



a division of Banner Bank  
Skagit Online Banking  
Electronic Banking Agreement  
Effective May 11, 2015

## **Introduction**

This Agreement, which includes the Fee Schedule, Enrollment Form and the Terms and Conditions you agreed to during your Skagit Online Banking Registration, is a contract which establishes the rules which cover your electronic access to your accounts at Skagit Bank through Skagit Online Banking. By using Skagit Online Banking, you accept all the terms and conditions of this Agreement. Please read it carefully.

The terms and conditions of the deposit agreements and disclosures for each of your Skagit Bank accounts as well as your other agreements with Skagit Bank, such as loans, continue to apply notwithstanding anything to the contrary in this Agreement. This Agreement is also subject to applicable federal laws and the laws of the State of Washington (except to the extent this Agreement can and does vary such rules or laws). If any provision of this Agreement is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. The headings in this Agreement are for convenience or reference only and will not govern the interpretation of the provisions. Any waiver (expressed or implied) by either party of any default or breach of this Agreement must be in writing and shall not constitute a waiver of any other or subsequent default or breach. You may not assign this Agreement. This Agreement is binding upon your heirs and Skagit Bank's successors and assigns. Certain of the obligations of the parties pursuant to this Agreement that by their nature would continue beyond the termination, cancellation or expiration of this Agreement shall survive termination, cancellation or expiration of this Agreement. This Agreement, together with the Enrollment Form and Fee Schedule, constitutes the entire agreement between you and Skagit Bank with respect to the subject matter hereof and there are no understandings or agreements relative hereto which are not fully expressed herein.

**Definitions** - As used in this Agreement are as follows

- "we", "our", "us" and "Bank" mean Skagit Bank. "You" and "your" refer to the accountholder authorized by Skagit Bank to use Skagit Online Banking and/or Mobile Banking, under this Agreement and anyone else authorized by that accountholder to exercise control over the accountholder's funds through Skagit Online Banking and/or Mobile Banking.
- "Account" or "accounts" means your accounts at Skagit Bank.
- "Electronic funds transfers" means ATM withdrawals, preauthorized transactions, point of sale transactions, transfers to and from your Skagit Bank accounts and bill payments using Skagit Online Banking and/or Mobile Banking.
- "Skagit Online Banking Services" means the services provided pursuant to this Agreement, including Mobile Banking and the Bill Payment Service.
- "Skagit Online Banking" means the system by which you access Skagit Online Banking Services and shall include Mobile Banking if you have enrolled for access to Mobile Banking.
- "Business days" means Monday through Friday. Holidays are not included.
- "Mobile Banking" means the system by which you access Skagit Online Banking Services through a mobile device such as a cell phone, PDA, or any other wireless device.

## **Account Access and Services**

### **Account Access**

To use Skagit Online Banking, you must have at least one account at Skagit Bank, access to Electronic Banking service, and an e-mail address. Once we have received your online Enrollment Form, and verified your account information, we will send you, by e-mail confirmation of our acceptance of your enrollment. You will establish your log-in ID and password upon enrollment. Skagit Online Banking can be used to access only the Skagit Bank accounts. Skagit Online Banking customers that are individuals may be granted access to all accounts in which the individual has ownership. Access to business accounts may be restricted to accounts which have been designated for access on the Skagit Online Banking Cash Management Enrollment Form. You can add or delete any of your Skagit Bank accounts from this Agreement by completing an Online Maintenance Request Form or by sending us a secure message from within Skagit Online Banking. We undertake no obligation to monitor transactions through Skagit Online Banking to determine that they are made on behalf of the accountholder.

### **Skagit Online Banking Services**

You can use Skagit Online Banking for the following functions:

- Check the balance of your Skagit Bank accounts.
- View Skagit Bank account histories and check images.
- Transfer funds between your accounts.
- Order checks.
- Place stop payment requests.
- Receive online statements.
- Change your address.
- Skagit Online Bill Payment Services. (Bill Payment Terms and Conditions are applicable).
- Additional Electronic Banking Services available to Business Cash Management Customers
  1. Payroll Direct Deposit – Requires an ACH Agreement
  2. ACH Collections and Receipts – Requires an ACH Agreement
  3. Federal and State Tax Payments
  4. Wire Transfers – Requires a Funds Transfer Agreement

Balance and activity information are current through 7:00 a.m. (Pacific Time) for the previous business day.

### **Hours of Access**

You can use Skagit Online Banking seven days a week, twenty-four hours a day, although some or all Skagit Online Banking services may occasionally be unavailable due to regular or unscheduled maintenance.

## Your Password

For security purposes, you are required to select a Login ID and password when registering for Skagit Online Banking. Your password is selected by you and the identity of your password is not communicated to us except in encrypted form and therefore we can't provide your password to you. You agree that we are authorized to act on all instructions received under your password. If you are a business customer, your Company Administrator may designate additional users for your Skagit Online Banking account and may also set individual access permissions and transaction limits. Additional users will be issued their own Login ID and password and you and your Company will be responsible for the actions of all additional users. If you are a business customer, you agree that we are authorized to act on all instructions received under your password or any additional user password authorized for your account. You accept responsibility for the confidentiality and security of your password and those of any additional users and agree to regularly change your password and any additional user passwords issued to a business customer account. After five unsuccessful attempts to use your password or the Forgotten Password option, your access to Skagit Online Banking will be revoked. To re-establish your authorization to use Skagit Online Banking, you must contact Us to have your password reset. If you are a business customer, it is the responsibility of you and your Company to notify Skagit Bank if the Company Administration rights need to be transferred, modified or terminated. If you are a business customer, you and your Company represent and warrant that all transactions performed using any Login IDs and/or passwords issued to you or your Company are valid obligations of the Company.

You agree to protect the security of your Skagit Online Banking account by utilizing a password that utilizes both upper and lower case alpha and numeric characters. You agree that your password should not be associated with any commonly known personal identification, such as social security numbers, address, date of birth, names of children, and should be memorized rather than written down. You must make sure that no one is able to observe entry of your password. Be sure to log-off from Skagit Online Banking and Skagit Mobile Banking and exit the browser at the conclusion of your session or if you leave your computer or mobile devices unattended for any period of time. You should also take standard precautions to keep your system free from viruses and malware that could be used to capture passwords and financial information.

## Security

You understand the importance of your role in preventing misuse of your accounts through Skagit Online Banking and you agree to promptly examine the statements for each of your Skagit Bank accounts as soon as they are received. You agree to protect the confidentiality of your account, and account number, as well as passwords, and your personal identification information, such as your driver's license number and social security number. You acknowledge that your release of or failure to protect personal identification information and/or information related to your Skagit Online Banking account, may allow unauthorized access to your account for which you may be liable.

Federal regulations require multifactor authentication for online banking login. Your password is the first factor. The second factor consists of verification of a Secure Access Code by e-mail or phone combined with the installation of a security certificate. Skagit Bank may require both methods of complying with the second factor so that we can verify your computer is authorized to conduct transactions.

Your Skagit Online Banking password and login ID are intended to provide security against unauthorized entry and access to your accounts. Data transferred via Skagit Online Banking is encrypted in an effort to provide transmission security and Skagit Online Banking utilizes identification technology to verify that the sender and receiver of Skagit Online Banking transmissions can be appropriately identified by each other. We cannot and do not warrant that all data transfers utilizing Skagit Online Banking, or e-mail transmitted to and from us, will not be monitored or read by others.

## Fees and Charges

You agree to pay any applicable fees and charges for your use of Skagit Online Banking Services as set forth in the current fee schedule. You agree that all such fees and charges will be deducted from the Skagit Bank checking account designated as the "Primary Checking Account" on your Enrollment Form. If you close your Primary Checking Account, you must contact us immediately to designate another account as your Primary Checking Account. You agree to pay any additional reasonable charges for services you request which are not covered by this Agreement. You are responsible for any telephone and Electronic Banking service fees you incur in connection with your use of the Internet or Mobile to access Skagit Online Banking.

## Posting of Transfers

Transfers initiated through Skagit Online Banking before 7:00 p.m. (Pacific Standard Time) on a business day are posted to your account the same day. Transfers completed after 7:00 p.m. (Pacific Standard Time) on a business day, Saturday, Sunday or banking holiday, will be posted on the next business day. You agree that it is your responsibility to communicate with all persons with authorized access to your accounts concerning any transfers or bill payments from your accounts in order to avoid overdrafts and unauthorized activity.

## Overdrafts (Order of Payments, Transfers, and other Withdrawals)

If your account has insufficient funds to perform all electronic fund transfers you have requested for a given business day, then:

- Electronic funds transfers involving currency disbursements, like ATM withdrawals, will have priority.
- In the event bill payments or transfers initiated through Skagit Online Banking result in an overdraft of your account, Overdraft and/or Returned item fees may be assessed pursuant to the terms of the deposit agreement for that account and may result in the cancellation of bill payment services

## Limits on Amounts and Frequency of Skagit Online Banking Transactions

The frequency and dollar amount of transfers to and from Skagit Bank accounts are limited pursuant to the terms of the applicable deposit agreements for those accounts. If a hold has been placed on deposits made to an account from which you wish to transfer funds, you cannot transfer the held funds until the hold expires.

## Mobile Banking Service

Customers enrolled in Skagit Online Banking may also enroll for Mobile Banking Services which includes access to account details such as balances, posted and pending transaction history, other account information, the ability to transfer funds between Skagit Bank accounts, pay bills previously established within online banking and secure messaging. Business customers have the option to originate ACH transactions and domestic wire transactions to payees previously established through Skagit Online Banking upon the completion and approval of an ACH Agreement and/or Wire Funds Transfer Agreement. Your use of Mobile Banking Services shall be subject to this Agreement, any applicable deposit agreement(s) and other agreements governing Mobile Banking and Bill Payment Services.

## Skagit Online Banking Bill Payment Service

Bill payments made through Skagit Online Banking are processed by iPay Solutions which requires acceptance of the Skagit Online Bill Payment or Skagit Online Business Bill Payment "Terms and Conditions". You must designate your Skagit Bank account from which the payments are to be made; the complete name of the payee, the account number, and the payee's remittance address, all exactly as shown on the billing statement or invoice; the amount of the payment; and the date you want the payment to be received by the payee. By using the Skagit Online Bill Payment Service option, you agree that we can charge your designated account for any bill payment authorized through your Skagit Online Services account.

## Scheduling Skagit Online Banking Bill Payments

Payments are only processed on days when the Federal Reserve is open for business. Payments scheduled for a weekend or **holiday will be made the prior to the weekend or holiday**. In most cases, you must schedule the payment at least four business days prior to the date you want the payment to reach the Biller. You understand and agree that we are not responsible for the timely delivery of mail or the improper transmission or handling of payments by third parties including, but not limited to the failure of the payee to properly post a payment to your account.

## How to Cancel a Bill Payment

To cancel a bill payment that you have scheduled through Skagit Online Banking, you must cancel the payment online via Skagit Online Banking (by following the onscreen instructions) before the payment is already in process.

## Bill Payment Stop-Payment Requests

Stopping the payment of a check is different from the cancellation of a bill payment. You CANNOT cancel or stop a bill payment which has been paid electronically. You may be able to stop a Skagit Online Banking bill payment paid by check by contacting us by telephone before the check has cleared. If the paper draft has not cleared, we will attempt to process your stop-payment request. Your stop-payment request must precisely identify the name of the payee, the payee-assigned account number, the amount and scheduled date of the payment. Stop-payment charges for Skagit Online Banking bill payment checks will be charged to the applicable account at the current stop payment fee.

## Stop Payment of Check Drawn on Your Account at Skagit Bank

You may initiate stop-payment requests through Skagit Online Banking Services only for paper checks you have written (non-electronically) on your Skagit Bank accounts. (Online stop-payment requests are processed at 9:00 a.m. on the business day following the date the stop-payment has been requested online. To be effective, this type of stop-payment request must precisely identify the name of the payee, the check number, the amount, and the date of the check. If you make your stop-payment request by telephone, we also require your signature upon the stop payment request within 14 days after you call. If the signed stop payment request is not received during this time period, the stop payment will be cancelled. Stop-payment charges will be charged to the applicable account at the then current stop payment fee.

## Disclosures

### Disclosure of Account Information and Transfers

You understand and agree that information about your accounts or the transfers you make may automatically be disclosed to others. For example, tax laws require disclosure to the government of the amount of interest you earn, and some transactions, such as large currency and foreign transactions, must be reported to the government. We may also provide information about your accounts to persons or companies that represent that they will use the information for reasonable purposes, such as when a prospective creditor seeks to verify information you may have given in a credit application or a merchant calls to verify a check you have written. In addition, we routinely inform credit bureaus when accounts are closed because they were not handled properly. We may also seek information about you from others, such as a credit bureau, in connection with the opening or maintaining of your account or in connection with approving your access to Skagit Online Banking. You agree and hereby authorize all of these transfers of and requests for information.

### Periodic Statements

You will not receive a separate Skagit Online Banking statement. Transfers to and from your accounts using Skagit Online Banking will appear on the respective periodic statements for your Skagit Bank accounts.

### Change in Terms

We may change any term of this Agreement at any time. If the change would result in increased fees for any Skagit Online Banking Service, increased liability for you, fewer types of available electronic fund transfers, or stricter limitations on the frequency or dollar amount of transfers, we agree to give you notice at least 21 days before the effective date of any such change, unless an immediate change is necessary. We may post any required notice of the change in terms on the Skagit Bank website or forward it to you by e-mail or by postal mail. Your continued use of any Skagit Online Banking Services indicates your acceptance of the change in terms. We reserve the right to waive, reduce or reverse charges or fees in individual situations without being obligated to waive, reduce or reverse other similar charges then existing or which arise later. You acknowledge and agree that changes to fees applicable to accounts are governed by the applicable deposit agreements and disclosures.

### In Case of Errors or Questions about Your Electronic Transfers, including Bill Payments

Contact us as soon as you can, if you think your statement is wrong, or if you need more information about a transfer listed on your statement. You must notify us no later than 60 days after we sent the FIRST statement upon which the problem or error appeared. When you contact us:

- Tell us your name and account number.
- Describe the error or transfer 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 the suspected error relates to a bill payment made via the Skagit Online Banking Bill Payment Service, tell us the account number used to pay the bill, payee name, the date the payment was sent, payment amount, and the payee account number for the payment in question.

If you contact us by telephone or by e-mail, we may require that you send us your complaint or question in writing by postal mail or fax within 10 business days. We will communicate to you the results of our investigation within 10 business days after you contact us and will promptly correct any error

that we discover or confirm. If we need more time, however, we may take up to 45 days to investigate your complaint or question. If we decide to do this, we will provisionally credit your account within 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 in writing within 10 business days, we may not provisionally credit your account. If we decide that there was no error, we will send you a written explanation within 3 business days after we finish our investigation. If we have made a provisional credit, a corresponding debit will be made from your account. You may ask for copies of the documents that we used in our investigation.

#### **Our Liability for Failure to Make a Transfer**

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 when you have properly instructed us to do so, we will be liable to you for your losses or damages caused as a result. However, there are some exceptions in which we will not be liable, including, but not limited to the following:

- If, through no fault of ours, you do not have enough money in your account to make a transfer.
- If a legal order directs us to prohibit withdrawals from the account.
- If your account is closed, or if it has been frozen.
- If the transfer would cause your balance to go over the credit limit of an established line of credit or the credit limit for any credit arrangement set up to cover overdrafts.
- If you, or anyone authorized by you, commits any fraud or violates any law or regulation.
- If any electronic terminal, telecommunication device, or any part of the Skagit Online Banking electronic fund transfer system is not working properly and you knew about the problem when you started the transfer or before losses or damages were incurred.
- If you have not provided us with complete and correct payment information for the Bill Payment Service, including, without limitation, the name, address, your payee-assigned account number, payment date, and payment amount for the payee on a bill payment.
- If you have not properly followed the on-screen instructions for using Skagit Online Banking.
- If circumstances beyond our control (such as fire, flood, interruption in telephone service or other communication lines) prevent the transfer, despite reasonable precautions that we have taken.

#### **Your Liability for Unauthorized Transfers**

**CONTACT US AT ONCE** if you believe your password has been lost, stolen, used without your authorization, or otherwise compromised or if someone has transferred or may transfer money from your accounts without your permission. An immediate telephone call to us is the best way to reduce any possible losses. You could lose all the money in your accounts (plus your maximum overdraft line of credit, if any).

If you contact us within 2 business days after you learn of the loss, theft, compromise, or unauthorized use of your password, you can lose no more than \$50 if someone used your password without your permission.

If you do NOT contact us within 2 business days after you learn of the loss, theft, compromise, or unauthorized use of your password, and we can prove we could have stopped someone from using your password to access your accounts without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, contact us at once. If you do not tell us within 60 days after the statement was sent to you, you may not get back any money you lost if we can prove that we could have stopped someone from taking the money if you had told us in time.

#### **Disclaimer of Warranty and Limitation of Liability**

We make no warranty of any kind, express or implied, including any implied warranty of merchantability or fitness for a particular purpose, in connection with Skagit Online Banking Services provided to you. We do not and cannot warrant that Skagit Online Banking will operate without errors, or that Skagit Online Banking Services will be available and operational at all times. Except as specifically provided in this Agreement, or otherwise required by law, you agree that our officers, directors, employees, agents or contractors are not liable for any indirect, incidental, special or consequential damages or damages of any nature, arising out of or related to any services or products provided under this Agreement or by reason of your use of or access to Skagit Online Banking or any third party's use of or access to Skagit Online Banking, including but in no way limited to loss of profits, revenue, and data. Further, in no event shall the liability of Skagit Bank and its affiliates to you for any loss or damage exceed the amounts paid by you for the services provided to you through Skagit Online Banking.

#### **Your Right to Terminate**

You may cancel your Skagit Online Banking service at any time by providing us with written notice by postal mail or fax. Your access to Skagit Online Banking will be suspended within 3 business days of our receipt of your instructions to cancel the service. You will remain responsible for all outstanding fees and charges incurred prior to cancellation.

#### **Our Right to Terminate**

You agree that we can terminate or limit your access to Skagit Online Banking Services for any of the following reasons:

- Your online banking service account has been inactive for a period of six months or greater.
- You no longer have accounts at Skagit Bank
- If your bill payment service has been inactive for a period of six months or greater, the bill payment service may be cancelled.
- Upon reasonable notice, for any other reason in our sole and absolute discretion.

#### **Communications between Skagit Bank and You**

Unless this Agreement provides otherwise, you can communicate with Skagit Bank in any one of the following ways:

- **Secure Message** after logging into Skagit Online Banking.
- **E-mail** at [info@skagitbank.com](mailto:info@skagitbank.com). (Please note that banking transactions through Skagit Online Banking are not made via e-mail.)
- **Telephone** at (360) 755-9311 or 1 (800) 246-4402.
- **Facsimile** at (360) 755-1159.
- **Mail** at Skagit Bank, P.O. Box 285, Burlington, WA 98233-0285.
- **In Person** at any one of our branch locations.

#### **Consent to Electronic Delivery of Notices**

You agree that any notice or other type of communication provided to you pursuant to the terms of this Agreement, and any future disclosures required by law, including electronic fund transfer disclosures, may be made electronically by posting the notice on the Skagit Online Banking website or by e-mail. You agree to notify us immediately of any change in your e-mail address.