

## ONLINE BANKING SERVICE AGREEMENT AND DISCLOSURE

This Online Banking Service Agreement and Disclosure (hereinafter, "Agreement") governs your access to the online banking and Bill Payer services (collectively "Online Services") being offered by Spectrum Credit Union ("we", "us", "our" or "Credit Union") now and in the future. As a member of Spectrum Credit Union, you are eligible to enroll for our Online Services. By using the Online Services, you, and any person you authorize to use your access to the Online Services, agree to abide by the terms and conditions of this Agreement.

### I. Definitions.

"Account(s)" means the checking account that you have with us for personal, business or household use which will be debited for Bill Payer payments made to Payee(s).

"Business Day" means every weekday that we are open for business, Monday through Friday, except Federal Reserve holidays.

"Bill Payer" means our service that allows you to pay or transfer funds to designated Payees based upon your instructions to us via the Internet.

"Electronic" means electrical, digital, magnetic, wireless, optical or electromagnetic technology, or any other technology that entails similar capabilities.

"Payee" means the person or entity to which you wish a bill payment to be directed or is the person or entity from which you receive electronic bills, as the case may be.

"Password" means the confidential identification number or code assigned to you by us or selected by you for identification purposes in connection with the Online Services.

"Send On Date" means the date a payment will start to process.

### II. Setup and Use of Online Services.

- A. Eligibility. In order to activate Bill Payer, you must have at least one Account with us. You must pay the required fees described in our Fee Schedule as amended from time to time. We will assign a Bill Payer ID. **You should keep the Password in a secure location. Any person having access to your Password and Bill Payer ID will be able to access Bill Payer and perform all transactions, including reviewing Account information and making transfers to other entities.**
- B. Access. Online Services are generally accessible 24 hours a day, seven days a week, except for reasonable periods on a daily basis for system maintenance. We are not liable for any failure to provide access to Bill Payer. We may modify, suspend, or terminate access to the Bill Payer at any time and for any reason without notice or refund of any fees. Online Services access will be disabled if you do not access it for 182 consecutive days.
- C. Equipment Requirements. A computer with a modem, access to the Internet, and a web browser able to support 128 bit encryption is required to use the Bill Payer services. You are responsible for the correct set-up and maintenance of your personal computer and modem. We are not responsible for any errors, damages or other losses you may suffer due to malfunction or misapplication of any system used, including your browser, Internet service provider, software, or any equipment you may use (including telecommunications facilities, computer hardware and modem) to access or communicate with the Bill Payer services.

D. Limitation of Liability.

1. Disclaimer of Liability. You are responsible for the correct set-up and installation of a web browser or related software to gain Internet access to and use of the Bill Payer services. You agree that neither we nor any of our service providers shall be liable for any loss or damages (whether direct, indirect, special or consequential or otherwise), including economic, property, personal, or other loss or injury, whether caused by us, the hardware or software or a system-wide failure, arising or resulting from the installation, use, or maintenance of the equipment, software or other items necessary to access and/or operate the Bill Payer services.
2. Disclaimer of Warranties.
  - (a) **Warranties of Fitness and Merchantability.** NEITHER WE, NOR ANY OF OUR SUBSIDIARIES, NOR ANY INFORMATION PROVIDERS MAKE ANY WARRANTY, EXPRESS OR IMPLIED, TO YOU CONCERNING THE SOFTWARE, EQUIPMENT, BROWSER OR OTHER ONLINE SERVICES INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR NON-INFRINGEMENT OF THIRD-PARTY RIGHTS, UNLESS DISCLAIMING SUCH WARRANTY IS PROHIBITED BY LAW.
  - (b) Computer-related Warranties. Neither we, nor any of our subsidiaries, nor any information provider is liable for any computer virus or software-related problems that may be attributable to services provided in connection with the Online Services.

III. **Online Services.**

- A. Bill Payer Services Offered. You may use the Bill Payer service to access your Account. These activities are limited to the extent noted herein and in the Master Account Agreement and Disclosure governing your Account. Through the Bill Payer service, you can pay bills either on an automatic, recurring basis or periodically as you request. You must provide us with the name and address of the Payee (i.e., the party to be paid), your account/reference number (if any) with that party and any other information we require to properly debit your Account with us and credit your account with the Payee. Payments can be made to any legal entity within the U.S. and its territories. You may not make any alimony, child support, tax, or other governmental or court-ordered payment using the Bill Payer service. Please allow seven (7) business days for processing the information. If you wish to add or delete Payees, you may make these changes online through the Bill Payer service. You authorize us to make all changes you submit through the Bill Payer service or that are submitted by any other person having access to your Bill Payer service ID, Password, and Account information. Our Online Services allow you to:
  - Review Bill Payer transaction history
  - Issue payments to pay balances on Accounts with us or with other institutions
  - Communicate directly with us via an online messaging center
- B. Specific Information about Bill Payer.
  1. Bill Payer Payment Service. When you sign up for the Bill Payer service, you must designate an Account with us as your Bill Payer Account. You may make Bill Payer Payments in any amount between \$0.01 and \$9,999.99. You have a daily limit of bill payments of \$19,999.99. When you schedule a bill payment using the Online Services, you authorize us to withdraw the necessary funds from the Bill Payer Account. We may refuse to act on your instruction if sufficient funds, including funds available under any overdraft plan, are not available in your Bill Payer Account on the date we attempt to process payment. We reserve the right to enforce minimum and maximum payment amounts different from those listed here.

2. Processing Bill Payer Payments. We deduct the amount of your transaction from your Account one to two business days after the Send On Date. If the date on which you schedule a payment falls on a weekend or holiday, we process the instruction the next Business Day. This means that your payment could be late because the payment will be processed after you intended the bill to be paid. Therefore, it is recommended that you check your automatic payments at the beginning of each month and adjust Send On Dates if needed. To ensure that your payments arrive on time, you must schedule payments to be processed **at least five (5) Business Days before** the payment due date for payments sent by check and **at least three (3) Business Days before** the payment due date for payments sent electronically. This generally allows sufficient time for the Payee to receive and post the payment. We are not responsible for postal delays or processing delays by the Payee. The cutoff time for processing bill pay requests is 9:30 PM Central Time. In an effort to prevent erroneous duplicate payments, if you schedule multiple payments for the same amount to the same payee on any given day, we will process only one of those payments.

When you add Payees to the Online Services, you must enter your account/reference number and address as they appear on the relevant payment stub or invoice. Occasionally a Payee may choose not to participate in the services, or may require additional information before accepting payments electronically. We work with these Payees to encourage them to accept an electronic or check payment from the Credit Union. If we are unsuccessful, or if we believe that the Payee cannot process payments in a timely manner, we may decline to make future electronic payments to that Payee. In the unlikely event that this occurs, we will send you a notice. We may always refuse to make payments to certain Payees.

3. How Bill Payer Payments are Made. We process all payments you make through the Online Services by either sending an electronic transmission to the Payee or by mailing a draft to the Payee, based on the information you have provided to us regarding the Payee. Please note that Payees who receive electronic delivery will receive your payment information, including the Account number, through a computed link. Please also note that drafts (i.e., paper checks) sent to Payees will be printed with your name, address, account number, payment date and payment amount. Electronic payments are generally received and credited by most Payees within three Business Days. All drafts drawn on your Account are mailed through the U.S. Postal Service. Draft payments are generally received and credited by most Payees within five to seven business days.
4. Canceling Bill Payer Payments. You may cancel a pending Bill Payer Payment transaction. However, to do so, we must receive your instruction to cancel prior to 9:30 PM Central Time on the Send On Date. If we do not receive your instruction to cancel a transaction before that time, we may process the transaction. To cancel any transaction, you must go to the Make Payments section on the Bill Payment section of the PC Access navigation menu and follow the instructions regarding cancellations.

#### **IV. Fees.**

For the fees applicable to your selected Online Services, refer to the Fee Schedule. You agree to promptly pay all fees and charges for services provided under this Agreement and authorize us to debit your Account. If you close your Account, you must notify us and promptly identify a new Account as your Account for the Bill Payer service. If any fees or charges cannot be paid, we may cancel your access to all or any Online Services. After cancellation, your access to Online Services may be reinstated by contacting our Bill Payer Customer Service at 800-232-8101 or 510-627-5000 once sufficient funds are available in your Account to cover all accrued charges, fees and other pending transfers or debits.

**V. Parties' Rights and Responsibilities.**

**A. Your Rights and Responsibilities.**

1. Authorized Use of Services by Other Persons. You are responsible for keeping the Password and Account data confidential. We are entitled to act on transaction instructions received using your Password, and you agree that use of the Password will have the same effect as your signature authorizing the transactions. If you authorize other persons to use your Password in any manner, said authorizations will be considered unlimited in amount and manner until you have notified us in writing that you have revoked the authorization and changed the Password. You are responsible for any transactions made by such persons until you notify us that transfers by that person are no longer authorized and we have a reasonable opportunity to act upon the change of your Password.
2. Report Unauthorized Transactions. You must notify us immediately if you believe that the Password has been lost or stolen or that someone has transferred or may transfer money from your Account without permission or if you suspect any fraudulent activity on any Account.
3. Your Liability for Unauthorized Transactions.

Please notify us AT ONCE if there is a reason to believe the Password has been lost or stolen. Telephoning is the best way of limiting your possible losses. If you tell us within two Business Days after you discover your Password or other means to access your Account has been lost or stolen, your liability is no more than \$50.00 should someone access your Account without permission. If you do not notify us promptly, it is possible that you could lose all the money in your Accounts plus the maximum overdraft line of credit. If you DO NOT TELL US WITHIN TWO (2) BUSINESS DAYS after learning of the possible loss or theft of the Password, and we can prove that we could have stopped someone from using the Password without your permission if we had been notified, you could lose as much as \$500.

If your statement shows transactions that you did not make or authorize, you must inform us at once. If you do not tell us within sixty (60) days after the FIRST statement was mailed to you or was available to you online if you have requested only online statements, 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 transaction. Your role is extremely important in the prevention of any wrongful use of the Online Services and your Accounts. You must promptly examine Account statements upon receipt and, if your records and ours disagree, you must call our Online Customer Service immediately at 800-232-8101 or 510-627-5000. If a good reason (such as a long trip or a hospital stay) kept you from notifying us, we may extend the time periods.

4. Resolving Errors or Problems. If you believe that a statement or receipt is incorrect or if you need more information about a transfer listed on the statement or receipt, contact us as soon as possible. We must hear you no later than sixty (60) days after the FIRST statement on which the problem or error appeared is sent to you. When contacting us, our representative will need to know the following information:
  - (a) Your name and Account number;
  - (b) A description of the error or transfer about which you are unsure, and an explanation of why you believe it is an error or why more information is needed; and
  - (c) The dollar amount of the suspected error.

If you notify us orally or by electronic communications, we may require that you send us your complaint or question in writing within ten (10) business days. We will inform you of the results of our investigation within ten (10) business days (20 business days if the transfer involved a new account; i.e., account opened for 30 days or less) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days if the transfer involved a new account or a foreign-initiated transfer) to investigate the complaint or question. If we decide to do this, we will credit your Account, within ten (10) business days (20 business days if the transfer involved a new account), with the amount you believe 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 the complaint or question in writing and we do not receive it within ten (10) business days, we may not credit your Account. If we decide that there was no error, we will send you a written explanation within three (3) business days after we finish our investigation. You may request copies of the documents that we used in our investigation.

5. Indemnification. You agree to indemnify, defend and hold us, our affiliate companies, directors, officers, employees and agents harmless against any third party claim, demand, suit, action or other proceeding and any expenses related to the Online Services.
  6. Failed or Returned Transactions. In using the Online Services, you are requesting the Credit Union to make payments for you from your Account. If we are unable to complete the transaction for any reason associated with your Account (for example, there are insufficient funds in your Account to cover the transaction), the transaction will not be completed. If an item is returned due to insufficient funds, your Account will be blocked which will prevent any further bill payments from being processed. The Account block will remain in place for up to ten (10) Business Days after the item is paid. In some instances, you will receive a return notice from the Credit Union. In any case, you agree that:
    - (a) You will reimburse the Credit Union immediately upon demand the transaction amount that has been returned;
    - (b) You will reimburse the Credit Union for any fees imposed as a result of the return; and
    - (c) You will reimburse the Credit Union for any fees it incurs in attempting to collect the amount of the return from you.
- B. Our Rights and Responsibilities. If you provide us with timely, complete, correct and accurate information and we do not then accurately complete a transfer to or from your Account or if we fail to cancel a transaction as properly requested or in the correct amount according to our agreement with you, we are liable for your losses or damages as provided in this Agreement. There are some exceptions to our liability for processing transaction on your Accounts. For example, we will not be liable:
1. If, through no fault of ours, you do not have enough money in your Account to make the transfer;
  2. If the transfer would go over the credit limit on your overdraft line, if any;
  3. If a legal order directs us to prohibit withdrawals or transfers from the Account;
  4. If circumstances beyond our control such as interruption of telephone service or telecommunication facilities, natural disaster such as fire or flood, or handling of payments by a third party prevent the transfer, despite reasonable precautions taken by us;
  5. If you have not provided us with complete and correct payment information, including without limitation the name, address, account number and payment amount for the Payee on a Bill Payer Payment;
  6. If you have not properly followed instructions for using the Online Services;

7. If your operating system or software was not properly installed or functioning properly;
8. If you, or anyone authorized by you, commits any fraud or violates any law or regulation;  
or
9. As otherwise stated in the Master Account Agreement and Disclosure.

Our sole responsibility for an error in a transfer will be to correct the error, but 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 liability for indirect, special, incidental or consequential damages, our liability is limited to the extent permitted by applicable law.

#### **IV. Consumer Privacy and Confidentiality.**

The importance of maintaining the confidentiality and privacy of the information provided by our customers is one of our highest priorities. You should carefully review our [Privacy Statement](#) which is a part hereof by this reference.

Use of Cookies. Cookies are files stored on a user's own computer system to record information about websites visited frequently. Because of security issues, we will not allow you to store your identifying name, Online Services ID or Password as a cookie on the computer system. However, preferences, site mapping or other statistical information may be stored as a cookie on your hard drive.

#### **VII. Changes in Terms and other Amendments.**

We reserve the right to change the charges, fees or terms described in this Agreement. When changes are made to any fees, charges or other material terms, we will update the Fee Schedule or this Agreement, as applicable, and either send a notice to you at the address shown in our records or we will send you an electronic message (e-mail). The notice will be posted or sent to you at least thirty days (30) before the effective date of the change, unless an immediate change is necessary to maintain the security of the system or unless such change or amendments are otherwise required by law or applicable regulation. As always, you may choose to accept or decline changes by continuing or discontinuing the Accounts or Online Services to which these changes relate or by terminating this Agreement. Your continued use of the Online Services constitutes an agreement to the amendment(s). The terms of the Master Account Agreement and Disclosure shall continue to apply.

#### **VIII. Other Provisions.**

- A. Electronic Notice. We may send notices to you by electronic messaging. Electronic messaging is a secure messaging system you can access by logging in. You may use electronic messaging to contact us about inquiries, maintenance and/or some problem resolution issues. Even though it is a secure messaging system, we do not recommend that you send confidential personal or financial information. There may be times when you need to speak with someone immediately (especially to report a lost or stolen Password, or to stop a payment). In these cases, **do not use electronic messaging**; instead call our Online Customer Services at 800-232-8101 or 510-627-5000.
- B. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of California, without regard to any conflict of law provisions. Your existing Account relationships shall continue to be governed by and construed in accordance with the laws as disclosed in the Master Account Agreement and Disclosure.
- C. Termination. We may terminate this Agreement and any service provided pursuant hereto, in whole or in part, at any time. You or any party to your Account may 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, termination of this Agreement will not affect the rights and responsibilities of the parties under this Agreement for transactions initiated before termination.

- D. Scope of Agreement. This Agreement represents our complete agreement with you relating to our provision of the Online Services. No other statement, oral or written, including language contained in our website, unless otherwise noted, is part of this Agreement.