

Electronic Services Agreement – Consumer and Business

Tongass Federal Credit Union | 2000 Tongass Ave., Ketchikan, AK 99901 | 907.225.9063 | 800.960.8328 | www.tongassfcu.com

This Agreement is the contract which covers your and our rights and responsibilities concerning the electronic services offered to you by Tongass Federal Credit Union ("Credit Union"). In this Agreement, the words "you" and "yours" mean those who sign the application as applicants or joint owners or authorized signers, or sign a card or use an electronic service, or any authorized users. The words "we," "us," and "our" mean Tongass Federal Credit Union. The word "account" means any one or more deposit accounts you have with the Credit Union. For business account holders, the words "Membership and Account Agreement" mean the Business Membership and Account Agreement.

By signing the Account Card, completing and transmitting an online Account Card, signing an online service request, or signing or using an electronic service or access device, each of you, jointly and severally, agree to the terms and conditions in this Agreement, and any amendments. Electronic funds transfers ("EFTs") are electronically-initiated transfers of money through direct deposits, automated teller machines ("ATMs"), point-of-sale ("POS") terminals, VISA debit cards, Audio Teller, Online Banking, Mobile Web Banking, and Billpay transactions involving your deposit accounts at the Credit Union.

Owners and authorized signers of business accounts certify that the services they engage through this Agreement are for business purposes only.

1. Automated Teller Machine Services (ATMs)

- a. *ATM Transactions.* Upon approval, you may use your VISA Debit Card and your Personal Identification Number ("PIN") in automated teller machines of the Credit Union and the VISA ATM network, CO-OP, PLUS and such other machines or facilities we may designate. At the present time, you may use your Card to make the following transactions on your accounts:
 - Withdraw cash from your savings and checking accounts.
 - Obtain balance information on your accounts.
 - Other transactions as offered and permitted in the future.
- b. *ATM Service Limitations.* There is no limit on the number of cash withdrawals you may make at Credit Union ATMs and nonproprietary ATMs. However, you may be charged a fee for withdrawing at nonproprietary ATMs after the 6th withdrawal per month as set forth on the Rate and Fee Schedule. The maximum amount you may withdraw (if there are sufficient funds in your account) per calendar day at any authorized ATM is subject to your account relationship and our security limits and any limits on each ATM. For purposes of the daily limit, a day is from midnight to midnight. Your limit is

2. VISA Debit Card Purchases

You may use your VISA Debit Card and PIN to purchase goods and services any place your Card is honored by participating merchants, including point-of-sale (POS) terminals within the networks or such other POS terminals as the Credit Union may designate. Funds to cover your Card purchases will be deducted from your checking account. If the balance in your account is not sufficient to pay the transaction amount, the Credit Union may treat the transaction as an overdraft request pursuant to any applicable overdraft protection plan or may terminate all services under the Agreement.

There is no limit on the number of POS purchase transactions you may make by Card during a statement period. No purchase may exceed the available funds in your account. You may make POS purchases up to a maximum amount of **\$3,500.00 per calendar day for regular checking accounts**; and a maximum amount of **\$100.00 per calendar day for checkless checking (youth) accounts**. The Credit Union reserves the right to refuse any transaction which would draw upon insufficient funds, lower an account below a required balance, or otherwise require us to increase our required reserve on the account. The Credit Union may set other limits on the amount of any transaction, and you will be notified of those limits. The Credit Union may refuse to honor any transaction for which you do not have sufficient available verified funds. Merchants participating in Verified by VISA will require a password to authorize your identity before completing the transaction.

3. Conditions of Card Use

The use of your Debit Card and Account are subject to the following conditions:

- a. *Ownership of Cards.* Any Card or other device which we supply to you is our property and must be returned to us (or to any person whom we authorize to act as our agent, or to any person who is authorized to honor the Card), immediately according to instructions. The Card may be repossessed at any time in our sole discretion without demand or notice. You cannot transfer your Card or Account to another person. You may

not use the Card for any illegal or unlawful transaction, and we may decline to authorize any transaction that we believe poses an undue risk of illegality or unlawfulness.

- b. *Honoring the Card.* Neither we nor merchants authorized to honor the Card will be responsible for the failure or refusal to honor the Card or any other device we supply to you. If a merchant agrees to give you a refund or adjustment, you agree to accept a credit to your Account in lieu of a cash refund.
- c. *Security Access Code.* The personal identification number or access code that you select is for your security purposes. The access code is confidential and should not be disclosed to third parties or recorded on or with the Card. You are responsible for safekeeping your access code. You agree not to disclose or otherwise make your access code available to anyone not authorized to sign on your accounts. If you authorize anyone to have or use your access code, you understand that person may use the Online Banking Service to review all of your account information and make account transactions. Therefore, we are entitled to act on transaction instructions received using your access code and you agree that the use of your access code will have the same effect as your signature authorizing transactions.

If you authorize anyone to use your access code in any manner that authority will be considered unlimited in amount and manner until you specifically revoke such authority by notifying the Credit Union and changing your access code immediately. You are responsible for any transactions made by such persons until you notify us that transactions and access by that person are no longer authorized and your access code is changed. If you fail to maintain or change the security of these access codes and the Credit Union suffers a loss, we may terminate your electronic funds transfer and account services immediately.

- d. *Foreign Transactions.* Purchases and cash advances made in foreign countries will be billed to you in US dollars. The currency conversion rate for international transactions as established by VISA International, Inc. is a rate selected by VISA from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate VISA itself receives, or the government-mandated rate in effect for the applicable central processing date. VISA USA charges us an 8% International Service Assessment on all international transactions, regardless of whether there is a currency conversion. If there is a currency conversion, you will be charged a foreign transaction fee of 1% of the transaction amount for any Card transaction made in a foreign country.
- e. *Illegal Use of Internet Gambling.* You agree that all transactions that you initiate by use of your VISA Debit Card are legal in the jurisdiction where you live and/or where the transaction occurred. Internet gambling may be illegal in the jurisdiction in which you are located, including the United States. Your VISA Debit Card may only be used for legal transactions. Display of a payment card logo by an online merchant does not mean that internet gambling transactions are lawful in all jurisdictions in which you may be located. We have restricted all online gambling transactions with the VISA Debit Card.
- f. *Non-VISA Checking Transactions Processing.* We have enabled non-Visa debit transaction processing. This means you may use your Visa Debit Card on a PIN-Debit Network (a non-Visa network) without using a PIN. The non-Visa debit network(s) for which such transactions are enabled is the Alaska Option Network. Examples of the types of actions that you may be required to make to initiate a Visa transaction on your Visa Debit Card include signing a receipt, providing a card number over the phone or via the Internet, or swiping the card through a point-of-sale terminal. Examples of the types of actions you may be required to make to initiate a transaction on a PIN-Debit Network include initiating a payment directly with the biller (possibly via telephone, Internet, or kiosk locations), responding to a logo displayed at a payment site and choosing to direct payment through that network, and having your identity verified using known information derived from an existing relationship with you instead of through use of a PIN.

The provisions of your agreement with us relating only to Visa transactions are not applicable to non-Visa transactions.

4. Audio Teller Service

If we approve the Audio Teller service for your accounts (Audio Teller), a personal, four digit access code will be issued to you. You must use your access code along with your account number to access your accounts. At the present time you may use the Audio Teller service to:

- Transfer funds between your savings, checking, and loan accounts.
- Obtain balance information on your accounts.
- Determine if a particular draft or check has cleared your account.
- Obtain balance and payment information on loan accounts.
- Other transactions as offered and permitted in the future.

Your accounts can be accessed under the Audio Teller service. Audio Teller service will be available for your convenience seven days per week. This service may be interrupted for a short time each day for data processing. While there is no limit to the number of inquiries, transfers, or withdrawal requests you may make in any one day, there are limitations on transactions you make per telephone calls. For security purposes, there are limits on the frequency and amount of transfers you may make using the Audio Teller Service.

While there is no limit to the number of inquiries, transfers from a savings or Money Market account will be limited to six (6) in any one month. No transfer or withdrawal may exceed the available funds in your account. The Credit Union reserves the right to refuse any transaction that would draw upon insufficient funds, exceed a credit limit, lower an account below a required balance, or otherwise require us to increase our required reserve on the account. All checks are payable to you as a member and will be mailed to your address of record. The Credit Union may set other limits on the amount of any transaction, and you will be notified of those limits. The Credit Union may refuse to honor any transaction for which you do not have sufficient available verified funds. The system will discontinue service after three unsuccessful attempts to enter a transaction.

5. Online Banking

a. *Online Banking Services.* If we approve your application for the Online Banking Service, you may use your web browser-equipped device to access your accounts on the internet. You must use your access code along with your member ID to access your accounts. The Online Banking Service is accessible seven days a week, 24 hours a day. The online address for Online Banking Service is www.tongassfcu.com. You are responsible for the installation, maintenance and operation of your computer. The Credit Union will not be responsible for any errors or failures involving any data or communication service or your computer. At the present time, you may use the Online Banking Service to:

- Transfer funds between your savings, checking, and loan accounts.
- Review account balance, transaction history, and tax information for any of your accounts.
- Review information on your loan accounts including payoff amounts, due dates, finance charges, interest rates, and balance information.
- View online statements, online check images or secure messages of yours.
- Make bill payments through Bill Pay.
- Download account transaction information into Money Desktop finance software programs.
- Issue stop payment orders on checks.
- Update your address, email, and phone number, and establish electronic alerts.
- Re-order checks.
- Other transactions as offered and permitted in the future.

Transactions involving your deposit accounts, including checking account stop payment requests, will be subject to the terms of your Membership and Account Agreement and transactions involving a Line of Credit account will be subject to your Loan Agreement and Disclosures, as applicable.

b. *Online Banking Service Limitations.* The following limitations on Online Banking transactions may apply in using the services listed above.

- i. *Transfers.* You may make funds transfers to other accounts of yours as often as you like. However, transfers from your savings accounts will be limited to a total of six in any one month. You may transfer or withdraw up to the available balance in your account or up to the available credit limit on a line of credit at the time of the transfer, except as limited under this Agreement or your deposit or loan agreements. The Credit Union reserves the right to refuse any transaction that would draw upon insufficient or unavailable funds, lower an account below a required balance, or otherwise require us to increase our required reserve on the account.
- ii. *Account Information.* The account balance and transaction history information may be limited to recent account information involving your accounts. Also, the availability of funds for transfer or withdrawal may be limited due to the processing time for ATM transactions and our Funds Availability Policy.
- iii. *E-mail.* You may use the secure E-mail to send messages to us. E-mail may not, however, be used to initiate transactions on your account or stop payment requests. The Credit Union may not immediately receive E-mail communications that you send and the Credit Union will not take action based on E-mail requests until the Credit Union actually receives your message and has a reasonable opportunity to act.

If you need to contact the Credit Union immediately regarding any unauthorized transaction or stop payment request, you may call the Credit Union at the telephone number set forth in Section 10.

- c. *Enrollment in Services; Accounts Which Can Be Accessed.* In order to enroll in and use the Services, you should engage the self-service online process at www.tongassfcu.com. By enrolling in the Services, you authorize us to process transactions for you as requested by you from time to time, and you authorize us to post transactions to your account(s) as directed. You further authorize us to make automatic payments in such manner as you direct.
- d. *Electronic Instructions.* You agree that all electronic instructions that we receive on the online banking site or otherwise in connection with the Services, such as those directing us to take action with respect to your account, that match Access Information or other identity information you have provided when enrolling in or using the Services will be deemed valid, authentic, and binding obligations. Pursuant to law and regulations, these electronic instructions therefore will be given the same legal effect as your written and signed paper instructions, shall be considered writing or in writing and shall be deemed for all purposes (i) to have been signed and (ii) to constitute an original when printed from electronic files or records established and maintained in the normal course of business.

You agree that electronic copies of communication are valid and you will not contest the validity or enforceability of such instructions or any related transactions, absent proof of altered data or tampering, under provisions of any applicable law relating to whether certain agreements are to be in writing or signed by the party to be bound thereby, and such copies shall be admissible if introduced as evidence on paper in any judicial, arbitration, mediation or administrative proceeding to the same extent and under the same conditions as other business records originated and maintained in documentary form.

You agree (to the maximum extent permitted by law) to hold us harmless and protect and indemnify us from and against any and all claims, losses, liability, damages and/or demands (including, without limitation, reasonable attorneys' fees and court costs) of any kind, direct or indirect, arising out of or in any way connected with any Services rendered by us pursuant to or in accordance with any and all electronic instructions for which we have attempted to verify your identity as set forth above.

BECAUSE E-MAIL IS NOT A SECURE METHOD OF COMMUNICATION OVER THE INTERNET, WE RECOMMEND YOU DO NOT SEND CONFIDENTIAL INFORMATION BY E-MAIL. PLEASE BE AWARE YOU CANNOT USE E-MAIL TO INITIATE TRANSACTIONS ON YOUR ACCOUNT(S).

Instead, we recommend all communication be sent via secure messaging through the "Secure Messages" section of the online banking site. Secure messages you receive through the Service are available online for up to 180 days, unless you delete them before then. For account transactions, please use the appropriate functions available through the Services or call us at 1.800.960.8328.

- e. *Alerts.* Online banking offers both automated system alerts and opt-in alerts. System alerts are sent to your registered e-mail address or telephone number for security purposes to authenticate your identity. Some of these alerts are part of the Service and are not optional. In addition to security alerts, you may choose to receive additional alerts regarding other information delivered by secure messaging, e-mail or telephone. You will be asked to provide contact information when you sign up for the alert. By signing up to receive any opt-in alerts, you represent and warrant to us that the e-mail addresses or telephone numbers you provide are owned by you or authorized by the rightful owner to be used by you. You consent to delivery of such opt-in alerts, in the format selected, to the contact telephone numbers by text message, or e-mail addresses you identify or provide. You are responsible for maintaining, in the Service, any changes to your e-mail addresses and telephone numbers to which alerts are sent. To stop receiving any optional alerts, log into online banking and in the Alerts section select the alert you would like to delete. Your full account number will not be included in any alert. However, alerts may contain information about your accounts. Information, including but not limited to, account balances and payment due dates may be included in the alert, depending on the specific type of alert or how you configure it. Anyone with access to your e-mail, mobile device, and/or telephone services may be able to access the contents of alerts. It is your responsibility to secure these devices, protect your Member ID and password, and provide timely information about telephone or e-mail contact changes in order to protect the confidentiality of this information. You consent to any disclosures by us which may occur if you do not take appropriate steps to prevent access to your information by unauthorized persons.

We endeavor to provide alerts in a timely manner with accurate information. However, we do not guarantee the delivery or accuracy of the contents of any alerts. Alert balances will not reflect pending transactions. If you require additional details about a transaction you can log into online banking or call us at 1.800.960.8328. You agree we shall not be liable for any delays, failure to deliver, or misdirected delivery of

any alert; for any errors in the content of any alert; or for any actions taken or not taken by you or any third party in reliance on an alert.

6. Bill Pay Service

You must have Online Banking to use Bill Pay. You may use Bill Pay to authorize online bill payments. You may authorize new payment instructions or edit previously authorized payment instructions for bill payments that are either periodic and nonrecurring (i.e. payments on merchant charge accounts that vary in amount) or automatic and recurring (i.e. fixed mortgage payments). When you transmit a bill payment instruction to us, you authorize us to transfer funds to make the bill payment transaction from the account you designate. We will process bill payment transfer requests only to those creditors the Credit Union has designated in the User Instructions and such creditors as you authorize. The Credit Union will not process any bill payment transfer if the required transaction information is incomplete. If there are insufficient funds in your account to make the bill payment request, we may either refuse to make the payment or make the payment and transfer funds from any applicable overdraft protection account you have established.

The Credit Union reserves the right to refuse to process payment instructions that reasonably appear to the Credit Union to be fraudulent or erroneous. The Credit Union will withdraw the designated funds from your account for the bill payment transfer by midnight on the date you schedule for payment. The Credit Union will process your bill payment transfer within one business day of the date you schedule for payment.

It is your responsibility to schedule your bill payments in such a manner that your obligations will be paid on time. You should enter and transmit your bill payment instructions at least six (6) days before a bill is due. You are responsible for any late payments or finance charges that may be imposed as a result of your failure to transmit a timely payment authorization.

You may cancel or stop payment on periodic bill payments and automatic, recurring bill payment instructions under certain circumstances. If you discover an error in or want to change a payment instruction (i.e. payment date or payment amount) for a periodic or automatic payment you have already scheduled for a transmission through the Online Banking Service, you may electronically edit or cancel your payment request through the Online Banking Service. Your cancellation request must be entered and transmitted through the Online Banking Service before the date you have scheduled for payment. If your request is not timely entered, you will be responsible for the payment. If you wish to place an oral stop payment on an automatic, recurring bill payment transaction, not using the Online Banking Service, the Credit Union must receive your oral stop payment request at least three business days before the next payment is scheduled to be made. You may call the Credit Union at the telephone number set forth in Section 10 to request a stop payment. If you call, the Credit Union may require you to confirm your stop payment in writing within fourteen (14) days after the call. If any automatic, recurring payments vary in amount, the company you are going to pay will tell you ten (10) days before each payment, when it will be made and how much it will be.

7. Electronic Check Transaction

You authorize us to honor any electronic check conversion transaction and re-presented check fee debit transactions you authorize ("electronic check transactions"). You agree that your authorization for an electronic check transaction occurs when you initiate such a transaction after receiving any notice regarding the merchant's right to process the transaction, including any written sign provided by the merchant at the time of your transaction. All terms governing electronic funds transfer services will apply to electronic check transactions, except the \$50 and \$500 limits of liability for any unauthorized transactions in Section 10 Member Liability. You remain responsible for notifying us of any unauthorized electronic check transaction shown on your statement.

8. Preauthorized Electronic Funds Transfers and Direct Deposit

Preauthorized electronic funds transfers may be made into or from your Credit Union accounts. These may include preauthorized electronic funds transfers made to an account from a third party (such as Social Security or your employer) or from an account to a third party (such as a mortgage company or insurance premium payment, excluding bill payment transactions). If electronic funds transfers are made into or from your account, those payments may be affected by a change in your account status or if you transfer or lose your account. Upon instruction of (i) your employer, (ii) the Treasury Department, or (iii) other financial institutions, the Credit Union will accept direct deposits of your paycheck or of federal recurring payments, such as Social Security.

9. Mobile Web Banking Service Terms

- a. *Service Access.* Mobile Web Banking is a personal financial information management service that allows you to access account information and make transactions as set forth above using compatible and supported mobile phones and/or other compatible and supported wireless devices ("Mobile Device"). If we

approve the Mobile Web Banking service, an access code will be assigned to you. You must use your access code with your member ID to access your accounts. We reserve the right to modify the scope of the Mobile Web Banking Services at any time. We reserve the right to refuse to make any transaction you request through Mobile Web Banking. You agree and understand that Mobile Web Banking may not be accessible or may have limited utility over some mobile telephone networks, such as while roaming. The most up-to-date list of services which you may be able to access through Mobile Web Banking is posted on the Mobile Web Banking registration and management website accessed through the Online Banking system. When you register for Mobile Web Banking, designated accounts and payees (or billers) linked to your account through Online Banking and Bill Payment services will be accessible through the Mobile Web Banking service.

- b. *Use of Services.* You accept responsibility for making sure that you understand how to use Mobile Web Banking before you actually do so, and you use Mobile Web Banking in accordance with the instructions we make available. You also accept responsibility for making sure that you know how to properly use your Mobile Device and the Mobile Web Banking software application. In the event we change or upgrade Mobile Web Banking, you are responsible for making sure that you understand how to use Mobile Web Banking as changed or upgraded. We will not be liable to you for any losses caused by your failure to properly use Mobile Web Banking or your Mobile Device.
- c. *Transactions.* At the present time, you may use the Mobile Web Banking account access service to:
 - Transfer funds between your savings, checking, and money market accounts.
 - Transfer from your savings, checking, and money market accounts to a loan account.
 - Transfer funds from a line of credit account to your savings, checking, or money market account.
 - Review account balance, transaction history, and tax information for any of your deposit accounts.
 - Review information on your loan account including payment amounts, due dates, interest charges, and balance information.
 - Make bill payments from your checking account using the Bill Pay Service.
- d. *Relationship to Other Agreements.* You agree that when you use Mobile Web Banking, you will remain subject to the terms and conditions of all your existing agreements with us or any service providers of yours, including service carrier or provider (e.g., Verizon, AT&T, etc.). You understand that those agreements may provide for fees, limitations and restrictions which might impact your use of Mobile Web Banking (for example, your mobile service carrier or provider may impose data usage or text message charges for your use of or interaction with Mobile Web Banking, including while downloading the Software, receiving or sending Mobile Web Banking text messages, or other use of your Mobile Device when using the Software or other products and services provided by Mobile Web Banking), and you agree to be solely responsible for all such fees, limitations and restrictions. You agree that only your mobile service carrier or provider is responsible for its products and services. Accordingly, you agree to resolve any problems with your carrier or provider directly with your carrier or provider without involving us. You also agree that if you have any problems with Mobile Web Banking, you will contact us directly.
- e. *Mobile Web Banking Software License.* You are hereby granted a personal, limited, non-transferable, non-exclusive, non-sublicensable and non-assignable license ("License") to download, install and use the Software application on your Mobile Device within the United States and its territories. In the event that you obtain a new or different Mobile Device, you will be required to download and install the Software application to that new or different Mobile Device. This License shall be deemed revoked immediately upon (i) your termination of Mobile Web Banking in accordance with this Agreement; (ii) your deletion of the Software application from your Mobile Device; or (iii) our written notice to you at any time with or without cause. If this License is revoked for any of the foregoing reasons, you agree to promptly delete the Software application from your Mobile Device.
- f. *Your Obligations.* When you use Mobile Web Banking to access accounts you designate during the registration process, you agree to the following requirements:
 - i. *Account Ownership/Accurate Information.* You represent that you are the legal owner of the accounts and other financial information which may be accessed via Mobile Web Banking. You represent and agree that all information you provide to us in connection with Mobile Web Banking is accurate, current and complete, and that you have the right to provide such information to us for the purpose of operating Mobile Web Banking. You agree to not misrepresent your identity or your account information. You agree to keep your account information up to date and accurate.

- ii. *User Conduct.* You agree not to use Mobile Web Banking or the content or information delivered through Mobile Web Banking in any way that would: (a) infringe any third-party copyright, patent, trademark, trade secret, or other proprietary rights or rights of publicity or privacy, including any rights in the Software application (b) be fraudulent or involve the sale of counterfeit or stolen items, including but not limited to use of Mobile Web Banking to impersonate another person or entity; (c) violate any law, statute, ordinance or regulation (including but not limited to those governing export control, consumer protection, unfair competition, anti-discrimination or false advertising); (d) be false, misleading or inaccurate; (e) create liability for us or our affiliates or service providers, or cause us to lose (in whole or in part) the services of any of our service providers; (f) be defamatory, trade libelous, unlawfully threatening or unlawfully harassing; (g) potentially be perceived as illegal, offensive or objectionable; (h) interfere with or disrupt computer networks connected to Mobile Web Banking; (i) interfere with or disrupt the use of Mobile Web Banking by any other user; or (k) use Mobile Web Banking in such a manner as to gain unauthorized entry or access to the computer systems of others.

Neither we nor any of our service providers assume responsibility for the timeliness, deletion, misdelivery or failure to store any user data, communications or personalization settings in connection with your use of Mobile Web Banking. Neither we nor any of our service providers assume responsibility for the operation, security, functionality or availability of any Mobile Device or mobile network which you utilize to access Mobile Web Banking. You agree to exercise caution when utilizing the Mobile Web Banking application on your Mobile Device and to use good judgment and discretion when obtaining or transmitting information. Financial information shown on Mobile Web Banking reflects the most recent account information available through Mobile Web Banking, and may not be current. You agree that neither we nor our service providers will be liable for any delays in the content, or for any actions you take in reliance thereon. If you need current account information you agree to contact us directly.

10. Member Liability

- a. *Authorized Transactions.* You are responsible for the persons using electronic services under this Agreement. If you permit other persons to use any electronic services, PIN, or access code, you are responsible for any transactions they authorize or conduct on any of your accounts. You understand that any transaction by a business owner, employee, agent, representative, or anyone you authorize to transact business on your account, including any transaction by an authorized person that exceeds the specific transaction authority you have provided, are considered an authorized transaction for which you remain fully responsible. You are responsible for safeguarding your business, financial, and personal data, passwords, and other information to prevent unauthorized access to or use of your business accounts or services.
- b. *Notification to Credit Union.* Tell us at once if you believe anyone has used your account, PIN or access code and accessed your accounts without your authority or that someone has transferred or may transfer money from your account without permission. Call 907.225.9063, toll free 800.960.8328 (US & Canada) or write Tongass Federal Credit Union, 2000 Tongass Avenue, Ketchikan, AK 99901.
- c. *Liability for Business Accounts.* For business accounts, you are solely responsible for all transfers using electronic services under this Agreement. The Credit Union will not be responsible for any losses or damages you may incur regarding the unauthorized access to or use of your account or services resulting from any compromise of your data.
- d. *Liability for Consumer Accounts.* For consumer accounts, you are responsible for all transfers you authorize using electronic services under this Agreement. If you permit other persons to use an electronic service, PIN, or access code, you are responsible for any transactions they authorize or conduct on any of your accounts. Tell us at once if you believe anyone has used your Account, Card or access code and accessed your accounts without your authority or if you believe that an electronic funds transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. For Debit Card purchase transactions, if you notify us of your lost or stolen card, you may not be liable for any losses. These liability limits will apply, provided you were not grossly negligent or fraudulent in handling your Debit Card and you provide us with a written statement regarding your unauthorized Debit Card claim, otherwise the following liability limits may apply. For all other electronic funds transfers except electronic check transactions, if you tell us within two (2) business days, you can lose no more than \$50 if someone accessed your account without your permission. If you do not tell us within two (2) business days after you learn of the unauthorized use of your account or electronic service, and we can prove that we could have stopped someone from accessing your account without your permission if you had told us, you could lose as much as \$500. Your liability for unauthorized line of credit transactions through an electronic service is \$50.

Also, if your statement shows electronic transfers that you did not make including made by Debit Card, access code or other means, tell us at once. If you do not tell us within sixty (60) days after the statement

was mailed to you, you may be liable for up to the full amount of the loss if we can prove that we could have stopped someone from making the transfers if you had told us in time. If a good reason (such as a hospital stay) kept you from telling us, we will extend the time periods.

11. Business Days

Our business days are Monday through Saturday. Holidays are not included.

12. Fees

There are certain fees for electronic fund transfer services as set forth in the Rate and Fees Schedule. From time to time, the fees may be changed. We will notify you of any changes as required by law.

13. Right to Receive Documentation of Transfers

- a. *Periodic Statements.* Transfers and withdrawals transacted through any electronic funds transfer will be recorded on your periodic statement provided by mail or electronically. You will receive a statement monthly unless there is no transaction in a particular month. In any case, you will receive a statement at least quarterly. You may request that your statement be provided electronically. You understand and agree that statements are made available to you on the date they are mailed to you or you have been notified that an electronic statement is available for your access. Images of Credit Union checks cashed at a Credit Union branch or checks that are returned are not available for viewing in Online Banking.
- b. *Direct Deposits.* For a consumer account, if you have arranged to have a direct deposit made to your account at least once every 60 days from the same source and you do not receive a receipt (such as a pay stub), you can find out whether or not the deposit has been made by calling 907.225.9063. This does not apply to transactions occurring out of the United States.
- c. *Terminal Receipt.* You will get a receipt at the time you make any transaction (except inquiries) involving your account using an ATM or POS terminal in excess of \$15.00.

14. Account Information Disclosure

We will maintain the confidentiality and privacy of your account information in accordance with our Privacy Policy as stated on our website at: www.tongassfcu.com. If yours is a business membership, you authorize us to disclose information about your account and business electronic services to any Responsible Individual or Authorized Signer of yours. In business and non-business cases, we will disclose information to third parties about your account or the electronic fund transfers you make in the following limited circumstances:

- a. As necessary to complete transfers,
- b. To verify the existence of sufficient funds to cover specific transactions upon the request of a third party, such as a credit bureau or merchant,
- c. To comply with government agency or court orders, and
- d. If you give us your express permission.

15. Preauthorized Electronic Fund Transfers

- a. *Cancellation Rights.* If you have authorized the Credit Union to originate regular electronic fund transfers from (or to) your account at the Credit Union, you or the Credit Union may cancel that request at any time up to three (3) business days before the scheduled date of the transfer. This request may be made orally or in writing at the number or address disclosed in Section 10. If you order us to cancel one of these payments three (3) business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages only if accurate information was provided to us.
- b. *Stop Payment Rights.* You may ask the Credit Union to stop payment on an ACH transaction that is debited from your checking or savings account or a recurring debit transaction from your checking account. You may request a stop payment by telephone, mail, or in person. However, the stop payment may not be in effect until your original signature is received. If you have preauthorized a third party in advance to make regular fund transfers to/from your account, you must revoke the transfer in the manner specified in your original authorization with the third party. The stop payment will be effective if the Credit Union receives the order in time for the Credit Union to act upon the order and you state the exact dollar amount, the number of the account, date and name of the third party. If you give the Credit Union incorrect or incomplete information, the Credit Union will not be responsible for failing to stop payment on the item. If the stop payment order is not received in time for the Credit Union to act upon the order, the Credit Union will not be liable to you or to any other party for payment of the item. If we credit your account after paying the item over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to transfer

all of your rights against the payee or other holders of the item to the Credit Union, and to assist the Credit Union in legal action taken against the third party.

- c. *Duration of Order.* You may be able to make an oral stop payment order which will lapse within fourteen (14) calendar days unless continued in writing within that time. A stop payment order on an ACH transaction will continue until the entry is returned or until you cancel the stop payment order.
- d. *Liability.* The Credit Union may charge a fee for each stop payment order requested, as set forth on the Rate and Fees Schedule. If payment of an item is stopped, you may remain liable to any person, including the Credit Union, who is the holder of the item despite the stop payment order. You agree to indemnify and hold the Credit Union harmless from all costs, including attorney fees, damages or claims related to the Credit Union's action in refusing payment of an item, including claims of any multiple party account owner, payee, or endorsee in failing to stop payment of an item as a result of incorrect information provided by you.

16. Credit Union's Liability for Failure to Make Transfers

- a. *Consumer Accounts.* If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. Our sole responsibility for an error will be to correct the error. In no case will we be liable for any indirect, special or incidental damages. For instance, we will not be liable:
 - i. If, through no fault of ours, you do not have enough money in your account to make the transfer, your account is inactive, or the transfer would go over the credit limit on your line of credit.
 - ii. If you used the wrong access code, or you used an access code in an incorrect manner.
 - iii. If the Card has expired or is damaged and cannot be used.
 - iv. If the automated teller machine (ATM) where you are making the transfer does not have enough cash.
 - v. If the ATM or POS terminal was not working properly and you knew about the problem when you started the transaction.
 - vi. If circumstances beyond our control (such as fire, flood or power failure) prevent the transaction.
 - vii. If the money in your account is subject to legal process or other claim.
 - viii. If your account is frozen because of a delinquent loan.
 - ix. If the error was caused by a system of any of the designated ATM networks.
 - x. If you have not given the Credit Union complete, correct and current instructions so the Credit Union can process a transfer or bill payment.
 - xi. If, through no fault of ours, a bill payment or funds transfer transaction does not reach a particular payee due to changes in the payee address, account number or otherwise, the time you allow for payment delivery was inaccurate, or the payee failed to process a payment correctly, or in a timely manner, and a fee, penalty, or interest is assessed against you.
 - xii. If the error was caused by a system beyond the Credit Union's control such as a telecommunications system, an Internet service provider, or any computer virus or problems related to software not provided by the Credit Union.
 - xiii. If there are other exceptions as established by the Credit Union.
 - xiv. If the ATM machine retains your Card in certain instances, in which event you may contact the Credit Union about its replacement.
- b. *Business Accounts.* For business accounts, the Credit Union shall have no liability to you, or any other person or entity for any loss, damage, cost, or expense arising out of this Agreement or the electronic services regardless of the form in which asserted, whether in contract, tort (including negligence), warranty, or any other legal or equitable grounds, and regardless of whether the remedies available fail of their essential purpose, except as provided by applicable law for any error or delay in performing the services provided for in this Agreement. We shall have no liability for not completing a transaction if we receive actual notice or have reason to believe that you have filed for bankruptcy, the ownership of funds involving a transaction or an authorized signer's authority to conduct a transaction is in question; we suspect your account has been used for illegal or fraudulent purposes; or we reasonably believe that a transaction is prohibited by federal law, regulation, or this Agreement. We will not be liable if you fail to report timely any error or discrepancy reflected in a statement prepared by us, or if you fail to report a breach of a security procedure. If we fail to perform under this Agreement in accordance with the standards set herein, our

liability for damages, losses, and other compensation owing to you shall be limited to direct damages caused solely by the Credit Union. We shall not be liable for any loss, damage, liability, or claim arising directly or indirectly from any error, delay, or failure to perform hereunder which is caused by earthquakes, fires, natural disasters, civil or foreign disturbances, power outages, acts of government, labor disputes, failures in either communication or computer networks, legal constraints, or any other event beyond its control.

17. Termination of Electronic Fund Transfer Services

You agree that we may terminate this Agreement and your electronic fund transfer services, if you or any authorized user of your electronic fund transfer services or access code breaches this or any other agreement with us, or if we have reason to believe that there has been an unauthorized use of your Card or access code.

You or any other party to your account can terminate this Agreement by notifying us in writing. Termination of service will be effective the first business day following receipt of your written notice. Termination of this Agreement will not affect the rights and responsibilities of the parties under this Agreement for transactions initiated before termination.

18. Notices

The Credit Union reserves the right to change the terms and conditions upon which this service is offered. The Credit Union will send notice to you at least twenty-one (21) days before the effective date of any change, as required by law. Use of this service is subject to existing regulations governing the Credit Union account and any future changes to those regulations.

19. EFT Billing Errors on Consumer Accounts

In case of errors or questions about your consumer electronic funds transfers under this Agreement, telephone us at the phone numbers or write us at the address set forth in Section 10 as soon as you can. We must hear from you no later than 60 days after we sent the first statement on which the problem appears.

- a. Tell us your name and account number.
- b. Describe the transaction you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- c. Tell us the dollar amount of the suspected error.

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

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

For errors involving new accounts, point-of-sale, or foreign-initiated transactions, we may take up to ninety (90) days to investigate your complaint or question. For new accounts, we may take up to twenty (20) business days to credit your account for the amount you think is in error.

We will tell you the results within three (3) business days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation (to the extent possible without violating other members' rights to privacy).

If you have questions about your account including check transactions, your responsibilities to examine your statements and notify us of errors are governed by your Membership and Account Agreement.

The expedited process and re-credit assurances described in this section only apply to consumer accounts. They do not apply to electronic services used by a business member, nor do they apply to transactions processed on a PIN-Debit Network.

20. ATM Safety Notice

The following information is a list of safety precautions regarding the use of Automated Teller Machine (ATM) and Night Deposit Facilities.

- Be aware of your surroundings, particularly at night.

- Consider having someone with you when the ATM or night deposit facility is used after dark.
- If another person is uncomfortably close to you at the time of your transaction, cancel the transaction and leave.
- Refrain from displaying your cash at the ATM or night deposit facility. As soon as your transaction is completed, place your money in your purse or wallet. Count the cash later in the safety of your car or home.
- If you notice anything suspicious at the ATM or night deposit facility, consider using another ATM or night deposit facility or coming back later. If you are in the middle of a transaction and you notice something suspicious, cancel the transaction, take your ATM access device or deposit envelope, and leave.
- If you are followed after making a transaction, go to the nearest public area where people are located.
- Do not write your personal identification number on your Debit Card or keep in your purse or wallet.
- Report all crimes to law enforcement officials immediately.

21. Other General Terms

- a. *Governing Law.* This Agreement shall be governed by and construed under the laws of the state of Alaska as applied to contracts entered into solely between residents of, and to be performed entirely in, such state.
- b. *Severability.* In the event that any portion of this Agreement is held by a court to be invalid or unenforceable for any reason, the remainder of this Agreement shall not be invalid or unenforceable and will continue in full force and effect. All headings are intended for reference only and are not to be construed as part of the Agreement.
- c. *Enforcement.* You agree to be liable to the Credit Union for any liability, loss, or expense as provided in this Agreement that the Credit Union incurs as a result of any dispute involving your accounts or services. You authorize the Credit Union to deduct any such liability, loss, or expense from your account without prior notice to you. In the event either party brings a legal action to enforce the Agreement or collect any overdrawn funds on accounts accessed under this Agreement, the prevailing party shall be entitled, subject to Alaska law, to payment by the other party of its reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions, if applicable. Should any one or more provisions of this Agreement be determined illegal or unenforceable in any relevant jurisdiction, then such provision be modified by the proper court, if possible, but only to the extent necessary to make the provision enforceable and such modification shall not affect any other provision of this Agreement.