

SPOKANE FEDERAL CREDIT UNION

ELECTRONIC SERVICES AGREEMENT AND DISCLOSURES

(Home Banking, Bill Payer, Mobile Banking & Remote Deposit)

This Agreement is the contract, which covers your and our rights and responsibilities concerning the Electronic Services including: Internet & Mobile Banking and External Funds Transfer services offered to you by Spokane Federal Credit Union ("Credit Union"). In this Agreement, the words "you" and "yours" mean those who submit an Online Authorization Form for and any authorized users. In this Agreement the words "we" and "us" and "our" and "ours" mean Spokane Federal Credit Union. The word "account(s)" means any one or more savings, checking and loan accounts you have with the Credit Union.

By submitting an Online Authorization Form, you agree to the following terms governing your and our rights and responsibilities concerning Home Banking, Bill Payment, Mobile Banking and Remote deposit services ("Electronic Services") and electronic funds transfers ("EFTs") involving your accounts.

The terms of this Agreement apply to both consumer and business members, except as specifically provided in this Agreement. For consumer accounts, the primary accountholder may enroll in the Electronic Services and is responsible for the acts of any joint accountholder. Anyone enrolling represents that he or she is the primary accountholder and is authorized to enroll in the Service. Anyone using the Electronic Services represents that he or she has full authority to use the Services and to engage in any action taken by him or her. For business and organizational accounts, the Electronic Services may be established by any authorized user of the account holder. Any joint accountholder or an authorized user, acting alone, may effect transactions through the Electronic Services.

1. Home Banking Services. Upon approval, you may use a computer to access your accounts. You must use your member number along with your security code (PIN) to access your accounts. Home Banking is accessible seven (7) days a week. This service may be unavailable during brief maintenance periods. To access this service you will need a personal computer and a web browser (such as Safari or Microsoft Internet Explorer). The online address for Home Banking is www.spokanefederal.com. You are responsible for the installation, maintenance and operation of your computer and modem. The Credit Union will not be responsible for any errors or failures involving any telephone service or your computer.

a. Home Banking Transactions. At the present time, you may use Home Banking to:

- Transfer funds between your savings, checking, and loan accounts, as allowed, including loan payments.
- Transfer funds to accounts of other members as authorized.
- Review savings and checking account balance, transaction history and dividend information.
- Review loan account balance, transaction history, payment dates and finance charges (excluding credit cards and mortgage loans with escrow accounts).
- Review available copies of cleared checks, e-statements and tax information
- Initiate bill payments from your checking account using the Bill Pay service, when available.
- Access and use the personal financial management services and budgeting tools
- Communicate with the Credit Union using electronic mail (E-mail).

Transactions involving your savings and checking accounts will be subject to the terms of your Membership and Account Agreement. Transactions involving your loan accounts will be subject to your Loan Agreement and Disclosures. The Credit Union does not make any warranty, express or implied, to you regarding the Intuit Quicken, Quickbooks or Microsoft Money software programs including but not limited to any warranty of merchantability or fitness for a particular purpose.

b. Home Banking Service Limitations & Requirements. The following limitations and requirements on Home Banking transactions may apply:

i. Transaction Authorization. You authorize us to debit your account for any transactions processed through Home Banking or other Electronic Service, and for any fees incurred. You authorize us to initiate any reversing entry or reversing file, and to debit your accounts at the Credit Union or elsewhere, in order to correct any erroneous transaction. You agree to cooperate with any action to reverse a transaction that was made in error and to offset any benefit you receive against any loss we suffer.

ii. Transfers. You may make funds transfers between accounts of yours as often as you like. However, transfers from your savings, or money market accounts will be limited to a total of six (6) 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. The Credit Union may set other limits on the amount of any transaction and you will be notified of those limits.

iii. Account Information. The account balance and transaction history may be limited to recent account information. Availability of funds for transfer or withdrawal may be limited due to the processing time required for ATM deposit transactions and our Funds Availability Policy.

iv. Secure Messaging. You may use the secure messaging function within Home Banking to send messages to us during business hours.. However, the secure messaging function may not, be used to initiate a transfer on your account. The Credit Union may not immediately receive messaging communications sent by you; therefore, the Credit Union will not take action on transaction requests. Contact the Credit Union immediately regarding any unauthorized transaction or stop payment request; call the Credit Union at the telephone number set forth in Section 6.

v. Personal Financial Management Service. The personal financial management service allows you to consolidate and track your financial information within the Home Banking service. The service is provided to assist you in organizing and managing your finances. The budgeting tools are for informational purposes only, and are not intended to provide legal, tax or financial advice. No alerts will be generated based on this information. Your data input will directly affect the quality of the budgetary data output. Access to the Personal Finance Management Service may be temporarily unavailable from time to time due to system updating, maintenance or technical difficulties. You agree that the Credit Union will not be liable for delay in such cases.

vi. Member to Member (MSM) Transfers. Member to Member Transfer allows you to transfer funds from your account to the account of another at the Credit Union. To transfer funds using M2M Transfer service you must have and provide to the Credit Union the full name of the member that will be receiving funds and the member number and account type of the receiving membership account. When a Home Banking M2M transfer is made, the funds are immediately transferred from your account to the recipient account and you will not be able to cancel the electronic Transfer unless otherwise provided and required by law.

c. Account Alerts. The Account Alerts service is a tool for managing accounts. However, Account Alerts should not be relied upon solely for account information. Although the Credit Union makes every effort to ensure alerts are delivered as expected, there are conditions that may make the alerts unreliable such as, but not limited to: spam filters, relay detectors, inaccurate or obsolete email addresses, network or system failures, etc. The Credit Union recommends that the service be tested prior to regular use to identify any limiting conditions that may be present. The Credit Union does not guarantee the delivery of any account alert.

2. Bill Pay Services. When you apply for bill payment service you must designate your checking account as the account from which payments that you authorize will be deducted. You will be given the ability to set up merchants, institutions or individuals that you would like to pay. You are not permitted to designate governmental agencies or courts. All payees must be in the United States. We reserve the right to not allow the designation of a particular merchant or institution.

a. Bill Pay Transactions. You authorize us to process Bill Pay transactions from your checking account. You or any persons who you have authorized to use your Bill Pay service or PIN can perform the following Bill Pay transactions:

- **Make Bill Payments.** Pay any designated merchant, institution or individual in accordance with this agreement, a fixed recurring amount or a variable amount from your designated checking account.
- **Obtain Information.** Obtain information (payee information, payment status information, etc.) about your bill payment account status.
- **Bill Pay Payment Transactions.** You authorize us to process bill payments from your designated account. You may use the Bill Pay service to initiate different types of payment transactions.

i. Payment Transactions. You may use Bill Pay to initiate three different types of bill payment transactions:

- "Today" payments are payments initiated today with today's transfer date. Payments can be canceled or changed through Bill Pay until funds are withdrawn from the account.
- "Future" payments are payments initiated by setting the payment amount and future payment date. Payments can be canceled or changed through Bill Pay until funds are withdrawn from the account.
- "Recurring" payments are payments that reoccur on a preset date with a fixed amount. You have the option in Bill Pay to set recurring payments to continue indefinitely or to stop on a specific date. Payments can be canceled or changed through Bill Pay until funds are withdrawn from the account.

ii. Number and Authorized Payees. There is no limit on the number of payments or payees you may authorize. You may not make payments to federal, state or local governments or other categories of payees we designate from time to time. When you submit a Bill Pay transaction, you authorize us to transfer funds from your checking account. We will process Bill Pay transactions only to those payees the Credit Union has designated, payees you authorize and payees for whom the Credit Union has the proper payee member number. The Credit Union will not process any Bill Pay transfer if we know the required transaction information is incomplete. In any event, the Credit Union will not be liable for any transaction that contains incorrect information that the Credit Union was not responsible for entering or knowing. If there are insufficient funds in your account to process the Bill Pay transaction, we may refuse to process the transaction or we may process the transaction and transfer funds from any overdraft protection account you have authorized. The Credit Union reserves the right to refuse to process transactions that reasonably appear to the Credit Union to be fraudulent or erroneous.

b. Processing Bill Pay Transactions. The amount of your requested bill payment will be deducted from your account on the Scheduled Payment Date and will be processed by us as follows:

- Transactions scheduled for Sunday, Monday, Tuesday, Wednesday or Thursday will be withdrawn the same day.
- Transactions scheduled for Friday or Saturday will be withdrawn on Sunday.
- Transactions scheduled for a Holiday will be withdrawn the next day, excluding Friday and Saturday.

A maximum dollar limit of \$ 9999.99 per transaction applies. You must have sufficient funds available to cover your payment on the Scheduled Payment Date.

Bill Pay transactions are delivered to the payee either electronically, which may take up to (5) five business days from the Scheduled Payment Date, or by check to those payees not set up to accept electronic payments. Payments by check may take up to ten (10) business days from the Scheduled Payment Date. It is your responsibility to schedule your Bill Pay transactions in such a manner that your obligations will be paid on time. You should enter and submit your Bill Pay transactions at least ten (10) business days prior to the payment due date. If you do not allow sufficient time, you assume full responsibility for any late payments and/or finance charges that may be imposed as a result of your failure to submit a timely Bill Pay transaction. You will be notified if a payment fails, and the bill payment service will automatically attempt to retry the payment on the next business day. If the payment is successful on the next day, you will not be notified again. If the payment fails on the retry, you will be notified a second time. The Credit Union will not process any Bill Pay transfer if we know the required transaction information is incomplete. In any event, the Credit Union will not be liable for any transaction that contains incorrect information that the Credit Union was not responsible for providing or entering. If there are insufficient funds in your account to make the Bill Pay request the payment will not be processed. The Credit Union reserves the right to refuse to process payment instructions that reasonably appears to the Credit Union to be fraudulent or erroneous.

c. Canceling or Changing Bill Pay Transactions. Payments designated as "Today" transactions cannot be stopped, canceled or changed once a payment is withdrawn from the account. You may cancel Future and Recurring Bill Pay transactions by following the Bill Pay instructions. If you discover an error or want to change a transaction (i.e. payment date or payment amount) for a Bill Pay transaction you have already submitted, you may electronically edit or cancel your transaction through Bill Pay. Your cancellation or change request must be submitted through Bill Pay before the payment is withdrawn from the account. If your transaction is not canceled in a timely manner, you will be responsible for the payment. If you wish to place an oral stop payment on a recurring Bill Pay transaction, the Credit Union must receive your oral stop payment request at least three (3) business days before the Scheduled Payment Date. You may call the Credit Union at the telephone number set forth in Section 6 to request a stop payment. If you call the Credit Union, you may be required to confirm your stop payment request in writing within 14 days after the call.

3. Mobile Banking Services. Mobile Banking is a personal financial information management service that allows you to access account information, make payments to individuals and merchants who have previously been set up through our online bill pay services and make such other financial transactions as set forth in the Electronic Funds Transfer Agreement using compatible and supported mobile phones and/or other compatible and supported wireless devices (including phones, "Wireless Devices"). We reserve the right to modify the scope of the Mobile Banking services at any time. We reserve the right to refuse to make any transaction you request through Mobile Banking. You agree and understand that Mobile 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 Banking is posted on the Mobile Access enrollment website at www.spokanefederal.com. When you register for Mobile Banking, designated accounts and payees (or billers) linked to your account through Online Banking will be accessible through the Mobile Banking service.

a. Use of Services. Mobile Banking will not work unless you use it properly. You accept responsibility for making sure that you understand how to use Mobile Banking before you actually do so, and you use Mobile Banking in accordance with the online instructions posted on our website. You also accept responsibility for making sure that you know how to properly use your wireless device and the Mobile Banking software ("Software") required to use the Service. The Software is provided by a service provider not affiliated with the Credit Union and you are solely responsible for entering a license agreement to use the software. We will not be liable to you for any losses caused by your failure to properly use the Mobile Banking service, the Software or your wireless device. You may experience technical or other difficulties related to the Mobile Banking service that may result in loss of data, personalization settings or other

Mobile Access service interruptions. We assume no responsibility for the timeliness, deletion, misdelivery or failure to store any user data, communications or personalization settings in connection with your use of the Mobile Banking service. We assume no responsibility for the operation, security, or functionality of any wireless device or mobile network which you utilize to access the Mobile Banking service. Financial information shown on the Mobile Banking service reflects the most recent account information available through the Mobile Banking service. You agree that we will not 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.

b. Access to Accounts. By enrolling in the Mobile Banking service, you certify you are an owner, joint owner or custodian on the accounts represented in your enrollment. You understand that all owners of your accounts or anyone with whom you share your Password or any access code will be an Authorized User, and that authority will be considered unlimited in amount and manner with full authority to perform all transactions relating to the stated accounts, until you notify the Credit Union, in writing of the revocation of such authority. You agree that you are and will remain fully responsible for any transactions made by such persons on your accounts except transactions that occur after the Credit Union has been notified of any revocation of authority and has had a reasonable opportunity to act upon such notice.

c. Relationship to Other Agreements. You agree that when you use Mobile 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 and that this Agreement does not amend or supersede any of those agreements. You understand that those agreements may provide for fees, limitations and restrictions which might impact your use of Mobile 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 Banking, including while downloading the Software, receiving or sending Mobile Banking text messages, or other use of your Wireless device when using the Software or other products and services provided by Mobile 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 Banking, you will contact us directly.

d. Mobile Banking Service Limitations and Conditions. When you use the Mobile Banking service to access accounts, you agree to the following limitations and conditions:

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 Banking. You represent and agree that all information you provide to us in connection with Mobile Banking is accurate, current and complete, and that you have the right to provide such information to us for the purpose of operating the Mobile Banking service. You agree to not misrepresent your identity or your account information. You agree to keep your account information up to date and accurate.

ii. Proprietary Rights. You may not copy, reproduce, distribute, or create derivative works from this content. Further, you agree not to reverse engineer or reverse compile any Mobile Banking technology, including, but not limited to, any Software or other mobile phone applications associated with the Mobile Banking service.

iii. User Conduct. You agree not to use Mobile Banking or the content or information delivered through Mobile 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; (b) be fraudulent or involve the sale of counterfeit or stolen items, including, but not limited to, use of Mobile Access 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 Banking; (i) interfere with or disrupt the use of Mobile Banking by any other user; or (k) use Mobile Banking in such a manner as to gain unauthorized entry or access to the computer systems of others.

iv. No Commercial Use or Resale. You agree that the Mobile Banking services are for personal use only. You agree not to resell or make commercial use of Mobile Banking.

v. Indemnification. Unless caused by our intentional misconduct or gross negligence, you agree to protect and fully compensate us and service providers from any and all third party claims, liability, damages, expenses and costs (including, but not limited to, reasonable attorneys fees) caused by or arising from your improper use of the Mobile Banking software or your infringement, or infringement by any other user of your account, of any intellectual property or other right of anyone.

vi. Additional Service Limitations. Neither we nor our service providers can always foresee or anticipate technical or other difficulties related to Mobile Banking. These difficulties may result in loss of data, personalization settings or other Mobile Banking interruptions. 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 Banking. Neither we nor any of our service providers assume responsibility for the operation, security, functionality or availability of any Wireless device or mobile network which you utilize to access Mobile Banking. You agree to exercise caution when utilizing the Mobile Banking application on your Wireless device and to use good judgment and discretion when obtaining or transmitting information. Financial information shown on Mobile Banking reflects the most recent account information available through Mobile 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.

vii. Third Party Beneficiary. You agree that our service providers (including any provider of Software) may rely upon your agreements and representations, set forth in this subsection j., and such service providers are, for the purposes of this subsection j., third party beneficiaries with the power to enforce those provisions against you, as applicable

4. External Funds Transfer Services. Within the Home Banking service, you may separately enroll for External Funds Transfer services including Person-to-Person (P2P) transfers between your accounts to the account of another person.

a. Person-to-Person Transfers

i. P2P (Person-to-Person) Payments powered by PayPal TM. P2P (Person-to-Person) Payments powered by PayPal ("P2P Payments") is a service that allows you to send money via the Online Banking Service to others using a cell phone number or an e-mail address through the PayPal network. Sending money does not require you to have a PayPal Account, but the following rules do apply regarding PayPal's role in processing P2P Payment transactions that use the PayPal network. The following Terms and Conditions apply to our P2P (Person-to-Person) Payments Service.

ii. PayPal Relationship. PayPal is a Payment Service Provider. PayPal helps you make payments to third parties. PayPal is an independent contractor for all purposes, except that PayPal acts as your agent with respect to the custody of your funds only. PayPal does not have control of, or liability for, the products or services that are paid for with our service. We do not guarantee the identity of any recipient or ensure that a recipient will complete a transaction."PayPal.com", "PayPal", and all logos, related to the service, are either trademarks or registered trademarks of PayPal or its licensors. You may not copy,

imitate or use them without PayPal's prior written consent. In addition, all page headers, custom graphics, button icons, and scripts are service marks, trademarks, and/or trade dress of PayPal. You may not copy, imitate, or use them without our prior written consent. All rights, title and interest in and to the PayPal website, any content thereon, the services, the technology related to the PayPal services, and any and all technology and any content created or derived from any of the foregoing, are the exclusive property of PayPal and its licensors.

iii. Eligibility for P2P Payments You authorize the Credit Union, directly or through third parties, to make any inquiries considered necessary to validate your identity. This may include asking you for further information, requiring you to take steps to confirm ownership of your e-mail address or financial instruments, ordering a credit report and verifying your Information against third party databases or through other sources. The credit union will, at its sole discretion, authorize the use of P2P and may at its sole discretion disallow the use of P2P payments from any credit union member.

iv. Viewing P2P Transactions You may view your transaction history by logging into Home Banking and looking at your Account History. Your history is also available through the periodic statements we provide you.

v. Sending P2P Payments

Sending Limits. PayPal may, at its discretion, impose limits on the amount of money you can send through the P2P Payments service (in addition to any limits set by us).

Transfers. When a Home Banking P2P Payment is made, the funds are immediately transferred from your account and are credited to PayPal to provide funds to the recipient. You agree that such requests constitute your authorization to us and PayPal to make the Transfer. Once you have provided your authorization for the Transfer, you may not be able to cancel the electronic Transfer.

Refused and Refunded Transactions. When you send money, the recipient is not required to accept it. We will return any unclaimed, refunded or denied payment to your Account within 30 days of the date you initiate payment. If a payment is unclaimed, denied or refunded for any reason, we will return the money to your Account. If a recipient does not have an account with PayPal, and does not set one up before 30 days has elapsed, you can request that the funds are returned to you before 30 days has elapsed by using the return function in the Home Banking Service P2P screen.

vi. Transfer Limitations There is a Minimum Transfer amount is \$1.00. The Daily Transfer limit is \$ 500.00 and there is a Rolling 30 day limit is \$1,000.00 These Transfer Limitations may be changed at any time by the Credit Union.

5. Security of Access Code (PIN). The access code is your Personal Identification Number (PIN) you select for your security. Your PIN is confidential and should not be disclosed to third parties or recorded. You are responsible for safekeeping your PIN. You agree not to disclose or otherwise make your PIN or Wireless Device for Mobile Banking available to anyone not authorized by you to sign on your accounts. If you authorize anyone to have or use your PIN or Wireless Device, you understand that person may use the Home Banking, Bill Pay or Mobile Banking service to access and review all of your account information and execute account transactions. Therefore, we are entitled to act on transaction instructions received using your PIN and you agree that the use of your PIN will have the same effect as your signature authorizing transactions. If you authorize anyone to use your PIN 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 PIN 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 PIN is changed. If you fail to change your PIN or maintain the security of your PIN and the Credit Union suffers a loss, we may terminate your electronic services immediately.

6. Member Liability. You are solely responsible for all transfers you authorize using any Services under this Agreement. If you permit other persons to use your access code and initiate transactions with this Service, you are responsible for any transactions they authorize or conduct on any of your Accounts.

a. Liability on Business Accounts. For business Accounts, you understand that any transaction by a business owner, employee, agent representative or anyone you authorize to transact business on your Account or any transaction by an authorized person that exceeds the specific transaction authority you have provided, is considered an authorized transaction for which you remain fully responsible. You are responsible for safeguarding your business, financial and personal data, access codes and other information to prevent unauthorized access to or use of your Accounts through this Service. If you believe your access code has been lost or stolen or that someone has transferred or may transfer money from your Account without your permission. When you give someone your access code, you are authorizing that person to access your deposit Accounts using this Service, and you are responsible for all transactions that person performs while using the Service. All transactions that person performs even those transactions you did not intend or want performed are authorized transactions. If you notify us that the person is no longer authorized, then only transactions that person performs after the time you notify us are considered unauthorized. Transactions that you or someone acting with you initiates with fraudulent intent are also authorized transactions. For your protection, sign off after every online banking session and close your browser to ensure confidentiality.

b. Liability on Consumer Accounts. For EFT transactions on a consumer deposit account, under this Agreement, you are responsible for all transactions you authorize using Home Banking, Bill Pay Mobile Banking or External Funds transfer services. For consumer Accounts, transactions by family members or friends that you allow on your Account are authorized by you. If you permit other persons to use your PIN, you are responsible for any transactions they authorize or conduct on any of your accounts. However, you must notify us immediately if you believe anyone has used your PIN and accessed your accounts without your authorization. For EFT transactions, if you notify 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 notify us within two (2) business days after you learn of the unauthorized use of your account or PIN, 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.

If your statement shows EFT transactions that you did not make, notify us immediately. If you do not notify us within sixty (60) days after the statement was mailed to you, you may be liable for the full amount of the loss if we can prove that we could have stopped someone from making the unauthorized EFT transactions. If a good reason (such as a hospital stay) kept you from notifying us, we may extend the time period.

If you believe your PIN has been lost or stolen or that someone has transferred or may transfer funds from your account without your permission, contact us immediately by one of the following:

Telephone: (509) 328-2900 or (800) 541-4310.

In person at one of the Spokane Federal Credit Union branches.

Mail: Spokane Federal Credit Union, PO Box 2519, Spokane, WA 99220-2519.

7. Business Days. Our business days are Monday through Friday. Holidays are not included.

8. Fees and Charges. The fees and charges for the electronic services are outlined below. Fees and charges may be changed from time to time. We will notify you of any changes as required by law.

- **Home Banking Service.** There is no fee for Home Banking.
- **Bill Pay Service.** There is no fee for Bill Pay Services.

- **P2P Transfer Service.** We currently charge a fee for P2P payments of \$.75. However, you will be responsible for any excess transaction fees that may apply to your Account. You are also responsible for web access and/or data or text message charges that may be billed by your mobile carrier.

9. Transaction Documentation. Transactions submitted through Home Banking, Bill Pay or Mobile Banking services will be recorded on your monthly statement sent to you by mail or e-statements if you have requested e-statements..

10. 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.spokanefederal.com. However, we may disclose information to third parties about your account or the transactions you submit 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 agencies or court orders;
- d. If you give us your express written permission.

11. Credit Union Liability for Electronic Services.

a. Consumer Accounts. If we do not complete a transaction 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 in a transaction will be to correct the error and in no case will we be liable for any indirect, special, incidental, or consequential damages. In states that do not allow the exclusion or limitation of such damages, our liability is limited to the extent permitted by applicable law. The Credit Union will not be liable for the following:

- If, through no fault of ours, you do not have sufficient funds in your account to complete the transaction, your account is inactive, or the transaction would exceed the credit limit on your line of credit, if applicable.
- If you used the wrong account or PIN, you have not properly followed any applicable service or Credit Union user instructions for making Home Banking, Bill Pay, or Mobile Banking transactions.
- If your personal computer malfunctioned or the phone lines were not working properly or the Credit Union computer system was not working properly and such problem(s) should have been apparent when you attempted your transaction.
- If circumstances beyond our control (such as fire, flood, telecommunication outages or strikes, equipment or power failure) prevent making the transaction.
- If the funds in your account are subject to an administrative hold, legal process or other claim.
- If you have not given the Credit Union complete, correct and current instructions so the Credit Union can process the transaction.

- If, through no fault of ours, a Bill Pay, Home Banking or Mobile Banking 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 insufficient; payment is lost in the mail or the payee failed to process a payment correctly or in a timely manner and a fee, penalty, or interest charge is assessed against you.
- If an error was caused by a system beyond the Credit Union's control such as a telecommunications system, an Internet Service Provider, any computer virus or problems related to software not provided by the Credit Union.
- If there are other exceptions as established by the Credit Union.

b. 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 Electronic 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 the Authorized Representative'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 or 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

12. Termination of EFT Services. You agree that we may terminate this Agreement and your Home Banking, Bill Pay, or Mobile Banking services, if you, or any authorized user of EFT services or PIN breach this or any other agreement with us; or if we have reason to believe that there has been an unauthorized use of your accounts or PIN. In addition, we reserve the right to terminate the service if you fail to use the service for more than two consecutive billing cycles. 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. However, monthly fees will apply for any partial month with no prorating. Termination of this Agreement will not affect the rights and responsibilities of the parties under this Agreement for transactions initiated before termination.

13. Amendments. The Credit Union reserves the right to change the terms and conditions upon which this service is offered. The Credit Union will notify you, by mail, 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.

14. Statement Errors on Consumer Accounts. In case of errors or questions about your EFT transactions, contact us by: telephone at the phone number set forth in Section 6; send us an e-mail to the address set forth in Section 6; or write us at the address set forth in Section 6, as soon as possible. We must hear from you no later than sixty (60) days after we sent the first statement on which the problem appears.

- Tell us your name and member number.

- 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.
- 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 tell you the results of our investigation within ten (10) business days after we hear from you and will correct the error promptly. For errors related to transactions occurring within thirty (30) days after the first deposit to the account (new accounts), we will tell you the results of our investigation within twenty (20) business days. If we need more time, however, we may take up to forty-five (45) calendar days to investigate your complaint or question (ninety (90) calendar days for new account transaction errors, or errors involving transactions initiated outside the United States). If we decide to do this, we will re-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 re-credit your account.

If we decide after our investigation that an error did not occur, we will deliver or mail to you an explanation of our findings within three (3) business days after the conclusion of our investigation. If you request, we will provide you copies of documents (to the extent possible without violating other members' rights to privacy) relied upon to conclude that the error did not occur.

15. 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. This Agreement shall be governed by and construed under the laws of the state of Washington as applied to contracts entered into solely between residents of, and to be performed entirely in, such state. 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 to, subject to Washington law, 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.

REMOTE DEPOSIT SERVICES

If we approve the Remote Deposit service for you, you must use your PIN with your Login to access your accounts. You may photograph an image of checks with your Remote device creating an electronic image and you may transmit the electronic image that the Credit Union will deposit to your account. The Credit Union's processing agent shall perform an image quality assessment of the imaged checks and shall convert items meeting the Credit Union's required standards into substitute checks to facilitate the deposit and collection of such items. You agree that the manner in which checks are cleared or presented for payment shall be determined by Credit Union, in its sole discretion. We reserve the right to select the clearing agents through which we clear checks.

1. Deposit Acceptance & Funds Availability. You agree that Credit Union may at any time, in its sole discretion, refuse to accept deposits of checks from you via Remote Deposit session. In the event that the Service is interrupted or are otherwise unavailable, you may deposit checks in-person at a Credit Union branch or via night drop or mail or other contractually acceptable method.

Funds from items deposited through the Service will be available on the day the item is cleared by the payor bank and the Credit Union has been given credit. There may be additional holds on deposited

items as set forth in the Credit Union's Funds Availability Policy disclosure, as amended from time to time, which is incorporated herein by reference. For purposes of determining the cut-off period for deposits and the availability of funds, checks deposited via Remote Deposit session are considered received by the Credit Union when the checks have cleared and funds are available to the Credit Union. You agree that the imaging and transmitting of checks alone does not constitute receipt by Credit Union. Also, acknowledgment of receipt or delivery does not constitute an acknowledgment by Credit Union that the transmission of a check or items does not contain errors or that funds will be available.

2. Member Responsibilities.

a. Member Settlement Account. You must designate a Credit Union savings or checking or loan account as the settlement account to be used for the purposes of settling transactions requested in connection with the Service. We will provide you with details of each specific transaction. You will be responsible for reviewing and balancing of any settlement account.

b. Responsibility for Imaging. You are solely responsible for imaging deposit items, accessing the service from the Credit Union and for maintaining your imaging equipment. You will be responsible for the payment of all telecommunications expenses associated with the service. Credit Union shall not be responsible for providing or servicing any Equipment for you.

c. Deposit Requirements. You agree that you will only use the Service to deposit checks drawn on financial institutions within the United States, excluding its territories. For checks not falling within this requirement you must deposit those checks in person, using a night drop facility or by U.S. Mail. You agree that each check you deposit through the Service will meet the image quality standards directed in the application.

d. Check Retention & Destruction. You agree that all checks belong to you and not to the Credit Union and that those items shall be handled in accordance with this Agreement and your Membership and Account Agreement. After our receipt of a deposit transmission we will acknowledge by electronic means our receipt of such transmission. Your electronic transmission is subject to proof and verification. You will retain the original of all imaged checks that have been deposited via Remote Deposit for a reasonable period of time in order to verify settlement and credit or to balance periodic statements, but in no case beyond thirty-five (35) days from the date processed. It is your responsibility to properly destroy and dispose of such original checks after such time. During the period that you maintain any original checks, you understand and agree that you must use a high degree of care to protect these original checks against security risks. These risks include, without limitation, (i) theft or reproduction of the original checks (including by employees) for purposes of presentment for deposit of these original checks (i.e., after the original checks have already been presented for deposit via the Service) and (ii) unauthorized use of information derived from the original checks. When you dispose of any original checks, you understand and agree that you must use a high degree of care when selecting and implementing disposal procedures to ensure that the original checks are not accessed by unauthorized persons during the disposal process and, once destroyed, the original checks are no longer readable or capable of being reconstructed.

e. Deposit Prohibitions. You agree not to deposit, or attempt to deposit, or allow others, either directly or indirectly, to deposit, or attempt to deposit, by any means: (i) any Substitute Check, the original of which has already been presented for deposit via the Service, (ii) any image of a check that has already been deposited either as an original or as a substitute check, or (iii) any original check, the Substitute Check of which has already been presented for deposit via Remote Deposit. In the event that you, or any third party, makes, or attempts to make, a deposit in violation of this Subsection you agree to defend, indemnify, and hold Credit Union and its agents harmless from and against all liability, damage and loss arising out of any claims, suits, or demands brought by third parties with respect to any such Substitute Check or original check. You will not deposit or otherwise indorse to a third party the original item (the original check) and no person will receive a transfer, presentment, or return of, or otherwise be charged

for, the item (either the original item, or a paper or electronic representation of the original item) such that the person will be asked to make payment based on an item it has already paid. You agree that the aggregate amount of any items which are deposited more than once will be debited from your account, and to the extent funds in your account are insufficient to cover such amount, any balance shall be debited by Credit Union from any other deposit accounts with Credit Union in its sole discretion. You further acknowledge that you and not the Credit Union is responsible for the processing and handling of any original items which are imaged and deposited utilizing the Service and you assume all liability to the drawer of any item imaged using the service or liability arising from the Credit Union's printing of any substitute check from those images.

f. Your Representations and Warranties. You represent and warrant: (i) that you will comply with all federal and state laws, and rules and regulations applicable to deposit and check transactions, including those of the National Automated Clearing House for ACH transactions;(ii) that all checks deposited through the Service are made payable to you; (iii) that all signatures on each check are authentic and authorized; (iv) that each check has not been altered, (v) you will only transmit acceptable items for deposit and have handled the original items in accordance with applicable laws, rules and regulations, (vi) each image of a check transmitted to you is a true and accurate rendition of the front and back of the original check, without any alteration, and the drawer of the check has no defense against payment of the check, and (vii) you are authorized to enforce each item transmitted or are authorized to obtain payment of each item on behalf of a person entitled to enforce such transmitted item.

In the event you breach any of these representations or warranties, you agree to defend, indemnify and hold Credit Union and its agents harmless from and against all liability, damages and loss arising out of any claims, suits or demands brought by third parties with respect to any such breach. You further authorize the Credit Union to charge its account for the amount of any such demand, claim or suit that constitutes a breach of warranty claim under the provisions of the Uniform Commercial Code.

g. Financial Responsibility. You understand that you remain, solely and exclusively responsible for any and all financial risks, including, without limitation, insufficient funds associated with accessing the Service. The Credit Union shall not be liable in any manner for such risk unless Credit Union fails to follow the procedures described in materials for use of the service. You assume exclusive responsibility for the consequences of any instructions you give to the Credit Union, for your failures to access the Service properly in a manner prescribed by the Credit Union, and for your failure to supply accurate input information, including, without limitation, any information contained in an application. You agree that you will not (i) modify, change, alter, translate, create derivative works from, reverse engineer, disassemble or decompile the technology or Service, (ii) copy or reproduce all or any part of the technology or Service; or (iii) interfere, or attempt to interfere, with the technology or Service.

h. Account Reconciliation. You will verify and reconcile any out-of-balance condition, and promptly notify the Credit Union of any statement transaction errors within the time periods established for statement examination in the Membership and Account Agreement after receipt of your account statement. If notified within such period, the Credit Union shall correct and resubmit all erroneous files, reports, and other data at the Credit Union's then standard charges, or at no charge, if the erroneous report or other data directly resulted from the Credit Union's error.

3. Credit Union's Obligations.

a. Financial Data. We will review and process your electronic file through a batch processing at one time per day. The Credit Union agrees to transmit all the financial data under its control required to utilize the service selected by you and to act on appropriate instructions received from you in connection with such service. The Credit Union shall exercise due care in seeking both to preserve the confidentiality of the user number, password, test key, or other code or identifier and to prevent the use of the service by unauthorized persons (and in this connection it is understood and agreed that implementation by the Credit Union of its normal procedures for maintaining the confidentiality of information relating to its

members, and where practicable the obtaining by the Credit Union from any third parties engaged in the installation, maintenance and operation of the system of similar undertakings, shall constitute fulfillment of its obligation to exercise due care) but shall not otherwise be under any liability or have any responsibility of any kind for any loss incurred or damage suffered by you by reason or in consequence of any unauthorized person gaining access to or otherwise making use of the service. You assume full responsibility for the consequences of any misuse or unauthorized use of or access to the Service.

b. Service Availability. You understand that Service availability is at all times conditioned upon the corresponding operation and availability of the communication systems used in communicating your instructions and requests to the Credit Union. We will not be liable or have any responsibility of any kind for any loss or damage thereby incurred by you in the event of any failure or interruption of such communication systems or services resulting from the act or omission of any third party, or from any other cause not reasonably within the control of the Credit Union.

c. Exception Items. When we review and process your electronic file, we may reject any electronic image that we determine to be ineligible for the service ("Exception Item") including, without limitation, electronic images of items drawn on banks located outside the United States, items drawn on U.S. Banks in foreign currency, electronic images that are illegible (due to poor image quality or otherwise), electronic images of items previously processed, electronic images previously converted to substitute checks, and electronic images with unreadable MICR information. We will notify you of any Exception Items. You agree that if you wish to attempt to deposit any Exception Item to any of your accounts with Credit Union, you will only do so by depositing the original item on which the Exception Item is based. You acknowledge and agree that even if you do not initially identify an electronic image as an Exception Item, the substitute check created by the Credit Union there from may nevertheless be returned to Credit Union because, among other reasons, the electronic image is deemed illegible by a paying bank. Credit Union's failure to identify an Exception Item shall not preclude or limit your obligations to Credit Union.

d. Account Information. We will provide you with daily transaction history via the Internet and the Home Banking service detailing items processed, return items, and deposit adjustments.

e. Retention of Check Images. We will retain any substitute checks it generates for seven (7) years.

4. Services Fees. Currently there is no monthly fee for the Remote Deposit Service. You agree to pay all fees and charges for deposit services as set forth on the Rate and Fee Schedule. All Service Fees are subject to change by Credit Union upon thirty (30) days written notice to Member.

5. Disclaimer of Warranties. MEMBER ACKNOWLEDGES THAT THE SERVICE IS PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS. THE CREDIT UNION IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS IN OR TO ANY INFORMATION RESULTING FROM YOUR USE OF THE SERVICE. THE CREDIT UNION MAKES NO AND EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, REGARDING THE SERVICE INCLUDING THE WARRANTY OF TITLE AND THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NONINFRINGEMENT. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE CREDIT UNION DISCLAIMS ANY WARRANTIES REGARDING THE OPERATION, PERFORMANCE OR FUNCTIONALITY OF THE SERVICE (INCLUDING, WITHOUT LIMITATION, THAT THE SERVICE WILL OPERATE WITHOUT INTERRUPTION OR BE ERROR FREE). MEMBER FURTHER ACKNOWLEDGES THAT THERE ARE CERTAIN SECURITY, CORRUPTION, TRANSMISSION ERROR AND ACCESS AVAILABILITY RISKS ASSOCIATED WITH USING OPEN NETWORKS SUCH AS THE INTERNET AND/OR TELECOMMUNICATION LINES OR CIRCUITS. MEMBER HEREBY ASSUMES ALL RISKS RELATING TO THE FOREGOING.

6. Credit Union's Liabilities.

a. Direct Damages. THE CREDIT UNION'S LIABILITY SHALL BE LIMITED TO DIRECT DAMAGES SUSTAINED BY MEMBER AND ONLY TO THE EXTENT SUCH DAMAGES ARE A DIRECT RESULT OF THE CREDIT UNION'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT; PROVIDED THAT THE MAXIMUM AGGREGATE LIABILITY OF THE CREDIT UNION RESULTING FROM ANY SUCH CLAIMS SHALL NOT EXCEED ONE HUNDRED DOLLARS. IN NO EVENT SHALL THE CREDIT UNION BE LIABLE FOR SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL LOSS OR DAMAGE OF ANY KIND INCLUDING LOST PROFITS WHETHER OR NOT THE CREDIT UNION HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE. THE CREDIT UNION'S LICENSORS OR SUPPLIERS WILL NOT BE SUBJECT TO ANY LIABILITY TO MEMBER IN CONNECTION WITH ANY MATTER.

b. Your Duty to Report Errors. You will notify Credit Union of any errors, omissions, or interruptions in, or delay or unavailability of, the Services as promptly as practicable, and in any event within one business day after the earliest of discovery thereof, or the date discovery should have occurred through the exercise of reasonable care, and, in the case of any error, within fourteen (14) days of the date of the earliest notice to you which reflects the error. Your failure to notify Credit Union of any error, omission, or other discrepancy within seven (7) days from the date of a loss shall relieve Credit Union of any liability for such error, omission, or discrepancy.

c. Credit Union's Performance. You acknowledge and agree that Credit Union shall not be liable for any damages or loss of any kind resulting from any unintentional error or omission by Credit Union in performing the Service, in accordance with or unintentional deviation from the terms and conditions of this Agreement. You acknowledge that Credit Union's systems and procedures established for providing the Service are commercially reasonable.