TONAWANDA VALLEY FEDERAL CREDIT UNION
DEBIT CARD/ELECTRONIC FUND TRANSFER
DISCLOSURE STATEMENT AND AGREEMENT

In this Agreement, the term "Card" refers to any Debit Card issued to You by Tonawanda Valley Federal Credit Union (the "Credit Union"). The terms "We," "Us," "Our" and "Ours" refer to the Credit Union. The terms "You," "Your," and "Yours" refers to each applicant and co-applicant signing this Agreement. The term "PIN" refers to the Personal Identification Number which will identify a person as being authorized to have access to an account. Therefore, when We refer to Your PIN, We mean the PIN which allows You to access Your account through the type of transaction being discussed.

TYPES OF ELECTRONIC FUND TRANSFERS (EFT) AVAILABLE; LIMITS ON TRANSFERS:
The following summarizes the types of EFT services the Credit Union offers. You must sign up for each type of service separately. Therefore, some of the following may not apply to You at this time but may apply to You at some time in the future.

1. Preauthorized Deposit: You can arrange to have amounts which are regularly paid to You deposited directly to Your account. You may call 585-343-5627 to find out whether or not a preauthorized deposit has been made.

2. Debit Card: You can use Your Card to pay for purchases wherever such cards are accepted. Such payments will be withdrawn from Your designated Share account. The Credit Union is not responsible if any party refuses to honor Your Card.

3. Automated Teller Machine (ATM) Services and Point-of-Banking (POB) Facilities: Using Your Card and PIN You may make withdrawals from Your accounts at any ATM and POB facilities which the Credit Union may designate from time to time. A list of designated ATM and POB facilities may be obtained at any Credit Union office.

4. Limitations at ATM and POB Facilities: You may withdraw up to $1,000 in cash or the available balance in Your accounts (including Your available Line of Credit, if any), whichever is less, per business day. Applicable fees may be included as part of any withdrawal You authorize and receive. Recent deposits - cash or checks - may not be available for withdrawal until the second business day after the date of Your deposit. For security reasons, there are limits on the number of transfers You can make using Our terminals. Your Card (if any) is subject to a maximum limit which may exist at a particular ATM or POB facility. The amount of purchases You can make with Your Card cannot exceed Your approved authorization limit minus any outstanding purchases made in the preceding (7) day period. If Your use of the Card results in the Credit Union paying out more than the balance in Your Share Draft account plus Your available Line of Credit (if any), You must pay all amounts due the Credit Union, including collection costs, immediately on its demand. Until You do so, We may suspend Your further use of the Card.

NO USE FOR ILLEGAL TRANSACTIONS
You agree not to use the Card or PIN in connection with any illegal transaction. The Credit Union may assume, without any further inquiry, that all transactions made by You or someone authorized by You using the Card or the PIN are legal, even if the Credit Union has actual or imputed knowledge of information which might reasonably lead it to question whether a particular transaction is legal.

RECEIPTS AND STATEMENTS

1. Receipts: You will receive a receipt at the time You make any transaction from or to Your account at one of the ATM or POB facilities and each time You make a purchase using Your Card.

2. Statement of Account: You will receive a monthly statement for each account which will include a full description of all Card and EFT transactions. In the event that there are no transactions on Your account during a statement period, the Credit Union may elect to send You a statement at least quarterly.

FOREIGN TRANSACTIONS
If You effect a transaction with Your Card in a currency other than U.S. dollars, Visa will convert the charge into a U.S. dollar amount. Visa will use its currency conversion procedure, which is disclosed to institutions that issue Visa® cards. Currently the currency conversion rate used by Visa to determine the transaction amount in U.S. dollars for such transactions is generally either a government mandated rate or a wholesale rate determined by Visa for the processing cycle in which the transaction is processed, increased by an adjustment factor established from time to time by Visa. The currency conversion rate used by Visa on the processing date may differ from the rate that would have been used on the purchase date or statement posting date. Also, an international tax fee may be applied to any transaction that is not U.S. currency.

AUTHORIZATIONS
We do not guarantee authorization of a withdrawal or payment, either by Us or by a third party, even if You have sufficient funds available. You agree that We will not be liable for failing to give an authorization. We also reserve the right to limit the number of transactions that may be approved in one day. We reserve the right to deny certain transactions for any reason and at Our sole discretion, including for default, suspected fraudulent or unlawful activity, gambling or any indication of increased risk related to the transaction. You agree that We have no requirement to notify You of the specific reason We denied a transaction. If We detect unusual or suspicious activity, We may suspend Your use of the Card until We can verify the activity, or We may cancel the Card.

NO STOP PAYMENT ORDERS ALLOWED ON ATM, POB OR PURCHASE TRANSACTIONS
In consideration of Our issuing the Card, and in view of the immediate recording of some Card transactions, You may not stop payment on any Card transaction. (However, if You use Your Card to obtain advances under a Line of Credit, other rules may apply. See Your Line of Credit Agreement for those rules.)

a. REFUSAL TO HONOR CARD. The Credit Union is not liable for the refusal or inability of an electronic terminal to honor the Card or to complete a withdrawal from your Account, or for their retention of the Card. We are also not responsible for the refusal of any merchant or financial institution to honor the Card or for their retention of the Card.

ADDRESS AND TELEPHONE NUMBER TO NOTIFY IF YOUR CARD OR PIN HAS BEEN LOST OR STOLEN, OR IF AUTHORIZED USE OF THE ACCOUNT OCCURS
YOU AGREE TO TELL US AT ONCE if You believe Your Card and/or Pin has been lost, stolen or compromised or if You believe a transaction has been or may be made on Your account without Your permission. You may telephone Us at 585-343-5627 If You tell Us orally, We may require that You send a letter to Tonawanda Valley Federal Credit Union, P.O. Box 398, Batavia, New York 14021.

YOUR LIABILITY FOR UNAUTHORIZED TRANSACTIONS

a. Tell us at once if you believe your Card has been lost or stolen, or if an unauthorized person has learned your PIN or transferred or may transfer money from your account without your permission. You can notify us by calling us at (585) 343-5627 or writing us at Tonawanda Valley Federal Credit Union, P.O. Box 398, Batavia New York 14021. This number is also provided on your periodic statement. Telephoning immediately is the best way of minimizing your possible losses. For accounts with more than one signer, we may accept this report from any signer. We may block or cancel that signer's Card and any or all of the other signer's Cards. If you tell us within two business day after you learn of the loss or theft, you can lose no more than $50 if someone used your Card without your permission. However, you could lose as much as $500 if:

i. You don't tell us within two business days after you learn of the loss or theft of your Card of PIN; and
ii. We can demonstrate that we could have stopped someone from using your Card or PIN without your permission if you had told us.

Losses could include the money in your account plus any advances on an overdraft protection option linked to your account up to the limits stated above. If unauthorized activity occurs, you agree to cooperate during the investigation and to complete a Lost/Stolen Card and Fraud Claims Report or similar affidavit. Also, if your statement shows electronic funds transfers that you did not make or authorize, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not recover any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money had you told us in time. If a good reason kept you from telling us (such as a long trip or hospital stay), we will extend the time periods. When you give someone your Card or PIN, you are authoring that person to use your Card and you are responsible for all transactions that person performs with your Card of PIN. These transactions are authorized transactions. Transaction are considered unauthorized only after you notify us that the person is no longer authorized. Transactions that you, or someone acting with you, initiate with fraudulent intent are also authorized transactions.

OUR LIABILITY FOR FAIING TO COMPLETE TRANSACTIONS

a. If we do not complete a transaction or 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 losses or damages.
There are some situation in which we will not be liable. We will not be liable, for instance, if;
- Through no fault of ours, you do not have enough money in your account to complete the transaction.
- The transaction amount would exceed funds available under your overdraft protection option, if any.
- Circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
- The ATM or other device was not working properly and you knew about it when you started the transaction.
- The ATM or other device where you are making the transaction does not have enough cash.
- Another institution provides incorrect electronic funds transfer instruction to us.
- Your account is restricted (because of a court order or similar reason) and we are not permitted to make the transaction.
- An error in posting an amount or transaction occurs that is beyond our control.
- An account becomes dormant, in which case we may eliminate Card access to that account.
- Your Card of PIN has been revoked due to inactivity or at our discretions.

There may be other exceptions permitted by law.

b. <u>EVIDENCE</u>. If we go to court for any reason, we can use a copy, microfilm, microfiche or photograph of any document or person to prove what you owe or that a

transaction has taken place and the copy, microfilm, or microfiche will have the same validity as the original.

c. GAMBLING AND UNLAWFUL TRANSACTIONS PROHIBITED. You agree not to use the Card for (a) gambling, or (b) for any purpose prohibited by state or federal law, either at the place the transaction is initiated or at the place conducted. Your use of the card for any transaction constitutes your warranty that the transaction does not violate any provision of law and is not otherwise prohibited. You agree that the Credit Union, nor their agents shall be liable for any claim related to any transaction you authorize which may in fact be unlawful.

IN CASE OF ERRORS OR QUESTIONS ABOUT ELECTRONIC FUND TRANSFERS

Telephone Us at 585-343-5627 or write Us at Tonawanda Valley Federal Credit Union, P.O. Box 398, Batavia, New York 14021, as soon as You can, if You think Your periodic account statement is wrong or if You need more information about a transfer listed on the statement. We must hear from You no later than sixty (60) days after We sent the FIRST statement on which the problem or error appeared.

1. Tell Us Your name and account number.
2. Describe the error or the 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.
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 questions in writing within ten (10) business days.

We, or Our credit card processor, will tell You the results of Our investigation promptly after We receive Your written complaint and will correct any error within ten (10) business days. If more time is required, We may take up to forty-five (45) calendar days to investigate Your complaint or question. If We decide to do this, We will recredit 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. However, 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 recredit Your account. If the alleged error pertains to a Point -of-Sale Card transaction, or a transaction initiated outside the United States, the District of Columbia or Puerto Rico, the forty-five (45) calendar day period becomes ninety (90) calendar days. If We decide that there was no error We, or Our credit card processor, will send You a written explanation when We finish Our investigation. You may ask for copies of the documents that We used in Our investigation.

BUSINESS DAYS

We consider every day a business day except Saturdays, Sundays and federal holidays.

DISCLOSURE OF ACCOUNT INFORMATION TO THIRD PARTIES

Without Your written permission, We will not disclose information about Your account to third parties except (a) where necessary to complete a transfer, (b) to verify the existence and condition of Your account for a third party (such as a credit bureau or merchant), or (c) in order to comply with government agency or court orders.

CHARGES

Service fees may be imposed on Your account in accordance with the Fee Schedule which accompanies this Disclosure Statement and Agreement. In addition, You may incur a fee for Us reissuing/replacing Cards and/or PINs as disclosed in the TVFCU Fee Schedule.

COLLECTION COSTS

a. If we ever have to file a lawsuit to collect what you owe us, you will pay our reasonable expenses, including attorney's fees to the extent permitted by law.

b. OUR RULES AND REGULATIONS AND OTHER AGREEMETNS. All Transaction covered by the Agreement are also subject to all rules and agreements that govern the Account being debited or credited in connection with a Transaction, except as modified by this Agreement. Your designated accounts may also be governed by other agreements between you and us and by our Rules and Regulation for you designated accounts.

c. THIS AGREEMENT SUPERSEDES ALL OTHERS. Even though the sales, cash advances, or other slips that you sign or receive when using the Card or the Account number on the Card may contain different terms, this Argument is the sole Agreement that applies to all Transaction involving the Card.

ENFORCING THIS AGREEMENT
We can delay in enforcing or fail to enforce any of Our rights under this Agreement without losing them.

PREAUTHORIZED PAYMENTS
If You default, if the Card is lost or stolen, or We change the Account for any reason, We may suspend automatic payments to third parties. If preauthorized payments are suspended, You are responsible for making such payments directly, until automatic payments are reinstated.

CARD OWNERSHIP
Your Cards are the property of the Credit Union and are not transferable. You must destroy or return the Cards to Us upon Our request and/or upon termination of this Agreement. From time to time We may issue replacement Cards.

RESPONSIBILITY
You are responsible for any transactions made by You and by anyone else You authorize to use Your Card or Your PIN.

PLEDGE OF SHARES
By signing this Agreement, and in consideration for Our issuing the Card(s) to You, You grant Us a security interest in all individual and joint share and/or deposit accounts You have with Us now and in the future to secure Your obligations under this Agreement. Shares and deposits in any account that would lose special tax treatment under state or federal law if given as security are not subject to the security interest You have given in Your shares and deposits. When You are in default, You authorize Us to apply the balance in the secured accounts to any amounts You owe under this Agreement.

CREDIT REPORTS AND NOTICE OF NEGATIVE INFORMATION
You authorize Us to obtain credit reports and any other information We may need to verify Your identity and use of the Card when issuing the Card and for any update, renewal, collection, or review of Your account. You authorize Us to disclose information regarding Your account to credit bureaus and creditors who inquire about Your credit standing. We may report information about Your account to credit bureaus. Late payments, missed payments, or other defaults under this Agreement may be reflected on Your credit report.

AMENDMENTS, TERMINATION AND ASSIGNMENT

a. You can terminate this Agreement at any time by notifying us in writing and no longer using your Card. We can also terminate the Agreement or cancel your Card at any time without notice. You must agree to return the Card to the Credit union or destroy it upon the Credit Union's Request. Whether you terminate the Agreement, or we do, the termination will not affect your obligations under this Agreement, even if we allow any transaction to be completed with our Card after this Agreement has been terminated.

b. NO WAIVER. We can delay enforcing any of our rights under this Agreement and the law, any number of times, without losing those rights.

JOINT ACCOUNTS

If Your account is a joint account, each person with a legal or financial interest in the funds in that account must sign this Agreement, and will be jointly and individually responsible for all transactions made by anyone having such an interest in the account. This includes any Card transaction affecting the account. Notices under this Agreement to one of those persons will be deemed notice to all of them.

GOVERNING LAW

This Agreement is governed by New York State law except to the extent that law is superseded by federal law.

SIGNATURES MUST BE NOTARIZED OR SIGNED AT THE CREDIT UNION. IF THE CARD IS ASSOCIATED WITH A JOINT ACCOUNT, ALL JOINT ACCOUNT OWNERS MUST SIGN THIS AGREEMENT.

Date: _____ _____ _____

Witness/Notary Applicant Signature

Date: _____ _____ _____

Witness/Notary Co-Applicant Signature