

ELECTRONIC FUNDS TRANSFER AGREEMENT AND DISCLOSURE

1. Purpose of This Agreement. This Agreement defines your and the Credit Union's rights and responsibilities with respect to transactions. You understand that all agreements and rules and regulations applicable to your accounts and account services, as set forth in this Disclosure and otherwise, remain in effect and apply to this Agreement, except as specifically modified in this Section. You agree to abide by this Agreement, and all rules, regulations and instructions of the Credit Union and the networks relating to the use of any Card and/or Access Device, as amended, modified or revoked. The Credit Union may not offer all services discussed in this Agreement at this time.

2. Types of Electronic Funds Transactions. The Electronic Funds Transactions we are or may be capable of handling in the future are indicated below. Some of these services may not apply to your account(s) and/or some of these services may not be available at all terminals.

a. Automatic Teller Machines (ATMs). The Credit Union may issue to you an ATM card and Personal Identification Number ("PIN") to be used to make transactions. You can use your ATM card at the Credit Union's ATMs to:

- Withdraw cash from available account(s) provided the funds are available;
- Check the balances in available account(s) (inquiry);
- Transfer funds between available account(s); and
- Make deposits at designated ATMs that we own.

b. Debit/Point of Sale Transactions. If we approve your Application for a Debit MasterCard or other electronic Access Device, you may use your Card/Access Device to purchase goods and services at point of sale (POS) terminals designated by the Credit Union and anywhere participating merchants honor your Card/Access Device. Transactions hereunder will be covered by funds deducted from your primary share draft account. Subject to the limitations set forth in the Fee Schedule, you may pay for goods and services (or make certain other transfers if the merchant is a financial institution) at applicable terminals up to the available balance in your designated checking account. Your available balance in that account may be reduced by the amount of any transaction as soon as the merchant has received authorization from us, even if the documentation evidencing the transaction has not yet been received and processed by us. A merchant is not required to receive prior authorization from us on every transaction. When the documentation has cleared through us, any hold placed on your account from the amount of the purchase or other transaction will be released and your account debited for that amount.

c. Pre-authorized Transfer Services. You can authorize the following transactions without the use of any access device issued by the Credit Union: (1) Payments: You can make payments on your loans with the Credit Union directly from your available accounts; (2) Within Credit Union Transfers: You can arrange to transfer funds between your available accounts. By separate application, you can arrange to transfer funds from your accounts to the account(s) of other members; (3) Direct Deposits and Payments: You can authorize persons or companies to make direct deposits or withdrawals to or from your share or checking accounts for payroll, pension, social security and other types of deposits or payments. You may give other persons or companies written or oral permission to transfer payments from your Credit Union accounts through "ACH" or other electronic means. Such agreements or arrangements are solely between you and the other person or company. The Credit Union shall have no responsibility or liability to you for any such transactions. Thus, you should exercise caution in providing such authority and/or information to access your accounts to others. The authority or information you give to others hereunder applies to all "ACH" or other electronic transactions, whether evidenced by any type or writing or converted to a written instrument by the other person (and/or their agents). All such transactions are deemed to be authorized by you.

d. Electronic Check Conversion (Types of Transfers). Your check or information you convey to a third party can result in an electronic funds transfer. This can happen in several ways. For example:

- You can purchase goods or pay for services and authorize a merchant or service provider to convert your check into an electronic funds transfer.

- At the time you offer a check to a merchant or service provider, you may be asked to authorize the merchant or service provider to electronically collect a charge in the event that the check is returned for insufficient funds. Paying such a fee electronically is an electronic funds transfer.
- Your authorization to make these types of electronic funds transfers may be expressed in writing or implied through the posting of a sign or your participation in the initiation of the processing of the transaction.
- This can also happen when you provide information from your check or an account to another by telephone, Internet or otherwise, who then converts the information given to an electronic transaction, ACH or otherwise.
- You agree that any such transaction is subject to all applicable terms and conditions set forth in this Electronic Transfers Section of your Membership Agreement.

e. Insufficient Funds Transaction. If your Account balance is insufficient to cover any transaction(s), including POS debit transactions, we may treat these transactions as insufficient funds transactions. The Credit Union reserves the right to refuse any transaction which decision shall be in the Credit Union's sole discretion.

f. Electronic Processing and Transactions. Due to the processing systems for electronic transactions used in the United States and by us, a payment or other transaction may be effective/posted before we are open for business on the date scheduled for the payment or other transaction. Therefore, you are responsible for insuring that your account(s) have sufficient balances as applicable for the scheduled payment/transaction one business day prior to the date scheduled. If a payment is scheduled on a Saturday, Sunday or Federal holiday, the payment will occur on the first business day after the scheduled date. In these cases, you should plan to have the payment initiated on the last business day before any of these dates in order to ensure your payment is made on time.

3. General Rules for Using Your Access Devices. You acknowledge and agree to the following:

- a.** Your Access Devices are for personal use only. You agree not to allow another person to use your Access Devices.
- b.** You agree not to reveal your PIN/Password(s) to another person and WILL NOT write your PIN/Password(s) on any Access Device. You are responsible for all transactions made by you or anyone else who used your Access Devices with your knowledge and consent. You are also responsible for unauthorized use of your Access Devices to the full extent allowed by applicable law. In addition, any person other than yourself who uses your Access Devices is responsible for all transactions they make and for all transactions made by others with their permission. This does not limit your own responsibility. You agree to be responsible to maintain your Access Devices with maximum security.
- c.** You authorize the Credit Union to debit/credit your accounts for all transactions as if each transaction were signed by you. Further, you agree that by acceptance or use of your Access Devices the Credit Union is authorized to pay from any account necessary to satisfy any transaction, fee or service charge that results from the use or misuse of your Access Devices.
- d.** You acknowledge that your Access Devices remain the Credit Union's property and agree to surrender your Access Devices to the Credit Union or its agents upon demand or through retrieval by any other method.
- e.** You agree to use caution when using any ATM or other electronic terminal or device to complete any Transaction contemplated by this Agreement. You further agree that the Credit Union shall have no responsibility to you or any user, or be liable for any personal injury or property damage, which may occur as a result of any act before, during or after a Transaction or other visit to any ATM or other electronic terminal location. You or any user assume the risk of night time use of any ATM or other electronic terminal location or other electronic banking device.
- f.** An Access Device may be issued to any member or joint owner when qualified under the rules, regulations, and by-laws of the Credit Union. Only one Access Device may be issued to each member or joint owner.
- g.** If your Access Device is lost or stolen, you agree to notify the Credit Union immediately upon discovery of such loss or theft. Replacement of an Access Device may be issued by us at the cost set forth in the Fee Schedule. You agree to pay the Credit Union the fee in effect at the time of all copies that you request from us.

h. The Credit Union shall not be responsible for the use or condition of any ATM or other electronic banking terminal or device it does not own. Further, the Credit Union will not be responsible for any failure of an ATM or other electronic banking terminal or device to function except as specifically provided for by law.

i. The Credit Union reserves the right to add or delete ATM or other electronic terminal location or other electronic banking devices as it deems necessary.

j. You agree to hold the Credit Union harmless in its pursuit to locate, apprehend, and prosecute unauthorized use of any Access Device issued by the Credit Union, and you agree to assist the Credit Union in these efforts.

k. The Credit Union reserves the right to make any changes in the daily withdrawal limits it deems necessary.

l. The Credit Union is not liable for any claims you may have against a merchant, company or other financial institution arising from use of your Access Device.

m. The Credit Union cannot stop payment on any point-of-sale or debit card transaction.

n. If you incur a charge in a foreign currency or pursuant to or arising from any international transaction, the charge will be converted into the US dollar amount. The currency conversion rate used to determine the transaction amount in US dollars is either a rate selected by MasterCard from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate MasterCard itself receives, or the government-mandated rate in effect for the applicable central processing date. The conversion rate in effect on the processing date may differ from the rate in effect on the transaction date or posting date. MasterCard USA charges us a .8% International Service Assessment on all international transactions, regardless of whether there is a currency conversion. If there is a currency conversion, the International Service Assessment is 1% of the transaction. As a result, we charge you a 1% international transaction fee on all international transactions regardless of whether there is a currency conversion. An international transaction is a transaction where the country of the merchant is outside the USA.

A rate selected by MasterCard from the range of rates available in wholesale currency markets for applicable central processing date, which rate may vary from the rate MasterCard receives, or the government-mandated rate in effect for the applicable central processing date, in each instance, plus or minus any adjustment determined by the Issue, which rules are incorporated herein by reference.

o. You agree that by acceptance or use of an Access Device, or other Electronic Funds Transfer Services the Credit Union is authorized to pay from any account you have, jointly or otherwise, with the Credit Union any amount necessary to satisfy any transaction, fee or service charge that results from your use or misuse of such services.

p. You will not obtain any Access Device(s) to make transactions on your accounts with us that is not issued or approved by us.

q. Merchants and others who honor the Debit Card or related Access Device(s) may give credit for returns and adjustments, and they will do so by initiating a credit with us, and we will credit that amount to your account.

r. You understand that you must keep your share and share draft checking account open in order for your applicable electronic services to remain valid. You agree to return all Access Devices if you close your account(s), or upon our request.

4. Making ATM Transactions. Your PIN will allow you to identify yourself when making an ATM transaction. The presentation of your ATM card together with the input of your PIN constitutes your authorization to the Credit Union to make transactions. You agree to follow all instructions for use of ATMs accessible by your ATM card. Difficulties or complaints concerning the use or condition of any ATM should be reported directly to the Credit Union.

5. Termination and Amendment. The Credit Union reserves the right at any time to terminate your right to make transactions and to retrieve or ask for the immediate return of any Access Device it deems necessary without prior notice to you. If notification is required by law, notice will be mailed to you at the address shown on the Credit Union's share account records. It is the obligation of each member to provide new addresses to the Credit Union.

6. Access Device Revocation. Any Access Device issued by the Credit Union may be revoked without notice to you in the event that any of the following conditions occur:

- a. Overdrafts occur as a result of insufficient or uncollected funds on an account.
- b. Any transaction that occurs on your account(s) which results in a monetary loss to the Credit Union.
- c. Loan or other delinquency with the Credit Union.
- d. Forced closure of a share savings or share draft account at the Credit Union due to misuse.
- e. Special balance requirements, if any, are not maintained by you.
- f. Any other situation in which the Credit Union deems revocation to be in its best interest.

7. Transaction Fees. You are allowed to initiate transactions at any terminal, ATM or other access means owned by the Credit Union or any Network indicated in the Fee Schedule. You may be charged certain transaction and other fees as set forth in the Fee Schedule, which will be automatically debited from your share or checking account(s). The Credit Union reserves the right to establish and maintain transaction fees and charges, which may be modified from time to time.

Note: Owners of non-Credit Union ATMs may charge fees in addition to any fees disclosed in the Fee Schedule. These fees are generally called a "surcharge". This is not a fee charged by your Credit Union; however, any such fee will be paid from your account(s).

8. Limitations on Frequency and Dollar Amounts of Transactions, Transfer Limitations. General limitations governing the amount and number of transactions are set forth in the Fee Schedule. Further, we may reduce the limit for "point-of-sale" transactions during any interruption in the electronic connection between the Credit Union and the retail outlet. Further, we may at any time limit or reduce the number or dollar amount of transactions when we, in our sole discretion, deem it in the best interest of the Credit Union.

a. Card/Access Device Acceptance. We do not promise everyone will honor your Card or other Access Device, and we have no obligation to you if anyone refuses to accept your Card/Access Device. We are not liable if any merchant, bank, financial institution or other party refuses to honor your Card/Access Device, or otherwise fails to provide any services made available to you by the Credit Union.

b. POS/MasterCard Debit Card Purchases/ATM. Individual accounts may have lower offline limits at the Credit Union's discretion. You may not exceed your available balance in transactions per day or \$1,500.00, whichever is lower.

c. ATM Transactions. Because of the servicing schedule and processing time required in ATM operations, there is a delay between the time a deposit (either cash or check) is made and when it will be available for withdrawal. You should review the Credit Union's Funds Availability Policy to determine the availability of funds deposited at ATMs. (Deposit services may not be available at all terminals.) You may not exceed \$450.00 in transactions per day or available balance, whichever is lower.

THE CREDIT UNION MAY SET OTHER LIMITS ON THE AMOUNT OF ANY TRANSACTION(S), AND YOU WILL BE NOTIFIED OF THOSE LIMITS.

9. Your Stop Payment Rights.

Pre-authorized Transactions. If you have arranged in advance to make regular electronic fund transfers out of your account(s) for money you owe others, you may stop payment of pre-authorized transfers from your account. You must notify the Credit Union orally or in writing in time for us to receive your request three (3) business days or more before the scheduled date of the transfer. The Credit Union may require written confirmation of the stop payment order to be made within 14 days after you call.

If you order us to stop a pre-authorized transfer three business days or more before the transfer is scheduled, and the stop payment order is made according to the terms and conditions of the account and this Agreement, including the

requirement that you give us the exact amount of the debit, the next date of the debit and the exact name of the payee, and we do not do so, we will be liable for your losses or damages immediately caused by our failure.

E-Check. When any party converts any check, using the information on the paper via any means to send an electronic message to us, such message is an order by you to immediately take the money from your account. You cannot stop payment of an E-Check transaction, because it is already done.

Other Transactions. Other transactions hereunder are considered contemporaneous. Therefore, you have no right and we have no obligation to stop or to attempt to stop any other transactions.

10. Right to Documentation.

a. Terminal Transactions. You can get a receipt at the time you make a transfer to or from your account using an automatic teller machine or a point-of-sale terminal. For transactions \$15 or less, you may not be provided a receipt at the time of the transaction.

b. Direct Deposits. If you have arranged to have direct deposits made to your accounts at least once every sixty (60) days from the same person or company, the person or company making the deposit will tell you every time they send us the money. You can call or write us at the telephone number or address listed in the Fee Schedule to find out whether a deposit has been made.

c. Periodic Statements. You will get a monthly statement from us for your share draft accounts. You will get a monthly statement from us for your share savings accounts, unless there are no transfers in a particular month. In any case, you will get a statement at least quarterly.

11. Notice When Amount of Pre-authorized Payment(s) Vary. If you preauthorize the Credit Union to make payments to persons or companies other than the Credit Union that vary in amount, then the person or company you are going to pay has the obligation to notify you ten (10) days before each such payment is due and how much it will be. (When required, you must fill out an appropriate agreement with the Credit Union authorizing such payments, the terms of which are incorporate herein). You may choose instead to get this notice only when the payment differs by more than a certain amount from the previous payment, or the amount falls outside certain limits that you set.

12. Liability For Failure to Make a Transaction. If the Credit Union does not complete a transaction to or from your account on time or in the correct amount according to our agreement with you, the Credit Union may be liable for your losses or damages. However, there are some exceptions to this, which include the following:

1. You do not have enough money in your account to make the transaction through no fault of ours.
2. The terminal where you were making the transaction does not have enough cash.
3. The terminal or other system was not working properly and you knew about the breakdown when you started the transaction.
4. Circumstances beyond our control (such as fire, flood electrical failure) prevent the transaction, despite reasonable precautions that we have taken.
5. You have not properly followed instructions for operation of the ATM or system.
6. The funds in your account are subject to legal process or other similar encumbrance.
7. The transaction would exceed one of the established limits contained in this Agreement or by other Credit Union agreements.
8. Access to your account has been blocked after you have reported your Access Device lost or stolen or you use a damaged or expired Access Device.

13. Information Disclosure. We will disclose information to third parties about your account or the transaction you make: (1) when it is necessary for completing transactions, or (2) in order to verify the existence and condition of your

account for a third party, such as a credit bureau or merchant, or (3) in order to comply with government agency or court orders, or (4) if you give us your written permission.

14. Business Day Disclosure. Every day is a business day except Saturdays, Sundays, and Federal Holidays.

15. In Case of Errors or Questions About Electronic Transactions. In the case of errors or questions about your electronic transfers, telephone us at 901-452-7900 or 800-633-4128 or write us at P.O. Box 310, Collierville, TN 38027 as soon as you can. We must hear from you no later than sixty (60) days after we sent the first statement on which the problem appears. You should provide the following information:

1. Tell us your name and account number.
2. Describe the transfer you are unsure about, and include to the extent possible the type, date and explain as clearly as you can why you believe it is an error or why you need more information.
3. 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, at the address listed in this Agreement and Disclosure.

We will tell you the results of our investigation within ten (10) business days after we hear from you and will correct the error within one (1) business day after determining that an error occurred.

If we need more time, however, we may take up to forty-five (45) days to investigate your complaint or question.

If we decide to do this, we will re-credit your account within ten (10) business days of receiving the error notice, and will inform you, within two (2) business days, after providing the provisional credit, with the amount you think is in error, and the date, so that you will have the use of the money during the time it takes us to complete our investigation. We will correct the error, if any, within one (1) business day after determining that an error occurred. A report of our results will be delivered or mailed to you within three (3) business days after the conclusion of the investigation (including, if applicable, notice that a provisional credit has been made final).

For transactions initiated outside the United States, or resulting from a point-of-sale debit card transaction, we will have ninety (90) calendar days instead of forty-five (45) business days, unless otherwise required by law, to investigate your complaint or question. For transactions on accounts that have been opened less than thirty (30) calendar days, we will have twenty (20) business days instead of ten (10) business days to credit your account, and ninety (90) calendar days instead of forty-five (45) business days, unless otherwise required by law, to investigate your complaint or question.

16. Your Liability for Unauthorized Transaction. Tell us AT ONCE if you believe your Access Device has been lost or stolen. Telephoning is the best way of keeping your possible losses down. You are responsible for all transfers you authorize using an EFT service under this Agreement. If you permit other persons to use an EFT service or your Access Device, you are responsible for any transactions they authorize or conduct on any of your accounts. You can call us at the telephone number located on the last page of this Agreement.

Special Notice To Debit MasterCard Cardholders

If there is an unauthorized use of your Debit MasterCard then your liability will be zero (\$0.00) so long as:

1. You exercised reasonable care in safeguarding your card from risk of loss or theft;
2. You have not reported two or more incidents of unauthorized use within the preceding twelve (12) months; and
3. Your account is in good standing.

If you cannot meet these requirements then your liability with respect to unauthorized transactions may be greater than the above zero (\$0.00) liability limit, to the extent allowed under applicable law. In any case, to minimize your potential liability you should notify us of any unauthorized use no later than 60 days after your statement was mailed to you. This provision limiting your liability does not apply to either MasterCard commercial cards or ATM cash disbursements.

For all other EFT transactions that require the use of a PIN or Access Code, if you tell us within two (2) business days, you can lose no more than \$50 if someone else uses your card and PIN or Access Code without your permission. If you do not tell us within two (2) business days after you learn of the loss or theft of your Card, PIN or Access Code, and we can prove that we could have prevented the unauthorized transaction if you had told us in time, you could lose as much as \$500.

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 was mailed to you, you may not get back any money lost after the sixty (60) days if we can prove that we could have stopped someone from making the transfers if you had told us in time. If a good reason (such as a hospital stay) kept you from telling us, we may extend the time periods. If you believe that your Card or Access Code has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, you must call or write us at the telephone number and address set forth in the Schedule or on the last page of this Agreement.

17. Reporting A Lost Card, Access Device, or PIN. If you believe that any Access Device has been lost or stolen or that someone has withdrawn or may withdraw money from your account without your permission, you agree to immediately notify us. You can call the Credit Union or write us at the telephone number or address shown in this Agreement or the Fee Schedule. If you recover your Card/Access Device after you have notified us, DO NOT USE IT.