



Welcome

Say hello to neighborhood
banking that puts you 1st.

1ST SECURITY BANK

A Letter from our CEO

Welcome to 1st Security Bank of Washington (“1SB”). We are a local bank based in the Pacific Northwest since 1936. We are excited to have the opportunity to serve you and many other great clients in the communities of Waldport, Newport, Tillamook, Manzanita, Goldendale, White Salmon and Ontario.

We hope this Welcome Guide will serve as a helpful resource as we get to know each other better. If you are unable to find answers to any of your questions in this guide, please give us a call. Yes, believe it or not, we love talking to our clients.

Also, as you may have heard, 1SB is offering jobs to all your current branch bankers. We can’t wait to work with our new teammates and we are thrilled that you will be able to continue working with bankers you have come to know and trust. We truly see this as a win-win for everyone.

As I mentioned above, if you have any questions, please do not hesitate to call us. We would love to chat with you.

Take care and we look forward to serving you soon!



Joe Adams
CEO, 1ST SECURITY BANK



Business Services

(877) 372-4249
Monday – Friday, 8:30am – 5pm PT



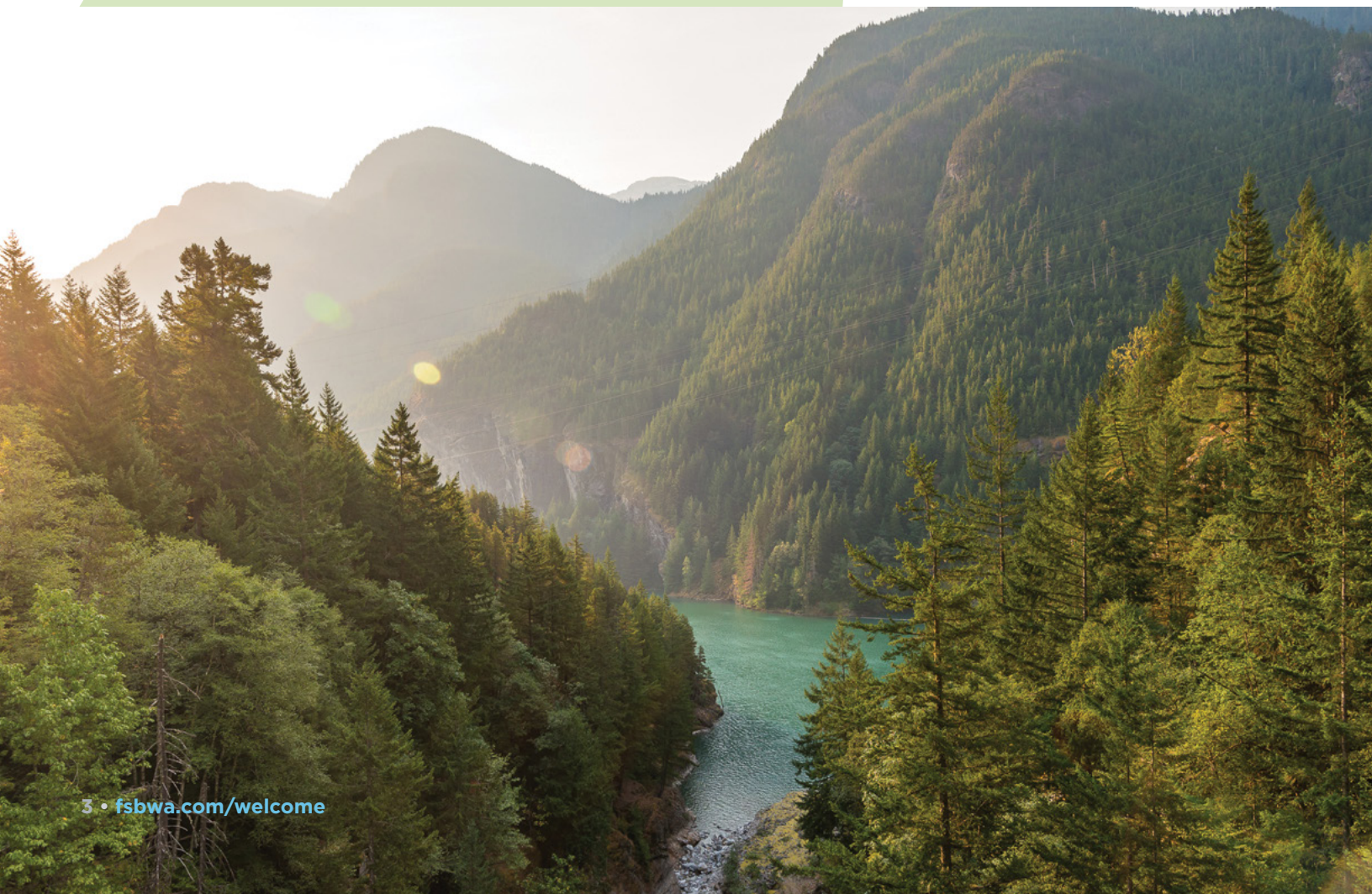
1st Security Bank Branches
WA: Aberdeen, Capitol Hill, Edmonds, Elma, Hadlock, Lacey, Lynnwood, Mill Creek, Montesano, Ocean Shores, Olympia, Overlake, Port Angeles, Port Townsend, Poulsbo, Puyallup, Sequim, Silverdale, South Hill Puyallup, Westport

Home Lending
WA: Aberdeen, Bellevue, Everett, Lacey, Mill Creek, Mountlake Terrace, Olympic Peninsula, Port Orchard, Poulsbo, Puyallup, Tri-Cities, Vancouver

Commercial Lending
WA: Mountlake Terrace, Tacoma

Administrative Center
WA: Mountlake Terrace

Future Branches
WA: Goldendale, White Salmon
OR: Manzanita, Newport, Ontario, Tillamook, Waldport



Save the Dates

Welcome to the 1st Security Bank family. We want to make this the smoothest, easiest transition possible, so here are a few important dates to keep in mind:

1st Security Visa® Debit Cards

- 1/30 - 2/3/23 New 1st Security Visa debit cards mailed
- 2/24/23 You may use your Columbia Bank debit card until 11:59pm local time
- 2/25/23 You may begin using your new 1st Security Visa debit card



Business Online Banking

- 2/23/23 Columbia Bank's Bill Pay services become unavailable at 2pm PT
- 2/24/23 Columbia Bank's Online Banking services become unavailable at 6pm PT
- 2/27/23 1st Security Bank's Bill Pay and Online Banking services become available

Branch Banking

- 2/24/23 Final day of business as Columbia Bank. Branches will close at 2pm local time
- 2/27/23 First day of business as 1st Security Bank at Manzanita, Newport, Ontario, Tillamook, and Waldport, OR and Goldendale and White Salmon, WA. All branch locations will be open Monday - Friday from 9am - 5pm local time

Business Services

(877) 372-4249
Monday - Friday, 8:30am - 5pm PT

All information in this guide
is current as of 1/12/23

Business Checking & Savings

Business Checking Accounts

Your existing Columbia Bank Business Checking Account	WILL BECOME	Your 1st Security Bank Business Checking Account
Business Growth Checking, Primary Business Checking, Small Business Product	>	Small Business Checking—see page 6
Commercial Business Checking, Healthcare Checking	>	Premier Business Checking—see page 7
Business Checking, Business Relationship Checking, Business Interest Checking Plus, Business Interest Checking, Small Business Checking	>	1st Business Checking—see page 6
Community Non-Profit Checking, Advanced Non-Profit Checking	>	Non-Profit Checking—see page 6
ID IOLTA, IOLTA California, OR IOLTA, WA IOLTA	>	Pooled IOLTA Checking specific to state—see page 6
Idaho Public Funds, Public Checking, Public Funds Interest Checking	>	PF 1st Business Checking specific to state—see page 6
Repurchase Agreement	>	1st Insured Cash Sweep - B—see page 7

Business Savings Accounts

Your existing Columbia Bank Business Savings Account	WILL BECOME	Your 1st Security Bank Business Savings Account
Business Money Trend, Healthcare Savings	>	Business Savings—see page 8
Business Money Market, Business Money Market Analysis, Customary Business Savings, Premium Business Money Market	>	Business Money Market—see page 8
Public Funds Money Trend	>	PF - Business Money Market—see page 8

Business Checking

Business Checking Account Features

Your 1st Security Bank Business Checking Account

	Small Business	1st Business	Non-Profit	PF 1st Business	Pooled IOLTA
Mobile and Online Banking	Free	Free	Free	Free	Free
Mobile Deposit	Free	Free	Free	Free	Free
Minimum Daily Balance	N/A	\$1,500	\$2,500	N/A	N/A
Transaction Limit Per Statement Cycle	200 transactions. Electronic items are not counted	250 transactions and 300 checks deposited	250 transactions and 300 checks deposited	N/A	N/A
Fee Per Transaction Beyond Limit	\$.20/item	\$.15/item	\$.15/item	N/A	N/A
Cash Deposited Limit Per Statement Cycle	\$7,500	\$10,000	\$10,000	\$10,000	N/A
Fee for Cash Deposit Over Limit	\$.05/\$100 cash rec'd.	\$.05/\$100 cash rec'd.	\$.05/\$100 cash rec'd.	\$.05/\$100 cash rec'd.	N/A
Paper Statement	Free	Free	Free	Free	Free
Check Images with Statements	\$3	\$3	\$3	\$3	\$3
Monthly Maintenance Fee	N/A	\$10	\$10	N/A	N/A
How to Avoid Monthly Maintenance Fees	N/A	Maintain minimum daily balance per statement cycle	Two external withdrawals or maintain minimum daily balance per statement cycle	N/A	N/A

1st Security Bank will not assess a monthly maintenance fee on all deposit accounts through 4/30/23. If you decide that another type of account fits you better or if you want to schedule an account review with your banker, please call your local branch.

Business Checking

Business Checking Account Features

Your **1st Security Bank** Business Checking Account

	Premier Business*	1st Insured Cash Sweep
Mobile and Online Banking	N/A	Free
Mobile Deposit	N/A	N/A
Minimum Daily Balance	N/A	N/A
Transaction Limit Per Statement Cycle	N/A	N/A
Fees and Charges	Fees may reduce the earning on your account. This account pays an Earning Credit Allowance. Balances earn an earnings credit that may offset the Monthly Maintenance Service Charge, per item fees and charges per account transaction activity noted below	N/A
Fees Charged Against the Account Per Statement Cycle	Checks paid: \$.15 each. Deposits: \$.20 each. Deposited items: \$.10 each. ACH items: \$.10 each. Cash deposited: \$.05/\$100 cash rec'd. RDC items: \$.08 each.	N/A
Paper Statement	Free	Free
Check Images with Statements	\$3	N/A
Monthly Maintenance Fee	\$10	N/A

***1st Security Bank Premier Business Checking Account:** An analyzed account designed for larger businesses with a high-volume of transactions and cash management needs. If you decide that another type of account fits you better or if you want to schedule an account review with your banker, please let us know.

Business Money Market, Savings & CDs

Your 1st Security Bank Business Accounts

	Money Market	Savings	OR Public Funds
Current Annual Percentage Yield (APY)	Visit fsbwa.com		
Minimum Daily Balance	\$1,500	\$500	\$1,500
Transaction Limit	N/A	N/A	N/A
Minimum Balance to Earn Interest Interest is compounded and credited at the end of each month using the daily balance method	\$1	\$500	\$1
Cash Deposited Limit	Free	Free	Free
Fee for Cash Deposit Over Limit	Free	Free	Free
Paper Statement	Free	Free	N/A
Check Images with Statements	\$3	N/A	N/A
Monthly Maintenance Fee	\$7.50	\$5	\$7.50
How to Avoid Monthly Maintenance Fee	Minimum daily balance of \$1,500 per statement cycle	Minimum daily balance of \$500 per statement cycle	Minimum daily balance of \$1,500 per statement cycle

1st Security Bank will not assess a monthly maintenance fee on all deposit accounts through 4/30/23. If you decide that another type of account fits you better or if you want to schedule an account review with your banker, please call your local branch.

A woman with blonde hair, wearing a red and white plaid shirt and blue jeans, stands next to a black and white cow. She is smiling and has her hand on the cow's head. The background shows other cows and trees in a field.

Homegrown in the PNW.

CDs

Your current CD terms and conditions will be updated as follows:

As of 2/27/23, interest will be compounded and credited monthly on the last day of each month using the daily balance method. No additional deposits or withdrawals will be accepted including recurring transfers, except for existing 'Jump & Bump' CD holders. The 'Jump & Bump' option offered by Columbia Bank will be honored until the CD's original maturity.

If your CD is a 180-day, 1 year, 21-month, 30-month, 48-month or 5-year CD, your CD will mature on its original maturity date and automatically renew at 1st Security Bank's posted rate unless you take other action during the ten day grace period. The rate on your CD will not change until it reaches its maturity.

CDs with terms differing from those mentioned previously will not automatically renew. A notice will be mailed to you in advance of maturity and you will have the opportunity to choose from one of our existing products.

We may impose a 90-day interest penalty if you withdraw any of the funds from a CD with a term of less than 1 year before the maturity date. We may impose a 180-day interest penalty if you withdraw any funds from a CD with a term of 1 year up to 48-months. We may impose a 365-day interest penalty if you withdraw any of the funds from a CD with a term of 48 months or greater before the maturity date. The penalty is not limited to the interest paid to date. The interest penalty will be calculated on the amount of the withdrawal. At our option, we may pay the account before maturity without imposing an early withdrawal penalty when an account owner becomes deceased.

Business Online & Mobile Banking

Business Online Banking

Important reminders about your

Columbia Bank Business Online Banking:

- Mobile deposit will be disabled at 6pm PT on 2/24/23
- Business Online Banking will be disabled at 6pm PT on 2/24/23
- Bill Pay tab disabled: 2pm PT on 2/23/23
- Bill payments scheduled to occur on and after 2/24/23 will be handled by 1st Security Bank

1st Security Bank Business Online Banking:

- Available to you at 9am PT on 2/27/23
- Late January, important letters containing information needed to log in to 1st Security Bank's Business Online Banking will be mailed

What you can do to help assure a smooth account transition:

- Starting on 2/27/23, please log on to 1st Security Bank's Business Online Banking to:
 - Ensure all your users can log in using the credentials that were provided
 - Personalize your Online Banking by setting up Subscriptions and Alerts
 - Create any ACH, Wire, or Bill Pay payments you want to schedule
- Print or save your existing eStatements from Columbia Bank and keep them in a secure location before the system is disabled on 2/24/23

Business Online Banking Features and Benefits

- View account balances and transaction history
- Manage your users using a highly customizable user creation process which supports multiple admins
- Send payments via Bill Pay, ACH or Wire*
- View images of paid and deposited checks**

- Access additional services such as Remote Deposit Capture* or Positive Pay* within one portal using Secure Browser
- Export your transaction history in .CSV or .QBO formats to use with your favorite accounting software
 - Connect directly with QuickBooks via QuickBooks Web Connect or QuickBooks Direct Connect

Business Mobile App

Whether you need to check your account balances or approve a pending payment while on the go, 1st Security Bank has you covered. The 1st Security Business mobile app will allow you to:

- View account balances and transaction history
- Transfer funds between your 1SB business accounts
- Deposit checks
- Send and approve ACH and Wire payments*

CardValet

Protect and manage your debit card while on the go with CardValet by:

- Controlling how and where your employee's card is used
- Receiving real-time alerts when transactions occur
- Turning your or your employee's card(s) on or off in real-time



Look for these apps in the Google Play or Apple App Stores.



* Not available to all customers. Additional fees and approval may apply

** Excludes checks that are deposited at a branch location

Cards & ATMs

Debit Cards

- All current Columbia Bank debit cards will be replaced by 1st Security Bank Visa debit cards
- Your new 1st Security Bank Visa debit card will have a new card number
- Your daily purchase limit is the available balance in your checking account or \$2,500, whichever is less
- Your daily ATM withdrawal limit is the available balance in your checking account or \$700, whichever is less
- The last day you may use your Columbia Bank debit card is 2/24/23, at 11:59pm PT
- You may begin using your 1st Security Bank Visa debit card on 2/25/23
- Set your new personal identification number (PIN) by following the instructions that you will receive with your new 1st Security Bank Visa debit card

What you can do to help assure a smooth account transition:

- Watch for your new 1st Security Bank Visa debit card and instructions for setting your PIN
- Provide your new 1st Security Bank Visa debit card number and expiration date to any merchant or bank where your existing debit card is being used for transactions occurring on or after 2/24/23 (for example, an athletic club monthly payment)

Account Statements

- Deposit statements such as checking are produced monthly and generally available electronically by the 3rd business day of the following month
- Other deposit statements such as savings may be produced quarterly or semi-annually
- If you are currently enrolled in eStatements with Columbia Bank, you will be automatically enrolled in 1st Security Bank's Online Statements on 2/27/23. Prior to this change, **please print or save** any prior Columbia Bank eStatements you would like to retain as they **will not be available** after 2/24/23
- If you currently receive a duplicate statement or have one mailed to a third party, please note that 1st Security Bank will be unable to continue this service. You can arrange third party view only access to statements through Business Online Banking. For more information, call Business Services at (877) 372-4249

Credit Cards

You will continue to use your existing Columbia Bank credit card as you do today.



FAQs

We are dedicated to making your transition to 1st Security Bank as easy as possible and more information will be provided to you in the weeks leading up to the conversion.

When will the conversion to 1st Security Bank accounts and services occur?

The conversion is scheduled for the weekend of 2/25/23. The changes to your account will be effective on 2/27/23.

Will the business hours at my branch change?

Yes, effective 2/27/23, all branch locations will be open Monday – Friday from 9am – 5pm local time.

Will the phone number of my branch remain the same?

Yes, branch phone numbers will remain the same.

Will any of my current services be unavailable during the conversion weekend?

You will be unable to access your accounts through Online and Mobile Banking during the conversion weekend. However, you will have access to your checking account through the use of your debit card or checks.

Does 1st Security Bank have a business mobile app?

Yes, 1st Security Bank has a business Mobile Banking app for both Apple and Android products. Find it in the Google Play or Apple App stores and start using it on or after 2/27/23.

Will my deposit account or routing numbers change?

Your account number will not change, however your routing number will. **Your new routing number is: 325182289.** Please begin using your new 1st Security checks on 2/25/23.

Will I need to order new checks for my business checking account(s)?

Business accounts will be mailed a starter supply of checks in mid-February. This will include instructions on how you can order your first complete supply of checks. You can start using your 1st Security Bank checks on 2/25/23, and you should destroy your remaining Columbia Bank checks at that time.

Will my outstanding Columbia Bank checks be cleared through my new 1st Security Bank checking account?

Yes, any outstanding Columbia Bank checks will be processed for 30 days after the conversion. After this 30-day period Columbia Bank will return them to the payee. After the conversion on 2/27/23, you should immediately begin using your 1st Security Bank checks.

Can I continue to make my Columbia Bank credit card payments at my local branch?

Please note, we are unable to accept your Columbia Bank credit card payments after 2/24/23. Contact Columbia Bank for alternate ways you can make your payments going forward, such as online or mail.



BUSINESS SERVICES INFORMATION

(877) 372-4249, Monday – Friday 8:30am – 5pm PT • fsbwa.com/welcome

Will my Direct Deposit (ACH) deductions/deposits transfer without interruption, or will I have to set them up again?

All ACH withdrawals and deposits initiated by another party (payroll, social security, etc.) will need to be updated. Please provide new routing number and bank name instructions to every company that you are receiving deposits from or that is set up to auto withdraw money from your account (insurance payments, etc.) for all transactions dated on or after 2/25/23.

I currently have a certificate of deposit (CD). Will my rate change?

No, 1st Security Bank will honor the rate on your CD for the duration of the certificate term. For CDs which renew automatically we will mail you an advance reminder of your CD's maturity 20 days in advance; for non-renewing CDs we will mail the reminder 10 days in advance. During the 10-calendar-day grace period, you may transition to one of our competitive deposit products. To view 1st Security Bank's current rates, please visit fsbwa.com/rates.

Will I receive check images with my monthly statement?

Columbia Bank customers who currently receive check images with their monthly statements will not need to re-enroll with 1st Security Bank after 2/27/23. You can also view, print or save the front and back of the images of checks that have cleared your account in Business Online Banking. The service charge for check images with statements is \$3.

Will my Internal Overdraft Protection on my checking account continue?

Yes, 1st Security will transfer enough funds from your savings or checking account to cover the overdraft. The fee for overdraft transfers is \$10 per transfer.

Will my deposits still be FDIC-insured?

Yes, your accounts will be insured up to the maximum amount allowed by the FDIC, provided they meet certain requirements. For the specific FDIC coverage rules which apply to your deposits during an acquisition or merger, please visit fdic.gov. Consumers generally have a six-month period after the date of acquisition before they need to rearrange any accounts which could be uninsured because they exceed the FDIC limits. There are different rules for CDs and the six-month rule does not apply to business entities. The FDIC's Electronic Deposit Insurance Estimator (EDIE)

can help you calculate the insurance on your deposits, fdic.gov/edie/calculator.html.

When will I start sending my loan payments to 1st Security Bank?

You will begin sending your payments to us on 2/27/23.

Where will I send my payment?

You can mail your payment to:

1st Security Bank
PO Box 97000
Lynnwood WA 98046

or you can pay online at fsbwa.com/online-banking.

Will the terms of my loan change?

Most loan terms will not change, you will be contacted directly if yours is one of the select few that will be changing.

Will my loan number change?

Most loan account numbers will not change, you will be contacted directly if yours is one of the select few that will be changing.

Do I need to change my electronic loan payment?

If your electronic loan payment was established through Columbia Bank's Online Banking, you will need to re-establish that payment via 1st Security Bank's Online Banking on or after 2/27/23. You do not need to make any changes if you did not use Columbia Bank's Online Banking to set up any electronic loan payments between your accounts at Columbia Bank.

Will there be changes to the draw period for my SBA Express Loan?

No, your Columbia Bank loan account(s) will be transitioning to 1st Security Bank on 2/27/23. Your SBA Express loan has a limited 24-month interest-only draw period. After that period, you will no longer be able to make a draw request. Any outstanding principal balance owed on the loan after the draw period ends will be fully amortized over the remaining term of the loan. Please refer to your signed loan documents for additional details. Call (425) 275-4099 or email sbaloans@fsbwa.com with questions.

Who can I call if I have questions about my loan?

Beginning 2/27/23, you can call (877) 372-4249 and a 1st Security Bank Loan Representative will be able to assist you or you can email us at loan_ops@fsbwa.com.

Fees & Charges

Account Charges and Fees

Abandoned/Dormant Account	\$60/closure
Account Overdraft Transfer from Savings or Checking	\$10/transfer
Account Research Legal Claims & Orders, Immigration Account Verification, Balancing Account/Checkbook, General Account Research	\$10/15 minutes
Armored Car Cash Services**	Quote available
Debit Card—Replace First 2 cards per account are free	\$15/card
Debit Card Rush Orders	\$50/card
ATM Use—Out of Network	\$2/use
Cancelled Check Copy	\$2/copy
Check Cashing Non-Customer cashing an “on-us” check	\$5/check
Courier Service Subject to time of delivery and location	Quote available
Check Images with Statements	\$3/month
Check 21 File Processing Fee	\$250/month
Counter Checks 3 checks per page, minimum 1 page	\$3/page
Custom Mail Processing	\$5/month
Canadian Foreign Check Deposit	\$15/deposit
Fax Notifications	\$5/fax
Inactive Account All checking/savings & money market accounts after 365 days of inactivity	\$5/month
Insufficient Funds (Paid/Returned Item) Overdrafts created by check, in-person withdrawal, ATM withdrawal or other electronic means when funds are not on deposit	\$35/item
Legal Processing Fee Requests for information from government and enforcement agencies, including, but not limited to: levies, subpoenas, and garnishments	\$100/request
Medallion Signature Guarantee	
• Customer	No charge
• Non-Customer	Not available
Notary	
• Customer	No charge
• Non-Customer	\$5/notarization
Cashier's Checks	\$5/check
Returned Check (Deposit item)	\$10/item

** Cash services includes placing change/currency orders and verifying manual deposits (deposits with deposit slips). Additional fees may apply

Sales Draft Copy (Visa Debit Card)	\$10/copy
Special Handling	\$10/month
Statement Copy	\$3
Stop Payment	
• Domestic	\$30/stop
• Online	\$15/stop
Sweeps	
• One-Time LOC Sweep Set Up Fee	\$100
• To/From 1SB Commercial LOC	\$75
• Deposit Sweep—ZBA Master Account	\$12/month
• Deposit Sweep—ZBA Sub Account	\$3/month
Undeliverable Statement	\$5
Verification of Deposit or Loan Account	\$10
Visa/MC Cash Advance Processing Fee Advances by Phone	\$10/advance
Wire Transfers	
• Wire Service Fee	\$10/month
• Wire Trace Fee	\$25/month
• Wire Notification	\$1/notice
• Incoming	\$5
• Outgoing—Domestic	\$30
• Outgoing—Domestic eWire	\$15
• Outgoing—International in US funds	\$45
• Outgoing—International eWire	\$25
• Outgoing—International in foreign funds	\$25
1st Express Deposit Remote Deposit Capture	
• One-time RDC Set Up Fee	\$100
• Cancellation Fee Within First 12 Months of Service	\$300
• Single-Feed Scanner Included	\$40/month
• Single-Feed Scanner Customer Purchased	\$30/month
• Multi-Feed Scanner Included	\$75/month
• Multi-Feed Scanner Customer Purchased	\$30/month
• Additional Scanners—Single-Feed	\$10/month
• Additional Scanners—Multi-Feed	\$15/month
Business Online Banking	
Standard Multi-user logins, QuickBooks compatible, balance and detail reporting, transfers, stop payments and Bill Pay	No charge

Cash Management Online Services In addition to the services listed on opposite page, businesses will also have access to ACH* origination, EFTPS*, Wire modules in addition to Standard Features Wire Transfer*	*services subject to approval
• One-Time ACH Set-Up Fee	\$75
• ACH Service Fee	\$35/month
• One-Time EDI report Set-Up Fee	\$25
• EDI Report Fee	\$5/month

Fraud Prevention One-Time Positive Pay Set-Up Fee	\$50
Reverse Positive Pay, Per Account	\$10/month
Traditional Positive Pay, Per Account	\$10/month
ACH Positive Pay, Per Account	\$10/month
Image Lockbox Services With Premier Business Checking only. Contact Business Services at (877) 372-4249 for pricing information	Fees based on the type of service(s) required

Safe Deposit Box Annual Rental Fees

If you are a Columbia Bank safe deposit box customer, you will keep using your safe deposit box at the same branch location, with your current box keys.

Size	Automatic Payment from a 1SB Account	Without Automatic Payment
2 x 5	\$30	\$35
3 x 5		
4 x 5	\$40	\$45
5 x 5		
2 x 10	\$45	\$50
3 x 10		
4 x 10	\$65	\$70
5 x 10		
6 x 10	\$80	\$85
7 x 10		
8 x 10	\$100	\$105
9 x 10		
10 x 10		
10 x 11		

Other Service Charges and Fees

Drilling 1SB will choose the Locksmith. Includes travel time/mileage	\$200 minimum
Safekeeping Drilled Contents	\$5/year

Lost Key	\$10/key
Late Payment Fee	\$10/year

1ST SECURITY BANK

YOUR BUSINESS DEPOSIT ACCOUNT

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TERMS AND CONDITIONS OF YOUR ACCOUNT

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT -

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, address, date of birth (for individuals), and other information that will allow us to identify you. We may also ask to see your driver's license (for individuals) or other identifying documents.

AGREEMENT - This document, along with any other documents we give you pertaining to your account(s), is a contract (also referred to as "this agreement") that establishes rules which control your account(s) with us. Please read this carefully and retain it for future reference. If you open

the account (whether in-person, electronically, or by any other method permitted by us) or continue to use the account after receiving a notice of change or amendment, you agree to these rules. You will receive a separate schedule of rates, qualifying balances, and fees if they are not included in this agreement. If you have any questions, please ask us.

This agreement is subject to applicable federal laws, the laws of the state of Washington and other applicable rules such as the operating letters of the Federal Reserve Banks and payment processing system rules (except to the extent that this agreement can and does vary such rules or laws). The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here. The purpose of this agreement is to:

- (1) summarize some laws that apply to common transactions;
- (2) establish rules to cover transactions or events which the law does not regulate;

(3) establish rules for certain transactions or events which the law regulates but permits variation by agreement; and

(4) give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

If any provision of this agreement is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing either on the signature card for your account or in some other document. Nothing in this agreement is intended to vary our duty to act in good faith and with ordinary care when required by law.

As used in this agreement the words “we,” “our,” and “us” mean the financial institution and the words “you” and “your” mean the account holder(s) and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the account. However, this agreement does not intend, and the terms “you” and “your” should not be interpreted, to expand an individual’s responsibility for an organization’s liability. If this account is owned by a corporation, partnership or other organization, individual liability is determined by the laws generally applicable to that type of organization. The headings in this agreement are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this agreement should be construed so the singular includes the plural and the plural includes the singular.

LIABILITY - You agree, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the schedule of charges. You authorize us to deduct these charges, without notice to you, directly from the account balance as accrued. You will pay any additional reasonable charges for services you request which are not covered by this agreement.

Each of you also agrees to be jointly and severally (individually) liable for any account shortage resulting from charges or overdrafts, whether caused by you or another with access to this account. This liability is due immediately, and we can deduct any amounts deposited into the account and apply those amounts to the shortage. You have no right to defer payment of this liability, and you are liable regardless of whether you signed the item or benefited from the charge or overdraft.

You will be liable for our costs as well as for our reasonable attorneys’ fees, to the extent permitted by law, whether incurred as a result of collection or in any other dispute involving your account. This includes, but is not limited to, disputes between you and another joint owner; you and an authorized signer or similar party; or a third party claiming an interest in your account. This also includes any action that you or a third party takes regarding the account that causes us, in good faith, to seek the advice of an attorney, whether or not we become involved in the dispute. All costs and attorneys’ fees can be deducted from your account when they are incurred, without notice to you.

DEPOSITS - We will give only provisional credit until collection is final for any items, other than cash, we accept for deposit (including items drawn “on us”). Before settlement of any item becomes final, we act only as your agent, regardless of the form of indorsement or lack of indorsement on the item and even though we provide you provisional credit for the item. We may reverse any provisional credit for items that are lost, stolen, or returned. Unless prohibited by law, we also reserve the right to charge back to your account the amount of any item deposited to your account or cashed for you which was initially paid by the payor bank and which is later returned to us due to an allegedly forged, unauthorized or missing indorsement, claim of alteration, encoding error, counterfeit cashier’s check or other problem which in our judgment justifies reversal of credit. You authorize us to attempt to collect previously returned items without giving you notice, and in attempting to collect we may permit the payor bank to hold an item beyond the midnight deadline. Actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars. We are not responsible for transactions by mail or outside depository until we actually record them. We will treat and record all transactions received after our “daily cutoff time” on a business day we are open or received on a day we are not open for business, as if initiated

on the next business day that we are open. At our option, we may take an item for collection rather than for deposit. If we accept a third-party check or draft for deposit, we may require any third-party indorsers to verify or guarantee their indorsements, or indorse in our presence.

WITHDRAWALS - Important terms for accounts where more than one person can withdraw - Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs to open the account or has authority to make withdrawals may withdraw or transfer all or any part of the account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person who signs or has authority to make withdrawals to indorse any item payable to you or your order for deposit to this account or any other transaction with us.

Postdated checks - A postdated check is one which bears a date later than the date on which the check is written. We may properly pay and charge your account for a postdated check even though payment was made before the date of the check, unless we have received written notice of the postdating in time to have a reasonable opportunity to act. Because we process checks mechanically, your notice will not be effective and we will not be liable for failing to honor your notice unless it precisely identifies the number, date, amount and payee of the item.

Checks and withdrawal rules - If you do not purchase your check blanks from us, you must be certain that we approve the check blanks you purchase. We may refuse any withdrawal or transfer request which you attempt on forms not approved by us or by any method we do not specifically permit. We may refuse any withdrawal or transfer request which is greater in number than the frequency permitted by our policy, or which is for an amount greater or less than any withdrawal limitations. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply any frequency limitations. In addition, we may place limitations on the account until your identity is verified.

Even if we honor a nonconforming request, we are not required to do so later. If you violate the stated transaction limitations (if any), in our discretion we may close your account or reclassify your account as another type of account. If we reclassify your account, your account will be subject to the fees and earnings rules of the new account classification.

If we are presented with an item drawn against your account that would be a “substitute check,” as defined by law, but for an error or defect in the item introduced in the substitute check creation process, you agree that we may pay such item.

Cash withdrawals - We recommend you take care when making large cash withdrawals because carrying large amounts of cash may pose a danger to your personal safety. As an alternative to making a large cash withdrawal, you may want to consider a cashier’s check or similar instrument. You assume full responsibility of any loss in the event the cash you withdraw is lost, stolen, or destroyed. You agree to hold us harmless from any loss you incur as a result of your decision to withdraw funds in the form of cash.

Multiple signatures, electronic check conversion, and similar transactions - An electronic check conversion transaction is a transaction where a check or similar item is converted into an electronic fund transfer as defined in the Electronic Fund Transfers regulation. In these types of transactions, the check or similar item is either removed from circulation (truncated) or given back to you. As a result, we have no opportunity to review the signatures or otherwise examine the original check or item. You agree that, as to these or any items as to which we have no opportunity to examine the signatures, you waive any requirement of multiple signatures.

Notice of withdrawal - We reserve the right to require not less than 7 days’ notice in writing before each withdrawal from an interest-bearing account, other than a time deposit or demand deposit, or from any other savings deposit as defined by Regulation D. (The law requires us to reserve this right, but it is not our general policy to use it.) Withdrawals from a time account prior to maturity or prior to any notice period may be restricted and may be subject to penalty. See your separately provided notice of penalty for early withdrawal.

UNDERSTANDING AND AVOIDING OVERDRAFT AND NONSUFFICIENT FUNDS (NSF) FEES -

Generally - The information in this section is being provided to help you

understand what happens if your account is overdrawn. Understanding the concepts of overdrafts and nonsufficient funds (NSF) is important and can help you avoid being assessed fees or charges. This section also provides contractual terms relating to overdrafts and NSF transactions.

An overdrawn account will typically result in you being charged an overdraft fee or an NSF fee. Generally, an overdraft occurs when there is not enough money in your account to pay for a transaction, but we pay (or cover) the transaction anyway. An NSF transaction is slightly different. In an NSF transaction, we do not cover the transaction. Instead, the transaction is rejected and the item or requested payment is returned. In either situation, we can charge you a fee.

NSF or Overdraft Fees for each Presentment - You understand that when you authorize a merchant or payee to receive payment from your account, such as by writing a check or through ACH, the merchant or payee may present that authorization for payment to us more than once if the initial or subsequent presentment is rejected due to insufficient funds or other reason. Each time that the merchant or payee presents this authorization for payment constitutes a separate "item" which may incur a non-sufficient funds (NSF) Fee, Overdraft Fee, or other fee pursuant to our schedule of fees. By way of example, if you write a check to a merchant for which you do not have funds in your account, and the merchant presents that check to us for payment and that presentment is rejected, you may be charged an NSF Fee. Subsequently, without further action from you, the merchant may present the check to us additional times, and if you do not have sufficient funds in your account, each time may lead to a charge of an additional, separate NSF Fee. In this way, you may receive multiple fees in connection with a single underlying transaction with a merchant or payee where you do not have sufficient funds in your account.

Overdrafts - You understand that we may, at our discretion, honor withdrawal requests that overdraw your account. However, the fact that we may honor withdrawal requests that overdraw the account balance does not obligate us to do so later. So you can NOT rely on us to pay overdrafts on your account regardless of how frequently or under what circumstances we have paid overdrafts on your account in the past. We can change our practice of paying, or not paying, discretionary overdrafts on your account without notice to you. You can ask us if we have other account services that might be available to you where we commit to paying overdrafts under certain circumstances, such as an overdraft protection line-of-credit or a plan to sweep funds from another account you have with us. You agree that we may charge fees for overdrafts. We may use subsequent deposits, including direct deposits of social security or other government benefits, to cover such overdrafts and overdraft fees.

Nonsufficient funds (NSF) fees - If an item drafted by you (such as a check) or a transaction you set up (such as a preauthorized transfer) is presented for payment in an amount that is more than the amount of money available in your account, and we decide not to pay the item or transaction, you agree that we can charge you an NSF fee for returning the payment. Be aware that such an item or payment may be presented multiple times by the merchant or other payee until it is paid, and that we do not monitor or control the number of times a transaction is presented for payment. You agree that we may charge you an NSF fee each time a payment is presented if the amount of money available in your account is not sufficient to cover the payment, regardless of the number of times the payment is presented.

Balance information - Keeping track of your balance is important. You can review your balance in a number of ways including reviewing your periodic statement, reviewing your balance online, accessing your account information by phone, or coming into one of our branches.

Funds availability - Knowing when funds you deposit will be made available for withdrawal is another important concept that can help you avoid being assessed fees or charges. Please see our funds availability disclosure (generally titled, "Your Ability to Withdraw Funds") for information on when different types of deposits will be made available for withdrawal. For an account to which our funds availability policy disclosure does not apply, you can ask us when you make a deposit when those funds will be available for withdrawal. An item may be returned after the funds from the deposit of that item are made available for withdrawal. In that case, we will reverse the credit of the item. We may determine the amount of available

funds in your account for the purpose of deciding whether to return an item for insufficient funds at any time between the times we receive the item and when we return the item or send a notice in lieu of return. We need only make one determination, but if we choose to make a subsequent determination, the account balance at the subsequent time will determine whether there are insufficient available funds.

A temporary debit authorization hold affects your account balance - On debit card purchases, merchants may request a temporary hold on your account for a specified sum of money when the merchant does not know the exact amount of the purchase at the time the card is authorized. The amount of the temporary hold may be more than the actual amount of your purchase. Some common transactions where this occurs involve purchases of gasoline, hotel rooms, or meals at restaurants. When this happens, our processing system cannot determine that the amount of the hold exceeds the actual amount of your purchase. This temporary hold, and the amount charged to your account, will eventually be adjusted to the actual amount of your purchase, but it could be three calendar days, or even longer in some cases, before the adjustment is made. Until the adjustment is made, the amount of funds in your account available for other transactions will be reduced by the amount of the temporary hold. If one or more transactions are presented for payment in an amount greater than the funds left after the deduction of the temporary hold amount, you will be charged an NSF or overdraft fee according to our NSF or overdraft fee policy, which may result in one or more overdraft or NSF fees. You will be charged the fee even if you would have had sufficient funds in your account if the amount of the hold had been equal to the amount of your purchase.

BUSINESS, ORGANIZATION AND ASSOCIATION ACCOUNTS - Earnings in the form of interest, dividends, or credits will be paid only on collected funds, unless otherwise provided by law or our policy. You represent that you have the authority to open and conduct business on this account on behalf of the entity. We may require the governing body of the entity opening the account to give us a separate authorization telling us who is authorized to act on its behalf. We will honor the authorization until we actually receive written notice of a change from the governing body of the entity.

STOP PAYMENTS - The rules in this section cover stopping payment of items such as checks and drafts. Rules for stopping payment of other types of transfers of funds, such as consumer electronic fund transfers, may be established by law or our policy. If we have not disclosed these rules to you elsewhere, you may ask us about those rules.

We may accept an order to stop payment on any item from any one of you. You must make any stop-payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it before our stop-payment cutoff time. Because the most effective way for us to execute a stop-payment order is by using an automated process, to be effective, your stop-payment order must precisely identify the number, date, and amount of the item, and the payee. You may stop payment on any item drawn on your account whether you sign the item or not. Generally, if your stop-payment order is given to us in writing it is effective for six months. Your order will lapse after that time if you do not renew the order in writing before the end of the six-month period. If the original stop-payment order was oral your stop-payment order will lapse after 14 calendar days if you do not confirm your order in writing within that time period. We are not obligated to notify you when a stop-payment order expires.

If you stop payment on an item and we incur any damages or expenses because of the stop payment, you agree to indemnify us for those damages or expenses, including attorneys' fees. You assign to us all rights against the payee or any other holder of the item. You agree to cooperate with us in any legal actions that we may take against such persons. You should be aware that anyone holding the item may be entitled to enforce payment against you despite the stop-payment order.

Our stop-payment cutoff time is one hour after the opening of the next banking day after the banking day on which we receive the item. Additional limitations on our obligation to stop payment are provided by law (e.g., we paid the item in cash or we certified the item).

TELEPHONE TRANSFERS - A telephone transfer of funds from this account

to another account with us, if otherwise arranged for or permitted, may be made by the same persons and under the same conditions generally applicable to withdrawals made in writing. Limitations on the number of telephonic transfers from a savings account, if any, are described elsewhere.

AMENDMENTS AND TERMINATION - We may change any term of this agreement. For such changes, we will give you reasonable notice in writing or by any other method permitted by law. We may also suspend or terminate a service or close this account at any time upon reasonable notice to you and, if we close the account, tender of the account balance personally or by mail. Reasonable notice depends on the circumstances, and in some cases, such as when we cannot verify your identity or we suspect fraud, it might be reasonable for us to give you notice after the change or account closure becomes effective. For instance, if we suspect fraudulent activity with respect to your account, we might immediately freeze or close your account and then give you notice. If we have notified you of a change in any term of your account and you continue to have your account after the effective date of the change, you have agreed to the new terms.

When you close your account, you are responsible for leaving enough money in the account to cover any outstanding items to be paid from the account.

Items presented for payment after the account is closed may be dishonored. Note: Rules governing changes in interest rates are provided separately in the Truth-in-Savings disclosure or in another document. In addition, for changes governed by a specific law or regulation, we will follow the specific timing and format notice requirements of those laws or regulations.

CORRECTION OF CLERICAL ERRORS - Unless otherwise prohibited by law, you agree, if determined necessary in our reasonable discretion, to allow us to correct clerical errors, such as obtaining your missing signature, on any account documents or disclosures that are part of our agreement with you. For errors on your periodic statement, please refer to the STATEMENTS section.

NOTICES - Any written notice you give us is effective when we actually receive it, and it must be given to us according to the specific delivery instructions provided elsewhere, if any. We must receive any notice in time to have a reasonable opportunity to act on it. If a notice is regarding a check or other item, you must give us sufficient information to be able to identify the check or item, including the precise check or item number, amount, date and payee. Notice we give you via the United States Mail is effective when it is deposited in the United States Mail with proper postage and addressed to your mailing address we currently have on file. Notice we give you through your email of record, or other electronic method to which you agreed, will be treated as delivered to you when sent. Notice to any of you is notice to all of you.

STATEMENTS - Your duty to report unauthorized signatures (including forgeries and counterfeit checks) and alterations on checks and other items - You must examine your statement of account with "reasonable promptness." If you discover (or reasonably should have discovered) any unauthorized signatures or alterations (including forgeries and counterfeit checks), you must promptly notify us of the relevant facts. As between you and us, if you fail to do either of these duties, you will have to either share the loss with us, or bear the loss entirely yourself (depending on whether we used ordinary care and, if not, whether we substantially contributed to the loss). The loss could be not only with respect to items on the statement but other items with unauthorized signatures or alterations by the same wrongdoer.

You agree that the time you have to examine your statement and report to us will depend on the circumstances, but will not, in any circumstance, exceed a total of 30 days from when the statement is first sent or made available to you. You further agree that if you fail to report any unauthorized signatures or alterations in your account within 60 days of when we first send or make the statement available, you cannot assert a claim against us on any items in that statement, and as between you and us the loss will be entirely yours. This 60-day limitation is without regard to whether we used ordinary care. The limitation in this paragraph is in addition to that contained in the first paragraph of this section.

Your duty to report other errors or problems - In addition to your duty to review your statements for unauthorized signatures and alterations, you agree to examine your statement with reasonable promptness for any other error or problem - such as an encoding error or an unexpected deposit amount. Also, if you receive or we make available either your items or images of your items, you must examine them for any unauthorized or missing indorsements or any other problems. You agree that the time you have to examine your statement and items and report to us will depend on the circumstances. However, this time period shall not exceed 60 days. Failure to examine your statement and items and report any errors to us within 60 days of when we first send or make the statement available precludes you from asserting a claim against us for any errors on items identified in that statement and as between you and us the loss will be entirely yours.

Duty to notify if statement not received - You agree to immediately notify us if you do not receive your statement by the date you normally expect to receive it. Not receiving your statement in a timely manner is a sign that there may be an issue with your account, such as possible fraud or identity theft. Absent a lack of ordinary care by us, a failure to receive your statement in a timely manner does not extend the time you have to conduct your review under this agreement.

ACCOUNT TRANSFER - This account may not be transferred or assigned without our prior written consent.

REIMBURSEMENT OF FEDERAL BENEFIT PAYMENTS - If we are required for any reason to reimburse the federal government for all or any portion of a benefit payment that was directly deposited into your account, you authorize us to deduct the amount of our liability to the federal government from the account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other available legal remedy to recover the amount of our liability.

TEMPORARY ACCOUNT AGREEMENT - If the account documentation indicates that this is a temporary account agreement, it means that all account owners have not yet signed the signature card, or that some other account opening requirement has not been completed. We may give you a duplicate signature card so that you can obtain all of the necessary signatures and return it to us. Each person who signs to open the account or has authority to make withdrawals (except as indicated to the contrary) may transact business on this account. However, we may at some time in the future restrict or prohibit further use of this account if you fail to comply with the requirements we have imposed within a reasonable time.

SETOFF - We may (without prior notice and when permitted by law) set off the funds in this account against any due and payable debt any of you owe us now or in the future. If this account is owned by one or more of you as individuals, we may set off any funds in the account against a due and payable debt a partnership owes us now or in the future, to the extent of your liability as a partner for the partnership debt. If your debt arises from a promissory note, then the amount of the due and payable debt will be the full amount we have demanded, as entitled under the terms of the note, and this amount may include any portion of the balance for which we have properly accelerated the due date.

This right of setoff does not apply to this account if prohibited by law. For example, the right of setoff does not apply to this account if: (a) it is an Individual Retirement Account or similar tax-deferred account, or (b) the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest), or (c) the debtor's right of withdrawal only arises in a representative capacity. We will not be liable for the dishonor of any check when the dishonor occurs because we set off a debt against this account. You agree to hold us harmless from any claim arising as a result of our exercise of our right of setoff.

RESTRICTIVE LEGENDS OR INDORSEMENTS - The automated processing of the large volume of checks we receive prevents us from inspecting or looking for restrictive legends, restrictive indorsements or other special instructions on every check. For this reason, we are not required to honor any restrictive legend or indorsement or other special instruction placed on checks you write unless we have agreed in writing to the restriction or instruction. Unless we have agreed in writing, we are not responsible for

any losses, claims, damages, or expenses that result from your placement of these restrictions or instructions on your checks. Examples of restrictive legends placed on checks are “must be presented within 90 days” or “not valid for more than \$1,000.00.” The payee’s signature accompanied by the words “for deposit only” is an example of a restrictive indorsement.

FACSIMILE SIGNATURES - Unless you make advance arrangements with us, we have no obligation to honor facsimile signatures on your checks or other orders. If we do agree to honor items containing facsimile signatures, you authorize us, at any time, to charge you for all checks, drafts, or other orders, for the payment of money, that are drawn on us. You give us this authority regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen filed with us, and contain the required number of signatures for this purpose. You must notify us at once if you suspect that your facsimile signature is being or has been misused.

CHECK PROCESSING - We process items mechanically by relying almost exclusively on the information encoded in magnetic ink along the bottom of the items. This means that we do not individually examine all of your items to determine if the item is properly completed, signed and indorsed or to determine if it contains any information other than what is encoded in magnetic ink. You agree that we have exercised ordinary care if our automated processing is consistent with general banking practice, even though we do not inspect each item. Because we do not inspect each item, if you write a check to multiple payees, we can properly pay the check regardless of the number of indorsements unless you notify us in writing that the check requires multiple indorsements. We must receive the notice in time for us to have a reasonable opportunity to act on it, and you must tell us the precise date of the check, amount, check number and payee. We are not responsible for any unauthorized signature or alteration that would not be identified by a reasonable inspection of the item. Using an automated process helps us keep costs down for you and all account holders.

CHECK CASHING - We may charge a fee for anyone that does not have an account with us who is cashing a check, draft or other instrument written on your account. We may also require reasonable identification to cash a check, draft or other instrument. We can decide what identification is reasonable under the circumstances and such identification may be documentary or physical and may include collecting a thumbprint or fingerprint.

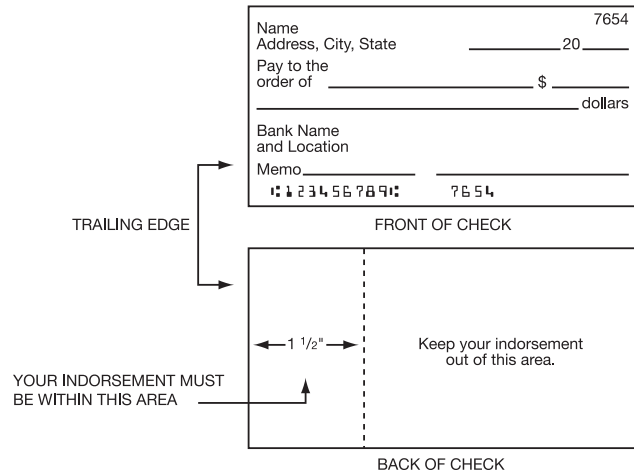
INDORSEMENTS - We may accept for deposit any item payable to you or your order, even if they are not indorsed by you. We may give cash back to any one of you. We may supply any missing indorsement(s) for any item we accept for deposit or collection, and you warrant that all indorsements are genuine.

To ensure that your check or share draft is processed without delay, you must indorse it (sign it on the back) in a specific area. Your entire indorsement (whether a signature or a stamp) along with any other indorsement information (e.g. additional indorsements, ID information, driver’s license number, etc.) must fall within 1 1/2” of the “trailing edge” of a check. Indorsements must be made in blue or black ink, so that they are readable by automated check processing equipment.

As you look at the front of a check, the “trailing edge” is the left edge. When you flip the check over, be sure to keep all indorsement information within 1 1/2” of that edge.

It is important that you confine the indorsement information to this area since the remaining blank space will be used by others in the processing of the check to place additional needed indorsements and information. You agree that you will indemnify, defend, and hold us harmless for any loss, liability, damage or expense that occurs because your indorsement, another indorsement or information you have printed on the back of the check obscures our indorsement.

These indorsement guidelines apply to both personal and business checks.



DEATH OR INCOMPETENCE - You agree to notify us promptly if any person with a right to withdraw funds from your account(s) dies or is adjudicated (determined by the appropriate official) incompetent. We may continue to honor your checks, items, and instructions until: (a) we know of your death or adjudication of incompetence, and (b) we have had a reasonable opportunity to act on that knowledge. You agree that we may pay or certify checks drawn on or before the date of death or adjudication of incompetence for up to ten (10) days after your death or adjudication of incompetence unless ordered to stop payment by someone claiming an interest in the account.

FIDUCIARY ACCOUNTS - Accounts may be opened by a person acting in a fiduciary capacity. A fiduciary is someone who is appointed to act on behalf of and for the benefit of another. We are not responsible for the actions of a fiduciary, including the misuse of funds. This account may be opened and maintained by a person or persons named as a trustee under a written trust agreement, or as executors, administrators, or conservators under court orders. You understand that by merely opening such an account, we are not acting in the capacity of a trustee in connection with the trust nor do we undertake any obligation to monitor or enforce the terms of the trust or letters.

CREDIT VERIFICATION - You agree that we may verify credit and employment history by any necessary means, including preparation of a credit report by a credit reporting agency.

LEGAL ACTIONS AFFECTING YOUR ACCOUNT - If we are served with a subpoena, restraining order, writ of attachment or execution, levy, garnishment, search warrant, or similar order relating to your account (termed “legal action” in this section), we will comply with that legal action as required by applicable law. However, nothing in this agreement shall be construed as a waiver of any rights you may have under applicable law with regards to such legal action. Subject to applicable law, we may, in our sole discretion, choose to freeze the assets in the account and not allow any payments or transfers out of the account until there is a final court determination regarding the legal action. We may do these things even if the legal action involves less than all of you. In these cases, we will not have any liability to you if there are insufficient funds to pay your items because we have withdrawn funds from your account or in any way restricted access to your funds in accordance with the legal action and applicable law. Any fees or expenses we incur in responding to any legal action (including, without limitation, attorneys’ fees, and our internal expenses) may be charged against your account, unless otherwise prohibited by applicable law. The list of fees applicable to your account(s) - provided elsewhere - may specify additional fees that we may charge for responding to certain legal actions.

ACCOUNT SECURITY - Your duty to protect account information and methods of access - Our policy may require methods of verifying your identity before providing you with a service or allowing you access to your account. We can decide what identification is reasonable under the circumstances. For example, process and identification requirements may vary depending on whether they are online or in person. Identification may be documentary or physical and may include collecting a fingerprint,

voiceprint, or other biometric information. It is your responsibility to protect the account numbers and electronic access devices (e.g., an ATM card, point-of-sale card and/or PIN) we provide you for your accounts. You should also safeguard your username, password, and other access and identifying information when accessing your account through a computer or other electronic, audio, or mobile device or technology. If you give anyone authority to access the account on your behalf, you should exercise caution and ensure the trustworthiness of that agent. Do not discuss, compare, or share information about your account numbers with anyone unless you are willing to give them full use of your money. Checks and electronic withdrawals are processed by automated methods, and anyone who obtains your account number or access device could use it to withdraw money from your account, with or without your permission.

Positive pay and other fraud prevention services - Except for consumer electronic fund transfers subject to Regulation E, you agree that if we offer you services appropriate for your account to help identify and limit fraud or other unauthorized transactions against your account, and you reject those services, you will be responsible for any fraudulent or unauthorized transactions which could have been prevented by the services we offered. You will not be responsible for such transactions if we acted in bad faith or to the extent our negligence contributed to the loss. Such services include positive pay or commercially reasonable security procedures. The positive pay service can help detect and prevent check fraud and is appropriate for account holders that issue a high volume of checks, a lot of checks to the general public, or checks for large dollar amounts.

Account numbers - Thieves can encode your account number on a check which looks and functions like an authorized check and can be used to withdraw money from your account. Your account number can also be used to issue a "remotely created check." Like a typical check, a remotely created check (sometimes called a telecheck, preauthorized draft or demand draft) is a draft or check that can be used to withdraw money from your account. Unlike a typical check or draft, however, a remotely created check is not issued by the paying bank and does not contain the signature of the account owner (or a signature purported to be the signature of the account owner). If you have truly authorized the remotely created check (to purchase a service or merchandise, for example), it is properly payable. But it can be risky to authorize a remotely created check. A swindler could issue a remotely created check in an amount greater than you authorized, or issue additional remotely created checks that you have not authorized. We will not know if the withdrawal is unauthorized or in an amount greater than the amount you have authorized. Payment can be made from your account even though you did not contact us directly and order the payment.

Access devices - If you furnish your access device and grant actual authority to make transfers to someone who then exceeds that authority, you will be liable for the transfers unless we have been notified that transfers by that person are no longer authorized. Please review the additional information you have received or will receive regarding transfers by access device.

Blank checks - You must also take precaution in safeguarding your blank checks. Notify us at once if you think your blank checks have been lost or stolen. As between you and us, if you are negligent in safeguarding your checks, you must bear the loss entirely yourself, or share the loss with us if we failed to use ordinary care which substantially contributes to the loss.

INSTRUCTIONS FROM YOU - Unless required by law or we have agreed otherwise in writing, we are not required to act upon instructions you give us via facsimile transmission, email, voicemail, or phone call to a facsimile number, email address, or phone number not designated by us for a particular purpose or for a purpose that is unrelated to the request or instruction.

MONITORING AND RECORDING TELEPHONE CALLS AND ACCOUNT COMMUNICATIONS - Subject to federal and state law, we may monitor or record phone calls for security reasons, to maintain a record, and to ensure that you receive courteous and efficient service. You consent in advance to any such recording.

To provide you with the best possible service in our ongoing business relationship for your account, we may need to contact you about your account from time to time by telephone, text messaging, or email. In

contacting you about your account, we may use any telephone numbers or email addresses that you have previously provided to us by virtue of an existing business relationship or that you may subsequently provide to us.

You acknowledge that the number we use to contact you may be assigned to a landline, a paging service, a cellular wireless service, a specialized mobile radio service, other radio common carrier service, or any other service for which you may be charged for the call. You acknowledge that we may contact you by voice, voicemail, or text messaging. You further acknowledge that we may use pre-recorded voice messages, artificial voice messages, or automatic telephone dialing systems.

If necessary, you may change or remove any of the telephone numbers, email addresses, or other methods of contacting you at any time using any reasonable means to notify us.

CLAIM OF LOSS - The following rules do not apply to a transaction or claim related to a consumer electronic fund transfer governed by Regulation E (e.g., an every day/one-time consumer debit card or ATM transaction). The error resolution procedures for consumer electronic fund transfers can be found in our initial Regulation E disclosure generally titled, "Electronic Fund Transfers." For other transactions or claims, if you claim a credit or refund because of a forgery, alteration, or any other unauthorized withdrawal, you agree to cooperate with us in the investigation of the loss, including giving us an affidavit containing whatever reasonable information we require concerning your account, the transaction, and the circumstances surrounding the loss. You will notify law enforcement authorities of any criminal act related to the claim of lost, missing, or stolen checks or unauthorized withdrawals. We will have a reasonable period of time to investigate the facts and circumstances surrounding any claim of loss. Unless we have acted in bad faith, we will not be liable for special or consequential damages, including loss of profits or opportunity, or for attorneys' fees incurred by you.

You agree that you will not waive any rights you have to recover your loss against anyone who is obligated to repay, insure, or otherwise reimburse you for your loss. You will pursue your rights or, at our option, assign them to us so that we may pursue them. Our liability will be reduced by the amount you recover or are entitled to recover from these other sources.

EARLY WITHDRAWAL PENALTIES (and involuntary withdrawals) - We may impose early withdrawal penalties on a withdrawal from a time account even if you don't initiate the withdrawal. For instance, the early withdrawal penalty may be imposed if the withdrawal is caused by our setoff against funds in the account or as a result of an attachment or other legal process. We may close your account and impose the early withdrawal penalty on the entire account balance in the event of a partial early withdrawal. See your separately provided notice of penalty for early withdrawal for additional information.

CHANGES IN NAME AND CONTACT INFORMATION - You are responsible for notifying us of any change in your name, address, or other information we use to communicate with you. Unless we agree otherwise, notice of such a change must be made in writing. Informing us of your address or name change on a check reorder form is not sufficient. We will attempt to communicate with you only by use of the most recent information you have provided to us. If provided elsewhere, we may impose a service fee if we attempt to locate you.

RESOLVING ACCOUNT DISPUTES - We may place an administrative hold on the funds in your account (refuse payment or withdrawal of the funds) if it becomes subject to a claim adverse to (1) your own interest; (2) others claiming an interest as survivors or beneficiaries of your account; or (3) a claim arising by operation of law. The hold may be placed for such period of time as we believe reasonably necessary to allow a legal proceeding to determine the merits of the claim or until we receive evidence satisfactory to us that the dispute has been resolved. We will not be liable for any items that are dishonored as a consequence of placing a hold on funds in your account for these reasons.

WAIVER OF NOTICES - To the extent permitted by law, you waive any notice of non-payment, dishonor or protest regarding any items credited to or charged against your account. For example, if you deposit an item and it is returned unpaid or we receive a notice of nonpayment, we do not have to notify you unless required by federal Regulation CC or other law.

TRUNCATION, SUBSTITUTE CHECKS, AND OTHER CHECK IMAGES - If you truncate an original check and create a substitute check, or other paper or electronic image of the original check, you warrant that no one will be asked to make payment on the original check, a substitute check or any other electronic or paper image, if the payment obligation relating to the original check has already been paid. You also warrant that any substitute check you create conforms to the legal requirements and generally accepted specifications for substitute checks. You agree to retain the original check in conformance with our policy for retaining original checks. You agree to indemnify us for any loss we may incur as a result of any truncated check transaction you initiate. We can refuse to accept substitute checks that have not previously been warranted by a bank or other financial institution in conformance with the Check 21 Act. Unless specifically stated in a separate agreement between you and us, we do not have to accept any other electronic or paper image of an original check.

REMOTELY CREATED CHECKS - Like any standard check or draft, a remotely created check (sometimes called a telecheck, preauthorized draft or demand draft) is a check or draft that can be used to withdraw money from an account. Unlike a typical check or draft, however, a remotely created check is not issued by the paying bank and does not contain the signature of the account owner (or a signature purported to be the signature of the account owner). In place of a signature, the check usually has a statement that the owner authorized the check or has the owner's name typed or printed on the signature line.

You warrant and agree to the following for every remotely created check we receive from you for deposit or collection: (1) you have received express and verifiable authorization to create the check in the amount and to the payee that appears on the check; (2) you will maintain proof of the authorization for at least 2 years from the date of the authorization, and supply us the proof if we ask; and (3) if a check is returned you owe us the amount of the check, regardless of when the check is returned. We may take funds from your account to pay the amount you owe us, and if there are insufficient funds in your account, you still owe us the remaining balance.

UNLAWFUL INTERNET GAMBLING NOTICE - Restricted transactions as defined in Federal Reserve Regulation GG are prohibited from being processed through this account or relationship. Restricted transactions generally include, but are not limited to, those in which credit, electronic fund transfers, checks, or drafts are knowingly accepted by gambling businesses in connection with the participation by others in unlawful Internet gambling.

PLEDGES - Each owner of this account may pledge all or any part of the funds in it for any purpose to which we agree. Any pledge of this account must first be satisfied before the rights of any surviving account owner or account beneficiary become effective. For example, if an account has two owners and one of the owners pledges the account (i.e., uses it to secure a debt) and then dies, (1) the surviving owner's rights in this account do not take effect until the debt has been satisfied, and (2) the debt may be satisfied with the funds in this account.

AGENCY (Power of Attorney) DESIGNATION - In the case of a multiple-party account, the owners may use a writing signed by all owners to designate as agent of all owners on an account a person other than an owner. The agent is merely designated to conduct transactions on the owner's behalf. The owner does not give up any rights to act on the account, and the agent may not in any manner affect the rights of the owner or beneficiaries, if any, other than by withdrawing funds from the account. The owner is responsible for any transactions of the agent. We undertake no obligation to monitor transactions to determine that they are on the owner's behalf. The owner may terminate the agency at any time, and the agency is automatically terminated by the death of the owner. However, we may continue to honor the transactions of the agent until: (a) we have received written notice or have actual knowledge of the termination of the agency, and (b) we have a reasonable opportunity to act on that notice or knowledge. We may refuse to accept an agent.

STALE-DATED CHECKS - We are not obligated to, but may at our option, pay a check, other than a certified check, presented for payment more than six months after its date. If you do not want us to pay a stale-dated check, you must place a stop-payment order on the check in the manner we have

described elsewhere.

FDIC INSURANCE - Funds in your account(s) with us are insured by the Federal Deposit Insurance Corporation (FDIC) and backed by the full faith and credit of the United States. The amount of insurance coverage you have depends on the number of accounts you have with us that are of different "ownership." An individual account is one unique form of "ownership"; a joint account, a pay-on-death account, and a self directed qualified retirement account (e.g., an IRA) are examples of some of the others. Deposit insurance for a person's self directed qualified retirement account is up to \$250,000. (An IRA is a self directed qualified retirement account as is any account where the owner decides where and how to invest the balance.) Funds are insured to \$250,000 per depositor for the total of funds combined in all of your other insured accounts with us. If you want a more detailed explanation or additional information, you may ask us or contact the FDIC. You can also visit the FDIC website at www.fdic.gov and click on the Deposit Insurance link. The link includes detailed contact information as well as a deposit insurance estimator.

UNCLAIMED PROPERTY - The law establishes procedures under which unclaimed property must be surrendered to the state. (We may have our own rules regarding dormant accounts, and if we charge a fee for dormant accounts it will be disclosed to you elsewhere.) Generally, the funds in your account are considered unclaimed if you have not had any activity or communication with us regarding your account over a period of years. Ask us if you want further information about the period of time or type of activity that will prevent your account from being unclaimed. If your funds are surrendered to the state, you may be able to reclaim them, but your claim must be presented to the state. Once your funds are surrendered, we no longer have any liability or responsibility with respect to the funds.

CASH TRANSACTION REPORTING - To help law enforcement agencies detect illegal activities, the law requires all financial institutions to gather and report information on some types of cash transactions. If the information we need to complete the report is not provided, we are required to refuse to handle the transaction. If you have any questions regarding these rules, the

U.S. Treasury Financial Crimes Enforcement Network (FinCEN) maintains a frequently asked questions (FAQ) document online. The FAQ also includes additional information for contacting FinCEN.

BACKUP WITHHOLDING/TIN CERTIFICATION - Federal tax law requires us to report interest payments we make to you of \$10 or more in a year, and to include your taxpayer identification number (TIN) on the report (the taxpayer identification number is your social security number if you are an individual). Interest includes dividends, interest and bonus payments for purposes of this rule. Therefore, we require you to provide us with your TIN and to certify that it is correct. In some circumstances, federal law requires us to withhold and pay to the IRS a percentage of the interest that is earned on funds in your accounts. This is known as backup withholding. We will not have to withhold interest payments when you open your account if you certify your TIN and certify that you are not subject to backup withholding due to underreporting of interest. (There are special rules if you do not have a TIN but have applied for one, if you are a foreign person, or if you are exempt from the reporting requirements.) We may subsequently be required to begin backup withholding if the IRS informs us that you supplied an incorrect TIN or that you underreported your interest income.

LOST, DESTROYED, OR STOLEN CERTIFIED, CASHIER'S, OR TELLER'S CHECKS - Under some circumstances you may be able to assert a claim for the amount of a lost, destroyed, or stolen certified, cashier's or teller's check. To assert the claim: (a) you must be the remitter (or drawer of a certified check) or payee of the check, (b) we must receive notice from you describing the check with reasonable certainty and asking for payment of the amount of the check, (c) we must receive the notice in time for us to have a reasonable opportunity to act on it, and (d) you must give us a declaration (in a form we require) of your loss with respect to the check. You can ask us for a declaration form. Even if all of these conditions are met, your claim may not be immediately enforceable. We may pay the check until the ninetieth day after the date of the check (or date of acceptance of a certified check). Therefore, your claim is not enforceable until the ninetieth day after the date of the check or date of acceptance, and the conditions listed above have been met. If we have not already paid

the check, on the day your claim is enforceable we become obligated to pay you the amount of the check. We will pay you in cash or issue another certified check.

At our option, we may pay you the amount of the check before your claim becomes enforceable. However, we will require you to agree to indemnify us for any losses we might suffer. This means that if the check is presented after we pay your claim, and we pay the check, you are responsible to cover our losses. We may require you to provide a surety bond to assure that you can pay us if we suffer a loss.

CHANGING ACCOUNT PRODUCTS - We may change your account to another product offered by us at any time by giving you notice that your account will be changed to another product on a specified date. If your account is a time account, the change will not occur before the next maturity date of your account. If you do not close your account before the date specified in the notice, we may change your account to that other product on the date specified in the notice.

TRANSACTIONS BY MAIL - You may deposit checks or drafts by mail. You should indorse the item being sent through the mail with the words "For Deposit Only" and should include your correct account number underneath to ensure the item is credited to the correct account. You should use the pre-encoded deposit slips found in your checkbook. If you do not use your deposit slip or provide us with instructions indicating how or where the item should be credited, we may apply it to any account or any loan balance you have with us or we may return the item to you. Receipts for such transactions will be mailed to you only if a self-addressed stamped envelope is provided. Following your deposit, examine your statement carefully or call us to ensure that we received the item. Do not send cash through the mail for deposit.

CHECK STORAGE AND COPIES - You agree that you will not receive your canceled checks. We will store your canceled checks or copies of them for a reasonable retention period. You may request copies from us in the manner we require.

INTERNATIONAL ACH TRANSACTIONS - Financial institutions are required by law to scrutinize or verify any international ACH transaction (IAT) that they receive against the Specially Designated Nationals (SDN) list of the Office of Foreign Assets Control (OFAC). This action may, from time to time, cause us to temporarily suspend processing of an IAT and potentially affect the settlement and/or availability of such payments.

ACH AND WIRE TRANSFERS - This agreement is subject to Article 4A of the Uniform Commercial Code - Fund Transfers as adopted in the state in which you have your account with us. If you originate a fund transfer and you identify by name and number a beneficiary financial institution, an intermediary financial institution or a beneficiary, we and every receiving or beneficiary financial institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a financial institution, person or account other than the one named. You agree to be bound by automated clearing house association rules. These rules provide, among other things, that payments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A-403(a) of the Uniform Commercial Code. If we do not receive such payment, we are entitled to a refund from you in the amount credited to your account and the party originating such payment will not be considered to have paid the amount so credited. Credit entries may be made by ACH. If we receive a payment order to credit an account you have with us by wire or ACH, we are not required to give you any notice of the payment order or credit.

BUSINESS VISA® DEBIT CARD AGREEMENT

Welcome. This Business Visa® Debit Card Agreement ("Agreement") governs your request for issuance of, and use of a Business Visa® Debit Card ("Card"). This Agreement supplements and incorporates the deposit account agreements which govern your business accounts, which may be accessed by the use of the Card. This Agreement also supplements and incorporates any resolutions concerning your business accounts, including resolutions relating specifically to Cards. If there is a conflict among these agreements and resolutions, the terms most favorable to us will control. If there is a conflict between what one of our employees tells you and the

terms of this Agreement, the terms of this Agreement will control. Use of the Card verifies your acceptance of the terms of this Agreement.

Definitions. The words "we," "our," and "us" refer to 1st Security Bank of Washington. The words "you" and "your" refer to the owner of the specific account(s) for which Card transactions are permitted. The word "Cardholder" refers to any person authorized by you to use the Card. The word "Account" or "Accounts" mean those business deposit accounts that you maintain with us and that may be accessed with a Card. "ATM" means automated teller machines. "PIN" means the confidential identification number or code assigned to you for identification purposes in connection with the Card. Unless inconsistent, words and phrases used in this Agreement will be construed so that the singular includes the plural and the plural includes the singular.

Issuing and Canceling Cards. The Card allows each Cardholder direct access to your Accounts. We will issue Cards and a PIN to each Cardholder; however, all Cards remain our property and must be surrendered to us upon demand. We may restrict the number of Cardholders for each Account. Each Cardholder must sign his or her Card before it may be used. Once a Card has been issued, it may not be transferred to another person. You agree to notify us immediately when you terminate a Cardholder's rights and to promptly destroy or return the Cardholder's Card to us.

Security Procedures. You, we and each Cardholder agree to the following security procedures: Each Cardholder must sign his or her Card before it may be used. Both a Card and a PIN must be used together to obtain cash at designated ATMs. However, you may use your Card to purchase goods or pay for services without a PIN. Once a Card has been issued it cannot be transferred to another person. You agree to immediately notify us when you terminate a Cardholder's rights and to promptly return the Card to us. You agree to examine your receipts and periodic statements in a timely manner. You agree that any dollar or frequency limits assigned to each Cardholder will also act as a security procedure.

You agree to establish prudent security standards and policies which include proper safeguards to protect the confidentiality of all PINs and which protect against the unauthorized use of the Card. You agree to provide written instructions to all Cardholders about the importance of protecting the Card and PIN. You are solely responsible for establishing and maintaining the procedures required to safeguard against unauthorized use of the Card. You agree that these security procedures are commercially reasonable in the context of your operations, requirements and internal procedures.

You agree to notify us immediately, followed by written confirmation, of any attempts or suspected attempts of unauthorized use of the Card. You must also notify us, in the same manner, if you suspect that any security procedure has been compromised.

YOUR ACCOUNT(S)

Security Interest. You hereby grant us a Uniform Commercial Code security interest in the Account(s) and any other deposits you maintain with us to secure transfers, payments and other obligations you incur as a result of the use of the Card.

Holds on Your Account. If we receive an electronic notice that a purchase has occurred using a Card, we may place a hold on your Account. The hold will be for the actual amount of the purchase or, depending on the merchant's practice, for the anticipated amount of purchase or other amount (which may be greater than the actual amount of purchase). The hold may remain in effect until the item is presented to us for payment.

Order of Payment. Our policy is to post and pay Card transactions in the order they are received. We reserve the right to pay Card transactions before checks, drafts, and other items.

Illegal Transactions. You and each Cardholder agree not to use your Card or any Account linked to your Card for any illegal purpose.

TYPES OF TRANSACTIONS

Business Transactions Only. You and every Cardholder agree that the Card is for use by business owners and employees. The Card may be used for business purpose transactions only. The Card may not be used for personal or consumer purposes. You agree to provide written instructions to all

Cardholders that the Card must not be used for consumer purposes. We assume that all transactions are for business purposes. We do not monitor transactions to determine their purpose.

You may use a Card and PIN or signature to:

- Withdraw cash from your Accounts
- Make deposits to your Accounts
- Transfer funds between your Accounts
- Obtain the balance of your Accounts
- Conduct Point - of - Sale (POS) transactions
- Purchase goods or services wherever Visa® is accepted (funds can only be debited from a business checking Account)
- Make online purchases.

Some of these services may not be available at all terminals.

Dollar Limitation on Transactions. Generally, you may withdraw no more than **\$700.00** per day per Card from ATMs. You may withdraw no more than **\$2,500.00** per day per Card from POS terminals or for a Visa purchase. You agree that we may, without prior notice, modify the dollar limitations at any time, from time to time, upon your request or upon a transaction by transaction basis. You acknowledge and accept any additional risk of loss resulting from any such modification.

Point of Sale Transactions. You understand that we may be required by Visa to honor certain point of sale transactions which have been properly initiated whether or not the transaction creates an overdraft or would otherwise be rejected under this Agreement. Accordingly, you agree to be fully responsible for all obligations incurred by the use of the Card in a transaction where we are required to honor the transaction by reason of our agreement with Visa. We are not responsible for the refusal of anyone to honor a Card.

Fees and Charges. You agree to pay such fees and charges for use of the Card as we may establish and amend from time to time. When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used to complete the transaction (and you may be charged a fee for a balance inquiry).

Foreign Currency. If a transaction involves other than U.S. currency, we will honor the transaction in U.S. currency at a conversion rate as may be adopted from time to time by Visa for such transaction. Additional Visa fees may be assessed on all international purchases, credit vouchers and cash disbursements. The amounts of such fees are established by Visa and may be amended from time to time.

DOCUMENTATION

Terminal Transfers. You can get a receipt at the time you make any transfer to or from your Account using one of our ATM terminals.

Retain Copies for Your Records. You should retain copies of all records including receipts, credit slips (for returned merchandise), and cancellation numbers (for cancelled reservations). You should also mark each transaction in your Account record (but not while at a terminal or ATM). You should review your periodic statement for accuracy and compare your Account record against your periodic statement to reconcile balances.

Periodic Statements. You will get a monthly account statement from us for your business demand deposit Accounts.

LIMITATIONS ON OUR LIABILITY

We Make No Warranties. We agree to provide you with use of the Card in accordance with this Agreement; however, we make no warranty of any kind, expressed, implied or statutory, including any warranty of merchantability or fitness for a particular purpose in connection with this Agreement and your use of the Card.

We Assume No Liability. To the maximum extent permitted by law, we will not be liable for events or circumstances beyond our reasonable control. In no event will our liability for damages for any cause whatsoever, regardless of the form of action, exceed direct damages sustained by you and then only to the extent that the damages directly result from our breach of this

Agreement. Further, our liability to you for loss or damage will not exceed the amount of the funds wrongfully transferred or wrongfully withheld upon a valid request as applicable.

Under no circumstances will we be liable to you or to any third party, whether in contract, tort or any other theory, for any consequential, exemplary, punitive, multiple, special or incidental losses or damages whatsoever, including, without limitation, any loss of revenue, opportunity, goodwill or profits or claims by third parties against you or otherwise in connection with, related to, based upon or arising out of this Agreement or use of the Card.

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 **NOT** be liable, without limitation, under any of the following circumstances:

- If, through no fault of ours, you do not have enough money in your Account to make the transfer.
- If the transfer would go over the credit limit on your overdraft line.
- 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 fire or flood) prevent the transfer, despite reasonable precautions we have taken.

There may be other exceptions in this Agreement or our other agreements with you.

UNAUTHORIZED TRANSACTIONS

Additional Risk Associated with Business Cards. You acknowledge and understand that the Card will not be treated as a consumer card for purposes of state and federal law. **You will not have the benefit of any consumer law limiting your liability with respect to the unauthorized use of your Card. This means your liability for the unauthorized use of a Card could be greater than the liability in a consumer debit card transaction.** You accept and agree to undertake the additional risk and greater measure of liability associated with the use of business purpose cards as described in this Agreement. Except as otherwise provided in this Agreement, you promise to pay us immediately, unconditionally and without limitation for all transactions made using a Card, whether authorized or unauthorized, whether utilized by a Cardholder or some other person, and whether arising from a Card that has been lost or stolen. We assume no responsibility to discover or audit for any possible breach of security or unauthorized disclosure of PINs or use of Cards by your employees, agents, representatives or any other person.

Contact Us if There is an Unauthorized Transaction. If you believe a Card and/or PIN has been lost or stolen or that someone has transferred or may transfer money from your Account without your permission, call or write us at the telephone number or address listed at the end of this Agreement.

Tell us AT ONCE if you believe your Card and/or 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 your Card and/or PIN is lost, stolen, or used without your permission, you agree to notify us immediately and to promptly confirm such notice in writing.

Your Liability for Unauthorized Transactions. You are liable for all Card transactions by a Cardholder, a person authorized by a Cardholder, or any person with an interest in, or authority to transact business on an Account, and no transaction by any such person will be deemed to be unauthorized for any purpose. You are liable for Card transactions you do not authorize if we processed the transactions in good faith and in compliance with the Security Procedures described above or another commercially reasonable security procedure to which we both agreed unless otherwise required by law. Any such transaction will be considered to be authorized, authentic, valid and binding upon you.

You are responsible for all Card transactions, whether authorized or unauthorized, until we receive actual notice of the unauthorized use and have had a reasonable time (but not less than 2 business days) to stop or prevent further unauthorized transactions. No unauthorized use of the

Card will affect the validity of any transactions which were initiated prior to our receipt of such notification and a reasonable time (but not less than 2 business days) thereafter.

If you do not notify us within 60 days from when the periodic statement containing an unauthorized transaction was first mailed or made available to you, we will be entitled to treat the information in the periodic statement as correct, and you will be precluded from asserting otherwise.

Joint and Several Liability. All Cardholders are deemed to be third party beneficiaries of the accommodation extended under this Agreement and of the terms and conditions of this Agreement. Accordingly, Cardholders are jointly and severally liable with you for any transactions made using a Card issued to a Cardholder, whether authorized or unauthorized, and whether arising from lost or stolen Cards.

Visa Zero Liability Policy. Visa maintains a Zero Liability Policy to protect you against certain unauthorized uses of Cards and Card numbers. The Zero Liability Policy generally covers Card transactions (including Internet transactions) processed over the Visa networks. If a transaction is covered by the Zero Liability Policy, we will extend provisional credit for losses within five business days of your notification to us of the unauthorized transaction and our receipt of your written confirmation of your notice.

Not all transactions are covered by the Zero Liability Policy. The following types of transactions are NOT covered:

- ATM transactions
- PIN transactions that are not processed by Visa
- Any transaction by a person authorized to transact business on your Account
- Any transaction by a Cardholder that exceeds the authority given by the Account owner.
- Any transaction that we reasonably determine was caused by the gross negligence or fraudulent conduct of a Cardholder, including any delay for an unreasonable time in reporting unauthorized transactions

Transactions that are not covered by the Zero Liability Policy are subject to the other liability limitations in this Agreement. See "Your Liability for Unauthorized Transactions."

ERROR RESOLUTION

You agree to examine your receipts and periodic statements using ordinary care and to report any errors or problems to us within a reasonable time. You agree that the time to examine your statement and report to us will depend on the circumstances, but will not, in any circumstance, exceed a total of 60 days from when the statement containing the error or problem was first mailed or made available to you. If you do not report within 60 days, we will be entitled to treat such information as correct and you will be precluded from asserting otherwise. You further agree that if you fail to report to us within 14 calendar days from when the statement was first mailed or made available to you that we will not be required to pay interest on any refund to which you may be entitled. We will only recredit your Account for errors or problems as required by law.

Call or write us immediately with errors or questions about your electronic transfers at the telephone number or address listed at the end of this brochure. If you tell us orally, we may require you to put your complaint or question in writing within 14 calendar days. If you provide us with timely notice of an error or problem in your periodic statement, we will investigate the matter and notify you of the results as soon as reasonably possible under the circumstances. You may ask for copies of the documents that we used in our investigation.

MISCELLANEOUS

Business Days. For purposes of this Agreement, our business days are Monday through Friday. Holidays are not included.

Corporations, Partnerships and Other Entities. If you are a corporation, partnership, limited liability company, limited partnership or other entity, we have no obligations under this Agreement until we have received from you resolutions and other documentation as requested by us to establish the authority of the person(s) authorized to act on your behalf.

Capture of a Card by an ATM. If your Card is "captured" (i.e., retained by the machine) at a non-1st Security Bank Cash Machine, please call us at 800- 683-0973 during business hours (9am to 5pm Pacific time during regular business days).

Stop Payments. You understand that you will not be able to stop payment on transactions originated by use of a Card, whether the transaction is authorized or unauthorized. If you have authorized a merchant or other payee to make recurring debits to a Card, you may stop these debits by contacting the merchant or payee. You should allow sufficient advance time for any changes to be completed.

Enforceability. If any terms of this Agreement cannot be legally enforced, it will be considered changed to the extent necessary to comply with applicable laws. If any part of this Agreement becomes unenforceable, it will not make any other part unenforceable.

Costs and Attorney's Fees. If we hire an attorney to assist in collecting any amount due or enforcing any of our rights under this Agreement, you agree to pay our reasonable attorney's fees and expenses, and any other costs to the maximum extent allowed by law.

Amendments and Changes to this Agreement. You agree that we may change the terms and conditions of this Agreement, including the dollar limitations on use of a Card, at any time. We will notify you of changes as required by applicable law. Use of a Card after receipt of notice of a change constitutes your acceptance of the change. You may add or remove Accounts or Cardholders by notifying us in writing. Such updated information will be implemented as soon as we can confirm that the request is executed by a properly authorized person and is otherwise acceptable to us. We may refuse to issue a Card, and we may cancel, revoke or limit the use of a Card at any time without prior notice to you. We have the right at any time and without notice to eliminate any or all of the services that currently are available to you by use of the Card or to add new services.

Termination. We have the right to terminate this Agreement at any time, with or without cause and without prior notice to you. Likewise, you have the right to terminate this Agreement at any time with or without cause upon notice to us of termination. You agree to instruct all Cardholders to cut in half all Cards and return them to us. You agree to remain liable for all debits or other charges incurred or arising by virtue of the use of a Card.

Governing law. This Agreement will be governed by and construed in accordance with federal law and the laws of the State of Washington. Any action arising out of or relating to this Agreement must be brought in Snohomish County, Washington in a court of appropriate jurisdiction.

Notices. Any notices mailed to you under this Agreement will be mailed to the address we have for you in our records. You agree to keep us notified of your current mailing address.

HOW TO CONTACT US:

1st Security Bank of Washington 6920 220th Street SW Mountlake Terrace, WA 98043 Phone Number: 800.683.0973

Nights, Holidays and Weekends to report lost or stolen Cards:
1.800.472.3272

DEPOSIT RECLASSIFICATION NOTICE

Notice to Interest-Bearing Checking Customers

In compliance with federal regulations, when opening any interest-bearing checking account, the Bank will establish, on your behalf, a master account and two subaccounts. All information that is made available to you about your account will be at the master account level. The subaccounts will be comprised of a savings account and a transaction account. Both subaccounts will earn the same rate of interest. At the beginning of each statement period, the Bank will allocate funds between the two subaccounts as it deems appropriate. Checks received by the Bank that are drawn against your master account will be presented for payment against the transaction subaccount. Funds will be transferred from the savings subaccount to cover checks presented against the transaction subaccount as may be needed. On the sixth transfer from the savings subaccount during a given statement period all of the funds on deposit in the savings

subaccount will be transferred to the transaction subaccount.

This change will not affect your use of your checking account, nor the terms and conditions for service charges, balance requirements, or interest.

Additional Notice to Non-Interest Bearing Checking Account Customers

In accordance with federal law, the Bank reserves the right to require notice prior to the withdrawal or transfer of funds from your Savings accounts. In compliance with federal regulations, the Bank is hereby notifying you of an amendment to the Bank's agreement with you as contained in the Bank's current Individual and Business Checking Accounts Disclosure. **The amendment is as follows:**

The Bank reserves the right to require you to give the Bank at least seven (7) days' notice prior to the withdrawal or transfer of funds from the savings subaccount.

If the Bank does require your written notice, the Bank shall have the right to return unpaid any item(s) (including checks and drafts) or refuse any withdrawals or transfers, including without limitation, pre-authorized transfers for which notice has not been given. In returning any such unpaid item(s), the Bank shall not incur any liability.

Again, this change will not affect your use of your checking account, nor the terms and conditions for service charges, balance requirements, or interest. Although required by law to reserve this right, the Bank does not presently exercise such right.

If you have any questions, please contact your branch office. Thank you.

YOUR ABILITY TO WITHDRAW FUNDS

This policy statement applies to "transaction" accounts, but not to savings deposits. Transaction accounts, in general, are accounts which permit an unlimited number of payments to third persons and an unlimited number of telephone and preauthorized transfers to other accounts of yours with us. Checking accounts are the most common transaction accounts. Savings accounts and money market deposit accounts are examples of savings deposits. Feel free to ask us whether any of your other accounts might also be under this policy.

Our policy is to make funds from your cash and check deposits available to you on the first business day after the day we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once the funds are available, you can withdraw them in cash and we will use the funds to pay checks that you have written.

Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before closing on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after closing or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

If you make a deposit at an ATM before 3:00 P.M. on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit at an ATM after 3:00 P.M. or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

If we cash a check for you that is drawn on another bank, 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 bank, 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.

LONGER DELAYS MAY APPLY

Case-by-case delays. In some cases, we will not make all of the funds that you deposit by check available to you on the first business day after the day of 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. The first \$225 of your deposits, however, will be available on the first business day.

If we are not going to make all of the funds from your deposit available on the first business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit.

If you will need the funds from a deposit right away, you should ask us when the funds will be available.

Safeguard exceptions. In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

We believe a check you deposit will not be paid.

You deposit checks totaling more than \$5,525 on any one day. You redeposit 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 computer or communications 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 customer, the following special rules will apply during the first 30 days your account is open.

Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,525 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 (and you may have to use a special deposit slip). The excess over \$5,525 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 \$5,525 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 30th business day after the day of your deposit.

DEPOSITS AT AUTOMATED TELLER MACHINES

Funds from any deposits (cash or checks) made at automated teller machines (ATMs) we do not own or operate will not be available until the second business day after the day of your deposit.

All ATMs that we own or operate are identified as our machines.

SUBSTITUTE CHECKS AND YOUR RIGHTS

As our customer we think it's important for you to know about substitute checks. The following Substitute Check Disclosure provides information about substitute checks and your rights. So you will recognize substitute checks when you receive them, we have included a copy of the front side of a substitute check along with an explanation of the substitute check's components.

What is a substitute check?

To make check processing faster, federal law permits banks 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 check states: "This is a legal copy of your check. You can use it the same way you would use the original check." You may use a substitute check as proof of payment just like the original check.

Some or all of the checks that you receive back from us may be substitute checks. This notice describes rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have rights under other law with respect to those transactions.

What are my rights regarding substitute checks?

In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, bounced check fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to interest on the amount of your refund if your account is an interest-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

If you use this procedure, you may receive up to \$2,500 of your refund (plus interest if your account earns interest) within 10 business days after we received your claim and the remainder of your refund (plus interest if your account earns interest) not later than 45 calendar days after we received your claim.

We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

How do I make a claim for a refund?

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us at:

1st Security Bank
Attn: Deposit Operations PO Box 97000
Lynnwood, WA 98046
1-800-683-0973

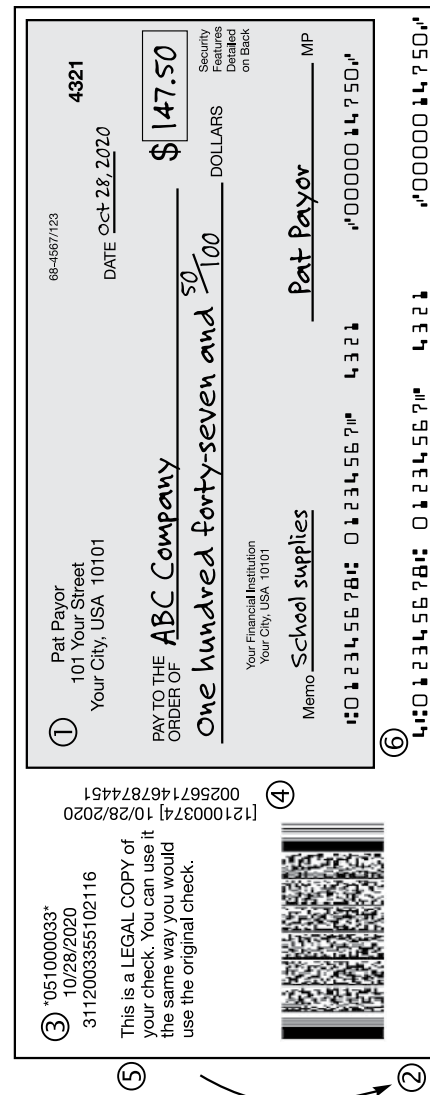
You must contact us within 40 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include:

- A description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect);
- An estimate of the amount of your loss;
- An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss; and
- A copy of the substitute check or the following information to help us identify the substitute check: the check number, the amount of the check, the date of the check, and the name of the person to whom you wrote the check.

SUBSTITUTE CHECK IMAGE

Below is an image of a sample substitute check. The numbers listed below the image correspond with the numbers on or near the substitute check image and the corresponding text explains the various components of a substitute check.



These numbers correspond with the numbers on the Substitute Check Image:

1. An image of the original check appears in the upper right-hand corner of the substitute check.
2. A substitute check is the same size as a standard business check.
3. The information in asterisks relates to the "reverting bank"—the financial institution that created the substitute check.
4. The information in brackets (appears sideways facing check image) relates to the "truncating bank"—the financial institution that took the original check out of the check processing system.
5. The Legal Legend states: **This is a legal copy of your check. You can use it the same way you would use the original check.**

The MICR lines at the bottom of the image of the original and at the bottom of the substitute check are the same except for the "4" at the beginning of the MICR line on the substitute check, which indicates that it is a substitute check being moved forward for collection purposes. It is also possible for the MICR line on the substitute check to begin with a "5" if the item is being returned. The rest of the MICR line is the same as the original check that it is processed as though it were the original.

1ST SECURITY BANK

PO Box 97000
Lynnwood WA 98046

Welcome to 1st Security Bank

Say hello to neighborhood
banking that puts you 1st.



“1st Security Bank is an absolute pleasure to work with. The Port Angeles Branch staff helped me get our business banking set up same day. If you’re a small business owner and looking for the best local customer service from your bank, go see the friendly faces at 1st Security!”

Kenny F., Olympic Electric
1st Security Bank Business Customer

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