Credit Union's determination of an insufficient account balance may be made at any time between presentation and the Credit Union's midnight deadline, with only one review of the account required. The Credit Union has 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, the Credit Union, by covering one or any overdraft, does not agree to cover overdrafts in the future and may discontinue covering overdrafts at any time. If the Credit Union pays a draft that would otherwise overdraw your account, you agree to pay the overdraft amount immediately. If we do not pay an overdraft, there will be an NSF or returned item fee, as set forth in the fee schedule. We may charge a fee each time a check or item is submitted or resubmitted for payment and either return or pay the overdraft. Therefore, you may be assessed more than one fee as a result of a returned item or any resubmission(s) of the returned item that overdraws or would overdraw your account. We reserve the right to pursue collection of previously dishonored items at any time, including giving a payer bank extra time beyond any midnight deadline limits.

b. Overdraft Protection Plans. If we approve your request for overdraft protection, we will provide an overdraft protection plan for you.

i. Savings-Only Overdraft Option. We will honor checks and other items drawn on insufficient funds in your checking account by transferring the necessary funds from a savings account or other deposit account as you designate. If you have available funds in your savings account, you authorize us to automatically transfer funds in amounts necessary to cover any overdraft on your checking account. There is no fee for an overdraft transfer from savings. You may opt out of this overdraft transfer service at any time by notifying us verbally or in writing.

ii. Extended Overdraft Protection. We offer a discretionary overdraft service (Extended Overdraft) to cover overdrafts on your checking accounts. The Credit Union offers the Extended Overdraft service to all eligible business checking account owners based on length of time as a Credit Union member and overall relationship with the Credit Union. Extended Overdraft Protection is not offered to money market accounts, or anyone who has caused a financial loss to the Credit Union. There are two Extended Overdraft options:

- **Basic Coverage** –This service will be provided for ACH withdrawals and recurring debit transactions, Online Bill Pay transactions, and checks written from your checking account only (but not ATM or one-time debit card

- transactions) if you expressly "opt in" to the Basic Coverage service.
- Extended Coverage –This service will be provided for all transactions, including ACH withdrawals and recurring debit transactions, Online Bill Pay transactions, checks written from your checking account, and ATM and one-time debit card transactions if you expressly "opt in" to the Extended Coverage service.

c. Terms and Conditions of Overdraft Protection Service.

The Extended Overdraft Protection service will be provided under the following terms and conditions.

i. Discretionary Service. The Extended Overdraft Protection service will be provided if your checking account is maintained in good standing with the Credit Union, which requires making regular deposits to sufficiently cover transactions, bringing account to a positive balance at least once every 15 days, and having no outstanding legal orders to the contrary. Under the Extended Overdraft Protection service, we are not obligated to pay any check or item presented for payment if your account does not contain sufficient funds. We may, as a discretionary service 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 and subject to this Agreement. This overdraft service is not a line of credit, is not guaranteed, and is independent of any loan arrangement you may have with us. We will not pay an overdraft for you 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.

ii. Overdraft Transactions Covered. Subject to the opt-in requirement set forth above, if on any day you do not have available funds in your account and you overdraw, the following transactions, which may result in an insufficient or negative balance ("overdraft"), may be covered under our service: checks, debit card purchases, online or other electronic funds transfers, ACH debits and other payments or withdrawals authorized by you, account service charges, preauthorized drafts, and any other items that may be posted to your account. If we pay an item, we will pay the item in the order in which it is presented or received by us, regardless of amount and in accordance with our normal operating procedures for such checks, items, or transactions.

iii. Overdraft Limit/Available Balance. Under the Extended Overdraft Protection service, the Credit Union may pay overdrafts up to a limit for which you qualify. The Credit Union's fees and charges and each paid check or item will be included in this limit. This overdraft limit will not be included or reflected in the available or actual balance of your account provided by a teller, at ATM or POS facilities, through online services, or on your periodic statements. If you have reached your overdraft limit, any checks or items presented to us will be returned for insufficient funds.

iv. Notification. We will not notify you by mail if you have any overdraft transactions. However, we have online tools that can help by notifying you when your account is reaching low balances. You can set them up in your Online Banking account.

v. Overdraft Fees. There is an overdraft fee for each overdraft check or item we pay. If we do not pay the overdraft item for any reason, there is an NSF/returned-item fee for each check or item we return. Please refer to your Truth in Savings Agreement for exact fee amounts and details. If you have excess overdraft activity, we may not cover such overdrafts and may notify you in writing to consider discontinuing the service. These fees may be amended as set forth in our Rate and Fee Schedule.

d. Member Repayment Responsibility. You agree your overdraft 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 31 days of notice from us, we may immediately suspend the Extended Overdraft Protection service. Accounts may be closed for failure to repay overdraft balances, and we will report account closures to consumer-reporting agencies. Third-party collection fees may apply.

e. Member Opt-Out Right. We offer Basic and Extended Overdraft Protection 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 opt out of the Extended Overdraft Protection service at any time by notifying us verbally or in writing. We may require that any verbal opt-out be confirmed in writing. You understand that by opting out of this service, we 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 opted out of the service.

13. Postdated and Stale-Dated Checks.

You authorize us to accept and pay any check without regard to the date of the check, even if the check is presented for payment before its date, unless you notify the Credit Union of the postdating in advance. Your notice will be effective only if: (a) the Credit Union receives the notice in time for the Credit Union to notify its employees and act upon the notice; and (b) you accurately describe the check, including the number, date, and amount. You understand that the exact information is necessary for the Credit Union's computer to identify the check. If you give the Credit Union an incorrect, incomplete, or untimely notice, the Credit Union will not be responsible for paying the check before the date stated and the Credit Union may charge your account as of the date the Credit Union pays the check. 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.

The Credit Union is under no obligation to you but may elect to pay a check or draft drawn on your account that is presented more than six (6) months after its date.

13. Stop-Payment Orders.

a. Stop-Payment Request. You may ask the Credit Union to stop payment on any check drawn upon your checking account. You may request a stop-payment by telephone, by mail, or in person. The stop-payment will be effective if the Credit Union receives the order in time for the Credit Union to act upon the order and you state the number of the account, number of the check, and its exact amount. You understand that the exact information is necessary for the Credit Union's computer to identify the check. If you give the Credit Union incorrect, incomplete, or untimely information, the Credit Union will not be responsible for failing to stop payment on the check. If the stop-payment order is not received in time for the Credit Union to act upon the order, the Credit Union 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 the Credit Union, and to assist the Credit Union in legal action taken against the person.

b. Duration of Order. You may make an oral stop-payment order, which will lapse within fourteen (14) calendar days unless continued in writing within that time. A written stop-payment order will be effective for six (6) months. A written stop-payment order may be renewed in writing from time to time. The Credit Union is not obligated to notify you when a stop-payment order expires.

c. Liability. The Credit Union may charge a fee for each check for which a stop-payment order is requested as set forth in the Rate and Fee Schedule. You may not stop payment on any certified check; cashier's check; teller's check; or any other check, draft, or payment guaranteed by the Credit Union. You should be aware that while payment of the item may be stopped, you may remain liable to any person, including the Credit Union, who is a holder of the item despite the stop-payment order. You agree to indemnify and hold the Credit Union harmless from all costs, including attorney fees, damages, or claims related to the Credit Union's action in refusing payment of an item, including claims of any joint account owner, payee, or endorsee in failing to stop payment of an item as a result of incorrect information provided by you.

15. Taxpayer Identification Numbers (TIN) and Backup Withholding.

If your account is or becomes subject to backup withholding, the Credit Union is required by law to withhold and pay to the Internal Revenue Service (IRS) a required percentage of payments of interest, dividends, and certain other payments under certain conditions. Your failure to furnish a correct TIN or meet other applicable requirements may result in backup withholding. If you fail

to provide your TIN, the Credit Union will suspend the opening of your account or refuse to open your account.

16. Statements.

a. Contents. The Credit Union provides 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 joint account. For checking accounts, you understand that when paid, your original check becomes the property of the Credit Union, but copies will be retained by the Credit Union and made available to you upon your request. You understand that once mailed, statements and check copies are considered available to you on that mail date.

b. Examination. You are responsible for examining each statement and reporting any irregularities to the Credit Union. The Credit Union will not be responsible for any forged, altered, or unauthorized item drawn on your account if: (1) you fail to notify the Credit Union within thirty (30) days of the mailing date of the earliest statement and availability of checks containing forgery, alteration, or unauthorized signature on the item; or (2) any items are forged or altered in a manner not detectable by the Credit Union, including the unauthorized use of a facsimile signature machine.

c. Notice to the Credit Union. You agree that the Credit Union's retention of drafts does not alter or waive your responsibility to examine your statements and draft copies or the time limit for notifying the Credit Union of any errors. The statement will be considered correct for all purposes, and the Credit Union will not be liable for any payment made or charged to your account unless you notify the Credit Union in writing within the above time limit after the statement and checks are made available to you.

17. Dormant and Abandoned Accounts.

An account will be classified as dormant if there has been no activity in the account, other than dividend crediting, or ACH deposits or withdrawal, for a period of at least twelve (12) months and you do not have any other active account relationships with us. If the Credit Union has been unable to locate you at the last address shown on the Credit Union records and there has been no activity other than dividend crediting for a period of twelve (12) months, the Credit Union will charge a monthly dormant account fee for continuing to process your dormant account as allowed by applicable law and as set forth on the Rate and Fee Schedule. The Credit Union will notify you at your last known address prior to imposing any fee, as required by law. You authorize us to suspend mailing statements on a dormant account and to transfer funds from your account to cover the dormant account fee or any service fees, if applicable. If a deposit or withdrawal has not been made on the account and the Credit Union has not had sufficient contact with you within the period specified by state law,

the account will be presumed to be abandoned. Funds in abandoned accounts will be reported and 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.

18. Special Account Instructions.

a. Liability. You may request that the Credit Union facilitate certain trust, will, or court-ordered account arrangements. However, because the Credit Union does 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 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 the Credit Union to follow any instructions that the Credit Union believes might expose it to claims, lawsuits, expenses, liabilities, or damages, whether directly or indirectly, the Credit Union may refuse to follow your instructions or may require you to indemnify the Credit Union or post a bond or other protection. Any item presented with a full payment legend must be presented in person to a Credit Union representative; 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 the Credit Union.

b. Agency Designation. An agency designation is an instruction to the Credit Union that the account owner has authorized another person to make transactions as agent for the account owner. The Credit Union may refuse to recognize an agency designation or power of attorney made on forms not acceptable to the Credit Union. An agent has no ownership interest in the account or Credit Union voting rights. The Credit Union has no duty to inquire about the use or purpose of any transaction by the agent. The Credit Union shall not be liable for any transaction made by an agent for a deceased or incompetent account owner unless the Credit Union has actual knowledge of the death or incompetence at the time of the transaction.

III. Privacy Policy Statement

1. Our Privacy Pledge. At Harborstone Credit Union, we respect the privacy of our members. We recognize the importance of maintaining the confidentiality of your personal financial information. This notice describes the privacy policy and practices followed by Harborstone Credit Union. This notice explains what types of member information we collect and under what circumstances we may share it. We will provide this when required by regulation.

2. Member Information We Collect. Harborstone Credit Union collects only relevant information about members needed to establish and maintain your accounts and services as the law allows or requires us to collect. We may collect personal and financial information about you (member information) that is nonpublic. The member information we collect varies depending on the accounts and services you request and use. We collect information about you from the following sources:

a. Application Information. We retain personal information we receive from you on any application you provide for membership, deposit account, EFT services, loans, insurance, or other Credit Union services. This information includes name, address, email address, Social Security number, birth date, phone number, employment and financial status, and credit history.

b. Your Transactions. Any time you make a transaction on one of your accounts, including ATM or card transactions; loan advances; insurance transactions; or transactions through online banking, over the phone, or at a branch, we retain the transaction information, including your account number; the date, amount, and location of the transaction; and other pertinent information.

c. Credit Reports. When we evaluate your application for an account or service, we may request a credit report about you from a consumer reporting agency. We retain the personal and credit history information about you, and we may use it to evaluate future account service requests.

d. Online. We obtain information online when you visit our website, Harborstone.com. This includes retaining information you provide to us on any online application or online transaction or any information you send to us by email.

3. Member Information We Share. In order to provide financial services to you, we share certain information about you with our affiliates and third-party service providers. However, we share information only to the extent necessary to service your account or offer new services to you. If we share your information, it is with the goal of bringing you quality services, more choices, and greater convenience. Information we may have about former members is generally shared or disclosed only if necessary to enforce or administer an account or as required by law.

a. Aggregate Information. We share aggregate demographic and survey information with our business partners. That information does not contain any personally identifiable information. From time to time, Harborstone may initiate an online survey to measure our effectiveness in providing a useful web tool. These surveys are not linked to your account or member information, and results are presented in aggregate form. You may opt out of these surveys by declining the survey invitations.

b. Sharing Information With Credit Union Affiliates. Our affiliates include financial companies such as Credit Union Services Group, CU Home Mortgage Solutions, Puget Sound Business Lending Group, and other financial service providers that provide financial services, including financial planning, securities brokerage, insurance products, and auto financing services. We may share personal information (such as name, address, and account number) and account information (such as types of accounts, account balances, and transaction history) with our affiliates so they can serve you more efficiently. Our affiliates maintain the same privacy standards as the Credit Union.

c. Sharing Information With Third-Party Service Providers. In order for us to conduct our operations, including servicing your account or processing your transactions, we need to share information with our service providers, including data processing companies; check, ATM, and other payment processing companies; payment networks; loan service providers; collection agencies; credit reporting agencies; insurance companies; and financial service providers with whom we have joint marketing agreements. These service providers act on our behalf and have agreed in writing to keep the member information we provide to them confidential. We share the following categories of information to third-party service providers depending on the specific services provided:

- Personal information (name, address, and account number)
- Account information (types of accounts, account balances, and transaction history)
- Transaction information (dates, amounts, locations, and types of transaction)

We do not sell member information or share your account numbers with independent third-party marketers offering their products and services. While we may assist in offering financial products and services of our affiliates or other financial service providers, we control the member information used to make such offers.

d. Sharing Information as Legally Required or Permitted. We may share any member information of yours in response to a lawful request issued by a court, government agency, or regulatory authority or as permitted by law in order to administer or enforce your account. We may also share our experience information about you with credit bureaus. Our reporting to credit bureaus is governed by the

Fair Credit Reporting Act, which affords you the right to make sure that your credit bureau reports are accurate.

4. Our Confidentiality and Security Safeguards.

We maintain strict policies and security controls to ensure that member information in our computer systems and files is protected. Our employees and agents are permitted access to member information that they may need to perform their jobs and to provide service to you. Our employees and agents have access to such member information as necessary to conduct a transaction or respond to your inquiries. All employees and agents are trained to respect member privacy. No one except our employees and agents has regular access to the Credit Union computer system and records storage. The Credit Union has established internal security controls, including physical, electronic, and procedural safeguards, to protect the information you provide to us and the information we collect about you. Only employees who need the information to perform a specific job are granted access to personally identifiable information. We will continue to review our internal security controls to safeguard your member information as we employ new technology in the future.

5. Online Privacy Protections. At our website, Harborstone.com, you may apply for accounts and services and you may communicate with us via email. To protect the information you provide to us online, we use multiple levels of security. The application information we accept online and our online banking service rely on industry standard "Secure Sockets Layer" (SSL) encryption to secure your transaction information and communication. Generally, our emails are not secure. However, if we ask you to email us information other than your name, address, email address, and phone number, you have the option of submitting it to us using a secure (SSL encryption) email form. When you visit our website, you can access site information without revealing your personal identity.

a. Online Web Links. Our website contains links to other sites. Please be aware that Harborstone Credit Union is not responsible for the privacy practices of such other sites. We encourage our users to be aware when they leave our site to read the privacy statements of each and every website. This privacy statement applies solely to information collected by this website. Some of the links from our site will take you off the Harborstone.com site to a "co-branded" site where you will see the Harborstone logo as well as the logo of another service provider. The following links to sites are co-branded: Digital Insight, Elan, Turbo Tax, CUDL AutoSmart, and CU Home Mortgage Solutions. Any information you provide is collected by the service provider, and you are encouraged to read the privacy statement of that provider. We also have links from Harborstone.com to "fully branded" service provider sites. As you view information on a fully branded site, you will see a change in

the URL, but the pages appear as Harborstone Credit Union's and the service provider is not identified. All information collected on fully branded sites is used by Harborstone Credit Union only and is not shared or used for any purpose other than processing your application and providing the requested service. Fully branded sites include online lending applications, online banking applications, and online bill payment services.

b. Log Files. Log files are used to collect aggregate statistics. Webserver logs tell which pages are more and less popular in our site and types of web browsers used. This information does not contain any personally identifiable information.

c. Protecting Children's Information Privacy. Our online financial services are not designed for or directed toward children. We do not knowingly solicit or collect data from children, and we do not knowingly market to children online. We recognize that protecting children's identities and online privacy is important and that this responsibility rests with us and with parents.

6. Privacy Policy Inquiries. If you have any questions about our privacy practices or need to correct or delete your information, contact us by calling us at (253) 584-2260 or 1-800-523-3641, sending us an email at Harborstone.com/ContactUs, or writing to us at Harborstone Credit Union, P.O. Box 4207, Tacoma, WA 98438-0207.

7. Notification of Changes. If we decide to change our privacy policy, we will post those changes to this privacy statement, on our home page, and in other places we deem appropriate so that our users are always aware of what information we collect, how we use it, and under what circumstances, if any, we disclose it. We will mail a printed version of this policy annually to our members. We will use information in accordance with the privacy policy under which the information was collected.

8. Tips for Protecting Privacy. You may limit the non-Harborstone marketing materials you receive through the mail or by telephone. If you would like to reduce the amount of advertising you receive from other companies, write the Direct Marketing Association at the appropriate address listed below. You must provide your name, address, and telephone number with your request:

Mail Preference Service
Attn: Preference Service Manager
Direct Marketing Association
P.O. Box 3079
Grand Central Station, NY 10163

Telephone Preference Service
Attn: Preference Service Manager
Direct Marketing Association
P.O. Box 3079

Grand Central Station, NY 10163

IV. Funds-Availability Policy

1. Your Ability to Withdraw Funds. For savings accounts, 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. Our policy is to make funds from your deposits available to you as soon as we receive funds from such deposits. Except as set forth below, deposits may be available on the next business day after we receive your deposit. For determining the availability of your deposits, all days are business days except Saturdays, Sundays, and federal holidays. If you make a deposit before closing on an operating business day, we will consider that day to be the day of your deposit. Please note that we have different lobby hours at different offices. However, if you make a deposit after closing or on a day we are not open, we will consider that deposit was made on the next open business day. Electronic direct deposits will be available on the day we receive the deposit. Deposits made at night depository locations are considered deposited on the next open business day.

2. Our Right to Hold Funds. In some cases, we will not make all the funds you deposit by check available to you on the next business day after we receive your deposit. For all nongovernment check deposits, we will hold such deposits until the second business day following the day of deposit. However, the first \$275 of your deposit will be available on the first business day. Once funds are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written. If we are not going to make all of the funds from your deposit available by the second business day as set forth above, we will notify you at the time you make your deposit directly to one of our employees. We will tell you when the funds will be available. If your deposit is not made directly to one of our employees or if we decide to take this action after you have left the premises, we will mail you the receipt by the day after we receive your deposit.

3. Holds on Other Funds. If we cash a check for you that is drawn on another financial institution, we may withhold the availability of a corresponding amount that is already in your account. Those funds will be available at the time funds from the check we cashed are available to us. If we accept the deposit of a check that is drawn on another financial institution, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described

elsewhere in this disclosure for the type of check you deposited.

4. Allowable Delays. 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 \$6,725 on any day.
- c. You deposit a check that has been returned unpaid.
- d. You have overdrawn your account repeatedly in the last six months.
- 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. Special Rules for New Accounts. If you are a new member, the following special rules will apply during the first 30 days your account is open.

Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$6,725 of a day's total deposits of cashier's; certified; credit union; traveler's; and federal, state, and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$6,725 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than U.S. Treasury checks) is not made in person to one of our employees, the first \$6,725 will not be available until the second business day after the day of your deposit. Funds from all other check deposits will be available on the 10th business day after the day of your deposit.

6. Deposits at Automated Teller Machines. Funds from any deposits (cash or checks) made at automated teller machines (ATMs) will not be available until the second business day after the day of your deposit, with up to \$275 of the deposit available for immediate withdrawal.

V. Electronic Funds Transfers

By signing the account card or using the ATM/POS/Visa debit card (Visa debit card) or telephone banking service, you agree to the following terms governing your and our rights and responsibilities concerning the electronic funds transfer services 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 direct deposits, ATMs, point-of-sale (POS)

terminals, and telephone banking transactions involving deposit accounts at Harborstone Credit Union.

1. Services.

a. Electronic Check Transactions. You authorize us to honor any electronic check conversion transaction and re-presented check fee debit transactions you authorize (electronic check transactions). You agree that your authorization for an electronic check transaction occurs when you initiate such a transaction after receiving any notice regarding the merchant's right to process the transaction, including any written sign provided by the merchant at the time of your transaction. You remain responsible for notifying us of any unauthorized electronic check transaction shown on your statement.

b. ATM/POS. You may use your ATM card and personal identification number in Harborstone Credit Union ATMs; in ATMs on the CO-OP, Accel®, Visa, Plus®, MasterCard®, Maestro®, Cirrus®, and AFFN® networks; and at such other machines or facilities as the credit union may designate. At the present time, you may use your card to perform the following transactions:

- Make deposits to your savings or your checking account.
- Withdraw cash from your savings or checking account.
- Transfer funds between your savings and checking accounts.
- Inquire about your savings and checking account balances.
- Purchase American Express traveler's checks at dispensing ATMs in major airport terminals.
- Purchase goods and services from merchants equipped with POS terminals.

c. Visa Debit Card. If you have a Visa debit card with us (Visa logo and hologram showing on your card), you may use it to purchase goods and services any place Visa is honored by participating merchants. Funds to cover your Visa check card purchases will be deducted from your checking account. If the balance in your checking account is not sufficient to pay the transaction amount, the Credit Union may treat the transaction as an overdraft request pursuant to the overdraft protection we offer or may terminate all services under this Agreement.

d. Money Express. To access our Money Express telephone banking service for your accounts, a separate four- (4-) digit personal identification number (PIN) will be assigned to you. You must use your PIN along with your Harborstone Credit Union member number to access your accounts. Currently, you may use Money Express to:

- Obtain general account balance, deposit, withdrawal, dividend, savings, checking, money market, IRA, and certificate account information.
- Obtain account balance, loan interest, and payment date information on your consumer loan, first or second mortgage, or Visa account.

- Transfer funds between your savings and checking accounts.
- Transfer funds from your checking or savings account to make a consumer loan, first or second mortgage loan, or Visa payment.
- Other transactions as offered and permitted in the future.

2. Service Limitations.

a. ATM Transactions.

i. ATM Transfers and Withdrawals. There is no limit to the number of transfers from a savings account using an ATM. Cash withdrawal fees are determined by your Harborstone Credit Union checking account choice as set forth on the Rate and Fee Schedule. Cash withdrawals from ATMs with ATM cards are limited to \$525 per day. Cash withdrawals from ATMs with Visa debit cards are limited to \$525 per day. If this limit changes, you will be notified.

ii. ATM Deposits. You may make deposits only at certain ATMs owned and operated by the Credit Union and nonproprietary ATMs. There is a two-business-day hold on all ATM deposits (for cash and checks). Deposits are subject to verification by the Credit Union. You should review the Credit Union's Funds-Availability Policy in this Agreement to determine the availability of funds deposited at ATMs.

b. Point-of-Sale (POS). With a Harborstone Credit Union checking account, purchases at POS terminals can be made from your checking account only with a Visa debit card and are combined with any Visa debit card purchases for a total daily limit of \$5,000. If a POS transaction is made with an ATM card, the total daily limit is \$500 per day. The maximum amount is exclusive of the maximum withdrawals you may make at ATMs.

c. Visa Debit Card Purchase Limitations. Visa debit card purchases are combined with POS transactions and limited to a total of \$3,500 per day. There is no limit on the number of Visa debit card purchase transactions you may make during a statement period. No purchase may exceed the available funds in your account. The Credit Union reserves the right to refuse any transactions that would draw upon insufficient funds, lower an account below a required balance, or otherwise require us to increase our required reserve on the account. The Credit Union may set other limits on the amount of any transaction, and you will be notified of those limits. The Credit Union may refuse to honor any transaction for which you do not have sufficient verified funds.

d. Money Express. You may access your accounts through our Money Express telephone banking service. Money Express service will be available for your convenience seven (7) days per week, twenty-four (24) hours per day. This service may be interrupted for a short time each day for data processing. If you call during this time, you may be advised that the system is unavailable at this time. While there is no limit to the number of inquiries

or transfer requests you may make in any one day, there are certain limitations on transfers from savings accounts.

No transfer may exceed the available funds in your account. The Credit Union reserves the right to refuse any transaction that 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. Transactions made after the close of normal business hours each day may be credited to your account on the next business day after the date of the transaction. The Credit Union may set other limits on the amount of any transactions, and you will be notified of those limits. The Credit Union may refuse to honor a transaction until sufficient account funds are verified. There is no limit on the number of transaction requests you may make during a single phone call.

3. Security of Personal Identification Code (PIC) and Personal Identification Number (PIN). If you suspect that your Visa debit card or card number has been lost or stolen, you may not be responsible for any unauthorized purchases if you report the theft promptly. Upon notification from you of any unauthorized Visa transactions, the Credit Union will limit your liability for those transactions to zero dollars (\$0), subject to the conditions below. We will require your notification to be received within sixty (60) days of the mailing date of the first statement showing any unauthorized Visa transaction. In evaluating your claim, we will consider whether your gross negligence has contributed to the transactions in question. If we reasonably determine that you were grossly negligent or fraudulent in the handling of the card or account, you may be liable for the entire transaction amount. We will provide you with provisional credit for an unauthorized Visa transaction within five (5) business days from our receipt of your notification but only if you provide us with written confirmation of the unauthorized Visa transaction. You understand that any transaction by a business owner, employee, or anyone you authorize to transact business on your account or any transaction by an authorized person that exceeds the transaction authority you have provided are considered authorized transactions for which you remain fully responsible.

Harborstone Credit Union enables non-Visa debit transaction processing and does not require that all such transactions be authenticated by a PIN. A non-Visa debit transaction may occur on your Harborstone Visa debit card through the ATM Network. Below are examples to distinguish between a Visa debit and a non-Visa debit transaction:

- To initiate a Visa debit transaction at the point of sale, the cardholder signs a receipt, provides a card number (e.g., in e-commerce or mail/telephone order environments), or swipes the card through a point-of-sale terminal.

- To initiate a non-Visa debit transaction, the cardholder enters a PIN at the point-of-sale terminal or, for certain bill-payment transactions, provides the account number for an e-commerce or mail/telephone order transaction after clearly indicating a preference to route it as a non-Visa transaction.
- A non-Visa debit transaction will not provide the zero-liability protection benefit, and if a Rewards program is present, a non-Visa debit transaction may not be an eligible Rewards transaction. Provisions of the cardholder agreement relates only to Visa.

4. Fees and Charges. There are certain charges for electronic funds transfer services as set forth below. The amount of each fee is 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.

a. ATM Withdrawal Fees. There may be a fee for each cash machine withdrawal made at an approved network ATM, except at Harborstone Credit Union owned ATMs.

b. Insufficient Funds Fee. You will be charged a fee if there are not sufficient funds to complete a transfer or withdrawal request or preauthorized EFT, regardless of whether the item is paid or returned.

c. Card Fees. There is no fee for the first two (2) ATM/Visa debit cards issued to you. Any additional cards or replacement cards issued for cards that are lost or stolen will be charged a fee as disclosed in the Rate and Fee Schedule.

d. Replacement Card Fee. There will be a replacement card fee for each replacement ATM card or Visa debit card issued to you, regardless of the reason.

e. Currency Conversion. Purchases and cash advances made in foreign countries and foreign currencies will be billed to you in U.S. 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 rate may vary from the rate Visa itself receives, or the government-mandated rate in effect for the applicable central processing date. In addition, you will be assessed an international transaction fee on any card purchase (including telephone and online purchases) or cash advance made in or from a person or business located in a foreign country.

5. 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, we will be liable for your direct losses or damages. Our sole responsibility for an error in a transfer will be to correct the error. You agree that neither we nor the service providers shall be responsible for any loss, property damage, or bodily injury, whether caused by the equipment; software; Credit Union; Internet browser providers, such as

Netscape (Netscape Navigator browser) or Microsoft (Microsoft Internet Explorer browser); Internet access providers; online service providers; or an agent or subcontractor of any of the foregoing. Nor shall we or the service providers be responsible for any direct, indirect, special, or consequential economic or other damages arising in any way from the installation, download, use, or maintenance of the equipment, software, electronic services, Internet browser, or access software. In this regard, although we have taken measures to provide security for communications from you to us via any electronic services and may have referred to such communication as "secured," we cannot and do not provide any warranty or guarantee of such security. In states that do not allow the exclusion or limitation of such damages, our liability is limited to the extent permitted by applicable law. We will not be liable in the following instances:

- If, through no fault of ours, you do not have enough money in your account to make the transfer, your account is inactive, or the transfer would go over the credit limit on your line of credit.
- If you used the wrong PIN or you used a PIN or your ATM card, Visa debit card, or Visa credit card in an incorrect manner.
- If your ATM, Visa debit card, or Visa credit card has expired or is damaged and cannot be used.
- If the ATM where you are making the transfer is closed or does not have enough cash.
- If the ATM or POS terminal or Money Express system was not working properly and you knew about the problem when you started the transaction.
- If circumstances beyond our control (such as fire, flood, or power failure) prevent the transaction.
- If the money in your account is subject to legal process or other claim.
- If the withdrawals or transfers from your savings accounts have reached the maximum number allowed by law.
- If your account is frozen because of a delinquent loan.
- If there are other exceptions as established by the Credit Union.
- If the ATM or POS terminal retains your card in certain instances, in which event you may contact the Credit Union about its replacement.

6. Termination of Electronic Funds Transfer Services. You agree that we may terminate this Agreement and your EFT services if you, or any authorized user of your PIN, breach this or any other agreement with us; we have reason to believe that there has been an unauthorized use of your ATM card, Visa debit card, or PIN; we notify you or any other party to your account that we have cancelled or will cancel this Agreement; or you are terminated from Credit Union membership.

You or any other party to your account can terminate this Agreement 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.

7. Notices. The Credit Union reserves the right to change the terms and conditions upon which this service is offered. The Credit Union 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.



Harborstone Credit Union
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1-800-523-3641
harborstone.com

Visit harborstone.com/locations to find a list of our branch locations.



Insured by NCUA.

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