

ELECTRONIC FUNDS TRANSFER AGREEMENT AND DISCLOSURES



Customerservice@coastalbank.com

www.coastalbank.com

This Agreement and Disclosure is made in compliance with federal law regulating electronic funds transfer (EFT) services. The Electronic Fund Transfer Act (EFTA) and Regulation E require institutions to provide certain information to customers. This regulation applies to any account established primarily for personal, family or household purposes. Electronic funds transfers are electronically initiated transfers of money involving an account at the Financial Institution. The following disclosures set forth your and our rights and responsibilities concerning the electronic funds transfers. In this Agreement, the words "you" and "your" mean those who sign as applicants or any authorized user(s). The words "we", "us" and "our" refer to Coastal Community Bank. The abbreviation "PIN" or word "code" means a personal identification number.

Online Banking Service: We are here for you 24 hours a day with Online Banking. Online Banking enrollment forms and applications for Bill Pay service can be obtained online through our website at www.coastalbank.com or you may complete an application at your branch. Disclosures relating to Online Banking and Bill Pay services will be mailed to you upon approval of your enrollment.

Types of Transactions: You may access certain account(s) you maintain with us by computer using your assigned user ID and password by accessing the online banking service. You may use the online banking service to perform the following functions:

- Transfer Funds between Eligible Accounts.
- Obtain Balance Information on Eligible Accounts.
- Review Transactions on Eligible Accounts.
- Make Loan Payments.
- Stop Payment Requests.
- Advance Funds from Credit Line.
- Obtain Copy of Statement.
- Order Checks.
- Bill Pay Service through CheckFree.

Limitations on Frequency and Amount:

- Online Loan Payments: Available for Coastal Community Bank Loans

Fees and Charges for Online Service:

- There is no monthly fee to use Online Banking Service.
- If you enroll in electronic statements; images are provided at no additional cost with your statement.
- Coastal Community Bank offers electronic statements if you choose to view your statement online. See e-Delivery/e-Statements handout.

Online Bill Pay Service

Types of Transactions: You may access certain account(s) you maintain with us by computer using your assigned user ID and password by accessing the online banking service. You may use the online banking service to perform the following functions:

- Online Bill Payment.
- Online Bill Pay Service allows you to pay certain bills electronically using the Coastal Community Bank Online Banking Product.

Limitations on Frequency and Amount:

- There are certain rules that apply to the Bill Pay Service: Please refer to the CheckFree Bill Pay Agreement for details.
- For security purposes, there are limits on the frequency and amount of transfers you may make using this Online Banking Service.

Fees and Charges for Online Bill Pay Service:

- There is no fee to use Online Bill Pay Service.

Cash Machine ATM Card

A convenient way to access your account 24 hours a day.

Types of Transfers: You may use the automated teller machine (ATM) card and personal identification number (PIN) issued to you to initiate transactions at ATMs of ours, ATMs within the networks identified on your card and such other facilities as we may designate from time to time. Unless you specify a different account during Automated Teller Machine (ATM) transactions, your Primary Account will be used for your transactions. Your Primary Account number and information may be obtained from your bank. At present you may use your card to (some of these services may not be available at all ATMs):

- Withdraw cash from your checking account.
- Withdraw cash from your savings account.
- Transfer funds between your checking and savings accounts.
- Obtain balance information on your deposit accounts.

Limitations on Frequency and Amount:

- For security purposes, there are limits on the frequency and amount of transfers you may make using ATMs.
- You may make 3 cash withdrawals from ATMs per day.
- You may withdraw up to a maximum of \$300.00 (if there are sufficient funds in your account) per day.

Fees and Charges for ATM Transactions (See the Fee Schedule provided):

- There is no charge for ATM withdrawals at machines owned by us.
- A fee known as a "surcharge" may be imposed by an ATM owned by another entity.
- There is a fee assessed for each replacement card.

ATM Fees. When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer).

Combined ATM/POS Service

Types of Transactions/Transfers: You may use the card and PIN issued you to pay for purchases from merchants who have agreed to accept the card at Point of Sale (POS) terminals within the networks identified on your card and such other terminals as the Bank may designate from time to time. Point of Sale (POS) transactions will be deducted from your Primary Account. Point of Sale (POS) transactions involving a refund will be credited to your Primary Account. You may also use the card to pay for purchases from merchants that accept the POS debit card with a MasterCard symbol. You may use the automated teller machine (ATM) card and personal identification number (PIN) issued to you to initiate transactions at ATMs of ours, ATMs

within the networks identified on your card and such other facilities as we may designate from time to time. Unless you specify a different account during Automated Teller Machine (ATM) transactions, your Primary Account will be used for your transactions. Your Primary Account number and information may be obtained from your bank. At present you may use your card to (some of these services may not be available at all ATMs):

- Withdraw cash from your checking account.
- Withdraw cash from your savings account.
- Transfer funds between your checking and savings accounts.
- Obtain balance information on your deposit accounts.

Limitations on Frequency and Amount:

- For security purposes, there are limits on the frequency and amount of transfers you may make using ATMs.
- You may make 3 cash withdrawals from ATMs per day.
- You may withdraw up to a maximum of \$300.00 (if there are sufficient funds in your account) per day.
- Debit card purchases – maximum transaction limit of \$2,500.00 or up to your available balance whichever is less.
- You may make an unlimited number of purchases at POS terminals per day (if there are sufficient funds in your account).

Fees and Charges (See the Fee Schedule provided):

- There is no charge for ATM withdrawals at machines owned by us.
- A fee known as a “surcharge” may be imposed by an ATM owned by another entity.
- There is a fee assessed for each replacement card.
- We do not charge for any POS transactions.

.ATM Fees. When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer).

Automatic Voice Response

Types of Audio Response Services: You may access your deposit accounts by using a separate personal identification number (PIN) assigned to you and your account number in our audio response system. At the present time you may use the system to:

- Transfer funds between your deposit accounts.
- Give you tax information on interest earned or paid on your accounts.
- Obtain balance information on your deposit accounts.
- Verify the last date and amount of your deposit.
- Determine if a particular check has cleared your account.

Limitations on Frequency and Amount:

- You are limited to the following number of inquiries, transfers or withdrawals: You are limited to 6 pre-authorized transfers or withdrawals from a Money Market, Great Rate Money Market, or savings account per calendar month. You are NOT limited to the number of inquiries on any account at Coastal Community Bank.
- There is no limit on the amount of any transfer or withdrawal from the funds in your deposit accounts.

Fees and Charges for Audio Response Transactions:

- We do not charge for any Audio Response Transactions.

Preauthorized Transfers Government

Preauthorized deposits to Coastal Community Bank customer's accounts which are originated through the Automated Clearing House System.

Types of Preauthorized Transfers: You may arrange for us to complete the following preauthorized transfers to your deposit accounts:

- Accept direct deposits from the U.S. Treasury Department to your checking or savings account.

Fees and Charges (See the Fee Schedule provided):

- We do not charge for any preauthorized EFTs.
- We will charge a fee for each stop-payment order for preauthorized transfers.

Preauthorized Transfers Other

Preauthorized deposits to Coastal Community Bank accounts originated through the Automated Clearing House System.

Types of Preauthorized Transfers: You may arrange for us to complete the following preauthorized transfers to your deposit accounts:

- Accept direct deposits from your employer or other financial institutions to your checking or savings account.

Fees and Charges (See the Fee Schedule provided):

- We do not charge for any preauthorized EFTs.
- We will charge a fee for each stop-payment order for preauthorized transfers.

Preauthorized Transfers Debit

Preauthorized payments which are originated through the Automated Clearing House System.

Types of Preauthorized Transfers: You may arrange for us to complete the following preauthorized transfers to or from your deposit accounts:

- Pay certain recurring bills from your checking or savings account.
- Authorization of a check converted to ACH debit. “Electronic Check Conversion”.

Limitations on Frequency and Amount:

- Funds must be available in your deposit account to cover the item.

Fees and Charges (See the Fee Schedule provided):

- We do not charge for any preauthorized EFTs.
- We will charge a fee for each stop-payment order for preauthorized transfers.

Other EFT Transactions.

You may access certain account(s) you maintain with us by other EFT transaction types as described below.

Electronic Check Conversion. You may authorize a merchant to use your check as a source of information to initiate an EFT from your account. Electronic check conversion is a payment process in which a merchant (after obtaining your authorization) uses your check to gather routing, account, and check number information to initiate a one-time EFT. This type of EFT transaction involving a consumer account is covered by the Electronic Funds Transfer Act and this disclosure. A description of the transaction will appear on your statement.

Re-present Check Transactions and Fees. You may authorize a merchant to electronically collect a fee associated with the re-presentation of a check that is returned due to insufficient or unavailable funds. The resulting fee transaction if debited as an EFT from a consumer account is covered by the Electronic Funds Transfer Act and this disclosure. When a merchant re-presents a check electronically, that transaction is **not covered** by the Electronic Funds Transfer Act or this disclosure. A description of the transaction will appear on your statement.

The following limitations may be applicable to your accounts, except as provided by law:

Liability for Unauthorized MasterCard Point of Sale Debit Card Transactions. Tell us, **AT ONCE**, if you believe your MasterCard point of sale debit card has been lost or stolen or of any unauthorized transactions. Your liability for unauthorized use of your point of sale debit card with the MasterCard logo when it is used as a MasterCard point of sale debit card will not exceed **(A)** Zero dollars (\$0.00) if the conditions set forth below have been met, or **(B)** if those conditions have not been met, the lesser of fifty dollars (\$50.00) or the amount of money, property, labor, or services obtained by the unauthorized use before notification to us. Zero liability will apply only if: (1) you can demonstrate that you have exercised reasonable care in safeguarding your card from risk or loss or theft; and (2) you have not reported two or more incidents of unauthorized use to us within the preceding twelve (12) months; and (3) your account is in good standing. These consumer liability limits apply only to United States issued MasterCard branded consumer cards. If the transaction does not meet the conditions set forth above, these limits with respect to unauthorized transactions may be exceeded to the extent allowed under applicable law (see **Liability for Unauthorized Transfers** paragraph below). "Unauthorized use" means the use of your point of sale debit card by a person, other than you, who does not have actual, implied, or apparent authority for such use, and for which you receive no benefit. To notify us of lost or stolen cards, or of unauthorized transactions, call or write to us at the telephone number or address set forth below. This will help prevent unauthorized access to your account and minimize any inconvenience.

MasterCard is a registered trademark of MasterCard International Incorporated.

CURRENCY CONVERSION - MasterCard®. If you perform transactions with your card with the MasterCard® logo in a currency other than US dollars, MasterCard International Inc. will convert the charge into a US dollar amount. At MasterCard International they use a currency conversion procedure, which is disclosed to institutions that issue MasterCard®. Currently the currency conversion rate used by MasterCard International to determine the transaction amount in US dollars for such transactions is generally either a government mandated rate or wholesale rate, determined by MasterCard® International for the processing cycle in which the transaction is processed, increased by an adjustment factor established from time to time by MasterCard® International. The currency conversion rate used by MasterCard International on the processing date may differ from the rate that would have been used on the purchase date or the cardholder statement posting date. Additional fees by MasterCard® International may apply.

In addition to the limitations set forth above, the following limitations may be applicable to your accounts:

Liability for Unauthorized Transfers. Tell us **AT ONCE** if you believe your card, ATM PIN, POS card or PIN, Audio Response PIN, or online banking PIN has been lost or stolen. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). If you tell us within two (2) business days, you can lose no more than \$50.00 if someone used your card or code without your permission. If you do NOT tell us within two (2) business days after you learn of the loss or theft of your card or code, and we can prove that we could have stopped someone from using your card or code without your permission if you had told us, you could lose as much as \$500.00. Also, if your statement shows transfers that you did not make, tell us at once. If you do not tell us within sixty (60) days after the statement was mailed to you, you may not get back money lost after the sixty (60) days if we can prove that we could have stopped someone from taking the money if you had told us in time. If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods. If you believe that your card or code has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call (425) 257-9000, or write us at Coastal Community Bank, 2817 Colby Avenue, Everett, WA 98206, Attention: Electronic Banking Department.

Business Days. For purposes of these electronic funds transfer disclosures, our business days are Monday through Friday. Holidays are not included.

Documentation.

Periodic Statement. You will get a monthly account statement from us, unless there are no transactions in a particular month. In any case you will get a statement quarterly. You will get a quarterly statement from us on your savings account if this is the only account you maintain and the only possible electronic transfer to or from the account is a preauthorized deposit.

Terminal Receipts. You can get a receipt at the time you make any transfer to or from your account using an ATM or a POS terminal.

Direct Deposits. If you have arranged to have direct deposits made to your account at least one every sixty (60) days from the same person or company, you can call us at (425) 257-9000 to find out whether or not the deposit has been made.

Our 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 for instance:

- If, through no fault of ours, you do not have enough money in your account to make the transfer.
- If the money in your account is subject to legal process or other claim restricting such transfer.
- If the transfer would go over the credit limit on your overdraft line.
- If the ATM where you are making the transfer does not have enough cash.
- If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
- If circumstances beyond our control (such as a fire or flood) prevent the transaction, despite reasonable precautions that we have taken.
- There may be other exceptions stated in our agreement with you.

In Case of Errors or Questions About Your Electronic Transfers. Telephone us at **(425) 257-9000**, or write us at **Coastal Community Bank, Electronic Banking Department, 2817 Colby Avenue, Everett, WA 98206** as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than sixty (60) days after we sent the FIRST statement on which the problem or error appeared.

- Tell us your name and account number (if any).
- Describe the error or the transfer 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 us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within ten (10) business days.

We will determine whether an error occurred within ten (10) business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to forty five (45) days to investigate your complaint or question. If we decide to do this, we will credit your account within ten (10) business days for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within ten (10) business days, we may not credit your account.

If a notice of error involves an electronic fund transfer that occurred within thirty (30) days after the first deposit to the account was made, the error involves a new account. For errors involving new accounts, point of sale debit card transactions, or foreign-initiated transactions, we may take up to ninety (90) days to investigate your complaint or question. For new accounts, we may take up to twenty (20) business days to credit your account for the amount you think is in error.

We will tell you the results within three (3) business days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation.

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

- To complete transfers as necessary;
- To verify the existence and condition of your account upon the request of a third party, such as a credit bureau or merchant; or
- To comply with government agency or court orders; or
- If you give us written permission

Personal Identification Number (PIN). The ATM PIN, POS PIN, Online Banking PIN or Audio Response PIN issued to you is for your security purposes. The numbers are confidential and should not be disclosed to third parties or recorded on the card. You are responsible for safekeeping your PIN(s). You agree not to disclose or otherwise make your ATM PIN, POS PIN, Online Banking PIN or Audio Response PIN available to anyone not authorized to sign on your accounts.

Notices. All notices from us will be effective when we have mailed them or delivered them to your last known address on our records. Notices from you will be effective when received by us at the telephone number or the address specified in this Agreement. We reserve the right to change the terms and conditions upon which this service is offered. We will mail notice to you at least twenty one (21) days before the effective date of any change, as required by law. Use of this service is subject to existing regulations governing you account and any future changes to those regulations.

Enforcement. In the event either party brings a legal action to enforce this Agreement or collect amounts owing as a result of any Account transaction, the prevailing party shall be entitled to reasonable attorneys' fees and costs, including fees on any appeal, subject to any limits under applicable law.

Termination of ATM, POS and Audio Response Services. You agree that we may terminate this Agreement and your use of the ATM Card, POS, Online Banking or Audio Response services, if:

- You or any authorized user of your ATM PIN, POS card or PIN, Online Banking PIN or Audio Response PIN breach this or any other agreement with us;
- We have reason to believe that there has been an unauthorized use of your ATM PIN, POS card or PIN, Online Banking PIN or Audio Response PIN;
- We notify you or any other party to your account that we have cancelled or will cancel this Agreement. 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.

Preauthorized Electronic Fund Transfers.

Stop Payment Rights. If you have told us in advance to make regular electronic fund transfers out of your account(s), you can stop any of these payments. Here's how: Call us or write to us at the telephone number or address set forth above, in time for us to receive your request three (3) business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within fourteen (14) days after you call. We will charge you \$25.00 for each stop payment order you give.

Notice of Varying Amounts. If these regular payments may vary in amount, the person you are going to pay will tell you, ten (10) days before each payment, when it will be made and how much it will be. You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.

Liability for Failure to Stop Payment of Preauthorized Transfers. If you order us to stop one of these payments three (3) business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

Other Provisions. There may be a delay between the time a deposit is made and when it will be available for withdrawal. You should review our Funds Availability Policy to determine the availability of the funds deposited at ATMs. We reserve the right to refuse any transaction which would draw upon insufficient funds, exceed a credit limit, lower an account below a required balance, or otherwise require us to increase our required reserve on the account.

ATM SAFETY PRECAUTIONS

As issuers of Automated Teller Machine (ATM) access devices, we have provided for your information a list of safety precautions regarding the use of automated teller machines. Please read the following safety precautions:

- Be aware of your surroundings, particularly at night.
- Consider having someone accompany you when the automated teller machine is used after dark.
- If another person is uncomfortably close to you, ask the person to step back before you complete your transaction.
- Refrain from displaying your cash at the ATM. As soon as your transaction is completed, place your money in your purse or wallet. Count the cash later in the safety of your car or home.
- If any devices or alterations have been made to the ATM machine, do not insert your card or enter your PIN.
- Consider using another automated teller machine or coming back later if you notice anything suspicious. If you are in the middle of a transaction and you notice something suspicious, cancel the transaction, pocket your ATM access device and leave.
- Go to the nearest public area where people are located if you are followed after making a transaction.
- Report all crimes to law enforcement officials immediately.
- Do not write your personal identification number or code on your ATM access device.