



COAST ONLINE PRO AGREEMENT ACH SERVICES ADDENDUM

This Agreement between Coast360 Federal Credit Union ("Credit Union") and Member ("Member") governs Member's ACH transactions using Credit Union's Online Banking Service. By submitting an ACH Transaction through the Member Business Online Banking Service, member agrees to the following terms and condition of this Addendum:

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

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

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

2) Member Responsibility. Member agrees to be solely responsible for Member's use of Credit Union's Online Banking Service, including responsibility to safeguard Member's confidential access capability and complying with user documentation, procedures and other instructions regarding Transactions. Credit Union is entitled to rely on any instructions, notices, and other information received from Member, electronically, that Credit Union reasonably and in good faith believes to be genuine. Member shall be liable to Credit Union for and shall indemnify and hold Credit Union harmless from any and all claims, causes of action, damages, expenses (including reasonable attorney's fees and other legal expenses), liabilities and other losses resulting from acts, omissions, or provision of invalid or inaccurate data by Member or any other person acting in Member's behalf, including without limitation: (a) a breach by Member of any provision of this Agreement; (b) Credit Union's debiting or crediting of the account of any person as requested by Member; and (c) the failure to act or the delay by any financial institution other than Credit Union.

- 3) Member Representations and Warranties; Indemnity. With respect to each Transaction, Member represents to Credit Union and agrees that (a) each person involved in the Transaction has authorized the Transaction and the crediting or debiting of Member's account in the amount and on the date shown on such Transaction, (b) such authorization is operative at the time of transmittal or crediting/debiting by Credit Union as provided herein, (c) Transactions transmitted to Credit Union by Member are limited to those Transactions authorized by Credit Union, (d) Member shall perform its obligations under this Agreement in accordance with all applicable laws and regulations, including the sanction laws administered by OFAC, and (e) Member shall be bound by and comply with all laws, statutes, regulations, rules, orders, etc., as in effect from time to time, including without limitation rules governing provisional payment of a Transaction until receipt of final settlement for such Transaction. If settlement for a Transaction is not received, the receiving depository financial institution shall be entitled to a refund from the receiver of the amount credited, and Member shall not be deemed to have paid the receiver the amount of the Transaction. Member agrees Credit Union may debit Member's Authorized Accounts to effectuate any refund, reimbursement or other amount due. Member shall indemnify Credit Union against any loss, liability or expense (including attorneys' fees and expenses) resulting from or arising out of any breach of any of the foregoing representations or agreements, including unauthorized actions initiated or caused by Member or agents, Credit Union's actions in reasonable reliance upon instructions, notices, information and data Member provides to Credit Union (including without limitation Credit Union's debiting or crediting the amount of any Transaction to the account of any person).
- 4) Credit Union Responsibilities; and Liability. Credit Union shall be responsible only for performing the services expressly authorized in this Agreement, and ACH Transaction instructions provided by Credit Union. Credit Union shall be entitled to rely solely on the information, representations, and warranties provided by Member pursuant to this Agreement, and shall not be responsible for the accuracy or completeness thereof. Credit Union shall not be responsible for Member's acts or omissions (including without limitation the amount, accuracy, timeliness of transmittal or authorization of any Transaction received from Member) or those of any other person, including without limitation any financial institution, automated clearing house or transmission or communications facility, funds transfer system, funds transfer processor, any receiver or receiving depository financial institution. CREDIT UNION SHALL BE LIABLE ONLY FOR MEMBER'S ACTUAL DAMAGES AND IN NO EVENT WILL CREDIT UNION BE LIABLE TO COMPANY FOR ANY SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT LOSS OR CONSEQUENTIAL DAMAGES, AND ANY LOSS OR DAMAGE FROM A SUBSEQUENT WRONGFUL DISHONOR RESULTING FROM CREDIT UNION'S ACTS OR OMISSIONS PURSUANT TO THIS AGREEMENT. Without limiting the generality of the foregoing, Credit Union will not be liable to Member for any damages, injury or losses caused by or arising by reason of (1) inaccuracy of instructions, notices, or other information that Member provides to Credit Union, (2) unauthorized actions initiated or caused by Member or agents, (3) acts omissions, delay or failure to perform of third persons or vendors, or (4) for any other loss or damage under this Agreement or otherwise, except as solely caused by Credit Union's gross negligence or willful misconduct. Credit Union will not be liable or deemed to be in default for any delays, failures or interruptions in processing Transactions resulting, directly or indirectly, from acts of God, war, strikes, labor disputes, riots, civil disorders, mechanical, telecommunication or electrical breakdown, legal constraints or other causes beyond Credit Union's reasonable control.
- 5) Authorized Accounts. Member represents to Credit Union that: (a) the Authorized Accounts will be maintained for commercial purposes and not consumer purposes; and (b) the Authorized Accounts shall at all times have a balance of immediately available funds sufficient to meet Member's payment obligations under this Agreement. Credit Union may, without prior notice or demand, obtain payment of any amount due and payable to it under this Agreement by debiting one or more Authorized Accounts, and shall credit or debit the Authorized Accounts for any amount received by Credit Union by reason of the return of a Transaction transmitted by Credit Union for which Credit Union has previously received payment or credit from Member. Such credit or debit shall be made as of the day of such receipt by Credit Union. In the event there are not sufficient available funds in the Authorized Accounts, less any reserve requirement, to cover Member's obligations under this Agreement, Member agrees that Credit Union may debit any account maintained by Member with Credit Union or that Credit Union may set off against any amount it owes to Member, in order to obtain payment of Member's obligations under this Agreement. Credit Union is not obligated to complete

processing of Transactions when the total amount of such Transactions exceeds the balance of available funds in the Authorized Accounts. If Credit Union processes any Transaction when the balance of available funds in the Authorized Accounts is inadequate, it does not constitute an obligation to process similar Transactions at any other time. Upon notice of insufficient amounts in the Authorized Accounts, Member shall have five (5) business days to deposit sufficient funds to cure the breach under this Agreement. Failure to do so may result in the immediate termination of Credit Union's duty to process Transactions under this Agreement and shall constitute grounds for immediate termination of this Agreement without notice to Member.

- 6) Balance Requirements. Member acknowledges that transfers or disbursement of funds pursuant to this Agreement may create credit risk for Credit Union. Credit Union may, from time to time and in Credit Union's absolute discretion, establish file limits, daily limits, risk period limits and other limits as Credit Union deems appropriate on the amounts and/or aggregate amounts of Transactions that Credit Union will process. Credit Union will notify Member of such limits and Credit Union will not be obligated to process Transactions that exceed the limits Credit Union has established. Credit Union will have no liability to Member for Credit Union's refusal to process Transactions or to transfer or disburse funds when Member does not have sufficient funds in Member's Authorized Accounts. Credit Union's processing of Transactions in excess of established limits on one or more occasions will not be deemed a waiver of, or otherwise limit, Credit Union's right at any subsequent time to refuse to process Transactions in accordance with this paragraph.
- 7) Availability of Funds. Credit Union is not obligated to make the amount of any debit Transaction available for withdrawal by Member before such amount constitutes immediately available funds in Member's Authorized Accounts. Whether or not constituting available funds, any credit Transaction may be charged back to and recovered from Member if Credit Union does not receive final settlement, the Transaction is returned, or adjusted, or the Transaction violates any of the terms of this Agreement.
- 8) Compliance with Security Procedures. If a Transaction (or a request for cancellation or amendment of a Transaction) received by Credit Union purports to have been transmitted or authorized by Member, it will be deemed effective as Member's Transaction and Member shall be obligated to pay Credit Union the amount of such Transaction even though the Transaction was not authorized by Member, provided Credit Union accepted the Transaction in good faith and acted in compliance with the security procedures with respect to such Transaction. Member acknowledges and agrees that Credit Union may rely on the security procedure Member uses to authenticate and/or authorize a Transaction and that Credit Union may process any Transaction that Credit Union receives and authenticates through the use of the security procedures.
- 9) Notice of Returned Entries. Member will be notified of a returned entry no later than one (1) business day following such receipt. Credit Union shall have no obligation to re-transmit a returned entry if in compliance with the terms of this Addendum with respect to the original entry.
- 10) Account Reconciliation. Transactions performed by Credit Union and credited or debited to an Authorized Account will be reflected on Member's periodic statement issued by Credit Union pursuant to the membership and Account Agreement between Credit Union and Member. It is the Member's obligation to examine the statement for any discrepancies, and Member agrees to notify Credit Union promptly of any discrepancy between Member's records and the information shown on any periodic statement as set forth in the Membership and Account Agreement.
- 11) OFAC. Member acknowledges that Member is not allowed to transmit entries that violate the laws of the United States, including sanctions enforced by the Office of Foreign Assets Control ("OFAC") of the United States Treasury Department, as in effect from time to time. You warrant that you will not violate OFAC-enforced sanction and will not act on behalf of, or transmit funds to or from, any party subject to such sanctions. Furthermore, you acknowledge that it is your responsibility and not ours to obtain information regarding OFAC-enforced sanctions. Such information may be obtained directly from the OFAC Compliance

Hotline at 800.540.OFAC or from the OFAC's Web site at <http://www.ustreas.gov/ofac>.

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

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

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

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

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

YOU ACKNOWLEDGE AND AGREE THAT YOU HAVE READ THIS ADDENDUM, UNDERSTAND ITS TERMS, AND AGREE TO BE LEGALLY BOUND HEREBY.

Certification

The undersigned certifies that either: (a) he/she signs this Coast Online Pro Agreement and ACH Services Addendum (the "Addendum") as his/her own personal lawful act and deed as an individual owner or sole proprietor; or (b) (i) he/she is authorized to sign this Addendum in his/her representative capacity on behalf of the Company as its lawful act and deed; (ii) such authorization to sign this Addendum and deliver this to Coast360 Federal Credit Union was adopted by the Company as required by applicable law or its governing documents and agreements and appears in the Company's official governing documents and has not been rescinded or modified; and (iii) he/she understands that Coast360 Federal Credit Union will rely upon this certification to offer the ACH Services to him/her as the authorized signer(s) or to the Company according to the terms and conditions stated in this Addendum.

As the authorized signer(s) of the Company (as indicated by Title)

_____	_____
Printed Name	Title
_____	_____
Signature	Date
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