

Digital Banking Services Agreement and Disclosure

1. Terms of Agreement

This Digital Banking Services Agreement and Disclosure (the "Agreement") applies to the electronic services made available to you in Coastal Federal Credit Union's Digital Banking system and are described in section 6 of this Agreement. This Agreement is provided to you in accordance with the requirements of federal and state law. You should read this Agreement carefully to understand how the Digital Banking Services work, as well as your rights and obligations if you enroll in and use Coastal Federal Credit Union's Digital Banking Services.

By using the Digital Banking Services you acknowledge that you have received and understand the terms of this Agreement and agree to the terms and conditions of this Agreement and of all of the agreements that also govern your account with us. The Digital Banking Services are also subject to federal law and, to the extent not preempted by federal law, the law of the state of North Carolina ("Applicable Law").

In this Agreement, "we", "us" and "our" mean the Coastal Federal Credit Union; and "you" and "your" means each person, or, if applicable, the entity who is an owner, signer, or has unrestricted withdrawal rights of a deposit account or, as applicable, a borrower under a credit account, and each person that uses the Digital Banking Services with your permission.

When your Digital Banking Services are linked to one or more joint accounts, we may act on the oral, written or electronic instructions of any authorized signer regarding your service for those accounts. Each person on a joint account will be liable for all transactions that are made on that account by all other joint account holders of the account. It is your responsibility to notify us if a signer should no longer be given access to the joint account through the Digital Banking Services. Notices sent to the address of one account owner are binding on all account owners.

We recommend that you print or store a copy of this Agreement for your records. You may also review this Agreement from time to time, and at your convenience on our website at www.COASTAL24.com. If you are unable to print or store a copy of this Agreement or if you experience computer or printer malfunctions, please call us and we will mail you a paper copy of this Agreement.

2. Electronic Communication

When you enroll in the Digital Banking Services, you will have access to our Message center via Account Services, our secure message system for secure message exchange. You must designate a primary email address during enrollment or by using the User Profile section, which will be used for notification of receiving communication from us. We may, if you use our Alerts feature or to verify a request made by you via the Digital Banking Services, send account information to the email address(es) you designate. Sensitive information such as account numbers will be only partially shown (masked). Other than Alerts and verification emails, we will not send to you any confidential information about your deposit and loan accounts via the public Internet as it is not necessarily secure. We strongly suggest that you do not send to us any confidential information via the public Internet as it is not secure.

Any electronic communication you send to us is important and will be processed in a timely manner. However, responses may take several days depending upon the nature of your request and the other incoming messages received. You should not rely on email if you need to communicate with us on an immediate basis. We, therefore, strongly suggest that you report all matters requiring immediate attention (for example, reports of alleged unauthorized access, transfers or errors) to us by calling us at 1-800-868-4262 option 0. We may, however, require you to provide us with written confirmation of any verbal notice of alleged error.

We will not send you email requesting confidential information such as account numbers, PINs, or passwords. If you receive such an email purportedly from us, do not respond to the email and notify us by calling 1-800-868-4262 option 0 or forwarding (including header information) the email to idhelp@coastalfcu.org.

3. Agreement and Acknowledgement

By using the Digital Banking Services, you acknowledge that you have received and understand the terms of this Agreement and agree to be bound by all of the provisions of this Agreement and by all of the agreements incorporated herein by reference that also govern your account with us. These Agreements may be amended from time to time and we will provide notice of such changes to you as may be required by Applicable Law.

4. Security and Protection of Your Account

We are committed to protecting the security and confidentiality of information about you and your account(s). We use sophisticated technology in the design and ongoing development of the Digital Banking Services. We use several different security methods to protect your account information:

- You can only access the Digital Banking Services with certain browsers that have high security standards and we are confident that your account access is safe as long as you use safe computing standards.
- If we do not recognize your device, we will ask you for additional authentication information to verify your identity at login and during high risk transactions.
- The Digital Banking Services will automatically log off if prolonged periods of inactivity occur to prevent unauthorized access.
- Data passed from us to your device is encrypted to ensure confidentiality of your account information.

5. Your Access Code and Password

Your access code and password are exclusively for your use. You agree to take reasonable precautions to safeguard your access code and password. You also agree to never leave your device unattended while using the Digital Banking Services and always exit the Digital Banking Services by selecting "Logout" after using the Digital Banking Services.

You may change your access code or password at any time using the User Profile section of the Digital Banking Services.

Your access code and password identify and authenticate you to us when you use the Digital Banking Services. You authorize us to rely on your access code and password to identify you when you use the Digital Banking Services, and as authorization for any transaction and transfer made using the Digital Banking Services.

You acknowledge and agree that you are responsible for all transactions and transfers you make using the Digital Banking Services. You also acknowledge and agree that, if you permit another person or persons to use the Digital Banking Services or give them your access code and password, you are responsible for any transfer that person makes from your account. You agree that we may comply with transfer instructions entered by any person using your access code and password, subject to the terms set forth more fully below section 12 of this Agreement.

6. Types of Available Services, Transactions and Transfers

You may perform the following activities with the Digital Banking Services:

- **Account Inquiry.** You may get account information (such as balances, transaction history and rate information) and view transactions for deposit loan accounts. Availability to review accounts may be limited by account type or account permissions.
- **User Profile.** Manage user profile information in Digital Banking Services such as access code, password, security information and account display elections. You have the ability to manage address, phone number and email address information with the credit union.
- **Statements and Notices.** You will have access to view your statements, notices and tax forms within Digital Banking Services upon acceptance of the Electronic Documents Terms and Conditions.
- **Open Accounts and Apply for Loans.** You may open additional deposit accounts and apply for loans through Digital Banking Services.
- **Alerts.** You may set alert messages for certain circumstances. An e-mail notification will be sent to you for your subscribed Alerts at the designated e-mail addresses you provide through either the User Profile or Alerts. Examples of alert notifications are if your account balance is above or below a specified threshold or if a specified check number has been paid against your Account.
- **Messages.** You may send and receive secure messages to communicate with us regarding your services and support needs.
- **Review Cleared Checks.** You may view and print both front and back of available digital images of checks that have been paid on your deposit accounts.
- **Account Services.** You may request services such as stop payments, statement and check copies and additional services through the Digital Banking Services.
- **Transferring Funds.** You may transfer funds between eligible deposit and loan accounts you are authorized to access. Upon acceptance of External Transfers Terms and Conditions you may transfer funds to and from your credit union accounts and your own accounts at other financial institutions. Upon acceptance of Person to Person Terms and Conditions you may transfer funds to and from your credit union accounts to accounts belonging to others at other financial institutions.

- **Bill Pay.** Upon acceptance of the Bill Pay Terms and Conditions, you may make payments or pay various third parties from your payment account. You must have an eligible Checking Account to use the Bill Pay Service. Your ability to make certain payments or pay certain third parties may be prohibited.
- **Spending.** You may track your activities by transaction type, establish budgets and create savings goals for enrolled accounts in our Spending module.
- **Mobile Banking Application.** You may download the Mobile Banking Application allowing access to many of the same services and features available in desktop Digital Banking Services. You understand and acknowledge that to use this application; you must be an Apple® iPhone®, iPad®, iPod touch® or Android™ customer. You can view balances and activity for eligible deposit and loan accounts included in your Digital Banking Services. Bill Pay subscribers will be able to perform bill payments utilizing Billers that have been previously set up in Digital Banking Services via a computer, or add, edit and delete scheduled bill payments through the application.
- **Mobile Deposit.** You may deposit checks to your accounts through the Mobile Banking Application. Refer to Mobile Deposit Warranties in Section 8 of this Agreement.

7. Limitations on Types of Services, Transactions and Transfers

You have a limited number of attempts to enter your access code and password before the system will prevent access.

We may set limits on the length of time per user session.

Normal system maintenance and testing may cause the system to be unavailable on a periodic basis.

The dollar amount of any transactions may be limited by the amount of money available in any one of the deposit accounts or line of credit accounts.

We may set limits on the total dollar amount of any one transaction.

We may set limits on the number of transactions done in a particular time frame.

We have the right to check each transaction before it is considered to be final. All transactions are subject to regulatory restrictions which normally apply in the financial services industry.

8. Mobile Deposit Warranties

You represent and warrant to us the following:

- You will only submit check(s) that are payable to you. (not to include checks that are endorsed over to you)
- You will only submit check(s) payable in United States currency.
- You will not submit check(s) that are postdated, older than 6 months old, drawn from a foreign financial institution, payable to "cash," or remotely created checks (i.e. checks without the original signature of the drawer).
- You will not redeposit or transfer any item previously deposited or returned (unless advised to do so by us) or in such a manner that the original issuer is asked to make payment on an item that has already been paid.
- You will only submit check(s) that are original, paper check(s).
- You agree to adopt consumer-oriented commercially reasonable security practices to protect transmissions and storage to ensure no unauthorized access is made to the device you use for Service.
- You agree to only use the most up to date and official mobile applications to access this Service.
- You agree that if an item that you have deposited into your account is returned (bounces), and if the amount of the check has already been credited to your account, we may debit your account for the amount of the check in order to return the check plus any applicable returned deposited check fee. You understand that your account may become overdrawn if the check you deposit to the credit union is returned (bounces). In such a case, you must cover the overdrawn amount and fees to your account with Coastal on the day the overdraft occurs. You understand that these debits (for both returned deposited check and the resultant fees) may allow us to recover funds that were directly deposited to your account, to include all types of Governmental benefits.

9. Alert Services

Our alerts service enables you to receive notices from time to time concerning available balance information and other issues relating to your account(s). By signing up to receive one or more of the notices that are offered by the alerts service, you acknowledge that you are aware of and agree to abide by the following terms and conditions:

- The alerts service allows you to request and receive e-mail messages about your accounts with us. We send alerts to you based upon the instructions you provide to us. The e-mail address(es) you provide are neither reviewed nor verified by us prior to or following activation of the alerts service. You hereby acknowledge and accept that each alert is sent to you without being encrypted and may include your name and information pertaining to your account(s).
- You acknowledge and agree that your receipt of any alerts may be delayed or prevented by factor(s) affecting your internet service provider(s) and other factors outside of our control. We neither guarantee the delivery nor the accuracy of the contents of each banking alert. You agree to not hold Coastal Federal Credit Union, its directors, officers, employees and agents liable for losses or damages, including attorneys' fees, that may arise, directly or indirectly, in whole or in part, from (a) a non-delivery, delayed delivery, or the misdirected delivery of an alert; (b) inaccurate or incomplete content in an alert; or (c) your reliance on or use of the information provided in an alert for any purpose.
- We provide this service as a convenience to you for information purposes only. An alert does not constitute a bank record for the deposit or loan account to which it pertains. We reserve the right to terminate its alerts service at any time without prior notice to you. Nothing contained herein shall amend, supersede or nullify anything contained in any other agreement you have made with us.

10. Your Right To Receive Documentation of Transfers

Periodic Statements: You will receive a monthly statement for each month in which there were transfers made for your records.

11. Disclosure of Credit Union's Liability For Failure to Make Transfers

If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your shortages. However, there are some exceptions. For instance, we will not be liable:

- If, through no fault of ours, you do not have enough money in your account to make the transfer; or
- If circumstances beyond our control (such as fire or flood or loss of power) prevent the transfer, despite reasonable precautions taken by the Credit Union; or
- If the transfer would go over the credit limit on your line of credit; or
- If there are contractual limitations based on agreements between us that properly authorize us not to honor the transfer request;
- There may be other exceptions stated in our agreement with you.

12. Contact In the Event of Unauthorized Use

If you believe your access code or password has become known or has been used (or may be used) without your permission, call us immediately:

1-800-868-4262 Option 0 or 919-420-8000 Option 0

or write to us at:

Coastal Federal Credit Union
Risk Management
P.O. Box 58429
Raleigh, NC 27658

The security of your access code, password and security question answers depends largely upon the degree of care and vigilance that you exercise. We have employed recognized security standards to avoid compromising the security of access codes, passwords, and confidential data at the host level in our offices. If you, the member, disclose your access code and password you will be liable for ALL such unauthorized transactions made possible by your disclosure to the extent described below.

Tell us AT ONCE if you believe access code and/or password have been lost, stolen, or compromised. Telephoning is the best way of keeping possible losses to a minimum. You could lose all of the money in your account, plus your maximum line of credit. If you notify us within two (2) business days, you can lose no more than \$50 if someone used your access code and/or

password without your permission. Notify the Credit Union even if you only suspect that our access code and/or password have been lost, stolen, or compromised.

If you do not notify us within two (2) business days after you learn of such loss, theft or compromise of your access code and/or password, and we can prove that we could have prevented the unauthorized use of your access code and/or password or other means to access your account if you had notified us, you could lose as much as \$500.00.

Also, if your statement shows transfers that you did not make, tell us at once. If you do not tell us within sixty (60) days after the statement containing the unauthorized activity was sent to you, you may not get back any money you lost after the sixty (60) days if we can prove that we could have stopped someone from taking the money if you had told us in time. If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods.

13. In Case of Errors or Questions About Your Digital Banking Services

In case of errors or questions about your Digital Banking Services, you should notify us as soon as possible via one of the following:

- Telephone us at 1-800-868-4262 option 0 or 919-420-8000 option 0; or
- Send us a secure message Account Services, Messages; or
- Write us at:
Coastal Federal Credit Union
Digital Branch
P.O. Box 5842
Raleigh, NC 27658

If you think your statement is incorrect or you need more information about a Digital Banking Services transaction listed on the statement, we must receive notice from you no later than sixty (60) days after the FIRST statement was sent to you on which the error appears. You must:

- Tell us your name and account number;
- Describe the error or the transaction in question, and explain as clearly as possible why you believe it is an error or why you need more information; and
- Tell us the dollar amount and date of the suspected error.

It will be helpful to us if you also give us a telephone number at which you can be reached in case we need any additional information.

If you tell us orally, we may require that you send your complaint in writing within ten (10) business days after you have notified us. We will determine whether an error occurred within 10 business days after we hear from you and will correct any error promptly. However, if we require more time to confirm the nature of your complaint or question, we reserve the right to take up to forty-five (45) days to investigate your complaint or question following the date you notified us. 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, 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 provide you the results within three (3) business days after completing our investigation. If it is determined that there was no error, we will mail you a written explanation. You may ask for copies of documents used in our investigation. We may revoke any provisional credit provided to you if we find an error did not occur.

14. Disclosure of Account Information

In order that your privacy may be protected, we will not disclose any information to third parties about you, including e-mail addresses, or your accounts or the transfers you make, except in the situations noted below. We will disclose such information:

- Where necessary for completing transfers or payments, or to resolve a problem related to a transfer or payment

- In order to verify the condition and existence of your accounts for a third party, such as a credit bureau or merchant
- To persons authorized by law in the course of their official duties
- To a consumer reporting agency as defined by Applicable Law
- In order to comply with government agency or court orders, such as a lawful subpoena
- To third parties that assist us in providing Digital Banking products and services
- To our employees, auditors, examiners, service providers, attorneys or collection agents in the course of their duties
- As disclosed in our Privacy Policy

15. Related Agreements

Your accounts linked to the Digital Banking Services will also be governed by the agreements, disclosures and other documents provided to you in connection with the opening of your Account(s), as they may be amended from time to time. If you have overdraft plan accounts that are linked to your Account, they continue to be governed by the applicable agreements you have with us.

16. Termination Digital Banking Services

We reserve the right to terminate your use of the Digital Banking Services for any reason including inactivity and at any time without notifying you. You have the right to terminate your use of the Digital Banking Services by calling us at 1-800-868-4262 option 0, or by writing to us at:

Coastal Federal Credit Union
Digital Branch
P.O. Box 58429
Raleigh, NC 27658

Any termination of your use of the Digital Banking Services, whether initiated by you or us, will not affect any of your or our rights and obligations under this Agreement which have arisen before the effective date of such termination.

17. Amendments or Changes to the Service or Agreement

We reserve the right, from time to time, to amend this Agreement or change the features or services offered by the Digital Banking Services, in our sole discretion. In instances where such changes will have an adverse impact upon you or we are otherwise required by Applicable Law or regulation, we will send you written or electronic notice about the change at least twenty-one (21) calendar days prior to the effective date of any such change. If however, the change is made for security purposes, the change will be implemented without any notice to you.

If any such required advance notice is returned to us as undeliverable because of a change in your contact information which you have not notified us or any other reason which is not our fault, the changes described in that notice are still binding on you. If you do not agree to the changes, you may terminate this Agreement in accordance with the terms of this Agreement. You will be deemed to accept any changes to this Agreement if you continue your enrollment in or use the Digital Banking Services after the date on which the changes became effective.

18. Charges and Fees

There is no monthly maintenance fee for the Digital Banking Services. There may be incidental charges and fees associated with the Digital Banking Services, such as those identified in the Schedule of Fees located on www.COASTAL24.com, including, but not limited to, fees and charges you initiate by requesting stop payments, check copies, or similar services.

We reserve the right to change this schedule of fees from time to time.

19. Virus, Malware, Spyware Protection

You agree that we are not responsible for any electronic virus that you may encounter using the Digital Banking Services. We encourage you to routinely scan your computer and mobile devices using any reliable virus protection product to detect and remove any viruses found. Undetected or unrepaired, a virus may corrupt and destroy your programs, files and even your hardware.

Please note that downloading software and applications to your mobile device can introduce the risk of malicious software. Your mobile device may become subject to unauthorized tracking, hacking, or other manipulation by spyware, viruses and other malware. We are not responsible for advising you of the existence or potential effect of any malware. Your use of your hardware and software is at your own risk.

20. Limited Liability

Except as specifically provided in this Agreement or where Applicable Law requires a different standard, you agree that neither we or any third party service provider engaged by us to perform any of the services related to the Digital Banking Services, shall be responsible for any damages or losses, whether related to property or bodily injury, incurred as a result of your using or attempting to use the Digital Banking Services, whether caused by equipment, software, Internet Service Providers, browser software or any agent or subcontractor of any of the foregoing. Without limiting the foregoing, we will not be liable for delays or mistakes which happen because of reasons beyond our control, including without limitation, acts of civil, military or banking authorities, national emergencies, insurrection, war, riots, acts of terrorism, failure of transportation, communication or power supply, or malfunction or unavoidable difficulties with our equipment. You also agree that we or any third party service provider that we engage with, will not be responsible for any direct, punitive, special or consequential, economic or other damages arising in any way out of the installation, use or maintenance of the equipment, software, the Digital Banking Services or Internet Browser or access software, or from the unavailability of the Digital Banking Services or for any errors in information provided through the Digital Banking Services.

IN NO EVENT WILL YOU BE ABLE TO RECOVER FROM US ANY SPECIAL CONSEQUENTIAL, EXEMPLARY, INDIRECT OR PUNITIVE DAMAGES OR LOST PROFITS, EVEN IF YOU ADVISE US OF THE POSSIBILITY OF SUCH DAMAGES OR LOSSES, SUBJECT TO APPLICABLE LAW.

UNLESS THE DISCLAIMER OF SUCH WARRANTIES IS PROHIBITED BY APPLICABLE LAW, THE DIGITAL BANKING SERVICES IS PROVIDED AS IS, AND WE MAKE NO WARRANTIES, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE DIGITAL BANKING SERVICES, INCLUDING, WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE OR NONINFRINGEMENT.

21. Assignment and Delegation

You may not assign this Agreement, in whole or in part, or delegate any of your responsibilities under this Agreement to any third party or entity.

We may, in our sole discretion and at any time, assign this Agreement, in whole or in part, or delegate any of our rights and responsibilities under this Agreement to any third party or entity.

22. No Waiver

No delay of or waiver by us of any power, right, remedy or obligation under or in connection with this Agreement on any one occasion will constitute a waiver of that power, right, remedy or obligation on any later occasion. In any event, no such delay or waiver by us is effective unless it is in writing and signed by us.

23. Governing Law and Compliance

You shall comply with all laws, rules, and regulations applicable to the Services, including without limitation, Regulation CC (Funds Availability Schedule), Regulation E, the Uniform Commercial Code and any rules established by an image exchange network through which Image Exchange check(s) are processed pursuant to this Agreement. You shall have the responsibility to fulfill any compliance requirement or obligation that the credit union and/or you may have with respect to the Service under all applicable U.S. federal and state laws, regulations, rulings, including sanction laws administered by the Office of Foreign Assets Controls and other requirements relating to anti-money laundering, including but not limited to, the federal Bank Secrecy Act, the USA PATRIOT Act and any regulations of the U.S. Treasury Department to implement such Acts, as amended from time to time. As between and dispute between you and the Service Provider, North Carolina law also applies when not pre-empted by federal law and the courts of the State of North Carolina will have jurisdiction to adjudicate disputes.

24. Provisions Severable

If any provision of this Agreement is held to be void or unenforceable by a court of competent jurisdiction, or any governmental agency, that provision will continue to be enforceable to the extent permitted by that court or agency, and the remainder of that

provision will no longer be treated as part of this Agreement. All other provisions of this Agreement will, however, remain in full force and effect.