
Harborstone Credit Union

Personal

Membership and

Account Agreement

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



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Your Membership and Account Agreement with Harborstone Credit Union

This Membership and Account Agreement (Agreement) is the contract of deposit that covers your and our rights and responsibilities concerning membership and accounts offered to you. In this Agreement, the words “you” and “yours” mean those who sign the All-in-One Account Application. 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 account(s) are set forth on your All-in-One Account Application. Unless you waive your rights, you understand that certain account designations, such as a joint ownership with rights of survivorship or payable-on-death beneficiary, may be invalidated upon the credit union’s receipt of notice of marriage dissolution or a testamentary disposition, as required by applicable law. By signing the All-in-One Account Application 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, the ATM/POS/Visa® Debit Card Policy, the Telephone Banking Agreement, the Truth-in-Savings, the Personal Membership and Account Agreement, Disclosures (Rate and Fee Schedule) accompanying this Agreement, any account receipts, 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.

USA Patriot Act Notice

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 (businesses and individuals) who opens any financial transaction account(s) including deposits, loans, and deposit boxes. What This Means To You: When you open any financial transaction account, we will ask for your name, address (mailing and physical, if different), date of birth, and other information that will allow us to identify you. We will also ask to see your driver's license or other identifying documents. In all cases, protection of our applicant's identity and confidentiality is our pledge to you.

Consumer Rate and Fee Schedule

This Rate and Fee Schedule sets forth current conditions, rates, fees, and charges applicable to your deposit accounts at Harborstone Credit Union. The credit union may offer other rates or amend the rates contained in this schedule from time to time. Each account holder agrees to the terms set forth on this Rate and Fee Schedule and acknowledges that it is also part of the Harborstone Credit Union Membership and Account Agreement.

Savings and Checking Accounts					
	Dividend Rate	Annual Percentage Yield	Minimum Opening Balance	Minimum Monthly Balance	Monthly Fee
Savings	0.05%	0.05%	\$5 + one-time \$5 membership fee	\$5	\$0

Savings and Checking Account Fees			
Fee Type	Fee Amount	Fee Type	Fee Amount
Initial Membership Fee	\$5	Deposit Item Returned	\$20 per returned transaction
Dormant Account Fee	\$15 per month		

Truth in Savings Disclosure

Except as specifically described, the following disclosures apply to all accounts:

- Rate Information.** The dividend rates and annual percentage yields on your accounts are set forth above. For dividend-bearing accounts, the dividend rate and annual percentage yield may change monthly, as determined by Harborstone Credit Union's Asset Liability Committee. Fees may reduce earnings.
- Nature of Dividends.** Dividends are paid from the current income and available earnings after required transfers to reserves at the end of a dividend period. The dividend rate and annual percentage yield set forth above, which the credit union anticipates paying for the applicable dividend period, are accurate as of the effective date. Dividends are paid on the full account balance for savings.
- Compounding and Crediting.** Dividends will be compounded and credited monthly per statement cycle as set forth above. The dividend period for all dividend-bearing accounts is monthly, beginning on the first calendar day of each month and ending on the last calendar day of each month.
- Accrual of Dividends.** Dividends will begin to accrue on noncash deposits (e.g., checks) within two business days of deposit but no later than the day we receive provisional credit. If you close your account before accrued dividends are credited, accrued dividends will not be paid.
- Balance Information.** The minimum balance required to open each account is set forth above. Dividends are calculated by the average daily balance method, which applies a periodic rate to the average daily balance in the account for the period. The average daily balance is determined by adding the full amount of the principal in the account for each day of the period and dividing that figure by the number of days in the period.

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 and must purchase and maintain at least one share (the membership share) as required by the credit union's bylaws and pay a membership fee. You authorize us to check your account, credit, and employment history, as well as obtain a credit report from third parties, including credit reporting agencies, to verify your eligibility for accounts and services.
2. **Individual Accounts.** An individual account is an account owned by one member, including any individual, 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 beneficiary.
3. **Joint Accounts.** An account owned by two or more persons is a joint account.
 - a. **Rights of Survivorship.** 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 All-in-One Account Application, a joint account is an account with rights of survivorship.
 - b. **Control of Joint Account.** 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 the account, and transfer or pledge all or any part of the shares of the 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.
 - 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 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.
4. **Payable on Death/Trust Accounts.** A payable-on-death (POD) designation or trust account designation is an instruction to the credit union that the account is payable to the owner or owners during their lifetimes and, upon the death of the joint account owner, payable to any named and surviving beneficiary designated on your All-in-One Account Application. Accounts payable to more than one surviving beneficiary are owned jointly by such beneficiaries without rights of survivorship. Any POD or trust beneficiary designation shall not apply to an Individual Retirement Account, which shall be governed by a separate beneficiary designation. The credit union shall at no time have any obligation to notify any beneficiary of the existence of any account or the vesting of the beneficiary's interest in any account, except as otherwise provided by law.
5. **Minor Accounts.** The credit union reserves the right to limit services that are available to minors. For any account established by or for a minor, the credit union may require an adult joint account owner (and may require that the adult be a parent or legal guardian of the minor). The joint owner, if any, will be jointly and severally liable to the credit union for obligations related to the account. The credit union may make payments of funds directly to the minor without regard to his or her minority. The credit union has no duty to inquire about the use or purpose of any transaction by the minor or joint account owner. The credit union will not automatically remove joint owners when the minor reaches age 18. However, when the minor reaches age 18, the minor may open new accounts for himself or herself irrespective of any ownership or access restrictions on existing accounts.
6. **Living Trust Accounts.** An account for a living trust is an account held by one or more trustees of a trust for the benefit of one or more beneficiaries. Account eligibility is determined according to the credit union's policy and applicable law. Upon request of the credit union, the trustee shall sign an All-in-One Account Application and provide any other evidence of the trustee's authority that the credit union requires. Trustee warrants that a valid living trust has been created, that it currently exists, and that the trustor and primary beneficiary are eligible for membership in the credit union. The credit union does not act as a trustee and is under no obligation to inquire as to the powers or duties of the trustee(s). The trustee(s) agrees to notify the credit union in writing if a change of trustee occurs. The credit union may withhold payment of funds to any party until proper evidence of authority is provided. The

credit union may rely upon the directions of any one trustee until a written notice of revocation of the living trust or an updated All-in-One Account Application is received. Funds may be released to any one trustee acting alone or with a co-trustee. The trustee(s) agrees to indemnify and hold the credit union harmless of any liability, claim, damage, or loss arising as a result of unauthorized acts of any trustee or former trustee or acts of any trustee upon which the credit union relies prior to notice of any account change or revocation of the trust. This Membership and Account Agreement shall be binding on the trust and on any trustee, successor, trustee, or beneficiary.

7. **Nonprofit Organizational Accounts.** Accounts held in the name of a nonprofit business or organization are subject to the same terms as other accounts and the following additional rules. The credit union reserves the right to require the member to provide an All-in-One Account Application informing the credit union who is authorized to act on the behalf of the nonprofit business or organization. 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 shall not be responsible for 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.
8. **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 of 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.
9. **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.
10. **Death of an 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. 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 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 Account Agreement will be binding upon any heirs or representatives of any account owner.

11. **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, cost, or expense 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's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions, if applicable.
12. **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 clearinghouse 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.
13. **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.

Accounts

1. Account Access
 - a. Authorized Signature. To access any account, the credit union must have an authorized signature of yours on an All-in-One Account Application. 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., by check, by automated teller machine, by Visa debit card or point-of-sale transaction, in person, by mail, by automatic transfer, or by 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 Clearinghouse (ACH) and Wire Transfers. You may initiate or receive credits or debits to your account via wire transfer or ACH transfer. 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. When you initiate a wire transfer, you may identify either the recipient or any financial institution by name and by account or 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. Wire transfers are governed by Federal Reserve Regulation J if the transfer is cleared through the Federal Reserve. ACH transactions are governed by the rules of The

Electronic Payments Association. Funds transfer requests made after 3:30 p.m. may be withdrawn from your account upon request but may not be processed until the next business day. Requests received before 3:30 p.m. will be processed no later than the close of business on the business day received. Funds transfer transactions occur on nonholiday weekdays (Monday through Friday) only.

- 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 number 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 subject to the terms of Section V of your Membership and 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 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 loans 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, 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, e.g., 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 days and up to 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 1.5

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 only 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 clearinghouse (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 to 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 direct 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 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 transaction; (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, clearinghouse 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's fees in responding to a 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:
- As necessary to complete transactions you request.
 - 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.
 - To comply with government agency or court orders.
 - If you give us your written permission.

10. Notices

- 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 only 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.
- 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 Change 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.
- 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
 - General 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 returned unpaid and subject to a returned item fee as set forth in the Rate and Fee Schedule. We may charge a return item 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.
 - How We Determine Your Insufficient or Available Account Balance. The Credit Union's determination of an insufficient account balance is made at the time the check or item is presented to us, which may be later during the day than the time you conduct a transaction. An insufficient funds account balance will be determined based on the available balance in your account at the time of presentment. Your available balance may be lower than your actual balance due to funds held for debit card transactions you have authorized and deposited checks held pursuant to our funds-availability policy. You can view your available balance through Online Banking to help avoid an overdraft. Transactions may not be presented in the order in which they occurred, and the order in which checks or items are received and processed may affect if an overdraft occurs. The Credit Union processes all checks and ACH items in the chronological order in which they are received. Your available balance displays the amount of funds in your account that can be accessed at the time of the inquiry without overdrawing your account. The available balance is updated throughout the day to reflect holds, pending transactions and cleared deposits. If you withdraw more than this available balance, it often causes an overdraft, even if there is a higher total showing as your account balance because the available balance reflects the amount of money you have if all pending transactions were posted. Example: Assume you have an actual balance of \$50 and an available balance of \$50 and there are no transactions pending. But, if you were to use your debit card at a restaurant to buy lunch for \$20, if that merchant requested preauthorization in the amount

of \$20, we would put a “hold” on your account for \$20 (referred to as an “authorization on hold”). Your actual balance would still be \$50, but your available balance would be \$30 due to the hold put on your account for the \$20 restaurant charge. When the restaurant submits its bill for payment (which could be a few days later and for a different amount than the amount of the authorization hold), our system will generally release the authorization hold, post the transaction to your account, and reduce your actual balance by the amount of the posted transaction, although there may be instances when our system is unable to match an authorization hold with a posted transaction. Because the available balance in your account includes pending transactions, it is the balance that we use to determine if you have sufficient funds to cover further transactions. Your available balance is the most current record we have about the funds that are available for withdrawal from your account. In determining the available balance in your account, we will consider all transactions that have actually posted to your account, any holds that may be in place on deposits you have made, and pending transactions (such as pending debit card purchases) that the Credit Union has authorized but that have not yet posted to your account. Keep in mind, your available balance may not reflect all of your debit card transactions. For example, if a merchant obtains our prior authorization but does not submit an everyday debit card transaction for payment within three (3) business days from the time of authorization (or up to thirty (30) business days for certain types of debit card transactions), we must release the authorization hold on the transaction. The available balance will not reflect this transaction once the hold has been released until the transaction has been received by us and paid from your account. In deciding as to whether your merchant debit card signature transaction overdraws your account, we check your available balance at two separate times. First, at the time a merchant authorization request is received, and second, when the transaction “settles” and posts to your account. If the available balance was insufficient to pay the amount of the authorized amount at the time of the authorization hold, the transaction will be denied and checks or items returned, as applicable. However, if there are sufficient funds available when a merchant authorization request is approved, but the available balance is insufficient to pay the transaction when it posts, the transaction will be denied and the check or item will be returned, as applicable.

c. Overdraft Protection Plans. If we approve your request for overdraft protection, we will provide an overdraft protection plan for you and the following terms shall apply.

i. *Take-Ten Overdraft Protection.* For checking accounts other than Unlimited Potential, Teen Checking, Money Market, Business & Estate checking accounts, the Credit Union may continue to provide an incidental overdraft service, without an overdraft fee. Under this service we may pay a check or item that overdraw your account by up to \$10, for qualified members (“Take Ten Transactions”). Except for Take Ten transactions, the Credit Union will not pay checks, debit card purchases or other transactions that overdraw your account and these checks or items will be returned unpaid and subject to a returned item fee as set forth in the Rate and Fee Schedule.

ii. *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.

iii. *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 consumer 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 minors, fiduciary accounts, money market accounts, Unlimited Potential Checking, 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.

d. 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 more than the Take Ten forgiveness allows, 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 that exceeds the Take Ten forgiveness amount. 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.

- e. 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.
- f. 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 14 days unless continued in writing within that time. A written notice will be effective for six 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 months after its date.

14. 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 14 calendar days unless continued in writing within that time. A written stop payment order will be effective for six 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's 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 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 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 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 charge 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 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 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 the credit union to 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(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 an 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 All-in-One Account Application 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.

Privacy Policy Statement

FACTS

WHAT DOES HARBORSTONE CREDIT UNION DO WITH YOUR PERSONAL INFORMATION

Why?	<p>Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand Harborstone Credit Union's privacy policy.</p> <p>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.</p>	
What?	<p>The types of personal information we collect and share depend on the accounts or services you have with us. This information can include:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Name, address, Social Security number, and income <input type="checkbox"/> Account balances and transaction history <input type="checkbox"/> Credit history and credit scores <p>When you are <i>no longer</i> our member, we will not share your information except as permitted or required by law as described in this notice.</p>	
How?	<p>All financial companies need to share members' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their members' personal information, the reasons Harborstone Credit Union chooses to share, and whether you can limit this sharing.</p>	
Reasons we can share your personal information	Does Harborstone Credit Union share?	Can you limit this sharing?
For our everyday business purposes — to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes — to offer our products and services to you	Yes	No
For joint marketing with other financial companies	Yes	No
For our affiliates' everyday business purposes (information about your transactions and experiences)	Yes	No
For our affiliates' everyday business purposes (information about your creditworthiness)	No	We don't share
For nonaffiliates to market to you	No	We don't share
Questions?	<ul style="list-style-type: none"> <input type="checkbox"/> Call (253) 584-2260 or 1-800-523-3641 <input type="checkbox"/> Submit questions or comments online at Harborstone.com/ContactUs <input type="checkbox"/> Write to us at Harborstone Credit Union, P.O. Box 4207, Tacoma, WA 98438-0207 	

What we do	
How does Harborstone Credit Union protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. We also restrict access to nonpublic personal information about you to those employees and volunteers who need to know the information to provide products or services to you.
How does Harborstone Credit Union collect my personal information?	<p>We collect your personal information, for example, when you:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Open an account or apply for a loan <input type="checkbox"/> Apply for any credit union service <input type="checkbox"/> Visit our website, provide us information on any online application or transaction, or send us information by email <input type="checkbox"/> Use your credit or debit card or pay your bills <input type="checkbox"/> Make deposits to or withdrawals from your accounts <p>We also collect your personal information from others, including credit bureaus or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit information sharing only as follows:</p> <ul style="list-style-type: none"> <input type="checkbox"/> For affiliates' everyday business purposes—information about your creditworthiness <input type="checkbox"/> For affiliates to market to you <input type="checkbox"/> For nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>
Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <input type="checkbox"/> <i>Our affiliates include financial companies such as Credit Union, Services Group, Member First Mortgage, and Puget Sound Business Lending Group.</i>
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <input type="checkbox"/> <i>Harborstone Credit Union does not share with nonaffiliates so they can market to you, except for our joint marketing arrangements.</i>
Joint marketing	<p>A formal agreement between Harborstone Credit Union and a nonaffiliated financial company where we jointly market financial products or services to you.</p> <ul style="list-style-type: none"> <input type="checkbox"/> <i>Our joint marketing partners include financial service providers.</i>

Privacy Policy

1. 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 the responsibility rests with us and with parents.
2. Privacy Policy Inquiries. If you have any questions about our privacy practices or need to correct or delete your information, contact us by calling (253) 584-2260 or 1-800-523-3641, sending us an email at harborstone.com/contact us, or writing to us at Harborstone Credit Union, P.O. Box 4207, Tacoma, WA 98438-0207.
 - a. 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. Our privacy policy will be provided when required by regulations. We will use information in accordance with the privacy policy under which the information was collected.
 - b. 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

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 general policy is to make funds from your deposits available to you on the next business day after 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 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 to be made on the next open business day. 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 of the funds that you deposit by check available to you on the same or next business day after we receive your deposit. Depending on the type of check that you deposit (e.g., large check without available funds or third-party check), funds may not be available until the second business day after the day of your deposit. However, the first \$275 of your deposit will be available on the first business day. If we are not going to make all of the funds from your deposit available on the first business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit.
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 that 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 a U.S. Treasury check) 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 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.

Electronic Funds Transfers

By signing the All-in-One Account Application or using the ATM/POS/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 are electronically initiated transfers of money through direct deposits, ATMs, point-of-sale 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. 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 V- 4, "Member Liability." You remain responsible for notifying us of any unauthorized electronic check transaction shown on your statement.
- b. ATM/POS. You may use your Visa debit card and 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 travelers 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 shown 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 debit 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. Direct Deposit. Upon instruction of: (1) your employer; (2) the Treasury Department; or (3) another financial institution, the credit union will accept direct deposits of your paycheck or of federal recurring payments, such as Social Security.
 - e. Telephone Banking. To access our Telephone Banking service for your accounts, a separate four-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 Telephone Banking 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 credit card accounts.
 - 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 credit card payment.
 - Perform other transactions as offered and permitted in the future.
 - f. Online and Mobile app banking. Upon approval, you may use your personal computer to access your accounts. You must use your member number along with your security code to access your accounts. The Online Banking service is accessible seven days a week, 24 hours a day. However, from time to time, some or all of Harborstone's Online Banking services may not be available due to system maintenance. During such times, you may use Telephone Banking at (253) 584-2260 or 1-800-523-3641 or visit one of the credit union's branches. You will need a personal computer

and a web browser. The link to the credit union's Online Banking service can be found at Harborstone.com. You are responsible for the installation, maintenance, and operation of your computer and internet connection. The credit union will not be responsible for any errors or failures involving any internet connection or your computer. At the present time, you may use the Online Banking service to:

- Transfer funds between your savings, checking, and money market accounts
- Transfer funds from your checking or savings account to a loan account.
- Review account balance and/or transaction history for checking, savings, money market, certificate, and IRA accounts.
- Review information on your loan accounts, including balance information, interest rates, scheduled payment amounts, and next payment due dates.
- Make bill payments from your checking account using the optional Bill Pay service.

Transactions involving your deposit accounts will be subject to the terms in this agreement, and transactions involving a loan or line of credit account will be subject to your loan agreement and disclosures, as applicable.

By registering for online/mobile app banking, you agree to receive your periodic account statements online through the credit union's eStatement service from this point forward. Your online statements may include the periodic account and transaction activity for your deposit and loan accounts, notices for insufficient funds or certificate maturity and other similar account notices, year-end tax statements for dividends earned and mortgage interest paid, and any disclosures. You also agree to receive any notices and disclosures required by regulation, such as changes in your account terms and your annual privacy policy, which will be made available through the eStatement console. The credit union will send you an email whenever your monthly statement, account notice, or tax form is available for review. Once you receive the email, you can access your statement by logging in to Online Banking and clicking on the "eStatements" link under the "Additional Services" tab. You will need Adobe Acrobat Reader software to read your statements, which can be downloaded at no charge from the eStatement registration screen. You will be able to access, download, and print your statements and other documents online for a period of 12 months. A statement copy/account history printout fee may apply for requests beyond the 12-month period. You have the right to request and receive your statements and other documents in paper form, and you may withdraw your consent to receive eStatements at any time. To do this, click on the "eStatements" link, then select "Change Registration Information," and then click the link to discontinue accounts. Select the account(s) you wish to discontinue, and click "Submit." There are no fees or account restrictions for choosing to withdraw your consent for eStatements. Please note that there may be a delay in processing eStatement

registrations for new Online Banking members. Please allow up to two business days after joining Online Banking before changing your eStatement registration. There may also be a delay in processing eStatement information at the end of a business month. If you register for eStatements during the last three business days of the month, you may receive your next statement in paper form.

Future statements will be received electronically.

After you have successfully completed and submitted the Online Banking Registration Form, a representative from the credit union will contact you to initiate your use of the service via email. After you have successfully accessed the Online Banking service, you will then select a specific, personal password to access the Online Banking service for future access your initial sign-on, you may change your password at any time by selecting the appropriate function from the user options menu within the Online Banking service.

Approximately three business days after your application for Bill Pay service has been received, reviewed, and approved by the credit union, you will be able to access your Bill Pay service through the Online Banking service; therefore, you will enter a password to sign on to the Online Banking service as described above (see "Initial Access"), then click on the "Bill Pay" tab located at the top of the screen.

The personal identification number, or access code, that you select is for your security purposes. The access code is confidential and should not be recorded or disclosed to third parties. You are responsible for the safekeeping of your access code. You agree not to disclose or otherwise make your access code available to anyone not authorized by you to sign on to your accounts. If you authorize anyone to have or use your access code, you understand that person may use the Online Banking service to review all of your account information and make account transactions. Therefore, the credit union is entitled to act on transaction instructions received using your access code, and you agree that the use of your access code will have the same effect as your signature authorizing transactions.

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 by changing your access code immediately. You are responsible for any transactions made by such persons until your access code is changed and you notify the credit union that transactions and access by that person are no longer authorized. If you fail to maintain or change the security of these access codes and the credit union suffers a loss, the credit union may terminate your electronic funds transfer and account services immediately.

There are currently no charges for Online Banking and Bill Pay services. From time to time, the charges may be

changed. We will notify you of any changes, as required by law. Transfers, mobile check deposits, and withdrawals transacted through Online Banking will be recorded on your monthly/quarterly periodic statements.

The credit union will maintain the confidentiality and privacy of your account information in accordance with its privacy policy as stated on the credit union's website at Harborstone.com; however, the credit union will disclose information to third parties about your account or the transfers you make in the following limited circumstances:

- As necessary to complete transfers.
- 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.
- To comply with government agency or court orders.
- If you give the credit union your express permission.

You agree that the credit union may terminate this agreement and your Online Banking service if you, or any authorized user of your Online Banking service or access code, breach this or any other agreement with the credit union; if the credit union has reason to believe that there has been an unauthorized use of your accounts or access code; if you conduct or attempt to conduct any fraudulent, illegal, or unlawful transaction; or if the credit union reasonably believes your account conduct poses an undue risk of illegality or unlawfulness. In addition, the credit union reserves the right to terminate your Online Banking and/or Bill Pay services if you fail to use the services for more than 90 consecutive calendar days, and there will be a \$6 reconnection fee for Online Banking and/or Bill Pay services that have been previously terminated. You or any other party to your account can terminate this agreement by notifying the credit union 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.

The credit union reserves the right to change the terms and conditions upon which this service is offered. The credit union will notify you at least 21 days before the effective date of any change, as required by law. This means the credit union will mail you notice or, if you have consented to electronic disclosures, will send it to the email address you have designated. Use of this service is subject to existing regulations governing the credit union account and any future changes to those regulations.

In case of errors or questions about your Online Banking transactions, contact the credit union by telephone, by email, or in writing as soon as you can. (Contact information is set forth in the "Member Liability" section above.) The credit union must hear from you no later than sixty (60) days after it sends the first statement on which the error appears.

- Give the credit union your name and member/account number.
- 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.
- Tell the credit union the dollar amount of the suspected error. If you notify Harborstone verbally, it may require that you send your complaint or question in writing within 10 business days. The credit union will inform you of the results of its investigation within ten business days after hearing from you and will correct any error promptly. For errors related to transactions occurring within 30 days after the first deposit to the account (new accounts), the credit union will inform you of the results of its investigation within 20 business days. If the credit union needs more time, however, it may take up to 45 calendar days to investigate your complaint or question, or it may take up to 90 calendar days for new account transaction errors or errors involving transactions initiated outside the United States. If the credit union does this, it will credit your account within 10 business days for the amount you think is in error so that you will have use of the money during the time it takes the credit union to complete its investigation. If the credit union requests that you put your complaint or question in writing and does not receive it within 10 business days, the credit union may not credit your account. If the credit union decides after its investigation that an error did not occur, the credit union will deliver or mail to you an explanation of its findings within three business days after the conclusion of its investigation. If you request, the credit union will provide you copies of the documents (to the extent possible without violating other members' rights to privacy) relied upon to conclude that the error did not occur.

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. This agreement shall be governed by and construed under Washington State laws 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 agreement or collect any overdrawn funds on accounts accessed under this agreement, the prevailing party shall be entitled, subject to Washington State law, to payment by the other party of its reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and post-judgment collection actions, if applicable. Should any one or more provisions of this agreement be determined illegal or unenforceable in any relevant jurisdiction, then such provision shall 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 this agreement.

g. **Mobile Deposit.** The mobile deposit services (“Mobile Deposit”) are designed to allow you to make the deposit of a check (“original check”) to your account from home or other remote location by electronically transmitting a digital image of the original check (“image”) to us or our designated processor. Original checks are converted to “substitute checks,” as such term is defined in the Check Clearing for the 21st Century Act and the Federal Reserve Board’s Regulation CC, for deposit with the Credit Union and for processing and presentment to a collecting or paying financial institution. For purposes of this Agreement, a “substitute check” (as defined in Regulation CC) is a check reproduction of an original check that:

- Contains an image of the front and back of the original check;
- Bears a MICR line that contains all the information appearing on the MICR line of the original check at the time the original check was issued as well as any additional information that was encoded on the original check’s MICR line before an image of the original check was captured;
- Conforms in paper stock, dimension, and otherwise with ANSI X9.100-140; and
- Is suitable for automated processing in the same manner as the original check.

After you log in to Mobile Banking, you will need to accept these terms and conditions to have access to Mobile Deposit. You understand that you must be a member in good standing to be eligible to enroll in Mobile Deposit. If any of the following apply to you, you will be ineligible to enroll in or use Mobile Deposit: your loan or credit card account with us is delinquent more than 30 days, you do not have an email address on file with us, you are not enrolled in Online Banking, or your account is dormant. By using Mobile Deposit, you agree to the terms and conditions in this Agreement, including any amendments. Your use of the service constitutes your acceptance of this Agreement. You agree to comply with the hardware and software requirements set forth herein. There is currently no charge for Mobile Deposit. However, we reserve the right to change the terms and charges for Mobile Deposit at any time, and we may amend, modify, add to, or delete from this Agreement from time to time. Your continued use of Mobile Deposit will indicate your acceptance of the revised Agreement.

You agree to comply with all laws, statutes, regulations, and ordinances pertaining to your use of Mobile Deposit, as well as all laws relating to the banking transactions contemplated hereunder. You also agree to be bound by any clearinghouse rules or agreements, operating circulars, image exchange agreements, and other documents to which we are a party that govern Mobile Deposit. You promise to

indemnify and hold us harmless from any damages, liabilities, costs, expenses (including attorneys’ fees), or other harm arising out of any violation thereof. This indemnity shall survive termination of your account with us or termination of this Agreement.

You agree to deposit only “checks,” as that term is defined in the Federal Reserve Board’s Regulation CC. For purposes of this Agreement, “check” (as defined in Regulation CC) means a negotiable demand draft that is drawn on:

- Or payable through or at an office of a bank or credit union;
- A Federal Reserve Bank or a Federal Home Loan Bank;
- The Treasury of the United States;
- A state or local government that is not payable through or at a bank or credit union; or
- A United States Postal Service money order.

You understand and agree that you will not use Mobile Deposit to deposit:

- A check payable to any party other than the party that owns the account the check is being deposited to;
- A check to a personal account that is payable to a business;
- Any third-party check (i.e., any item made payable to another party and then endorsed to you by that party);
- A check payable to a business name that is not on your Harborstone business account, even if you are the business owner;
- A check containing evidence of alteration to the information on the check that you know or suspect, or should know or suspect, is fraudulent or otherwise not authorized by the owner of the account on which the check is drawn;
- A check made payable to more than one party (including tax-refund checks and other government checks), unless deposited into an account in the name of all payees;
- A check previously converted to a “substitute check,” as defined in Regulation CC;
- A check drawn on a financial institution located outside the United States;
- A check not payable in United States currency;
- A check dated more than six months prior to the date of deposit;
- A check that is postdated after the date of deposit;
- A check payable on sight or payable through drafts, as defined by Regulation CC;
- A check with any endorsement on the back other than that specified in this Agreement;
- A check that has previously been submitted through Mobile Deposit or through a remote deposit capture service offered at any other financial institution;
- A check or item that is drawn on or otherwise issued by the U.S. Department of the Treasury;
- A check drawn on your personal account at the Credit Union;

- A check stamped “nonnegotiable” (whether stamped in print or as a watermark);
- A check that has been redeposited or returned, such as “nonsufficient funds” or “refer to maker,” or a check that has been returned for any other reason;
- Any item that is incomplete;
- Cash;
- Savings bonds;
- Government-issued warrants;
- Any item with a qualified endorsement (e.g., “without recourse” or “John Doe”);
- Any item with a conditional endorsement (e.g., “pay to the order of John Doe” or “when car is fixed”); or
- A traveler’s check drawn on or payable through or at a bank or credit union.

Deposits of this nature may result in the immediate termination of Mobile Deposit.

Each image must accurately and legibly provide all information on the front and back of the original check at the time presented to you by the drawer, including, but not limited to, information about the drawer and the paying bank that is preprinted on the original check, MICR information, signature(s), any required identification written on the front of the original check, and any endorsements applied to the back of the original check. The image quality of the check must meet the standards established from time to time by the American National Standards Institute; the Board of Governors of the Federal Reserve, including the requirements under Regulation CC; and any other regulatory agency, clearinghouse, or association. Prior to electronically transmitting a digital image of the original check, you will restrictively endorse the check as follows: Endorsements must be made on the back of the share draft or check within 1½ inches from the top edge, although we may accept endorsements outside this space. Your endorsement must include your signature, your account number, and “FOR MOBILE DEPOSIT.” You agree to follow any and all other procedures and instructions for use of Mobile Deposit that we may establish from time to time. Any loss we incur from a delay or processing error resulting from an irregular endorsement or other markings by you will be your responsibility.

If the check is made payable to your business, any signer can endorse the check. If the check is payable to you or your joint owner, either of you can endorse it. If the check is payable to you and your joint owner, both of you must endorse the check. You agree to pay all fees and charges for deposit services as set forth on Harborstone’s fee schedule. Service fees are subject to change at any time.

Harborstone’s fee schedule is available at any Harborstone branch or on Harborstone.com.

All images processed for deposit through Mobile Deposit will be treated as “deposits” under your current Membership and Account Agreement with us and will be subject to all terms of the Membership and Account Agreement. Upon receipt of the digital image, we will

review the image for acceptability and will convert items meeting our requirements into substitute checks to facilitate the deposit and collection of such items. You understand and agree that electronically transmitting a digital image of a check does not constitute receipt by the Credit Union. Confirmation of our receipt of your deposit can be verified by email, if you choose to receive an email confirmation, or by viewing your account in Online Banking. We shall not be deemed to have received the image for deposit until the image is posted to your account. You understand that in the event you receive a notification from us confirming receipt of an image, such notification does not mean that the image contains no errors or that we are responsible for any information you transmit to us. We are not responsible for any image that we do not receive.

Following receipt of the image, we may process the image by preparing a “substitute check.” Notwithstanding anything to the contrary, we reserve the right, within our sole and absolute discretion, to accept or reject any item for remote deposit into your account. In the event we reject an item for remote deposit, you understand and agree that you must deposit the original item. You understand and agree that even if we do not initially reject an item you deposit through Mobile Deposit, we may return the substitute check we created because, for example, the paying bank deems the electronic image illegible. Our failure to reject such an item shall not limit your liability to us. We are not liable for any service or late charges levied against you due to our rejection of any item. In all cases, you are responsible for any loss or overdraft plus any applicable fees to your account due to an item being returned.

After you have confirmation that we have received an image, you agree to prominently mark the item as “Electronically Presented” or “VOID” to ensure that it is not re-presented for payment. You agree to securely store each original check that you deposit using Mobile Deposit for a period of 60 days after transmission to us in order to verify settlement and credit or to balance periodic statements. After such period expires, you will destroy the original check. You understand and agree that you are responsible for any loss caused by your failure to secure an original check. During the retention period, you agree at your expense to promptly deliver any retained check, or a sufficient copy of the front and back of the check, to the Credit Union upon request to aid in the clearing and collection process, to resolve claims by third parties with respect to any check, or for our audit purposes. If not provided within seven business days of our request, such amount will be reversed from your account. In addition, if you are unable to provide a sufficient copy of the front and back of the check, you will be liable for any unresolved claims by third parties.

You agree that you will never re-present an original check. You understand that you are responsible if anyone is asked to make a payment based on an original check that has already been paid.

In order to use Mobile Deposit, you must obtain and maintain, at your expense, your own mobile device. Use of Mobile Deposit requires the download of our mobile app from the Apple Store or Android Market. We are not responsible for any data charges that may apply.

Any remote deposits made using Mobile Deposit will be reflected on your monthly periodic statement. You understand and agree that you are required to immediately notify us of any suspected error relating to images transmitted using Mobile Deposit by no later than 60 days after the date of the monthly periodic statement that includes any transaction you allege is erroneous. You are responsible for any errors that you fail to bring to our attention within such time period.

Any credit to your account for checks deposited using Mobile Deposit is provisional. If an original check deposited through Mobile Deposit is dishonored, rejected, or otherwise returned unpaid by the drawee bank, or is rejected or returned by a clearing agent or collecting bank, for any reason, including, but not limited to, issues relating to the quality of the image, you agree that the original check will not be returned to you and that we may charge back the amount of the original check and provide you with an image of the original check, a paper reproduction of the original check, or a substitute check. With respect to any item that you transmit to us for remote deposit that we credit to your account, in the event such item is dishonored, you authorize us to debit the amount of such item from your account plus a returned-check fee as stated in our fee schedule.

We will notify you via email of transactions we are unable to process because of a returned item. Should such email be returned as undeliverable, the Credit Union will have completed our obligation to alert you of a rejected item and we are under no obligation to attempt any redelivery of the email. You will reimburse us for all loss, cost, damage, or expense caused by or relating to the processing of the returned item. Without our approval, you shall not attempt to deposit or otherwise negotiate an original check if it has been charged back to you.

We may debit any of your accounts to obtain payment for any item that has been rejected or returned, for any adjustment related to such item, or for any warranty claim related to such item, whether or not the rejection, return, adjustment, or warranty claim was made timely.

You make the following warranties and representations with respect to each image:

- Each image of a check transmitted to us is a true and accurate rendition of the front and back of the original check, without any alteration, and the drawer of the check has no defense against payment of the check.
- The amount, payee(s), signature(s), and endorsement(s) on the image and on the original check are legible, genuine, and accurate.

- You will not deposit, or otherwise endorse to a third party, the original check, and no person will receive a transfer, presentment, or return of, or otherwise be charged for, the original check or a paper or electronic representation of the original check such that the person will be asked to make payment based on an item that has already been paid.
- There are no other duplicate images of the original check.
- The original check was authorized by the drawer in the amount stated on the original check and to the payee(s) stated on the original check.
- You are authorized to enforce and obtain payment of the original check.
- You will retain possession of each original check deposited using Mobile Deposit for the required 60-day period, and neither you nor any other party will resubmit an original check for payment.
- You have not knowingly failed to communicate any material information to us.
- You will not use Mobile Deposit and/or your accounts for any illegal activity or transactions.
- Files and images transmitted to us will contain no viruses or any other disabling features that may have an adverse impact on our network, data, or related systems.
- Each check you submit for deposit is drawn in United States dollars on a financial institution located in the United States, excluding its territories.

Each check you submit for deposit is drawn in United States dollars on a financial institution located in the United States, excluding its territories.

You agree and understand that it is your full responsibility to keep the Credit Union informed of your most current email address, as this is the email address where we will send you notification of receipt or rejection of any remotely deposited items.

The Credit Union shall not be liable for any loss, damage, liability, or claim arising directly or indirectly for any error, delay, or failure to perform hereunder that is caused by earthquakes, fires, natural disasters, civil or foreign disturbances, power outages, acts of government, labor disputes, failures in either communication or computer networks, legal constraints, or any other event beyond our control.

Either party may terminate this Agreement and the Mobile Deposit service without prior notice. Notwithstanding any such notice of termination, this Agreement shall remain effective with respect to any transaction occurring prior to such termination. Upon any termination of this Agreement, (i) you will immediately cease using Mobile Deposit, and (ii) you shall promptly remit all unpaid monies due under this Agreement. You may terminate the Mobile Deposit service in Online Banking or by calling the Credit Union during business hours at (253) 584-2260 or 1-800-523-3641

(Monday through Friday, 8 a.m. to 6 p.m., or Saturday, 9 a.m. to 1 p.m.) or by writing us at Harborstone Credit Union, P.O. Box 4207, Tacoma, WA 98438-0207. Upon your request, we will terminate your service within five business days of receipt of your notification. We reserve the right to terminate this Agreement or limit your use of Mobile Deposit at any time and for any reason at our discretion, with or without cause and without prior notice. Examples of when we may terminate this Agreement and the use of Mobile Deposit without prior notice include but are not limited to:

- If you breach this Agreement or any other agreement we may have with you;
- If we have reason to believe that there has been or may have been an unauthorized use of your user ID, password, authentication method, or account(s);
- If there are conflicting claims as to the funds in any of your account(s);
- If you request us to do so;
- If you do not access Mobile Deposit for a period of 30 consecutive days or longer;
- If you have insufficient funds in any one of your Credit Union accounts; or
- In order to protect the Mobile Deposit service or the Credit Union from harm or compromise of integrity, security, reputation, or operation.

Termination will not affect your liability or obligations under this Agreement for transactions that have been processed on your behalf. You will remain responsible for all outstanding fees and charges incurred prior to the date of termination. Termination will apply only to Mobile Deposit and does not terminate your other relationships with us.

Any termination will not affect obligations arising prior to termination, such as the obligation to process any checks or electronic items (including returned electronic items) that were in the process of being transmitted or collected prior to the termination date.

In addition, you will keep your account(s) at the Credit Union open until final payment with respect to all processing fees and will maintain funds in your account(s) in amounts and for a period of time as determined by the Credit Union in our reasonable discretion to cover any outstanding checks and your obligations for returns of checks, warranty claims, and fees, as well as any other obligations.

If any such liabilities exceed the amount in the applicable account, we may charge such excess against any of your other accounts and you will pay immediately upon demand any amount remaining unpaid.

Mobile Deposit may be unavailable temporarily due to system maintenance or technical difficulties, including those of the internet service provider, cellular service provider, or internet software. In the event that Mobile Deposit is unavailable, you acknowledge that you may deposit original checks at our branches or through our

ATMs. It is your sole responsibility to verify that items deposited using Mobile Deposit have been received and accepted for deposit by us. Funds from deposited items will be available according to the Credit Union's Funds Availability Policy previously provided to you, as amended from time to time, which is incorporated herein by reference. You agree that items transmitted using the services are not subject to the funds-availability requirements of Federal Reserve Board's Regulation CC. For purposes of funds availability, Mobile Deposits are made in Tacoma, Washington. You agree that electronically transmitting a digital image of an original check does not constitute receipt by the Credit Union. Credit to your account does not infer funds availability. You also understand that credit is provisional until settlement is final. Harborstone's Funds Availability Policy is available on Harborstone.com. Funds deposited using the services will generally be made available in three business days from the day of deposit. The Credit Union may make such funds available sooner or later based on such factors as credit worthiness, the length and extent of your relationship with us, transaction and experience information, and such other factors as the Credit Union, in our sole discretion, deems relevant.

You will complete each deposit promptly. If you are unable to complete your deposit promptly, you will ensure that your mobile device remains securely in your possession until the deposit has been completed. It is your responsibility to establish and maintain procedures to safeguard against unauthorized deposits. You will notify us immediately by telephone at (253) 584-2260 or 1-800-523-3641 (Monday through Friday, 8 a.m. to 6 p.m., or Saturday, 9 a.m. to 1 p.m.) and, if requested, follow up with written confirmation if you learn of any loss or theft of original checks. You will ensure the safety and integrity of original checks from the time of receipt until the time of destruction. If warranted in our reasonable judgment, we may audit you and/or monitor your account activity, and you agree to cooperate with us in connection with such audit and/or monitoring, to confirm that you have satisfied your obligations under this Agreement.

You agree to notify us promptly if your mobile device is lost or stolen or if you have any reason to believe your Mobile Deposit access may have been or is subject to compromise. We and our technology partners, inclusive of, but not limited to, Digital Insight Inc. and Ensenta Corporation, retain all rights, title, and interest in and to the Mobile Deposit service and related software and development made available to you. Your use of Mobile Deposit is subject to and conditioned upon your complete compliance with this Agreement. Without limiting the effect of the foregoing, any breach of this Agreement immediately terminates your right to use Mobile Deposit. Without limiting the restriction of the foregoing, you may not use Mobile Deposit: (i) in any anti-competitive manner, (ii) for any purpose that would be contrary to our business

interest, or (iii) to our actual or potential economic disadvantage in any aspect. In addition, you agree that you will not modify, change, alter, translate, create derivative works from, reverse-engineer, disassemble, or decompile the technology or service; copy or reproduce all or any part of the technology or service; or interfere, or attempt to interfere, with the technology or service.

You agree to indemnify, defend, and hold harmless the Credit Union and our shareholders, directors, officers, employees, and agents against any and all losses, claims, actions, damages, liabilities, costs, and expenses, including reasonable attorneys' fees and expenses, arising from your use of Mobile Deposit and/or breach of this Agreement. You understand and agree that this paragraph shall survive the termination of this Agreement.

YOU UNDERSTAND AND AGREE THAT YOUR USE OF MOBILE DEPOSIT AND ALL INFORMATION AND CONTENT (INCLUDING THAT OF THIRD PARTIES) IS AT YOUR RISK AND IS PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS. WE DISCLAIM ALL WARRANTIES OF ANY KIND AS TO THE USE OF THE MOBILE DEPOSIT SERVICE, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NONINFRINGEMENT. WE MAKE NO WARRANTY THAT THE MOBILE DEPOSIT SERVICE WILL MEET YOUR REQUIREMENTS OR WILL BE UNINTERRUPTED, TIMELY, SECURE, OR ERROR-FREE. WE MAKE NO WARRANTY THAT THE RESULTS THAT MAY BE OBTAINED WILL BE ACCURATE OR RELIABLE OR THAT ANY ERRORS IN THE MOBILE DEPOSIT SERVICE OR TECHNOLOGY WILL BE CORRECTED. WE ARE NOT RESPONSIBLE FOR ANY LOSS, INJURY, OR DAMAGES, WHETHER DIRECT, INDIRECT, SPECIAL, OR CONSEQUENTIAL, CAUSED BY YOUR INTERNET PROVIDER, ANY RELATED SOFTWARE, OR THE CREDIT UNION'S USE OF ANY OF THEM OR ARISING IN ANY WAY FROM THE INSTALLATION, USE, OR MAINTENANCE OF YOUR PERSONAL MOBILE DEVICE, HARDWARE, SOFTWARE, OR OTHER EQUIPMENT.

We may terminate this Agreement at any time and for any reason. This Agreement shall remain in full force and effect unless and until it is terminated by us. Without limiting the foregoing, this Agreement may be terminated if you breach any term of this Agreement, if you use the services for any unauthorized or illegal purposes, or if you use the services in a manner inconsistent with the terms of your Mobile Deposit Service Agreement or any other agreement with us.

You must inform us immediately of any material change in your financial circumstances or in any of the information provided in your application for Mobile Deposit. You agree to provide us any financial information we reasonably request during the term of this Agreement. You authorize us to review your history from time to time.

The information in this Agreement applies only to the Mobile Deposit service described herein. Provisions in other disclosure documents, as may be revised from time to time, remain in effect for all other aspects of your account.

You understand and agree that this Agreement and all questions relating to its validity, interpretation, performance, and enforcement shall be governed by and construed in accordance with the internal laws of Washington State, notwithstanding any conflict-of-laws doctrines of such state or other jurisdiction to the contrary. You also agree to submit to the personal jurisdiction of the courts of Washington State.

You acknowledge and agree that confidential data relating to Mobile Deposit and our marketing strategies, business operations, and business systems (collectively, "Confidential Information") may come into your possession in connection with this Agreement. Such confidential information is the exclusive and confidential property of the Credit Union. You understand and agree that you are prohibited from disclosing and agree to maintain the confidentiality of our confidential information.

The failure of either you or us to seek a redress for violation of, or to insist upon the strict performance of, any covenant, agreement, provision, or condition hereof shall not constitute the waiver of the terms of any other covenant, agreement, provision, or condition, and each party shall have all remedies provided herein with respect to any subsequent act that would have originally constituted a violation hereunder.

This Agreement does not create, and shall not be construed to create, any joint venture or partnership between you and us. No officer, employee, agent, servant, or independent contractor of either of us shall at any time be deemed to be an employee, servant, agent, or contractor of the other party for any purpose whatsoever.

You may not assign this Agreement. A determination that any provision of this Agreement is unenforceable or invalid shall not render any other provision of this Agreement unenforceable or invalid.

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. (Visa debit card purchases are limited to a total of \$3,500 per day; more details are provided below.) 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 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. Online and Telephone Transactions (member not present). Transactions made online or by telephone are limited to a maximum amount of \$3,500 per day.
- e. Telephone Banking. You may access your accounts through our Telephone Banking service. Telephone Banking service will be available for your convenience seven days per week, 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. 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.
- f. Online and Mobile App Banking. You may make funds transfers to your other accounts as often as you like.

You may transfer or withdraw up to the available balance in your account or up to the available credit limit on a line of credit at the time of the transfer, except as limited under this agreement or your deposit or loan agreements. The credit union reserves the right to refuse any transaction that would draw upon insufficient or unavailable funds, lower an account below a required balance, or otherwise require the credit union to increase its 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 account balance and transaction history information may be limited to recent account information involving your accounts. Also, the availability of funds for transfer or withdrawal may be limited due to the processing time for any ATM deposit transactions and the credit union's funds availability policy.

You may use your email service to send messages to the credit union. Email may not, however, be used to initiate a transfer on your account or a stop-payment request. To place a stop payment, you can use the "Secure Email Form" link under the "Additional Services" tab inside Online Banking. To make a transfer between accounts, you can use the "Account Transfer" link, which is under the "Move Money" tab inside Online Banking. The credit union may not immediately receive email communications that you send, and the credit union will not act 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, you may call the credit union.

When you apply for the Bill Pay service, you must designate your Harborstone checking account as the account from which authorized payments will be deducted. If your application for Bill Pay service is approved, you will be given the ability to set up merchants, institutions, or individuals you would like to pay. You are not permitted to designate governmental agencies or courts. The credit union reserves the right to not allow the designation of a particular merchant or institution. You or any persons you have authorized to use your Bill Pay service, Online Banking service, signon password, or any access code can perform the following transactions:

- Pay any designated merchant, institution, or individual in accordance with this agreement a fixed recurring amount or a variable amount "on demand" from your designated credit union checking account.
- Obtain information (payee information, payment status information, etc.) about your Bill Pay account status.

You authorize the credit union to process bill payments from your designated account. You may use the Bill Pay

service to initiate three different types of payment transactions:

- “On demand” payments are payments that are not recurring. The payments can be canceled or changed through Bill Pay up until midnight before your scheduled debit date
- “Future” payments are payments that you initiate by setting the payment amount and due date. The payments can be canceled or changed through Bill Pay up until midnight before the scheduled debit date.
- “Recurring” payments are payments that are recurring on a fixed due date and at a fixed amount. You have an option in the Bill Pay system to set automatic payments to continue indefinitely or until a set maturity date. The payment can be canceled or changed through Bill Pay up until midnight before the scheduled debit date.

When you transmit a bill payment instruction to the credit union, you authorize the credit union to transfer funds to make the bill payment transaction from your designated checking account. The credit union will process bill payment transfer requests only to those payees the credit union has designated in its user instructions and such payees as you authorize and for whom the credit union has the proper payee code number. The credit union will not process any bill payment transfer if it knows the required transaction information is incomplete. In any event, the credit union will not be liable for any transaction that contains incorrect information the credit union was not responsible for entering or knowing. If there are insufficient funds in your account to make the bill payment request, the credit union may refuse to make the payment, make the payment and transfer funds from any overdraft protection account you have established, or make the payment and thereby overdraw the payment account. In any event that you have insufficient funds in your payment account to make the bill payment request, you are responsible for any nonsufficient funds (“NSF”) or overdraft charges the credit union may impose. You are also responsible for any NSF charges, finance charges, and/or late fees imposed by the bill payment provider and/or the merchant(s) you intended to pay with your bill payment account. The credit union reserves the right to refuse to process payment instructions that reasonably appear to the credit union to be fraudulent or erroneous.

The amount of your requested bill payments will be deducted from your account on the scheduled debit date and will be posted within two business days of the date the payment is transmitted to the payee. You will receive a confirmation number at the time of each transaction. Therefore, you must have sufficient funds available to cover your payment on the scheduled initiation date. Bill payments are delivered to the payee either electronically, which may take up to three business days from the

scheduled debit date, or by check (to those payees not set up to accept electronic payments), which may take up to five business days from the scheduled debit date. It is your responsibility to schedule your bill payments in such a manner that your obligations will be paid on time. You should enter and transmit your bill payment instructions at least five business days before a bill is due. If you do not allow sufficient time, you assume full responsibility for any late payments or finance charges that may be imposed as a result of your failure to transmit a timely bill payment authorization.

Payments designated as “on demand” transactions cannot be stopped, canceled, or changed once your Bill Pay session has ended. You may cancel or stop payment on future and recurring bill payment instructions under certain circumstances by following the instructions provided. If you discover an error in or want to change a payment instruction (i.e., payment date or payment amount) for a bill payment you have already scheduled for transmission through the Bill Pay service, you may electronically edit or cancel your payment request through the Bill Pay service. Your cancellation request must be entered and transmitted through the Bill Pay service before the date you have scheduled for payment. If your request is not entered in a timely manner, you will be responsible for the payment.

If the credit union does not complete a transfer to or from your account on time or in the correct amount according to its agreement with you, the credit union will be liable for your losses or damages. The credit union’s sole responsibility for an error in a transfer will be to correct the error. You agree that neither the credit union 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, internet access providers, online service providers, or agents or subcontractors of any of the foregoing. Nor shall the credit union or the service providers be responsible for any direct, indirect, special, or consequential economic or other damages arising in any way out of the installation, download, use, or maintenance of the equipment, software, Online Banking service, Bill Pay service, internet browser, or access software. In this regard, although the credit union has taken measures to provide security for communications from you to the credit union via the Online Banking and Bill Pay services and may have referred to such communications as “secured,” the credit union cannot and does not provide any warranty or guarantee of such security. In states that do not allow the exclusion or limitation of such damages, the credit union’s liability is limited to the extent permitted by applicable law.

The credit union will not be liable for the following:

- If, through no fault of the credit union, 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 applicable.

- If you used the wrong access code or have not properly followed any applicable computer or credit union user instructions for making transfer and Bill Pay transactions.
 - If your computer fails or malfunctions or the phone lines or credit union computer system were not properly working and such problem should have been apparent when you attempted such transaction.
 - If circumstances beyond the credit union's control (such as fire, flood, telecommunication outages or strikes, equipment or power failure) prevent making the transaction.
 - If the funds in your account are subject to an administrative hold, legal process, or other claim.
 - If you have not given the credit union complete, correct, and current instructions so that it can process a transfer.
 - If, through no fault of the credit union, a Bill Pay or funds transfer transaction does not reach a particular payee due to changes in payee address, account number, or otherwise; the time you allowed for payment delivery was inaccurate; or the payee failed to process a payment correctly or in a timely manner and a fee, a penalty, or interest is assessed against you.
 - If the error was caused by a system beyond the credit union's control, such as telecommunications system, an internet service provider, a computer virus, or a problem related to software not provided by the credit union.
 - If there are other exceptions as established by the credit union.
- g. Mobile Deposit. We reserve the right to establish limits on the dollar amount and/or the number of items or deposits that you may transmit using Mobile Deposit, which we may change at any time. If you attempt to initiate a deposit in excess of these limits, we may reject your deposit. If we permit you to make a deposit in excess of these limits, such deposit will still be subject to the terms of this Agreement and we will not be obligated to allow such a deposit at other times. The current daily limit is \$5,000 per business day, the current weekly limit is \$20,000, and the current monthly limit is \$50,000 per any calendar month period. Based on certain circumstances, Harborstone reserves the right to change these limits. There is no daily or monthly statement cycle limit on the number of items as long as the respective dollar limits are not exceeded. YOU UNDERSTAND AND AGREE THAT WE WILL NOT BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, OR EXEMPLARY

DAMAGES, INCLUDING, BUT NOT LIMITED TO, DAMAGES FOR LOSS OF PROFITS, GOODWILL, USE, DATA, OR OTHER LOSSES INCURRED BY YOU OR ANY THIRD PARTY ARISING FROM OR RELATED TO THE USE OF, INABILITY TO USE, OR TERMINATION OF THE USE OF THE MOBILE DEPOSIT SERVICE, REGARDLESS OF THE FORM OF ACTION OR CLAIM (WHETHER CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE), EVEN IF WE HAVE BEEN INFORMED OF THE POSSIBILITY THEREOF, EXCEPT AS OTHERWISE REQUIRED BY LAW.

3. Conditions of Account and Card Use. The use of your card and account are subject to the following conditions:
- a. Card Ownership. Any card or other device 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 any person who is authorized to honor the card) immediately according to instructions. The card may be repossessed at anytime and at 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 it 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 cash.
 - c. PIN or Access Code. The PIN or access code you select is for your security purposes. The PIN or access code is confidential and should not be disclosed to third parties or recorded. You are responsible for safekeeping your PIN or access code. You agree not to disclose or otherwise make your PIN or access code available to anyone not authorized to sign on your accounts. You agree that if you provide your PIN or access code to a joint owner on your deposit account or another person, you understand and agree that person has full access to and your authorization to receive any deposit or loan account information of yours. The Credit Union has no responsibility to inquire about the person's authority or permission to access your information and will not be liable for providing any account information access to such person. If you authorize anyone to have or use your PIN or access code, you understand that person may use online and mobile banking services to review all of your account information and make account transactions. Therefore, we are entitled to act on transaction instructions received using your PIN or access code, and you agree that the use of your PIN or access code will have the same effect as your signature for authorizing transactions. If you authorize anyone to use your PIN or 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 that transactions and access by that person are no longer authorized and your PIN or access code is changed. If you fail to maintain or change the security of your PIN or access code and the Credit Union suffers a loss, we may terminate your EFT and account services immediately.

- d. Foreign Transactions. Purchases and cash advances made in foreign countries 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 may vary from the rate Visa itself receives, or the government mandated rate in effect for the applicable central processing date. If there is a currency conversion, you will be charged a foreign transaction fee based on a percentage, as disclosed in the Rate and Fee Schedule, of the transaction amount for any card transaction made in a foreign country, or from a business or merchant located in a foreign country.
- e. Illegal Internet Gambling. You agree that all transactions you initiate by using your Visa debit card are legal in the jurisdiction where you live and/ or where the transaction occurred. Internet gambling may be illegal in the jurisdiction in which you are located, including the United States. Your Visa debit card may only be used for legal transactions. 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 have restricted all online gambling transactions with our Visa debit card.
- f. Non-Visa Debit Transactions. Harborstone Credit Union enables non-Visa debit transaction processing and does not require that each such transaction 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 nonVisa 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 nonVisa 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 relating only to Visa transactions are inapplicable to non-Visa transactions.

4. Member Liability. Tell us at once if you believe your ATM card, Visa debit card, Visa credit card, or PIN assigned to you has been lost or stolen. Telephoning is the best way to limit your possible losses. If you tell us within two business days, you can lose no more than \$50 if someone uses your card without your permission. If you do not tell us within two business days after you learn of the loss or theft of your card and we can prove that we could have stopped someone from using your card without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transactions that you did not make, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money lost after the 60 days if we can prove that we could have stopped someone from making the transfers if you had told us in time. If there are extenuating circumstances that kept you from telling us, we may extend the time period.

If you believe your card(s) has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call member service at (253) 584-2260 or toll-free at 1-800523-3641. Or write to us at Harborstone Credit Union, Attn: Member Service, P.O. Box 4207, Tacoma, WA 98438-0207. We may require you to send a completed claim form, supplied by the credit union, within 10 business days.

You are responsible for all transfers you authorize using the Online Banking service under this agreement. If you permit other persons to use your access code, you are responsible for any transactions they authorize or conduct on any of your accounts. However, notify the credit union at once if you believe anyone has used your access code and accessed your accounts without your authority. Telephoning is the best way of keeping your possible losses down. For Online Banking transactions, if you notify the credit union within two business days, you can lose no more than \$50 if someone accessed your account without your permission. If you do not notify the credit union within two business days after you learn of the unauthorized use of your account or access code and the credit union can prove that it could have stopped someone from accessing your account without your permission if you had notified the credit union, you could lose as much as \$500. Also, if your paper statement shows Online Banking transfers that you did not make, notify the credit union at once. If you do not notify the credit union within sixty days after the statement was mailed to you, you may be liable the full amount of the loss if the credit union can prove that it could have stopped someone from making the unauthorized EFT transactions. If a good reason (such as a hospital stay) keeps you from notifying the credit union, it may extend the time periods. If

you believe that your access code has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call (253) 584-2260 or 1-800-523-3641, email Online.Banking@Harborstone.com, or write Harborstone Credit Union, Attn: Online Member Service, P.O. Box 4207, Tacoma, WA 98438-0207.

5. 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 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.

6. Right to Receive Documentation

a. Periodic Statements. Transfers and withdrawals transacted through ATMs, POS terminals, or the Telephone Banking system will be recorded on your periodic statement. You will receive a statement at least quarterly.

b. Direct Deposits. If you have arranged to have a direct deposit made to your account at least once every 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 calling Telephone Banking at (253) 584-2260 or toll-free at 1-800-523-3641. This does not apply to transactions occurring outside the United States.

c. ATM/POS Terminal Receipt. You will get a receipt at the ATM or POS terminal at the time you make any transaction (except inquiries) greater than \$15 involving your account.

i. 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 losses or damages. However, there are some exceptions. 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 Visa debit card or Visa credit card in an incorrect manner.

□ If your 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 Telephone Banking 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 your account is frozen because of a delinquent loan.

□ If there are other exceptions as established by the credit union.

□ If ATM or POS terminal retains your card in certain instances (in which event, you may contact the credit union about its replacement).

7. 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 preauthorized transfers from your account. You must notify the credit union orally or in writing at the telephone number and address stated in Section V-4 of this Membership and Account Agreement any time up to three business days before the scheduled date of the transfer. The credit union may require written confirmation of the stop payment order to be made within 14 days of any oral notification. If we do require the written confirmation, the oral stop payment order shall cease to be binding 14 days after it has been made.

b. Notice of Varying Amounts. If these regular payments vary in amount, the company you are going to pay is responsible for telling you, 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 business days or more before the transfer is scheduled in the manner discussed in this Agreement, and we do not do so, we will be liable for your losses or damages.

8. Termination of Electronic Funds Transfer Services. You agree that we may terminate this Agreement and your EFT services if:

- a. You, or any authorized user of your PIN, breach this or any other agreement with us.
- b. We have reason to believe that there has been an unauthorized use of your Visa debit card or PIN.
- c. We notify you or any other party to your account that we have cancelled or will cancel this Agreement.
- d. 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.

9. 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 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.

10. Billing Errors. In case of errors or questions about your electronic transfers, telephone us or write to us as soon as you can. We must hear from you no later than 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 clearly explain 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 orally, we may require that you send us your complaint or questions in writing within 10 business days. We will tell you the results of our investigation within 10 business days after we hear from you and will correct the error promptly. For errors related to transactions occurring within 30 days after the first deposit to the account (new accounts), we will tell you the results of our investigation within 20 business days. If we need more time, however, we may take up to 45 calendar days to investigate your complaint or question (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 recredit your account within 10 business days (five business days for Visa debit card purchase transactions) for the amount you think is in error so that you will have use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we

do not receive it within 10 business days, we may not credit your account.

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 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.

11. ATM Safety Notice. The following information is a list of safety precautions regarding the use of automated teller machine (ATM) and night deposit facilities.

- a. Be aware of your surroundings, particularly at night.
- b. Consider having someone accompany you when the ATM or night deposit facility is used after dark.
- c. 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.
- d. Refrain from displaying your cash at the ATM or night deposit facility. As soon as your cash machine transaction is completed, place your money in your purse, pocket, or wallet. Count the cash later in the safety of your locked car or home.
- e. 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 cash machine card or deposit envelope, and leave.
- f. If you are followed after making a transaction, go to the nearest public area where people are located.
- g. Do not write your personal identification code on your cash machine card.
- h. Report all crimes to law enforcement officials immediately.



Harborstone Credit Union

P.O. Box 4207

Tacoma, WA 98438-0207

(253) 584-2260 or 1-800-523-3641

harborstone.com

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