

Business Membership and Account Agreement

EFFECTIVE JULY 1, 2012

OVERVIEW

Please read this entire Membership and Account Agreement (Agreement) carefully so you understand your and our rights and responsibilities concerning membership and the account(s) offered to you.

In this Agreement, the words “you” and “yours” mean those who sign the Membership and Account Card or Account Change Card (Account Card). The words “we,” “us” and “our” mean Salal Credit Union (Credit Union).

FEE INFORMATION

You agree to pay for our services in accordance with the fees that apply to your membership and account(s) with us.

As a member you are subject to the fees described in the applicable Product and Fee Disclosure (Disclosure). A current Disclosure is provided to you when you open your membership and any accounts with us.

BINDING CONTRACT

This Agreement, the Business On-line Banking Agreement and Business On-line Bill Pay Agreement, the Business Account Card and Certificate of Authority, and the Business Account Authorized Signer (hereinafter the Business Account Card and Certificate of Authority, and Business Account Authorized Signer documents will be referred to as “Signature Card”) and other applicable account opening documents related to products or services you request are part of the binding contract between you and us for your business membership and account(s). Collectively, they contain the terms of our agreement with you. Please read all of these documents carefully.

The word “account” throughout this Agreement may be used collectively to refer to your checking, savings, money market and certificate accounts with the Credit Union.

By signing the Signature Card that is a part of the Agreement, each of you, jointly and severally, agree to the terms and conditions in this Agreement, the Disclosures and any other account opening documents accompanying this Agreement, which collectively govern your Membership and Accounts. You agree that additional accounts and services you request in the future will be governed by this Agreement, as amended from time to time.

MEMBERSHIP AND ACCOUNTS

IDENTIFICATION

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 and business who opens an account. When you open an account, we will ask you your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver’s license or other identifying documents.

MEMBERSHIP ELIGIBILITY

To be eligible for membership in the Credit Union, you must be an individual or entity qualifying within the Credit Union’s field of membership as prescribed by the Credit Union’s bylaws. You authorize us to check financial information data, and employment history about you by any means allowed by law, including obtaining a business or personal credit report or credit score from any reporting agency to verify your eligibility for any accounts and services we offer or you request.

NEW MEMBER ELIGIBILITY

- Verification of Washington State Business License including “Doing Business As” Registered Trade Name, if applicable;
- Evidence of Registration of an Open Account with the Washington State Department of Revenue; and
- Primary principal of the business member must be at least 18 years old.

ONGOING ELIGIBILITY

The Credit Union may close your Account if you are no longer a member in good standing. A member in good standing must:

- Have brought a negative balance in your checking account to a positive balance within 30 days of the overdraft occurrence;
- Not be delinquent on a Credit Union loan (defined as more than 30 days past due);
- Not have a modified loan with the Credit Union; and
- Not be the subject of any legal or administrative order or levy on a Credit Union account;

Failure to meet these eligibility requirements will result in the Credit Union revoking your account.

GENERAL TERMS

When you request membership, we rely upon information you give us to determine the form of ownership for your membership and account(s) opened under that membership. In the event that any of the business purpose deposit accounts are opened and/or maintained by an authorized signer on behalf of the owner of the funds (the “principal”), both the authorized signer and the principal agree that the Credit Union is authorized to rely on the representations made by the authorized signer or by the principal that the authorized signer is authorized to transact business involving the deposit accounts on behalf of the principal, provided the Credit Union does not have actual knowledge of the lack of such authority. The Credit Union will provide information about the deposit accounts and any transactions posted thereto to either the principal or the authorized signer (subject to standard fees for research and/or photocopies, as disclosed in the applicable Disclosure). Both the principal and the authorized signer agree to indemnify against any loss, liability, claim, or expense incurred by the Credit Union related to our reliance on the representations made by authorized signer or principal.

BUSINESS ACCOUNTS

For a member that is a corporation, unincorporated association, limited liability company, limited liability partnership, non-profit, partnership, sole proprietorship or any other entity requesting membership in any capacity other than an individual capacity, each person signing the Signature Card or completing other account opening requirements represents and agrees that they:

- are fully authorized to execute all documents and otherwise complete our requirements in their stated capacity;
- have furnished all documents or other information necessary to demonstrate that authority; and
- will furnish other documents and complete other requirements as we may request from time to time.

We may refuse to recognize any resolution affecting the membership that is not on our form or that appears to us to be incomplete or improperly executed.

We consider a sole proprietor a business account. An individual who is sole owner of a business and has complete control of funds in the account may open a sole proprietorship account. The sole owner has the choice of either operating under his or her own name, or under an assumed name known as doing business as (DBA.) A sole proprietorship may be jointly owned by a married couple.

Accounts held in the name of an association, organization, or any other type of entity for business purposes are subject to the terms set forth in this Agreement and the following additional rules. The Credit Union reserves the right to require the member to provide an Association/Organization Account Authorization informing the Credit Union who is authorized to act on its behalf as it relates to conducting financial activity related to Salal accounts. 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 have no notice of any breach of fiduciary duties arising from a transaction by any agent of the account owner, unless the Credit Union is notified in writing and allowed a reasonable period of time to take corrective action and respond.

BUSINESS SAVINGS, CHECKING, & MONEY MARKET ACCOUNTS

We offer several types of deposit accounts for business members. The Business Product and Fee Disclosure describe our business accounts and lists applicable fees unless a separate schedule of fees applies to your business account.

RATE INFORMATION

The Dividend Rate (Rate) and Annual Percentage Yield (APY) are provided when you open your dividend bearing account with us. The APY is a percentage rate that reflects the total amount of dividends to be paid on an account based on the Rate and frequency

of compounding for an annual period. The Rate may change monthly as determined by the Board of Directors. Some of our dividend-earning accounts are tiered rate accounts. Once a balance range is met, the Rate and APY for that range will apply to your entire balance.

NATURE OF DIVIDENDS

Dividends are paid from current income and available earnings after required transfers to reserves at the end of a dividend period. The Rate and APY disclosed to you when you open your dividend earning account are the anticipated Rate and APY we will pay for the applicable dividend period.

COMPOUNDING AND CREDITING

Dividends will be compounded and credited monthly. The dividend period for all dividend bearing accounts is monthly and begins on the first calendar day of the month and ends on the last calendar day of the month.

ACCRUAL OF DIVIDENDS

Dividends will begin to accrue on cash deposits on the business day you make your deposit to your account. Dividends may begin to accrue on non-cash deposits on a provisional basis, for example, checks on the business day the funds are deposited. If you close your account before accrued dividends are credited, accrued dividends will not be paid.

BALANCE INFORMATION

The following information, when applicable, is provided in our Disclosure.

- Minimum balance required to open an account;
- Minimum monthly balance required to avoid a monthly service charge; and
- Minimum monthly balance required to obtain the disclosed APY

Dividends are calculated by the daily balance method which applies a daily periodic rate to the principal in the account each day.

TRANSFER LIMITATIONS

We impose limits on the number of pre-authorized third party transactions you can make each calendar month from your Business Savings account; or Business Money Market account. You may make up to six (6) pre-authorized third party transactions from each of the above identified accounts each calendar month from among the following:

- Preauthorized transfers (including transfers through our Overdraft Transfer Protection plan);
- Telephonic transfers;
- Online banking transfers or bill payment transfers; or
- Checks from your account.

The Credit Union counts transactions on the date the transaction posts to your Account. In the case of a check, this date may be different from the date you wrote the check, which means a check written during one calendar month may not post and be counted until the next calendar month.

A preauthorized transfer includes any arrangement with the Credit Union to pay a third party upon oral or written orders including orders received through the Automated Clearing House (ACH).

BUSINESS CERTIFICATES

We offer Business Share Certificates (Certificate) for business members. The Business Product and Fee disclosure describes our business Certificates and lists applicable fees.

RATE INFORMATION

The Rate and APY are provided when you open your Certificate with us. The APY is a percentage rate that reflects the total amount of dividends to be paid on an account based on the Rate and frequency of compounding for an annual period. The Rate and APY for Business Certificates is fixed and will be in effect for the term of the Certificate. The APY is based on an assumption that dividends will remain on deposit until maturity. A withdrawal of dividends will reduce earnings.

NATURE OF DIVIDENDS

Dividends are calculated by the daily balance method which applies a daily periodic rate to the principal in the Certificate each day and begin to accrue on the business day you make your deposit. Dividends are paid from current income and available earnings after required transfers to reserves at the end of a dividend period. The Rate and APY disclosed to you when you open your Certificate is the anticipated Rate and APY we will pay for the applicable dividend period.

COMPOUNDING AND CREDITING

Dividends will be compounded and credited monthly. The dividend period begins on the first calendar day of the month and ends on the last calendar day of the month. Dividends will compound to your Certificate unless you elect to have dividends credited to one of your other Credit Union accounts.

BALANCE INFORMATION

The following information, when applicable, is provided in our Business Product and Fee Disclosure.

- Minimum balance required to open a Certificate; and
- Minimum monthly balance required to obtain the disclosed APY

ADDITIONAL DEPOSITS

Additional deposits may be made as described in the Business Product & Fee Disclosure.

RENEWAL

Your Certificate is automatically renewable which means your Certificate will automatically renew for another term of the same duration upon maturity. You have a grace period of ten (10) calendar days after maturity in which to withdraw funds in the Certificate without being charged an early withdrawal penalty and to prevent automatic renewal at the term for your Certificate account.

The Rate and APY for any renewal term is based upon the Rate we offer on the first day of the new term for the type of Certificate, amount and term of the renewed Certificate. Unless specifically stated otherwise, any bonus or special promotion we are offering will not apply to automatically renewing Certificates.

If at maturity we no longer offer a Certificate for the same term and type, we may reinvest your funds in a Certificate that we believe offers similar features.

EARLY WITHDRAWAL

When you open a Certificate, you agree to leave your funds in the Certificate for the stated term of your Certificate. You may not withdraw all or part of the funds from your Certificate before the end of the term except as provided in this Agreement.

At our discretion, we may allow you to withdraw all or part of your funds during the term of your Certificate (at times other than the grace period). Each time we permit you to make an early withdrawal of principal, we may charge you an early withdrawal penalty. The amount of the early withdrawal penalty is based on the term of your Certificate as described in the Business Product and Fee Disclosure.

HOW THE PENALTY WORKS

The penalty is calculated as a forfeiture of part of the dividends that have been or would be earned on a Certificate. It applies whether or not the dividends have been earned. In other words, if the Certificate has not yet earned enough dividends or if the dividend has already been paid, the penalty will be deducted from the principal.

NONTRANSFERABLE/NONNEGOTIABLE

Your Certificate is nontransferable and nonnegotiable. The funds in your Certificate may not be pledged to secure any obligation except obligations with the Credit Union.

DEPOSIT REQUIREMENTS

Funds may be deposited to any account in any manner approved by the Credit Union in accordance with the requirements set forth in this Agreement. All accounts are non-assignable and non-negotiable to third parties. You agree not to deposit any substitute check or similar item that you have created, or for which no financial institution has provided any substitute check, warranties and indemnity. If you do so, you agree to indemnify the Credit Union for all losses the Credit Union incurs in connection with the substitute check or item. You agree not to deposit any substitute check without our consent.

Checks made payable to a business may only be deposited into an account bearing the same business name. The business, including sole proprietors (doing business as), must be properly licensed by the State of Washington. Such licensing is confirmed when the membership is opened and sets the deposit requirements for business accounts.

ENDORSEMENTS

You 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 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 deposit either in person or by comparison with member signature files.

When you endorse a check or draft ("Item"), you must endorse the Items in the area that extends 1 1/2 inches from the trailing edge on the back of the Items. You must also confine information that you place or have preprinted on the back of the Items to the same area. Otherwise, it may overlap into the area reserved for the Credit Union's endorsements. The trailing edge is the left side of the Item when you look at it from the front.

If you endorse Items outside that area, mark or otherwise obscure the other area or a prior endorsement or make an endorsement that is illegible or incomplete, the Credit Union may refuse the Items. If the Credit Union accepts Items with non-conforming endorsements, you agree to hold the Credit Union harmless for any loss, delay, liability, claim or damage which may arise as a result. If it becomes necessary for the Credit Union to return one of your Items, your endorsement or information placed on the back of the Item may interfere with the Credit Union endorsements and cause delays in returning the Item. You are liable for and agree to reimburse the Credit Union for all claims, costs, losses and damages that result from late return of an Item due to the material entered on the back of the Item that obscured or interfered with the Credit Union or another financial institution's endorsement.

THIRD PARTY ENDORSEMENTS

The Credit Union may require that checks and other items you want to deposit or cash be endorsed by all parties to whom the items are payable. We may require verification of any endorsement through either an endorsement guarantee or identification.

COLLECTION OF ITEMS

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

MAIL DEPOSITS

When you send deposits by mail, the Credit Union may treat them as received at the time we receive actual delivery of the deposits sent by mail. If you place deposits at an unstaffed facility, we may treat them as received when we remove them from the location from which the deposit was made.

FINAL PAYMENT

All items or Automated Clearing House (ACH) credits 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 those items or ACH credits and impose a return charge on your account.

After we have received final payment, we refer to these deposits as collected items. 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.

CREDITING OF DEPOSITS

Deposits made on Saturdays, Sundays and Credit Union holidays will be credited to your account on the next business day. Ask for our current deposit cutoff time. Deposits received at unstaffed facilities such as night depositories will be credited on the business day funds are removed and processed by the Credit Union. Items drawn from an institution located outside the United States are handled on a collection basis only. Funds 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.

If you make a deposit at a Credit Union branch or Credit Union ATM on a business day prior to 5:30pm, we will consider that day to be the day of your deposit. However, if you make a deposit after posted business hours or on a day we are not open we will consider that the deposit was made on the next business day we are open.

ACCOUNT ACCESS

You may make withdrawals or transfers from your account in any manner which is permitted by the Credit Union (i.e., check, automated teller machines (ATM), debit card, in person, by mail, automatic transfer, telephone or online banking). Refer to the Business Product and Fee Disclosure for specific limitations related to these services unless a separate schedule of fees applies to your business account. If the Credit Union accepts any check 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 check. The Credit Union may return as unpaid any check that is not drawn in the form provided by the Credit Union.

AUTHORIZED SIGNATURE

In order to access any account, the Credit Union must have your signed signature on a Signature Card. The Credit Union is authorized to recognize your signature, but will not be liable for refusing to honor any item or instruction of yours if it believes in good faith that the signature on such item or instruction is not genuine. If you have authorized the use of a facsimile signature, the Credit Union may honor any draft that appears to bear your facsimile signature even if it was made by an unauthorized person. If you give your account number to a third person, you authorize us to honor transactions initiated by the third person even if you did not specifically authorize a particular transaction.

ELECTRONIC CHECK TRANSACTIONS

If you authorize a merchant to electronically debit your checking account using the routing, account and serial number of your check to initiate the transfer, whether the check is blank, partially or fully completed and signed, such authorization is an electronic check conversion. You authorize us to honor any electronic check conversion from your checking account just the same as a regular written check.

ACH AND WIRE TRANSFERS

You may initiate or receive credits or debits to your account via wire transfer or ACH (Automated Clearing House) 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. 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 a 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 you give as the proper identification number, even if it identifies a different party or institution. Fedwire is the funds transfer system operated by the U.S. Federal Reserve Banks. If any part of a wire is carried out by Fedwire, your rights and obligations are governed by Federal Reserve Regulation J. For each ACH transaction, you agree that the transaction is subject to the National Automated Clearing House Association Operating Rules and any local ACH operating rules in effect.

CREDIT UNION EXAMINATION

The Credit Union may disregard information on any check other than the signature of the drawer and 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.

Since the Credit Union does not individually examine checks, it is critical for you to take care of your checks, promptly review your statements, and immediately report any suspicious or unauthorized activity to us. The Credit Union does not honor dual signature requirements on checks. You agree that automated processing of your checks is reasonable and that you accept responsibility for preventing and reporting forgeries, alterations, and other unauthorized uses of your checks or accounts. You agree that the exercise of ordinary care will not require us to detect forgeries or alterations that could be detected by a person observing reasonable commercial standards.

FACSIMILE SIGNATURES

If you use a facsimile or other mechanical signature (such as a stamp) to sign or endorse items, you acknowledge and agree that we can rely on that signature and that the Credit Union has no liability to you for failure to detect that such signature was affixed by someone lacking authority to do so. It is your responsibility to ensure that appropriate security precautions are taken for any mechanized signature device. You agree that we may conclusively treat as authorized any signature that reasonably resembles

your facsimile, mechanical, or stamped signature. You agree to execute a written agreement, including an indemnification, regarding the use of such signatures if we request that you do so.

WITHDRAWAL LIMITATIONS

The Credit Union will permit a withdrawal only if you have sufficient available funds in your account to cover the full amount of the withdrawal or have an established overdraft protection plan. Checks or other transfers; or payment orders which are drawn against insufficient available funds will be subject to a fee, set forth in the applicable Disclosure. If there are sufficient available funds to cover some but not all of your withdrawal orders, the Credit Union may allow those withdrawals for which there are sufficient available funds in any order at the Credit Union's discretion. The Credit Union may also refuse to allow a withdrawal in other cases including; however, not limited to the following:

- Any dispute between the owners about the account (unless a court has ordered the Credit Union to allow the withdrawal);
- Legal garnishment or attachment is served;
- The account secures an obligation to the Credit Union;
- Any required documentation has not been presented; or
- You fail to repay a Credit Union loan on time.

You will be advised of the reasons for refusal if such action is taken. The Credit Union reserves the right to require members to give notice in writing of any intended withdrawals from any account (except checks of not less than seven (7) days and up to 60 days as required by law before such withdrawal.) If deemed necessary, the Credit Union reserves the right to limit cash withdrawals.

Withdrawal limitations from your savings account and Business Money Market account are explained earlier in this Agreement.

SUBSTITUTE CHECKS

To make check processing faster, federal law permits financial institutions to replace original checks with "substitute checks." These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute states "This is a legal copy of your check. You can use it in the same way you would use the original check." You may use a substitute check as proof of payment just like the original check.

The Credit Union does not return substitute checks with your statement or provide images of substitute checks on your statement. You may request copies of substitute checks as explained in the Statements section of this Agreement.

ELECTRONIC RE-PRESENTED CHECK

Re-Presented Check Services are an option. If you have selected this option or use these services please refer to the Cash Management Agreement for Terms and Conditions.

OVERDRAFT POLICY

OVERDRAFT LIABILITY

If on any day, the available funds in your account are not sufficient to cover checks and other items posted to your account, those checks and items will be handled in accordance with our overdraft procedures or any overdraft service you may have with us. The Credit Union's determination of an insufficient account balance may be made at any time between presentation and the Credit Union's midnight deadline with only one review of the account required. The Credit Union has no duty to notify you of an insufficient funds check. Your account will then be subject to a charge for the item whether paid or returned as set forth in the Business Product and Fee Disclosure, unless a separate schedule of fees applies to your business account. Except as otherwise agreed in writing, the Credit Union, by covering one or any overdraft, does not agree to cover overdrafts in the future and may discontinue covering overdrafts at any time. If the Credit Union pays a check that would otherwise overdraw your account, you agree to pay the overdraft amount immediately. We reserve the right to pursue collection of previously dishonored items at any time, including giving a payer bank extra time beyond any midnight deadline limits. You are responsible for recording account balances and transactions and monitoring your account. Overdraft services offered by the Credit Union are described below.

OVERDRAFT TRANSFER PROTECTION

Overdraft protection through our Overdraft Transfer Protection plan is available with certain business checking accounts you open with us; however, you must request the plan and it is subject to credit approval. We will honor the payment of checks and

other items drawn on insufficient funds in any of your checking accounts by transferring the necessary funds from available funds in other accounts of yours (savings or checking accounts, credit cards or line of credit accounts (the loan agreement will state if overdraft protection from the line of credit is available) authorized for this type of overdraft protection) to your applicable checking account. We will transfer funds to your overdrawn checking account(s) in accordance with your transfer instructions or in accordance with applicable loan agreements. The fee for overdraft transfers under this plan is set forth in the applicable Business Product and Fee Disclosure, unless a separate schedule of fees applies to your business account. Transfers from a deposit account will be governed by this Agreement. Transfers from a loan account, including fees, will be governed by the applicable loan agreement. You must apply for a line of credit, including a credit card and your application is subject to credit approval by the Credit Union.

An overdraft line of credit does not constitute an actual or implied agreement between you and the Credit Union. Nor does it constitute an actual or implied obligation of or by the Credit Union. These services represent a purely discretionary courtesy or privilege that the Credit Union may provide to you from time to time and which may be withdrawn or withheld by us at any time without prior notice, reason or cause.

A non-sufficient funds (negative) balance may result from:

- Payment of checks, electronic funds transfers, or other withdrawal requests
- Payments authorized by you
- The nonpayment and return of items deposited by you
- The imposition of applicable fees
- Deposit of items which according to the Credit Union's Funds Availability Policy, are treated as not yet "available" or finally paid

We are not obligated to pay any item presented for payment if your account does not contain sufficient funds or collected funds. At the sole discretion of the Credit Union, we may pay the insufficient funds item and overdraw your account or the Credit Union may return the insufficient funds item without payment. In either case, we may charge you a fee for each item paid into overdraft (Overdraft Fee) or for each item returned unpaid (Non-Sufficient Funds Fee).

CANCELLING OVERDRAFT SERVICES

As a business member you may cancel your participation at any time in the manner described below.

Call us at **800.562.5515** or **206.298.9394**, visit a branch, or write to us at:

Salal Credit Union
Attention: Business Services
P.O. Box 19340
Seattle, Washington 98109

POST-DATED AND STALE-DATED ITEMS

You authorize us to accept and pay any check, even if the check is presented for payment before its date, unless you notify the Credit Union of the postdating and request a stop payment. You also agree not to deposit checks, drafts or other items before they are properly payable.

Your request to stop payment on a post-dated check will be effective only if the Credit Union receives the notice in time for the Credit Union to notify its employees and reasonably act upon the notice and you accurately describe the check, including the number, date and amount. You understand that the exact information is necessary for the Credit Union's core processing system 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 item before the date stated and the Credit Union may charge your account as of the date the item is presented to the Credit Union for payment. If we received a post-dated item that is subject to a stop payment order from you, we will return the check for that reason.

STALE-DATED ITEMS

The Credit Union is under no obligation to you to pay a check or draft drawn on your account which is presented more than six months after its date.

STOP PAYMENT ORDERS

You may ask the Credit Union to stop payment on any check drawn upon or ACH debit scheduled from your checking or Money Market account. You may request a stop payment by telephone, by mail or in person. For checks, the stop payment will be effective if the Credit Union receives the order in time for the Credit Union to act upon the order. For ACH debits, the stop payment order

must be received at least three (3) banking days before the scheduled date of the transfer. For checks you must provide your account number, check number, date the check was written, payee and exact amount of the check. For ACH debits you must provide the originator of the ACH debit and the exact dollar amount. If you give the Credit Union incorrect or incomplete information, the Credit Union will not be responsible for failing to stop payment on the item. If the stop payment order is not received in time for 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 re-credit 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. The Credit Union may charge a fee for each stop payment order requested, as set forth in the applicable Disclosure.

DURATION OF ORDER

STOP PAYMENT ON A CHECK

You may make an oral or written stop payment order with us. A confirmation notice will be sent to you and we ask that you contact us immediately if any information on the confirmation is not correct. If you provided us with incorrect information, e.g., wrong dollar amount, we may pay the item. A written stop payment order will be effective for six (6) months. A stop payment order may be renewed. The Credit Union is not obligated to notify you when your stop payment order expires.

STOP PAYMENT ON AN ACH DEBIT

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

LIABILITY

You may not stop payment on a cashier's check or any other check, draft or payment guaranteed by the Credit Union. If a cashier's check issued by the Credit Union is lost, stolen or destroyed, we may be able to re-issue the cashier's check. Additionally, you may not stop payment on a point of sale transaction or an ATM withdrawal or transfer.

You should be aware that while payment of the item may be stopped, you may remain liable to any person, including the Credit Union, who is a holder of the item despite the stop payment order. You agree to indemnify and hold the Credit Union harmless from all costs, including attorney fees, damages or claims related to the Credit Union's action in refusing payment of an item, including claims of any multiple party account owner, payee or endorsee in failing to stop payment of an item as a result of incorrect information provided by you.

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.

UNLAWFUL INTERNET GAMBLING

You acknowledge and agree that any internet gambling transactions you attempt to conduct are prohibited from being processed through your account or any other relationship between you and us. In the event we identify a suspected restricted transaction, we may block or otherwise prevent or prohibit such transaction.

ERRORS

The Credit Union will not be liable for consequent damages except liability for wrongful dishonor. The Credit Union's actions will constitute the exercise of ordinary care if such actions or non-actions are consistent with applicable state law, Federal Reserve regulations and operating letters, clearing house rules and general banking practices followed in the area serviced by the Credit Union. You grant the Credit Union the right, in making payments of deposited funds, to rely exclusively on the form of the account and the terms of this Account Agreement. Any conflict between oral representations by you or Credit Union employees and any written form will be resolved by reference to this Agreement and applicable written form.

CREDIT UNION LIEN AND SECURITY INTEREST

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 rights 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 owed the Credit Union, unless prohibited by applicable law. All accounts are non-assignable and nontransferable to third parties.

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. If the Credit Union incurs any expenses or attorney fees in responding to legal process, such expenses may be charged against your account without prior notice to you, unless prohibited by law. Any legal process against your account is subject to the Credit Union's lien and security interest.

ACCOUNT INFORMATION

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. The Credit Union agrees not to disclose information to third parties about your account regarding any transaction or balances except as follows:

- a) It is necessary to complete the transaction;
- b) The third party seeks to verify the existence or condition of your account in accordance with the Fair Credit Reporting Act or other applicable laws and regulations;
- c) Such disclosure is in compliance with the law, government agencies or court orders; or
- d) You give us your written permission; or
- e) You request services from our third party partners.

CHANGES

NAME OR ADDRESS CHANGES

If the Credit Union attempts to locate you, the Credit Union may impose a fee as set forth on the Business Product and Fee Disclosure, unless a separate schedule of fees applies to your business account.

MEMBER-INITIATED ACCOUNT CHANGES

Changes in account ownership, such as adding or removing a principal or authorized signer, must be evidenced by providing a copy of the company meeting minutes and revised Articles of Formation/Incorporation and by signing the Removal portion of the Business Account Authorized Signer Card which upon execution, will be incorporated herein by this reference. Changing the Primary Principal/Authorized Signer must be evidenced by completing a new Business Account Card and Certificate of Authority.

Involuntary removal of an Authorized Signer that is also a Principal and Equity Owner requires an updated Signature Card executed by the Company before that person may be removed. Additional written documentation will also be required. Such documentation must be sufficient to show that the Principal is no longer an Equity Owner of the Company or no longer has legal authority to act for the Company. Documentation must be to the satisfaction of the Credit Union. This also applies for deceased Equity Owners.

Amendments requested by you or any account owner, such as adding or closing accounts or services, may be made in person or by telephone, email, or written instruction.

EFFECT OF NOTICE

Any written notice you give to the Credit Union is effective when it is actually received by the Credit Union with sufficient time for the Credit Union to act upon them (within 2-3 business days).

STATEMENTS

If 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 multiple party account. For checking accounts, you understand the Credit Union retains substitute checks. Copies of substitute checks are made available upon your request. The Credit Union may impose a fee for copies of substitute checks as set forth in the Business Product and Fee Disclosure, unless a separate schedule of fees applies to your business account.

You understand statements are made available to you on-line. Statements may be mailed to you at your request for a fee as disclosed in the Business Product and Fee Disclosure. You will be responsible for any forged, altered or unauthorized item drawn on your account if:

- (a) you fail to notify the Credit Union within thirty (30) days of the mailing date of the earliest statement and availability of checks containing any forgery, alteration or unauthorized signature on the item; or
- (b) items are forged or altered in a manner not detectable by a reasonable person including the unauthorized use of a facsimile signature machine.

If you request us to provide you with a copy of a substitute check, you agree that we may provide an electronic image of the original check or sufficient copy if you have agreed to receive account information or statements electronically.

NOTICE TO CREDIT UNION

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

INACTIVE AND ABANDONED ACCOUNTS

If you have an account that you have not made a withdrawal from, deposit to or transfer involving your account for more than one (1) year, the Credit Union classifies your account as inactive and may charge an inactive fee as allowed by applicable law and set forth on the applicable Business Product and Fee Disclosure, unless a separate schedule of fees applies to your business account. If you re-establish contact with us such fees are nonrefundable. Thereafter, dividends will be paid on the account unless the balance falls below any minimum balance required to earn dividends. The Credit Union will notify you at your last known address prior to imposing any fee as required by law and within the prescribed timelines. Additionally, accounts will continue to incur applicable monthly fees unless contact is established with you and you elect to close the account. Prior notification regarding the continuance of such fees is not required. You authorize us to transfer funds from any available account of yours to cover any monthly fees, if necessary.

Your account is usually considered abandoned in accordance with the Uniform Unclaimed Property Act if you have not performed at least one of the following activities for three years.

- a) Made a deposit or withdrawal;
- b) Written to us about the account; or
- c) Otherwise shown an interest in the account such as asking us to keep the account active.

You usually need to perform the activity. Therefore, Credit Union charges and dividend payments, and automatic deposits and withdrawals are not considered activity.

Funds in abandoned accounts will be remitted in accordance with state law. Before we remit abandoned funds or property, we may send a notice to the address we currently have on record. We may not send this notice if mail we previously sent to the address was returned. Once funds have been remitted 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.

ACCOUNT CLOSURE

The Credit Union may close your account at any time without notice to you or may require you to close your account and apply for a new account under the following circumstances.

- a) There has been any form of fraud, including forgeries reported or committed involving your account;
- b) There is a dispute as to the ownership of the funds in the account;
- c) If there are excessive returned unpaid items not covered by an overdraft protection plan; or
- d) If there has been any misrepresentation or any other abuse of any of your accounts.

An account may be closed at any time by notifying the Credit Union in writing. The Credit Union is not responsible for payment of any check, withdrawal or other item once your account is closed; however, if the Credit Union pays a check after closure, you agree to reimburse the Credit Union for payment.

TERMINATION OF MEMBERSHIP

You may terminate your membership at the Credit Union after giving written notice of your intent to withdraw from membership. Written notice is evidenced by your signature on a withdrawal form.

The Credit Union may deny you services or expel you from membership for any reason allowed by applicable law, including causing a loss to the Credit Union.

SPECIAL ACCOUNT INSTRUCTIONS

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 any account designation of yours. If you ask the Credit Union to follow instructions that the Credit Union believes might expose it to claims, suits, lawsuits, expenses, liabilities or damages, whether directly or indirectly, the Credit Union may refuse to follow your instructions or may require you to post a bond indemnifying the Credit Union. Any item presented with a full payment legend must be presented in person to a Credit Union officer; otherwise, payment is accepted with full reservation of rights. The Credit Union will not recognize the authority of someone to whom you have given power of attorney without written authorization and a copy of the power of attorney on record at the Credit Union. You understand that the Credit Union may choose to retain electronic or imaged copies of any original documents and you agree that an electronic or imaged copy is valid as an original document.

SEVERABILITY

In the event that any paragraph of this Agreement or any portion thereof is held by a court to be invalid or unenforceable for any reason, the other paragraphs and portions of this Agreement shall not be invalid or unenforceable and will continue in full force and effect.

ENFORCEMENT

You agree to be liable to the Credit Union for any liability, loss or expense as provided in this Agreement that the Credit Union incurs as a result of any dispute involving your accounts or services. You authorize the Credit Union to deduct any such liability, loss or expense from your account without prior notice to you. In the event either party brings a legal action to enforce the Agreement or collect any overdrawn funds on accounts accessed under this Agreement, the prevailing party shall be entitled, subject to applicable law, to payment by the other party of its reasonable attorney's fees and costs, including collection agency fees, fees on any appeal, bankruptcy proceedings and any post-judgment collection actions, if applicable.

GOVERNING LAW

This Agreement is governed by the bylaws of the Credit Union, federal laws and regulations, the laws and regulations of the State of Washington and local clearing house rules, as amended from time to time. Any disputes regarding this Agreement shall be subject to the jurisdiction of the court of the county in which the Credit Union is located.

FUNDS AVAILABILITY POLICY

For savings accounts, we reserve the right to place reasonable holds on deposited funds to the extent permitted by law. For checking accounts, our funds availability policy is set forth below.

Our policy is to make funds from your deposits available to you on the same business day that we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written. For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays and federal holidays. If you make a deposit in a branch during posted business hours on a business day that we are open, we will consider that day to be the day of your deposit. If you make a deposit at a Credit Union ATM on a business day prior to 5:30pm, we will consider that day to be the day of your deposit. However, if you make a deposit after posted business hours or on a day we are not open we will consider that the deposit was made on the next business day we are open.

LONGER DELAYS MAY APPLY

In some cases, we will not make all of the funds that you deposit by check available to you on the same business day that we receive your deposit. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. However, the first \$200 of your deposit will be available on the day of deposit. If we are not going to make all of the funds from your deposit available on the day of deposit, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit.

In addition, we may delay the availability of funds you deposit by check for a longer period of under the following circumstances.

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$5,000 on any one day.
- You deposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- There is an emergency, such as failure of 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.

SPECIAL RULES FOR NEW ACCOUNTS

If you are a new member, the following special rules may apply during the first 30 days your account is open. Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,000 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state, and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5,000 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 \$5,000 will not be available until the second business day after the day of your deposit. Funds from all other check deposits will be available on the seventh business day after the day of your deposit.

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 of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it. If we accept for deposit a check that is drawn on another 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.

AUTOMATED TELLER MACHINE (ATM)

You may use your Debit Card and Personal Identification Number (PIN) at an Automated Teller Machines (ATM) of the Credit Union, Plus, Star and Co-op Network ATMs and such other machines or facilities as the Credit Union may designate. At the present time, you may use your Card to:

- Make deposits to your savings, money market and checking account;
- Withdraw cash from your savings, money market and checking account;
- Transfer funds between your savings, money market and checking account; or
- Verify your savings, money market and checking account balances.

Some of these services may not be available at all ATMs. If you use an ATM that is not owned and operated by us, you may be charged an ATM surcharge by the ATM operator or an ATM Network utilized for such a transaction. The ATM surcharge will be debited from your account if you elect to complete the transaction.

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. Notice may include a sign posted by the merchant at the time and place 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 Member Liability. You remain responsible for notifying us of any unauthorized electronic check transaction shown on your statement.

PHONE ACCESS LINE (AUDIO RESPONSE)

If we approve the Phone Access Line (audio response) access service for your accounts, a separate four (4) digit personal identification number (PIN) will be assigned to you. You must use your PIN along with your account number to access your accounts. At the present time, you may use the audio response access service to:

- Obtain balance, deposit, withdrawal, dividend, cleared check, loan payoff and due date information on your accounts at the Credit Union.
- Transfer funds among your Checking, Savings, Money Market and Loan accounts.
- Withdraw funds from your Savings, Checking or Money Market accounts by check, made payable to you and mailed to you at your mailing address.
- Request for information on other Credit Union products and services.
- Other transactions as offered and permitted in the future.

DOCUMENTATION OF ELECTRONIC FUNDS TRANSFERS

PERIODIC STATEMENTS

You will receive a statement monthly unless there are no electronic funds transfers in a particular month. In any case, we will provide you a statement at least quarterly.

DIRECT DEPOSITS

If you have arranged to have a direct deposit made to your account at least once every sixty (60) days from the same source, you can verify if your direct deposit has been credited to your account by calling **206.298.9394** or **800.562.5515**, or through Online Banking.

TERMINAL RECEIPT

You will get a receipt at the time you make any transaction (except inquiries) involving your account using an ATM or PoS terminal; however, may not receive a receipt if the amount of the transaction is \$15.00 or less.

ACCOUNT INFORMATION DISCLOSURE

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

- 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 us your written permission.
- If you request some additional business services from our third party vendors.

CHANGE IN TERMS

Except as otherwise prohibited by applicable law, the terms of this Agreement which includes the Business Product and Fee Disclosure, or other separate fee schedule provided to you are subject to change at any time. Changes may include any or all of the following:

- Addition of new terms;
- Deletion or amendment to existing terms;
- Addition of new accounts and services and the discontinuation of existing accounts or services.

We may also convert existing accounts and services into new accounts and services.

The Credit Union will notify you of any changes to the account terms, rates or fees as required by law in advance of the change. However, we may make changes without prior notification unless otherwise required by law. We may, but do not have to, notify you of any change that we make for security reasons or that we believe are either beneficial or not adverse to you.

Notice to the business is considered notice to all principals and authorized signers on the account. If you continue to use your account or keep it open, you are deemed to accept and agree to the change and are bound by the change. If you do not agree with a change, you may close your membership and/or account as provided in this Agreement.

The Credit Union reserves the right to waive any terms in this Agreement. Any such waiver shall not affect the Credit Union's right to enforce any right in the future.

ENFORCEMENT

You agree to be liable to the Credit Union for any liability, loss, or expense as provided in this Agreement that the Credit Union incurs as a result of any dispute involving your accounts or services. You authorize the Credit Union to deduct any such liability, loss, or expense from your account without prior notice to you. 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 law, to payment by the other party of its reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions, if applicable.

OUR CONFIDENTIALITY AND SECURITY SAFEGUARDS

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

ONLINE PRIVACY PROTECTIONS

At our website, www.salalcu.org, you may apply for accounts and services and you may communicate with us via e-mail. To protect the information you provide us online, we use multiple levels of security. The application information we accept online and our online banking service relies on industry standard Secure Sockets Layer (SSL) encryption to secure your transaction information and communication. Generally, our e-mails are not secure. However, if we ask you to e-mail us information other than your name, address, e-mail address and phone number, it will be obtained using a secure (SSL encryption) e-mail form. When you visit our website, you can access site information, without revealing your personal identity. However, in order to help us identify you for future site visits, we use cookies to track your visit. A cookie is a piece of information that our web server stores on your computer hard drive and retrieves later. The cookie will not request, require or collect personal identity information and you remain anonymous. Your member information is not accessed by or stored within a cookie in any way.

TAX INFORMATION

When you establish a membership and open an account with us, we are required to obtain a certified U.S. Taxpayer Identification Number (TIN). For a business your TIN is your Employer Identification Number (EIN) except as explained below. When you apply for membership and an account, you certify that you have provided the correct TIN for the business and your exemption from backup withholding.

A business operating as a sole proprietorship and a limited liability corporation that is solely owned by an individual or married couple may use the primary owner's Social Security Number (SSN) as the TIN. For all other business accounts, you are required to provide an EIN Employer Identification Number.

ACH NOTICES

The Credit Union will notify the Company of ACH wholesale credit and debit transactions (corporate payments) through the periodic account statement, unless special arrangements are negotiated between the Company and the Credit Union and detailed in a formal written agreement. The Credit Union understands its obligation to provide all payment information, including addenda information, to account holders. Payment related remittance information contained in addenda records of CCD (Cash Concentration or Disbursement) and CTX (Corporate Trade Exchange) entries will be provided to account holders upon request.