



ACH Agreement & Disclosure

This Agreement between Coast360 Federal Credit Union ("Coast360") and Member ("Member") governs Member's ACH transactions using Coast360's Coast Online. By submitting an ACH Transaction through the Coast Online, Member agrees to the following terms and conditions:

1. Definitions. As used in this agreement, the following terms shall have the respective meanings assigned to them below:

- a) "Authorized" or "authorization" refers to Member's obligation to obtain from the receiver the authorization required by the Rules of the National Automated Clearing House Association. These terms include, but are not limited to, an authorization transmitted by the receiver to Member via the appropriate method or medium of communication, which contains the required information, and which Member will obtain after providing any notices required under the Rules or other state or federal law. "Appropriate method or medium of communication" includes written or properly authenticated record.
- b) "Business day" refers to Monday through Friday and excluding Saturday, Sunday and any holiday recognized by the Federal Reserve Bank ("bank holiday").
- c) "Effective date" as used herein and in the Instructions refers to the date specified by you (the originator) as the date on which settlement of the entries is expected to occur and is synonymous with "effective entry date" as used in the Rules. Please note that settlement of an entry with an effective date which falls either on a Saturday, Sunday or bank holiday will occur on the next available business day.
- d) "Entry" or "entries" shall have the meaning provided in the Rules and shall also include the Direct Deposit Payroll and Payee Information data that you provide to us using the Online ACH Services.
- e) "On Us Entry" refers to entries to an account maintained with us

Unless otherwise defined herein, terms shall have the meanings provided in the Coast360 Online Banking Agreement, whether capitalized or not.

2. ACH Transactions. Member wishes to initiate credit entries by means of the Automated Clearing House ("ACH") Network pursuant to the terms of this Agreement and the rules of the National Automated Clearing House Association ("Transactions"), and Coast360 is willing to process such Transactions. Member shall transmit credit Transactions to Coast360 through Coast Online in compliance with the documents, forms and other requirements specified by Coast360. Member agrees the Transactions will only involve Member's checking or savings accounts at Coast360 ("Authorized Accounts") which the Transaction is drawn and/or other financial institutions upon which the Transaction is credited to. Member further understands and agrees that Coast360 may use a third party service provider to make these Online ACH Services available.

3. Member Responsibility. Member agrees to be solely responsible for Member's use of Coast360's Coast Online, including responsibility to safeguard Member's confidential access capability and complying with user documentation, procedures and other instructions regarding Transactions. Coast360 is entitled to rely on any instructions, notices, and other information received

from Member, electronically, in writing or orally, that Coast360 reasonably and in good faith believes to be genuine. Member shall be liable to Coast360 for and shall indemnify and hold Coast360 harmless from any and all claims, causes of action, damages, expenses (including reasonable attorney's fees and other legal expenses), liabilities and other losses resulting from acts, omissions, or provision of invalid or inaccurate data by Member or any other person acting in Member's behalf, including without limitation: (a) a breach by Member of any provision of this Agreement; (b) Coast360's crediting of the account of any person as requested by Member; and (c) the failure to act or the delay by any financial institution other than Coast360.

4. Member Representations and Warranties; Indemnity. With respect to each Transaction, Member represents to Coast360 and agrees that (a) each person involved in the Transaction has authorized the Transaction and the debiting of Member's account in the amount and on the date shown on such Transaction, (b) such authorization is operative at the time of transmittal or crediting by Coast360 as provided herein, (c) Transactions transmitted to Coast360 by Member are limited to those Transactions authorized by Coast360, (d) Member shall perform its obligations under this Agreement in accordance with all applicable laws and regulations, including the sanction laws administered by OFAC, and (e) Member shall be bound by and comply with all laws, statutes, regulations, rules, orders, etc., as in effect from time to time, including without limitation rules governing provisional payment of a Transaction until receipt of final settlement for such Transaction. If settlement for a Transaction is not received, the receiving depository financial institution shall be entitled to a refund from the receiver of the amount credited, and Member shall not be deemed to have paid the receiver the amount of the Transaction. Member agrees Coast360 may debit Member's Authorized Accounts to effectuate any refund, reimbursement or other amount due. Member shall indemnify Coast360 against any loss, liability or expense (including attorney's fees and expenses) resulting from or arising out of any breach of any of the foregoing representations or agreements, including unauthorized actions initiated or caused by Member or agents, Coast360's actions in reasonable reliance upon instructions, notices, information and data Member provides to Coast360 (including without limitation Coast360's crediting the amount of any Transaction to the account of any person).

5. Credit Union Responsibilities; and Liability. Coast360 shall be responsible only for performing the services expressly authorized in this Agreement, and ACH Transaction instructions provided by Coast360. Coast360 shall be entitled to rely solely on the information, representations, and warranties provided by Member pursuant to this Agreement, and shall not be responsible for the accuracy or completeness thereof. Coast360 shall not be responsible for Member's acts or omissions (including without limitation the amount, accuracy, timeliness of transmittal or authorization of any Transaction received from Member) or those of any other person, including without limitation any financial institution, automated clearing house or transmission or communications facility, funds transfer system, funds transfer processor, any receiver or receiving depository financial institution. COAST360 SHALL BE LIABLE ONLY FOR MEMBER'S ACTUAL DAMAGES AND IN NO EVENT WILL COAST360 BE LIABLE TO MEMBER FOR ANY SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT LOSS OR CONSEQUENTIAL DAMAGES, AND ANY LOSS OR DAMAGE FROM A SUBSEQUENT WRONGFUL DISHONOR RESULTING FROM COAST360'S ACTS OR OMISSIONS PURSUANT TO THIS AGREEMENT. Without limiting the generality of the foregoing, Coast360 will not be liable to Member for any damages, injury or losses caused by or arising by reason of (1) inaccuracy of instructions, notices, or other information that Member provides to Coast360, (2) unauthorized



actions initiated or caused by Member or agents, (3) acts, omissions, delay or failure to perform of third persons or vendors, or (4) for any other loss or damage under this Agreement or otherwise, except as solely caused by Coast360's gross negligence or willful misconduct. Coast360 will not be liable or deemed to be in default for any delays, failures or interruptions in processing Transactions resulting, directly or indirectly, from acts of God, war, strikes, labor disputes, riots, civil disorders, mechanical, telecommunication or electrical breakdown, legal constraints or other causes beyond Coast360's reasonable control.

6. Authorized Accounts. Member represents to Coast360 that: (a) the Authorized Accounts will be maintained primarily for consumer purposes; and (b) the Authorized Accounts shall at all times have a balance of immediately available funds sufficient to meet Member's payment obligations under this Agreement. Coast360 may, without prior notice or demand, obtain payment of any amount due and payable to it under this Agreement by debiting one or more Authorized Accounts, and shall credit the Authorized Accounts for any amount received by Coast360 by reason of the return of a Transaction transmitted by Coast360 for which Coast360 has previously received payment or credit from Member. Such credit or debit shall be made as of the day of such receipt by Coast360. In the event there are not sufficient available funds in the Authorized Accounts, less any reserve requirement, to cover Member's obligations under this Agreement, Member agrees that Coast360 may debit any account maintained by Member with Coast360 or that Coast360 may set off against any amount it owes to Member, in order to obtain payment of Member's obligations under this Agreement. Coast360 is not obligated to complete processing of Transactions when the total amount of such Transactions exceeds the balance of available funds in the Authorized Accounts. If Coast360 processes any Transaction when the balance of available funds in the

Authorized Accounts is inadequate, it does not constitute an obligation to process similar Transactions at any other time. Upon notice of insufficient amounts in the Authorized Accounts, Member shall have five (5) business days to deposit sufficient funds to cure the breach under this Agreement. Failure to do so shall result in the immediate termination of Coast360's duty to process Transactions under this Agreement and shall constitute grounds for immediate termination of this Agreement without notice to Member.

7. Balance Requirements. Member acknowledges that transfers or disbursement of funds pursuant to this Agreement may create credit risk for Coast360. Coast360 may, from time to time and in Coast360's absolute discretion, establish file limits, daily limits, risk period limits and other limits as Coast360 deems appropriate on the amounts and/or aggregate amounts of Transactions that Coast360 will process. Coast360 will notify Member in writing of such limits and Coast360 will not be obligated to process Transactions that exceed the limits Coast360 has established. Coast360 will have no liability to Member for Coast360's refusal to process Transactions or to transfer or disburse funds when Member does not have sufficient funds in Member's Authorized Accounts. Coast360's processing of Transactions in excess of established limits on one or more occasion, will not be deemed a waiver of, or otherwise limit, Coast360's right at any subsequent time to refuse to process Transactions in accordance with this paragraph.

8. Account Reconciliation. Transactions performed by Coast360 and credited to an Authorized Account will be reflected on Member's periodic statement issued by Coast360 pursuant to the membership and Account Agreement between Coast360 and Member. It is the Member's obligation to examine the statement for any discrepancies, and Member agrees to notify Coast360 promptly of any discrepancy between Member's records and the

information shown on any periodic statement as set forth in the Membership and Account Agreement.

9. Notice of Returned Entries. Member will be notified of a returned entry no later than one (1) business day following such receipt. Coast360 shall have no obligation to retransmit a returned entry if in compliance with the terms of this agreement with respect to the original entry.

10. Security Procedures. Coast360 grants access to the Coast Online to perform the Transactions, provided Member agrees to follow Coast360's security standards and policies that include proper safeguards to protect the confidentiality of all login IDs and passwords that are selected or assigned to Member for initiating Transactions using Coast Online. Any Transaction initiated or authorized using a valid combination of a login ID and password will be considered authentic, valid and binding by Member and Coast360. Coast360 agrees to provide reasonable assistance to establish Login IDs and Passwords and support to the Member for properly using the services. If Member suspects or believes any such information has been compromised, it shall immediately contact Coast360. Member acknowledges that the purpose of such security procedures is for verification of authenticity and not to detect an error in the transmission or content of a Transaction. Member acknowledges and agrees that the security procedures Coast360 offers with respect to Transactions under this Agreement are reasonable given the size, type and frequency of the Transactions Member intends to conduct. Member is strictly responsible to establish and maintain procedures to safeguard against unauthorized Transactions. Member warrants that no individual will be allowed to initiate transactions except authorized persons with proper supervision and safeguards, and agrees to take reasonable steps to maintain the confidentiality of the security procedures and any logons, passwords, codes, security devices and related instructions provided by Coast360. The occurrence of unauthorized access will not affect any Transactions made in good faith by Coast360 prior to receipt of such notification and within a reasonable time period to prevent unauthorized Transactions. Coast360 may from time to time take additional actions, beyond those required by regulation and this Agreement, to verify the authenticity of any Transaction request or instruction, or to detect errors in the transmission or content of the request or instruction. Member agrees that these provisions regarding security procedures and Article 4a-202 and 203 of the Uniform Commercial Code - Funds Transfers as they may be modified by these provisions, shall apply to Member's Transactions, notwithstanding the fact that any party to the Transaction is a natural person (consumer).

11. Compliance with Security Procedures. If a Transaction (or a request for cancellation or amendment of a Transaction) received by Coast360 purports to have been transmitted or authorized by Member, it will be deemed effective as Member's Transaction and Member shall be obligated to pay Coast360 the amount of such Transaction even though the Transaction was not authorized by Member, provided Coast360 accepted the Transaction in good faith and acted in compliance with the security procedures with respect to such Transaction. Member acknowledges and agrees that Coast360 may rely on the security procedure Member uses to authenticate and/or authorize a Transaction and that Coast360 may process any Transaction that Coast360 receives and authenticates through the use of the security procedures.

12. OFAC. Member acknowledges that Member is not allowed to transmit entries that violate the laws of the United States, including sanctions enforced by the Office of Foreign Assets Control ("OFAC") of the United States Treasury Department, as in effect from time to time. You warrant that you will not violate OFAC-enforced sanction and will not act on behalf of, or transmit funds to or from, any party subject to such



sanctions. Furthermore, you acknowledge that it is your responsibility and not ours to obtain information regarding OFAC-enforced sanctions. Such information may be obtained directly from the OFAC Compliance Hotline at 800.540.OFAC or from the OFAC's Web site at <http://www.ustreas.gov/ofac>.

13. Recording and Use of Communications. Member and Coast360 agree that all telephone conversations, emails or electronic data transmissions between them or their agents made in connection with this Agreement may be electronically recorded and retained by either party by use of any reasonable means.

14. Inconsistency of Name and Account Number. Member acknowledges and agrees that, if a Transaction describes a person or account inconsistently by name and account number, payment of the Transaction transmitted by Coast360 to the receiving depository financial institution may be made by the receiving depository financial institution (or by Coast360 in the case of an on-us transaction) on the basis of the account number supplied by the Member, even if it identifies a person different from the named person or account, and Member's obligation to pay the amount of the Transaction to Coast360 is not excused in such circumstances.

15. Security Interest. Member hereby grants Coast360 a security interest in any and all funds and deposit accounts of Member in Coast360 to secure repayment of any other financial obligations that Member has to Coast360, whether such obligations are direct or indirect, contingent or not, outstanding or committed subject to draw. This security interest is given to secure payment of all of Member's obligations to Coast360 under this Agreement.

16. Notices, Instructions. Except as otherwise expressly provided herein, Coast360 shall not be required to act upon any notice or instruction received from Member or any other person, or to provide any notice or advice to Member or any other person with respect to any matter. Coast360 shall be entitled to rely on any written notice or other written communication believed by it in good faith to be genuine and to have been signed by an authorized person, and any such communication shall be deemed to have been signed by such person.

17. Records. All records, in whatever form, used by Coast360 for Transactions contemplated by this Agreement shall be and remain Coast360's property. Coast360 may, at its sole discretion, make available such information upon Member's request. Member shall pay any expenses incurred by Coast360 in making such information available to Member.

18. Termination. Either Coast360 or Member may terminate this Agreement at any time by giving written notice to the other party. Termination by Member shall be effective on the second business day following the day of Coast360's receipt of written notice of such termination or such later date as is specified in that notice. Termination by Coast360 shall be effective upon mailing written notice of such termination to Member. Coast360 reserves the right to terminate this Agreement immediately, with or without cause. Any termination of this Agreement shall not affect any of Coast360's rights and Member's obligations with respect to Transactions initiated by Member prior to such termination, or the payment obligations of Member with respect to services performed by Coast360 prior to termination, or any other obligations that survive termination of this Agreement. Upon termination of this Agreement by either party, the Authorized Accounts shall be maintained according to this Agreement for a period of sixty (60) days to ensure there are sufficient available funds to process Transactions initiated by Member prior to termination and to

ensure adequate funds are available in the case of reversals, refunds or disputes by consumers or other entities.

19. Entire Agreement. This Agreement together with the Membership and Account Agreement, are the complete and exclusive statement of the agreement between Coast360 and Member with respect to the subject matter hereof and supersede any prior agreement(s) between Coast360 and Member with respect to such subject matter. Coast360 may amend any of the terms and conditions contained in this Agreement at any time. Such amendments will become effective immediately upon Member's receipt of written notice or upon a later date specified in Coast360's such notice to Member.

20. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the Territory of Guam.