



## MEMBERSHIP AND ACCOUNT AGREEMENT

### IMPORTANT NOTICE

**Notice to Members:** The laws and regulations governing the financial services that we provide are complex. To insure your understanding of our relationship with you, we provide this detailed agreement which explains both your responsibilities and ours. Please read this document carefully, and feel free to ask any questions regarding these terms and conditions. Be sure to read paragraph 40 and related provisions to ensure that you understand the pledge of shares to the Credit Union.

Please also note that the terms of this Agreement may change from time to time as provided for in this Agreement and applicable laws.

**Active Military Members and Dependents:** To the extent that any terms or conditions in this Membership Agreement and Disclosures are different from the terms in any Military Lending Act Disclosure & Addendum ("MLA Disclosure") provided to you with regard to any particular loan, the MLA Disclosure shall govern for the period(s) during which you are entitled to the protections of the MLA.

**BINDING ARBITRATION:** EXCEPT AS SPECIFICALLY PROVIDED HEREIN, THIS ARBITRATION PROVISION SUBSTANTIALLY LIMITS YOUR RIGHT TO BRING A LEGAL ACTION IN A JUDICIAL FORUM (EXCEPT FOR MATTERS THAT MAY BE BROUGHT IN SMALL CLAIMS COURT AS SET FORTH IN THIS AGREEMENT). PLEASE READ THIS SECTION CAREFULLY. THE PARTIES WILL NOT HAVE A RIGHT TO HAVE A JUDGE OR JURY DECIDE ANY CLAIM OR DISPUTE, AND THE ABILITY TO APPEAL IS LIMITED IN AN ARBITRATED MATTER HEREUNDER. ANY DISPUTES WILL BE DECIDED BY A NEUTRAL ARBITRATOR. FURTHER, NEITHER PARTY NOR ANYONE ON THEIR BEHALF CAN PURSUE ANY CLAIM OR DISPUTE IN ANY CLASS OR REPRESENTATIVE CAPACITY. IT IS THE INTENT OF THE PARTIES HERETO TO PROVIDE A FUNDAMENTALLY FAIR AND LESS COSTLY FORUM TO ADDRESS ANY DISPUTES BETWEEN THE PARTIES, AND THE PARTIES SPECIFICALLY AGREE TO THIS ALTERNATIVE METHOD OF DISPUTE RESOLUTION AS AN INTERGRAL PART OF THE RELATIONSHIP BETWEEN THE PARTIES.

## INTRODUCTION

This Agreement and the Rate and Fee Schedule (“Schedule”) explain the rules which govern your account(s) and account services with us. Please read this Agreement and the Schedule carefully and keep them in a safe and convenient place.

**Special Note:** Your relationship with the Credit Union is also governed by state and federal laws, which may change from time to time. The body of law is too large and complex to be reproduced here. **The purpose of this Agreement is to accomplish the following: (1) summarize the rules applicable to common Transactions; (2) establish rules to govern Transactions not regulated by state or federal law; (3) establish variations that will apply to certain rules, events, or Transactions as permitted by applicable law; and (4) provide you with certain disclosures and information regarding our policies as required by law. By signing a Membership Application and Signature Card or by your use or continued use of any account or account services after receiving this Agreement, notice of its availability, or notification of any change in terms, you, jointly and severally, agree that you understand and agree to the terms and conditions stated in this Agreement, along with the Schedule, as amended from time to time.**

## MEMBERSHIP, ACCOUNT, AND ACCOUNT SERVICES AGREEMENT – GENERAL TERMS AND CONDITIONS

### 1. TERMS, CONDITIONS, AND LIMITATIONS OF YOUR RELATIONSHIP WITH PEN AIR

**FEDERAL CREDIT UNION:** The following terms govern our relationship with you. All Credit Union services are further governed by the terms and conditions set forth in any future agreements and/or disclosures together with the Credit Union's Bylaws, Policies, and Procedures, which are herein collectively referred to as "Agreement." This Agreement governs all services whether opened now or in the future. This Agreement may be amended or revised by us at any time, and any change in the Agreement shall be immediately effective unless otherwise specifically required by applicable law. This Agreement is binding upon the account owner and all parties hereto together with their heirs, successors, assigns, and any other person claiming any right or interest under or through said parties. You agree that you will comply with all Applicable Laws at all times. “Applicable Laws” shall include the following: (i) MasterCard Rules & standards (ii) NACHA’s (The National Automated Clearing House Association) Operating Rules; and (iii) any and all laws, treaties, rules, regulations, or regulatory guidance of the government of the United States, of any state thereof, or of any applicable foreign government or state thereof, as the same may be amended and in effect from time to time; you agree that such Applicable Law shall govern despite any other general or specific terms or conditions set forth in the entirety of this Agreement. The Credit Union is not in any way limited in the use of the name of any person or entity that claims trademark, copyright, or other such status regarding a name in the ordinary course of Credit Union

business, in providing any services we may offer, or in using such name in any other manner authorized by our agreements or applicable laws. **Personal:** You agree that all accounts and services will be for personal, family, and household purposes. If we ascertain other use, such as commercial, we may require the account(s)/services(s) be closed. **Disabilities:** We will accommodate reasonable requests to assist members with disabilities. In order to enable us to do so, you agree to notify us of any disability and/or accommodation requests. You will notify us regarding any service providers you wish to use, and you will provide us with information to allow us to identify the service providers.

**2. GENERAL DEFINITIONS:** In this Agreement, the words "**you**" or "**your(s)**" refer to everyone who signs any Account Card or is authorized to make Transactions regarding your account(s) as provided herein or by governing law, including any account service(s). "**Credit Union,**" "**we,**" "**us,**" or "**our**" refers to the Credit Union providing this Agreement to you. "**Access Device**" refers to any card; electronic access device; and/or any codes, passwords or personal identification numbers (PINs) that we issue to allow you to access and/or use any account or other service(s). With regard to online or internet transactions, an access device shall also include any computer, smart phone, or other hardware used to make or process a transaction. **Use of Biometrics / Fingerprints:** Credit Union may provide access to your accounts and services through the use of fingerprints or other biometrics. You agree to the use of such biometrics and will cooperate with the Credit Union in implementing any new technology. Biometric technologies may be used for authentication. A biometric identifier measures an individual's unique physical characteristics and compares it to a stored digital template for authentication. A physical characteristic can be a thumbprint, fingerprint, facial recognition or iris pattern. A biometric identifier can be used as a single or multifactor process. "**Authorized User**" and "**Authorized Use**" refer to any person who has actual, implied, or apparent authority, or to whom any owner has at any time given any information, access device, or documentation that enables such a person to access, withdraw, make transactions to or from your accounts, or to use any of your account services. If you have a joint owner on an account that has any access to the joint account (online or otherwise), you understand that this owner or authorized user may access all accounts and services associated with the account and all other accounts having the same account prefix (i.e. account number and all suffixes associated with said account number). If we or any of our agents contact you regarding any transaction(s) and you verify the transaction(s), you agree that we may rely on your verification and that any such transaction(s) shall be deemed authorized by you. If you fail to maintain the security of these access codes and the Credit Union suffers a loss, we may terminate any or all of your account services immediately. This definition is intended to be construed broadly and includes without limitation all users acting under a written document such as a power of attorney as well as any person or entity that is authorized to make deposits or debits to or from your accounts with us. "**Check**" refers to an acceptable written "instrument" on your account(s) and includes the term "**Draft.**" "**Instrument**" refers to a written order as defined by Articles 3 and 4 of the Uniform Commercial Code pursuant to the laws of the State set forth in

this Agreement. **“Owner”** refers to the person(s) who has (have) a present ownership interest in the sums on deposit in the multiple party (joint) accounts with the Credit Union, subject to the Credit Union’s lien rights or any security interest. A person is not an “owner” unless specifically designated as such in a completed and signed Membership Application and Signature Card. For the purpose of your pledge to secure your obligations to the Credit Union, our common law right of set-off, and otherwise, **"share(s)"** refer(s) to all deposits in any savings, checking, club, certificate, P.O.D., revocable trust, or custodial account(s), whether jointly or individually held -- regardless of contributions, that you have on deposit now or in the future, all of which are deemed "general deposits" for the purpose of your pledge. Your pledge does not include any I.R.A., Keogh, tax escrow, irrevocable trust, or fiduciary account in which you do not have a vested ownership interest. **“Transaction or transaction”** refers to any deposit, order, transfer, payment, purchase via POS transaction or otherwise, withdrawal, or other instruction relating to any account or account service provided by the Credit Union. All instructions to us in any manner shall be given in English; and any instructions given shall be given using simple numerical methods (e.g. to request one hundred dollars you will use: “\$100” “\$100.00” or the English equivalent: “One Hundred Dollars.”). We are not obligated to follow any other instructions. **“Actual Balances and Available Balances”** In order to manage and understand how transactions are processed – including when fees such as overdraft fees may apply you

understand and agree to the following:

**How we determine your account’s available balance:** Your Actual Balance is the total amount of money in your account. The Actual Balance does not take into account outstanding transactions authorized by the accountholder. The Actual Balance may not always depict an accurate display of what you may spend without overdrawing your account.

The Available Balance is the total amount of funds in your account less holds placed on deposits and less holds on debit card authorizations not yet presented for payment. While an Available Balance shows as immediately available for use, it may not always depict an accurate display of what you may spend without overdrawing your account. For example: You have an Actual Balance of \$75 and an Available Balance of \$75. You then swipe your debit card at the grocery store; an authorization for your purchase is given for \$25. The \$25 transaction is now on hold. Since we are obligated to pay the merchant, even if your checking account is negative at the time the transaction is presented to us by the merchant, we will reduce your available balance by the amount of the authorization which is \$25. Your Actual Balance would still be \$75 because this transaction has not yet posted, but your Available Balance would be \$50 because you have authorized a \$25 payment to the grocer. When the merchant submits the request for payment, your Actual Balance will be reduced by the amount of the posted transaction and both your current and available balance will be \$50, provided additional charges have not been made. If you exceed the Available Balance (even though the Actual Balance may be greater), you may overdraw your account since

transactions ARE posted against the Available Balance. This may result in Insufficient Funds transactions; Courtesy Pay fees; Returned Items and Fees; and Overdraft Protection Fees as a result of exceeding your Available Balance. To know the Available Balance, you may verify your list of outstanding transactions against Flex-Tone, Online Banking, or Mobile Banking. It is important to understand the order in which your transactions are paid as explained in Transactions from Your Account(s) to avoid making transactions that exceed your Available Balance.

We use your Available Balance to determine when your account is overdrawn prior to assessing Non-sufficient fees or Courtesy Pay Fees, if you are opted into the Courtesy Pay Program. The following is an example: Your Actual Balance and Available Balance are both \$100. You use your debit card for a \$70 purchase, the merchant requests an authorization, and a hold is placed on the \$70. Your Available Balance is now \$30. Your Actual Balance still shows as \$100. Before the merchant sends the transaction to us for payment, a \$35 check you wrote clears your checking account. Because you only have \$30 available when the check is presented, your account will be overdrawn by \$5, even though your Actual Balance shows \$100. In this case, we may pay the \$35 check, but you will be charged a Courtesy Pay fee, even though your Actual Balance exceeds the amount of the transaction. The fee will be deducted from your account, further reducing your Available Balance (to \$34.00). When the merchant requests payment for the \$70 debit card transaction, your Available Balance no longer has sufficient funds to cover it. This will result in a Courtesy Pay fee for the \$70 transaction even though your Available Balance was sufficient at the time the authorization for the transaction was approved.

YOU MAY STILL OVERDRAW YOUR ACCOUNT EVEN THOUGH THE AVAILABLE BALANCE APPEARS TO SHOW THERE ARE SUFFICIENT FUNDS TO COVER A TRANSACTION YOU WANT TO MAKE. Your Available Balance does not reflect your outstanding checks, automatic bill payments, or any other outstanding transactions that have not been paid from your account. These items will not be reflected in your Available Balance until presented to us and paid from your account. Holds on deposits may not be reflected, as described in our Funds Availability Policy.

In addition, your Available Balance may not reflect all of your pending debit card or ATM card transactions. For example, if a merchant obtains an authorization but does not submit the debit card transaction for payment within three (3) business days after the authorization is given, we may increase your Available Balance by the amount of that authorization. This means your Available Balance will no longer reflect the pending transaction until the transaction has been received by us and posted to your account. Although clearing times for debit card transactions range from 0-5 days, merchants choose the system by which they process their transactions and how frequently they do so. The Credit Union has no control over how and when transactions are presented to us to be paid.

NOTE: Holds placed on your account balance for pending debit card/electronic transactions, including gasoline, hotels, car rentals, etc., may reduce your available balance for an amount that may vary from the actual purchase amount, which may or may not be presented for payment. These same holds also reduce the available funds for subsequent purchases. Failing to account for outstanding items may cause your account to become overdrawn and fees assessed. Why is this Important to You? The order in which items are paid is important if there is not enough available funds in your account to pay all of the items presented for payment. Our payment policy may cause your larger, more important items, (such as your rent or mortgage payment), to not be paid first, but may reduce the amount of overdraft or NSF fees you have to pay if funds are not available to pay all of the items. If an item is presented without sufficient available funds in your account to pay it, we may, at our discretion, pay the item (creating an overdraft) or return the item (NSF). The Credit Union does not have to notify you prior to paying an item, regardless of the availability of funds. We encourage you to keep careful records of all transactions (debits & credits) and practice good account management. This will help you avoid writing checks or drafts without sufficient available funds and incurring overdraft fees.

3. **MEMBERSHIP ELIGIBILITY:** To join the credit union, you must meet the membership requirements, including purchase and maintenance of the minimum required share(s) (“membership share”), as set forth in the credit union’s bylaws. You authorize us to check your account, credit, and employment history and to obtain reports from third parties, including credit reporting agencies, to verify your eligibility for the accounts and services you request.
  
4. **COMPLIANCE WITH LAWS AND INAPPROPRIATE TRANSACTIONS:** You agree to comply with all laws, rules, and regulations. You also warrant and agree that you will not use any Credit Union Accounts or Services, including but not limited to loans, to make or facilitate any illegal transaction(s) as determined by applicable law or otherwise prohibited by applicable laws and that any such use, including any such authorized use, will constitute a breach of this Agreement. Certain federal and/or state laws or ThirdParty Service Providers’ Rules may limit or prohibit certain transactions such as, but not limited to, those coded as possible gambling transactions under the “Unlawful Internet Gambling Enforcement Act” (UIGEA). The Credit Union may decline to accept, process, or pay any transaction that we believe to be illegal or unenforceable (regarding your obligation to pay us or otherwise) under applicable law, or which is otherwise limited or prohibited, including but not limited to any transaction involving or relating to any gambling activity. We may also close or terminate accounts or services which we believe violate your obligations under this Section. Such prohibition or limitations may affect some otherwise proper or allowable transactions such as debits, charges, or other transactions at or relating to a hotel-casino. You understand and agree that such limitations/prohibitions are not within the Credit Union’s control and that the Credit Union

will not have any liability, responsibility, or culpability whatsoever for any such use by you or any authorized user(s) or for declining to accept, process, or pay any such transaction.

**Restrictions on Accounts.** The Credit Union may limit, refuse, close or terminate any account or service that we deem to constitute a breach of this Agreement. Unless an express exception is made by the Credit Union in its sole discretion, we do not offer services to “Money Service Businesses”, “Internet Gambling Businesses” and “Cannabis Businesses”, or other businesses that we determine violate the limitations in this Section. By way of illustration: “Cannabis Businesses” are defined by the Credit Union to be any person or business that (i) engages in the sale, production or storage of any form of cannabis, marijuana or hemp, and/or (ii) is required to be licensed and/or registered with a government entity due to the business engaging in an activity related to any cannabis related industry. The Credit Union may, at its sole discretion, also apply these restrictions on other businesses or individuals directly or indirectly related to a cannabis business.

5. **TAXPAYER IDENTIFICATION NUMBERS (TIN) AND CERTIFICATIONS:** Pursuant to the Account Card used to open your account(s) with us, you provided a certification regarding the accuracy of your taxpayer identification number (usually your Social Security Card) and whether your account is subject to backup withholding under the Internal Revenue Code. This certification applies to any and all accounts you have with us now or in the future, unless you provide written notification to us that specifically provides otherwise. You agree to comply with all our requirements for identification which we may require, including photographing, video recording, and providing fingerprints or other biometrics.
6. **CREDIT UNION’S RIGHT TO INVESTIGATE:** It is agreed that it is critical to the Credit Union and its members that the Credit Union have full rights to investigate all transactions, methods, and means of making transactions to protect its members and the Credit Union. Therefore, it is agreed that upon notification of any claim of error, unauthorized transaction(s), or other notification related to or arising from any transaction(s), methods, or means of making transactions, the Credit Union shall have full rights of investigation to extend to all persons, means, and methods of making transactions. It is expressly agreed that this shall specifically include the right to inspect and scan a member’s or user’s access device(s) and to report the Credit Union’s findings of such investigation to all owners and/or users.
7. **CREDIT REPORTS, MEMBERSHIP-ACCOUNT ELIGIBILITY, AND OTHER CREDIT UNION SERVICES AND SOCIAL MEDIA:** To verify your eligibility or continued eligibility for membership, any account(s), service(s), or loan products; for increases or decreases in services and/or credit limits, now and in the future; or as needed to comply with any applicable law, regulation, or governmental agency requirements, including but not limited to escheatment/abandoned property, privacy, or other issues that may affect your rights, you authorize us to make inquiry to determine your employment history and to obtain information concerning any accounts with other institutions and your credit history, including consumer

credit reports. You agree that this authority applies to any account, account-related service, loans, or other financial products you request or which we may offer or make available to you. We may also report information concerning your account(s) and credit to others. You also understand that you may elect from time to time to use Credit Union or other parties' social media tools and sources; that there is no claim of privacy or privilege regarding information shared or discernible from such use or sharing; and the use of such information by us does not violate your privacy or other rights.

8. **DEPOSITS TO YOUR ACCOUNT(S) AND INSTRUMENTS PAID/CASHED:** Funds may be deposited to any account, in any manner that is acceptable to us. Deposits may be made by mail, in person at any of our offices having facilities to accept deposits, or by direct deposit or other electronic funds transfer allowed by us.
- a. **Endorsements:** You authorize us, at our discretion, to accept transfers, checks, drafts, and other items for deposit into any of your accounts if they are made payable to, or to the order of, any one or more owners on the account, whether or not endorsed by all payees. You authorize us to supply missing endorsements of any owners. You agree to endorse all items pursuant to applicable laws and regulations. If any endorsement or any other markings you or any prior endorser has made on the check cause any delay or error in processing the item for payment, you will be responsible for any loss incurred by us due to the delay or error.
  - b. **Substitute Checks:** You agree not to deposit any substitute check or similar item that you have created or for which no financial institution has provided any substitute check warranties and indemnity. If you do so, you agree to indemnify us for all losses we incur in connection with the substitute check or item. You agree not to deposit any substitute check without our consent.
  - c. **E-Checks:** When you or any person with authority authorize any E-Check you agree: (1) that we may pay the item as submitted to us; (2) that you shall be solely responsible for all information transmitted regarding such item(s) including but not limited to the payee(s), the amount(s) of the item(s), and endorsements or the lack thereof; and (3) you agree to indemnify us for all losses we incur in connection with any E-Check you authorize.
  - d. **Restrictive Legends:** Some checks or drafts contain restrictive legends or similar limitations on the front and back of the item. Examples of restrictive legends include "two signatures required," "void after 60 days," or "not valid over \$500." We are not liable for payment of any check or draft contrary to a restrictive legend or other limitation contained in or on the item unless we have specifically agreed in writing to the restrictions or limitations.
  - e. **Collection of Deposits:** In handling deposits to your account, we act only as your agent for collection and assume no responsibility beyond the exercise of ordinary care. By signing the Signature Card or using any accounts or services, you specifically waive your rights to notice of non-payment, dishonor, or protest regarding all items presented for collection. We have

the right to refuse any order, transfer, or deposit; to limit the amount that may be offered for deposit; and to return all or any part of a deposit. Special instructions for handling an item are effective only if made in writing and accepted by us separately along with the item in question. We will not be liable for any default or negligence of correspondents or for loss in transit, and each correspondent will only be liable for its own negligence. We are authorized to pursue collection of previously dishonored items (including re-presentment), and in so doing we may permit the payor bank to hold an item beyond the midnight deadline. Items that we present or re-present may be truncated or converted to an electronic or other format. If an item is not paid, you are fully responsible for any loss we may incur in seeking to collect the item for you. Items not drawn by you upon us are not overdrafts but are Insufficient Funds Items ("NSFs") that you must pay to us if we incur any loss in seeking to collect such items for you.

- f. **Direct Deposits – Direct Deposit or Transfer Authorization/Bankruptcy:** If you file bankruptcy and fail to cancel any instructions in your direct deposit or transfer authorization, then you hereby instruct your employer and us to continue to make and apply deposits, make loan payments in order to avoid delinquency, and make other transfers in accordance with your authorization, until written notification is received by us to discontinue any payments or transfers.
- g. **Multiple Payees:** Unless any check, draft, or other instrument expressly indicates that the item is payable to conjunctive payees, the instrument shall be deemed payable in the alternative. If there is any ambiguity, the instrument shall be deemed payable in the alternative (example: a check payable to "A and B" is a conjunctive instrument. A check payable to "A or B"; "A, B"; "A/B," where "A and B are listed on separate lines"; or otherwise, where not expressly conjunctive are payable in the alternative.)
- h. **Final Payment:** All items, deposits, ACH (Automated Clearing House) transfers, or other transfers credited to your account are provisional and subject to our receipt of final payment. If final payment is not received, we may charge your account for the amount of such items or transfers or both and impose all fees/charges set forth in the Schedule without notice. We have no obligation to provide any separate notice under this provision; and you agree that our indication of any credits or debits hereunder reflected on your periodic statements shall be deemed sufficient notice.
- i. **Crediting of Deposits:** Deposits made after the deposit cut-off time and deposits made on either holidays or days that are not our business days will be credited to your account on the next business day.

**9. TRANSACTIONS FROM YOUR ACCOUNT:** Generally, you may withdraw and/or transfer funds from your account(s) at any time subject to the limitations set forth in this section and the Funds Availability Disclosure in effect at the time of the deposit. Payments upon your order may be made in coin, bills, or other instruments or via electronic means at our option.

- a. **Payment Order of Your Transactions:** To assist you in handling your account(s) with us, we are providing you with the following information regarding how we process the items that

you authorize. When processing items drawn on your account, our policy is to pay them as we receive them. We commonly receive items to be processed against your account(s) multiple times per day in what is referred to as presentment files. Each presentment file received commonly contains a large amount of a specific type of item (Check, ACH, or ATM/POS). It is common for each of these presentment files to contain multiple items to be processed against your particular account. In this case, when multiple items are received at once, the items will be paid as follows: checks are paid in order of check amount, lowest to highest; ACH items in each presentment file post credits first, then debits paid by dollar amount, lowest to highest, and generally we will receive up to four ACH presentment files per day; and ATM/POS items are paid in the order they are presented. Items performed in person, such as withdrawals or checks cashed at one of our locations or at a shared branch, are generally paid at the time they are performed. **Why This is Important to You:** The order in which items are paid is important if there is not enough money in your account to pay all of the items that are presented. Our payment policy may cause your larger, and perhaps more important, items to not be paid first (such as your rent or mortgage payment) but may reduce the amount of overdraft or NSF fees you have to pay if funds are not available to pay all of the items. If an item is presented without sufficient funds in your account to pay it, we may, at our discretion, pay the item (creating an overdraft) or return the item (NSF). The amounts of the overdraft and NSF fees are disclosed elsewhere in this Agreement. We encourage you to make careful records and practice good account management. This will help you to avoid writing checks or drafts without sufficient funds and incurring the resulting fees. **Third Parties:** You further understand and agree that we have no control over how the third parties (or entities who process transactions for them) you elect to do business with “code” transactions. For instance, these third parties have full control over the amounts of transactions they may enter per your relationship with them; and they may code transactions as recurring or non-recurring which may affect the payment order of transactions and the application of any overdraft protection or courtesy pay services you have with us. You authorize us to accept transactions based upon the coding submitted by third parties; and that we may rely upon such coding in processing all transactions and services for you.

**b. Restrictions on Withdrawals from All Accounts:** In accordance with applicable law, we reserve the right to require you to provide written notice of any intended withdrawals from any account(s) of not less than seven (7) but not more than sixty (60) days before the intended date of withdrawal. If there are sufficient funds to cover some but not all of your withdrawal orders, we may permit those for which there are sufficient funds in any order we choose. We may refuse to allow any transaction and will advise when required by applicable law if, for example: (1) there is a dispute between account owners; (2) a legal garnishment, attachment, or levy is served on us; (3) the account(s) secure(s) any obligation owed to us; (4) any required documentation has not been provided to us; or (5) you are delinquent or fail to pay a loan or any other obligation owed to us when due.

**c. Transaction Limitations for All Savings and Money Market / Money Management**

**Accounts:** Pursuant to Federal Regulation D, during any calendar month, you may not make more than six withdrawals or transfers to another Credit Union account of yours or to a third party by means of a preauthorized, automatic, telephonic, home banking, or audio response transfer or instruction. A preauthorized transfer includes any arrangement with us to pay a third party from your account upon oral or written orders, including orders received through ACH. Any minimum withdrawal requirements are set forth in the Schedule. Transfers/withdrawals in excess of the transfer/withdrawal limitations described above may be subject to a fee as set forth in the Schedule. For accounts in which activity continues to violate these limits after we notify you of activity exceeding the limits, Regulation D requires that either the account be closed or that the funds be transferred to a transaction account that the depositor is eligible to maintain. If payment is made directly to the depositor, you may make an unlimited number of withdrawals from these accounts in person, by mail, at an ATM, or by telephone if the withdrawal is mailed to you in a check. There is also no limit on the number of transfers you may make to any loan account(s) with us.

**d. Term Certificates:** Any term certificate, certificate, or certificate accounts offered by the Credit Union are subject to the terms of this Agreement, the Schedule, and any account receipt or certificate, which are incorporated herein by reference.

**e. Checking Accounts:** The Credit Union may refuse any check or other item drawn against your account or used to withdraw funds from your account if it is not on a form approved by us. Providers of check forms we approve are set forth in the Schedule. We also reserve the right to refuse any check or other item drawn against your account or used to withdraw funds from your account if made in a manner not specifically authorized for your account, if made more frequently or in a greater number than specifically permitted for your account, or if made in an amount less than the minimum withdrawal or transfer specifically permitted for your account. If we accept a check or other item not on a form approved by us, you will be responsible for any loss by us in handling the item. We may pay checks or other items drawn upon your account in any order determined by us, even if paying a particular check or item results in an insufficient balance in your account to pay one or more other items that otherwise could have been paid out of your account. Because of the nature of the Credit Union check program, neither the Credit Union nor any other processing entities shall be responsible for the authenticity of the checks with regard to the signature or alterations; checks, when presented, shall be paid without verification. We may disregard all information on or any writing or memorandum attached to any check or item except for your signature, the amount and the information that is magnetically encoded. You agree that we do not fail to use ordinary care because our procedures do not provide for sight examination. You will notify us immediately if you learn or have reason to know that any of your checks have been lost or stolen. If you are negligent in safeguarding your checks or if there is a processing problem due to your use of a check printer we do not approve, we will not have any liability or responsibility for any losses you incur as a result if we act in good faith pursuant to standard commercial practices. Check Copies: You understand that, when paid, your original check (or

any substitute check) becomes property of the Credit Union and may not be returned to you. We have no obligation to retain the originals of any checks or other documentation. You agree to keep a copy of your original check in order to verify its validity. If you request that we provide you with an original check or sufficient copy, you agree that we may provide a copy or an electronic image of the original check. The Credit Union may charge you a fee as set forth in the Schedule for each requested item and/or for research as applicable.

**f. Non-Member Check Cashing:** You agree that we may impose a fee as set forth in the Schedule on the payee or other holder of a check or other item drawn against your account(s) that is presented for payment over the counter (in-person or otherwise) at the Credit Union rather than being deposited in an account at another institution and presented for payment through the check collection system. Alternately, we may, at our discretion, limit the locations at which we will cash checks written on your account payable to non-Credit Union account holders. (A request that Credit Union cash the check at any other location is not a proper presentment of the check by your specific agreement.) Payees may deposit the checks that you give them into their own account(s) with us in order to receive payment without a fee.

**e. Checks you Request from the Credit Union:** If you request any check be issued by the Credit Union pursuant to any means we make available, then all such checks are payable to the first named owner of the account, record owner, trustee, custodian, or as otherwise indicated on your account card with us and will be mailed to the address of record.

**f. Temporary Holds and Authorizations for Amounts in Excess of Transactions:** To facilitate certain electronic transactions you make, we may place temporary holds on funds in your accounts. The Credit Union can neither control the parties with whom you do business nor regulate the processing of transactions through the commercial networks used to facilitate your transactions. Therefore, it is your obligation to ensure that sufficient funds are on deposit at all times to cover the transactions you make – including the amount that may be subject to these holds. Pursuant to the processing networks rules, a merchant (hotel, car rental company, retailer, etc.) may obtain authorization for up to three times the total estimated amount of your actual hotel stay, car rental, or purchase. This is deemed to be an “authorized amount” by you, and the authorized amount will not be available via your account until after your bill is finally settled with such merchant(s), which can cause an insufficient funds situation in your account(s). Even if your bill is satisfied with another form of payment, the merchant/retailer may continue to hold the funds as originally authorized by you for these time periods. In order to avoid problems associated with these holds and authorizations, **we recommend you not use your debit/check card when checking in at hotels, gas stations, or renting cars (which are the primary source of such holds/authorizations).**

**10. COLLECTION ITEMS:** We may accept certain items on a collection basis only. We route and process collection items separately from your other deposits. We will only credit your account for collection items after we receive payment for them. We may also receive items from other financial institutions on a collection only basis. Upon presentment of a collection item, we will follow the presenting

institution's instructions and pay the item if funds are available in your account or otherwise pursuant to your agreements with us. We charge fees for processing collection items (sending and receiving) as set forth in the Schedule. The financial institution on which the collection item is drawn may also charge you fees. If the other financial institution requires payment of a fee before that institution will process the collection item, we may pay the fee and charge your account. Fees may apply even if the collection item is returned unpaid.

- 11. ACCOUNT RATES AND FEES:** Fees applicable to all accounts and account services are set forth in the Schedule. We may transfer from any of your account(s) any charges or costs in connection with the operation and maintenance of account(s) as stated in this Agreement or the Schedule. You agree that we may change the Schedule at any time upon proper notice as required by law.
- 12. AUTHORIZED SIGNATURE:** We will not be liable for refusing any order or item if we believe in good faith that the signature on any order or item is not genuine. We are authorized to honor any Transactions initiated by a third person if you provide your access device or other information to a third person. Also, you authorize the use of facsimile signatures, electronic signatures, & acknowledgments under applicable laws; we shall not be liable for honoring any instrument that appears to bear your signature, even if made by an unauthorized person.
- 13. ACCOUNT ACCESS:** a. Authorized User(s). All withdrawals, transfers, and transactions made by any person to whom you have at any time provided authority or the means to access your accounts or other services shall be deemed authorized by you, and the Credit Union will not have any responsibility or liability whatsoever for such withdrawals, transfers, or other transactions. b. Access to Account Information. You agree that all owners, borrowers, and authorized users may have access to all of the information you provide to us, or which we gather and maintain regarding our relationships with you and that they may provide authority to others. This includes, but is not limited to, information regarding transactions, account history, your loan relationships with us, and other information relating to or arising with regard to any of your accounts, loans, or other services with us. Further, you understand that we utilize a consolidated statement for your accounts, account services, loans, and all other services with us. You understand and agree that we are authorized to send jointly and/or provide to any individual owner or borrower a statement that includes all of the information on the consolidated statement even though all parties receiving the statement may not be owners or borrowers of all of the accounts or services addressed in the statement. c. Sharing Information with Other Persons, Co-Borrowers, CoSigners/Guarantors, Owners of Collateral Pledged, and Others. You

hereby consent and agree that we may share any information regarding your obligations with us or collateral pledged to secure any obligations you owe to the Credit Union with the persons listed in this subsection if we receive a request which we in good faith believe to be related to any such obligations, refinancing's, sales, trades, transfers, exchanges, or Transactions. Also, you consent and agree that we may provide pay-off or payment information to persons or entities who seek to make payments on your behalf, including potential "pay-offs." This may include account numbers and information necessary to process payments. d. Access to Third Parties. When you give another party access to your accounts or account information, you understand and agree that we have no liability or obligation for any errors, claims, or losses of any type of nature whatsoever relating to any transactions initiated as a result of your relationship with that third party, including any claims or losses that may arise from any access to your accounts or personal information. Third Parties: To expedite the matters herein for your benefit, you agree that we can rely on the representations made to us by a third party, and our duties to you hereunder do not require us to investigate or document a request for such information.

- 14. POWERS OF ATTORNEY:** You agree that regardless of any laws, rules, or regulations we may in our sole discretion refuse to honor or accept a power of attorney to open, close, deposit, or make Transactions on any account or to supply endorsements on checks or any other items or to take any other action with respect to an account, loan, or other service. The Credit Union may allow a third person acting as your attorney-in-fact to make Transactions regarding your account(s) or conduct other business on your behalf without any liability to you, pursuant to a Power of Attorney, but has no obligation to do so. You agree that we have no obligation to verify the scope, authenticity, and validity of any Power of Attorney presented to us. If we accept the Power of Attorney, the Credit Union has no duty to inquire as to the use or purpose of any transaction(s) by your attorney-in-fact and may restrict or refuse account access, withdrawals, and Transactions.

You further agree that we may require that a Power of Attorney be registered with the appropriate recording authorities. We may restrict the types or amounts of Transactions we permit an attorney-in-fact to conduct. We may require a separate form for each account or service for which you want to grant power of attorney. If your agent or attorney-in-fact does not present the original form, we may either accept or refuse to honor any power of attorney you grant and with no liability to you. If we accept a power, we may continue to recognize the authority of your agent or attorney-in-fact until we receive written notice of revocation from you and have had a reasonable time to act on it.

We, within our discretion, may not recognize a power of attorney given by one owner of a Joint Account without the consent of the other Joint Account holder(s).

You agree to indemnify and hold the Credit Union harmless for accepting and/or honoring any power of attorney, or copy thereof, which we accept in good faith and believe to be valid and authorized by you.

**15. OVERDRAFT AND OVERDRAFT PROTECTION PLAN:** An overdraft occurs when you make or authorize any transaction that exceeds the balance in any account with us that you access by check, electronically, or otherwise that we pay or if we impose a fee that exceeds the balance in your account(s) (“Overdraft”). Unless you have an approved overdraft protection agreement with us, you agree not to cause any Overdraft on any of your accounts with us. If we decide not to pay an overdraft, the transaction shall result in an insufficient funds transaction (an “NSF”). The Credit Union, in its sole discretion, may pay any Overdraft via a courtesy overdraft program or otherwise on a case-by-case basis but has no obligation to do so or to continue to do so. We may impose a fee as set forth in the Schedule for any Overdraft or any NSF. You agree to pay to us promptly the amount of the Overdraft as applicable together with the fee pursuant to the Credit Union’s policies. The Credit Union has no obligation to notify you of any Overdraft, any NSF, or charge that creates a negative funds balance in your account(s). You agree that the Credit Union may also in its sole discretion utilize any funds in any of your accounts to pay any overdrafts as defined herein or to pay any other debts that you owe as a result of any authorized acts. Funds may be applied from any account in which you have a beneficial interest and may include funds, regardless of the source, including but not limited to deposits of funds representing the payment of Social Security, Veterans benefits, or any other funds that may be subject to limitations under federal or state laws. Any application of funds hereunder shall be deemed a voluntary transfer that you have authorized. Further, you agree that any overdraft protection plans you have now or in the future are intended to cover and be utilized for any such matter addressed herein caused by or arising from the actions of any owner or authorized users. ATM and one-time debit card transactions require member opt-in using the methods that we require in order for the Credit Union to exercise its discretion under this provision to pay these particular transaction types. You may apply for and receive the benefits of a specific agreement for overdraft protection. If approved by us, you agree that the terms of any such agreement(s) shall also apply.

**16. POSTDATED AND STALE DATED DRAFTS:** We may pay any draft without regard to its date unless you notify us in writing of a postdating pursuant to applicable laws and our requirements, together with any fee set forth in the Schedule. We

are not responsible if you give us an incorrect or incomplete description or untimely notice. You agree not to deposit checks, drafts, or other items before they are properly payable. **We are not obligated to pay any check or draft drawn on your account, which is presented more than six (6) months past its date; however, we have no obligation or liability to you or any other party to the instrument or in the chain of the collection process if we do so.**

**17. STOP PAYMENT ORDERS:** If you do not want us to pay a specific written instrument, such as a personal check, you can ask us to place a "Stop Payment Order" ("SPO") on the instrument. You can notify us by mail, by telephone, electronically, or in person. Any such instruction must be given to a teller, member service representative, or branch manager of the Credit Union. Your SPO will take effect when we record it on your account. An SPO will not be valid and binding on us unless your SPO includes your account number, the number and date of the written instrument, the name(s) of the payee(s), and the exact amount of the instrument. Only the person placing the SPO may release the SPO. We will charge you a service charge for any SPO as set forth in the Schedule. If you give an oral SPO that is not confirmed in writing by you or us within fourteen (14) days, your SPO will expire and the instrument may thereafter be paid by us.

- a. If you provide written confirmation, your SPO will be effective for a period of six (6) months. Alternately, the Credit Union, in its sole discretion, may confirm any oral SPO in writing by sending a notice to the address shown in our records but has no obligation to do so. Such written confirmation by us will also be effective for a period of six (6) months. b. The Credit Union will not be responsible for any loss as a result of honoring a check (1) more than fourteen (14) days after receipt of your oral order to stop payment; (2) more than six (6) months after your written order to stop payment, our written confirmation, or more than six (6) months after a written extension as provided herein; (3) through inadvertence, oversight, or accident, we honor any postdated check; (4) if you fail to provide us with complete or accurate information; (5) or if you fail to meet your obligations as noted in this section or otherwise in this Agreement. We have no obligation to accept any order to stop payment on any certified check, cashier's check, teller's check, or other instrument guaranteed by us. You will be responsible to the Credit Union if any claim or demand is made against us as a result of our acting in accordance with your stop payment order.

You agree that any stop payment order received when you do not have sufficient funds on deposit in your account to cover the item on which you are requesting us to stop payment shall be subject to a service charge for return of an NSF item rather than the service charge for a stop payment order. **Cashier's Checks:** If you seek to return any cashier's check or like item after it is issued to you or another, then you agree we may treat such items as "lost, stolen or destroyed" under the Uniform Commercial Code and reimbursement may not be made for 91-days for the date issued.

**18. LEGAL PROCESS AND OTHER ADVERSE CLAIMS:** Should we receive any legal process or other adverse claim which in the Credit Union's opinion affects your account(s), we may, at our option and without liability, do the following: (1) refuse to honor orders to pay or withdraw sums from the account(s); and/or (2) hold the balance in the subject account(s) until the Process or adverse claim is disposed of to the Credit Union's satisfaction; pay the balance over to the source of the Process; and/or comply with any specifically applicable laws in addressing the Process. Any Process or adverse claim is subordinate to our lien and security interest in all funds in your account(s). We may also charge you a fee for such matters as set forth in the Schedule.

**19. STATEMENTS:** If the Credit Union provides a periodic statement for your account(s), you will receive a periodic statement from us or notice of the availability of your statement describing all activity on your account(s) during the statement period as required by law. If you have a multiple party account, we are only required to provide one periodic statement to any of the account owners identified on the Account Card. If provided electronically, you will be sent a notice via email that will direct you to a site where you may access your statement as otherwise agreed. Emails from us will be sent to the email address provided by any owner. Statements will be provided to the fiduciary upon any trust, custodial, or other fiduciary or representative account; the requirements of this paragraph will be binding on all parties in interest with regard to such accounts pursuant to such delivery. Contact us if you do not receive your regular statement. If you do not receive or have any problem accessing a periodic statement, you agree to notify us in writing within fourteen (14) days of the date that the statement is usually sent or made available by us. If you do not so notify us, you will be deemed to have received the statement for all purposes.

**A. YOUR DUTY TO EXAMINE AND REPORT PROBLEMS: AS USED IN THIS SECTION, THE TERM "PROBLEM" REFERS TO ANY ERROR, ALTERATION, COUNTERFEIT CHECK, OR UNAUTHORIZED TRANSACTION (INCLUDING, BUT NOT LIMITED TO, FORGED OR MISSING SIGNATURES AND EXCLUDING CONSUMER ELECTRONIC BANKING TRANSACTIONS) RELATED TO YOUR ACCOUNT. BECAUSE YOU ARE IN THE BEST POSITION TO DISCOVER ANY PROBLEM, YOU AGREE THAT IT IS YOUR DUTY TO PROMPTLY EXAMINE YOUR STATEMENT AND REPORT TO US ANY PROBLEM ON OR RELATED TO YOUR STATEMENT. YOU AGREE THAT WE WILL NOT BE RESPONSIBLE FOR ANY PROBLEM THAT (1) YOU DO NOT REPORT TO US IN WRITING WITHIN A REASONABLE TIME NOT TO EXCEED 30 CALENDAR DAYS AFTER WE MAIL THE STATEMENT (OR MAKE THE STATEMENT AVAILABLE) TO YOU; (2) RESULTS FROM A FORGERY, COUNTERFEIT OR ALTERATION SO CLEVER THAT A REASONABLE PERSON**

**CANNOT DETECT IT (FOR EXAMPLE, UNAUTHORIZED CHECKS MADE WITH YOUR FACSIMILE OR OTHER MECHANICAL SIGNATURE DEVICE OR THAT LOOK TO AN AVERAGE PERSON AS IF THEY CONTAIN AN AUTHORIZED SIGNATURE); OR (3) AS OTHERWISE PROVIDED BY LAW OR REGULATION. YOU AGREE THAT THIS 30-DAY PERIOD TO EXAMINE YOUR STATEMENT AND REPORT PROBLEMS TO US IS WITHOUT REGARD TO OUR LEVEL OF CARE OR THE COMMERCIAL REASONABLENESS OF OUR PRACTICES AND WITHOUT REGARD TO WHETHER CANCELED CHECKS ARE SUPPLIED TO YOU.**

You agree to waive any rights to recovery you may have against us if you do not provide notice to us in the manner and within the time required by this Agreement. You may not start a legal action against us because of any problem unless the following are true: (a) you have given us the above notice and (b) the legal action begins within one year after we send or make your statement available to you. If you make a claim against us in connection with a problem, we reserve the right to conduct a reasonable investigation before re-crediting your account, and you agree to fully cooperate in such investigation. Within 30 days of the date of mailing, you agree to complete and return an affidavit of forgery on the form we provide to you along with any other information we may request. You further agree to file a police report if we request. If you refuse to sign such an affidavit or fail to return the affidavit and other requested documentation within 30 days of the date that we mail it to you, you agree that we may consider the matter resolved and reverse any provisional credit provided. At our sole discretion, we may, but are not obligated to, provisionally credit your account during the investigation for all or a portion of the amount claimed. Any provisional credit to your account may be reversed if you fail to fully cooperate in our investigation or, if as a result of our investigation, we determine that the charge to your account was proper. You agree to pay any fees assessed or accrued against your account during the investigation or that may arise upon reversal of any provisional credit.

Notwithstanding the foregoing, the time period for notifying us or making a claim under the Check 21 Act, with respect to a substitute check or an image of a substitute check that is sent with a statement or that appears on a statement, will be as set forth in the Check 21 Act.

**20. CHANGE OF NAME/ADDRESS:** You will promptly notify us of any change of address or your name, including your email or other electronic address by one of the following methods: (1) writing us at 1495 East Nine Mile Road, Pensacola, FL 32514; (2) using the Credit Union's secure web site (the portion of the site you may access after entry of your user name and password or PIN) [penair.org](http://penair.org). In the absence of such notice, any mail, disclosure, or notice to you at any address, forwarding address provided to us by the U.S. Postal Office, or email address shown by our records or any communication received from you will be deemed properly addressed and, unless otherwise provided by applicable law, constitute effective delivery of any item that we may be required to provide, regardless of actual receipt by you. If we receive notice that the address you provided to us is not or is no longer correct, or has

changed without notice to us, and we attempt to determine your new name or address, then the Credit Union may, in its discretion do the following: (1) charge a fee as set forth in the Schedule to determine your current address; and/or  
(2) discontinue sending any statements, notices, or other items to you until verifiable information is provided to correct any deficiency under this provision.

21. **INACTIVE OR DORMANT ACCOUNTS:** If your account falls below any applicable minimum balance or you have not made any Transactions within the period of time specified in the Schedule, we may classify your account(s) as *inactive*. An account is generally only considered *dormant* when an applicable State law requires such classification (i.e., dormant or abandoned). Although having no obligation to do so, we reserve the right to not classify a particular account as either inactive or dormant if any owner thereof has other active accounts or services with us. You may be charged fees as set forth in the Schedule for inactivity, which is generally the failure to transact any business on an account for the period set forth in the Schedule. Unless specifically prohibited by applicable law, we may also charge a service fee set forth on the Rate and Fee Schedule for processing your dormant account ("Abandoned Property / Dormancy Processing Fee"). Unless prohibited by applicable law, we further reserve the right to classify your account as inactive, to suspend any further account statements, and close the account if it reaches a \$0 balance."
22. **TERMINATION OF ACCOUNT(S) AND SERVICE(S):** The Credit Union is committed to delivering exceptional products and services to members. To that end our employees are trained to handle interpersonal interactions effectively and to address any service issues with Credit Union members. The Credit Union's policies define the circumstances under which services may be limited for members who engage in "improper or abusive conduct;" and also address other circumstances where services may be terminated or limited. The policy is not intended to restrict the rights and freedoms of any particular group or individual, but to protect Credit Union employees and members by addressing unacceptable conduct. You also understand and expressly agree that the Credit Union is a non-profit organization and that the rights addressed in this section are necessary to protect the Credit Union for the benefit of all members.

You may terminate your membership by giving us notice and complying with the policies and procedures of the Credit Union. Termination will not release you from any fees or obligations you owe us, those incurred in the process of closing your accounts or services or your liability on outstanding items or Transactions. You further agree that we can terminate your membership for cause based on any of the circumstances defined in this Agreement, without notice or further action. We, in our sole discretion, may terminate, limit or restrict, or change the terms of any of your account(s) or service(s), including but not limited to loan services, as we in our sole discretion deem appropriate, or place a freeze on any sums on deposit with us at any time without notice or require you to close your account(s)/service(s) and apply for a new account(s)/service(s) if (1) there is a request to change the owners or

authorized users; (2) there is a fraud/forgery or unauthorized use committed or reported; (3) there is a dispute as to ownership of any account or sum on deposit; (4) there are any drafts that are lost or stolen; (5) there are returned unpaid items – Transactions not covered by an overdraft plan agreement with us or any abuse of any such plan per our assessment thereof; (6) there is any misrepresentation regarding any account(s) or service(s); (7) the Credit Union incurs any loss or believes it may incur any loss relating to any loan(s), account(s), or service(s) you have with us; (8) if we believe you have been negligent in protecting any access devices or codes; (9) we deem it necessary to protect the Credit Union from any risks or losses, or otherwise deem it to be in the best interests of the Credit Union, our members, or our employees; (10) you breach any promise under this Agreement or any other agreements with us, including but not limited to any default or other delinquency with regard to any loan or other agreements; (11) if bankruptcy or any other insolvency proceeding is filed by or against you, or if we otherwise deem you to be insolvent or incapable of meeting your obligations to us; (12) you refuse or fail to cooperate as provided in this Agreement; or (13) you violate any Credit Union policy, procedure, or standard or any law, regulation, or rule. In the event you are delinquent 30 days or more we reserve the right to restrict services/freeze accounts/disable electronic access including but not limited to debit card(s) and online banking.

(14) you have an account that does not maintain a required par value for a membership account or any balance as to all other accounts; (15) you violate any Credit Union policy, procedure or standard or any law, regulation or rule; (16) if you participate or facilitate any transactions for another person who is prohibited from making transactions with us pursuant to applicable laws or Credit Union policy/procedure; (17) making unauthorized posting(s), defacing or removing notices or signs on Credit Union premises and/or social media sites without management authorization; (18) misappropriating Credit Union funds, property, or other material proprietary to the Credit Union; (19) deliberately or repeatedly violating security procedures or safety rules; (20) possessing, using, or being under the influence of illicit drugs on Credit Union premises; (21) engaging in use or possession of weapons of any kind on Credit Union premises except for on-duty law enforcement officers or security officers; or (22) using one or more credit or debit cards to obtain cash and purchasing power we do not believe appropriate, using such devices to pay credit card balances with the proceeds of other cards, or using such devices in a manner we determine is primarily intended to abuse a rewards program.

We, of our own accord, may place a stop payment on any draft, item, or transaction if we are notified or otherwise reasonably believe that any of the foregoing circumstances have occurred. If you do not accept any deposit or part of a deposit that we attempt to return after termination, then such deposit will no longer earn dividends. You may terminate a single party account at any time by notifying us in writing. We have the right to require the written consent of all parties to a multiple party account for termination. Club accounts may be terminated if deposits are not made within certain time periods in successive periods. We

are not responsible for any draft, withdrawal, item, or Transaction after your account is terminated. However, if we pay any item after termination, you agree to reimburse us upon demand.

**Joint Accounts or Services:** If our application of the Credit Union's policies or the above remedies affects any accounts or services with multiple parties, we may require the party to whom the restrictions or termination is applied be (1) removed; (2) the account be closed and then a new account may be reopened absent the affected party; or (3) the restrictions may be applied to the account or service. The Credit Union has no obligation to provide any specific information regarding the basis for taking action under this section to any other owners or parties. **Residence Outside the U.S., Its Possessions, or Territories:** We may require that all checking accounts and related services be closed or deactivated if you move your residence to a country or place outside the U.S., its possessions, or territories. The Credit Union may close your checking account(s) and related services if you do not do so. **Duty to Cooperate:** You have a duty to cooperate with us, and any law enforcement or government agent or agency with regard to any claim of fraud, forgery, unauthorized access, or any other adverse claim(s).

23. **STATUTORY AND CONSENSUAL LIENS ON SHARES:** Statutory and Consensual Liens on Shares: By signing an Account Card or other agreement conveying a pledge or security interest in shares, or by your use of any accounts or services, you have given the Credit Union a lien on any and all funds ("shares") in all joint and individual share accounts, together with all dividends, regardless of the source of the shares or any individual owner's contributions. This lien secures any account owner's joint and individual obligations to us now or in the future, whether direct, indirect, contingent, or secondary; it has priority over all other claims. You agree that this lien is created and/or impressed, as applicable, as of the first date that any applicable account is opened with us. This lien secures all debts you owe us, including but not limited to those arising pursuant to any loan agreements, or under this Agreement, or arising from any insufficient funds item, fees, costs, or expenses, or any combination or all of the above. You authorize us to apply shares to any obligations owed to us if you default or fail to pay or satisfy any obligation to us, without any notice to any account owner or other party. The Credit Union's rights are immediate and apply to all accounts.
24. **RIGHT OF OFFSET:** You agree that the Credit Union at all times retains the common law equitable right to offset against shares with regard to any debt or obligation owed to us individually or otherwise; this right may be exercised by us without legal process or notice to any account owner.
25. **STATUS QUO – COLLATERAL PRESERVATION:** You specifically agree that all shares on deposit constitute collateral for all obligations owed to the Credit Union. You agree that the Credit Union has the right to preserve this collateral and may use appropriate administrative procedures (including but not limited to placing a temporary hold or "freeze" on such funds)

to safeguard such funds if the Credit Union at any time has reason to believe that such collateral may be impaired or at risk due to any default, bankruptcy, breach of any agreement or promise, or as otherwise provided for by our agreements or applicable law, without notice to any owner. In the case of any bankruptcy proceeding, the Credit Union has a right to preserve such collateral as set forth herein as cash collateral; the Credit Union is not required to surrender or turnover such collateral absent the owner's filing any appropriate motions and the entry of an order either providing for adequate protection of the Credit Union's rights in such collateral, or modifying or terminating the automatic stay as to such collateral. You further agree that the Credit Union's exercise of this right to safeguard or "freeze" funds on deposit shall not constitute a violation of the automatic stay afforded by the Bankruptcy Code.

26. **TELEPHONE REQUESTS; RECORDING COMMUNICATIONS AND CONSENT TO COMMUNICATION FROM THE CREDIT UNION:** You agree that funds in any account(s) with us can be transferred, upon the telephone request of any signer on the account, to another account with us or to any other financial institution. Furthermore, we reserve the right to refuse to execute any telephone request or order. You consent that any phone call with us may be monitored or recorded by us or our affiliates. By providing telephone number(s) to us, now or at any later time, you authorize us and our affiliates and designees to contact you regarding your account(s) with the Credit Union and its affiliates at such numbers using any means and obtained from any source, including but not limited to placing calls using an automated dialing system to cell, VoIP or other wireless phone number, or by sending prerecorded messages or text messages, even if charges may be incurred for the calls or text messages.
27. **INFORMATION ABOUT YOUR ACCOUNTS AND ABOUT YOU:** We will only disclose information to third parties about your account(s) or about you as permitted in this Agreement, as permitted by any applicable laws, or when we are attempting to collect an obligation owed to us.
28. **RIGHT TO REFUSE INSTRUCTIONS/ORDERS:** If you ask us to follow instructions that we believe might expose us to claims, suits, losses, expenses, liabilities, or damages, whether directly or indirectly, we may refuse to follow your instructions or may require a bond or other protections.
29. **MISCELLANEOUS:** Further, this Agreement or any claim or dispute arising hereunder shall be construed in accordance with and governed by the Laws of the State set forth in the Schedule, which law, together with specifically applicable federal laws, govern this Agreement. Our website and the electronic services that we provide (excluding linked sites) are controlled by the Credit Union from its principal offices noted in the Schedule. While you may choose to access our website and electronic services from other locations, we make no

representation that any information, materials, or functions included in our website or via our electronic service are appropriate or authorized for use in other jurisdictions. Your access from other locations is made on your own initiative, and you are solely responsible for compliance with any applicable local laws and regulations. Section headings in this Agreement are for convenience of reference only. If any law or judicial ruling renders any term or condition of this Agreement unenforceable, the remaining terms and conditions shall remain in full force and effect. We reserve the right to waive enforcement of any of the terms set forth in this

Agreement regarding any Transaction or series of Transactions. Any such waiver will not affect our right to enforce any of our rights with respect to any owner, user, or other applicable person/party or to enforce any of our rights with respect to other Transactions. Any such waiver shall not modify the terms and conditions of this Agreement.

30. **AMENDMENTS AND CHANGES:** Changes to any account or account service requested by any member or account owner can only be made with the express consent of the Credit Union. The Credit Union, in its sole discretion, may change any term or condition of this Agreement, including the method for determining dividends, at any time without notice except as expressly required by applicable law, and any change in the Agreement shall be effective at the earliest time allowed by applicable law.
  
31. **MULTIPLE PARTY ACCOUNTS:** Any or all owners can make deposits or withdrawals regardless of contributions. Each owner guarantees the signature of all other owners and appoints all other owners as agents. We may accept orders, instructions, and requests for future services from any account owner, which shall be binding on all owners. Any individual account owner may withdraw funds, stop payment of Items/Transactions (regardless of who ordered the payment), transfer or pledge to us all or any part of the shares in any account, and block, terminate or discontinue, or close any transaction or service without the consent of the other owner(s). We have no obligation to notify the other account owner(s) of any pledge or other actions, orders, or instructions by any owner. Each owner is jointly and severally liable for all returned items, overdrafts, or any other obligations owed to the Credit Union as a result of any Transaction(s) on a multiple party account, regardless of the drawer, user, or authorized user who orders or causes said Transaction(s). ***Rights of Survivorship:*** Unless your account card specifically indicates otherwise, you agree that it is your intention to create a joint tenancy with the right of survivorship (a form of ownership) in any multiple party account and that if one or more of the multiple party owners dies, his or her interest in the account passes to the remaining owners, unless subject to our right of set-off or a pledge of the funds in the account(s), in which case all sums in the account(s) will belong to us regardless of contributions, up to the amount of the obligation(s) owed. We may not release any funds to a survivor until all required legal documents are delivered to us.
  
32. **PAYABLE ON DEATH DESIGNATIONS:** Payable on Death ("POD") accounts are governed by your agreements with the Credit Union and applicable state law. A POD account instructs

us that the designated account is payable to the owner(s) during his or her (their) lifetime(s) and, upon death of the last account owner, is payable to the beneficiary(ies) designated by your Account Card, and it is pursuant to applicable laws. Account/primary owner, during his or her lifetime, may change any designated beneficiary by written direction to us. If any beneficiary is not of legal age at the time the account(s) are to be paid to beneficiaries hereunder, then said amounts will be paid to the legal guardian of such beneficiaries or as otherwise allowed by applicable law. If all named POD beneficiaries pre-decease the owner(s), the applicable funds shall be paid to the estate of the last surviving owner.

33. **UNIFORM GIFTS TO MINORS ACT AND/OR UNIFORM TRANSFER TO MINOR ACT ('UGMA/UTMA')**: All grantors, custodians, and beneficiaries agree to the terms of this paragraph. If you have signed an account as custodian for a beneficiary under an applicable UGMA and/or UTMA, your rights and duties are governed by that Act. Unless applicable laws specifically prohibit such payment, when the beneficiary reaches the age of majority, the funds in any UGMA/UTMA may be paid or withdrawn by the beneficiary without notice or further action by us as this is the intent of the party establishing this account.
34. **MINORS ACCOUNTS**: As a joint owner, we may make payments of funds directly to the minor without regard to his or her minority. Unless a guardian or parent is an account owner, the guardian or parent shall not have any right to access the account other than in a custodial capacity. We have no duty to inquire about the use or purpose of any transaction by the minor, parent or guardian, or any account owner. All owners agree that we will automatically change the minor account status to a general membership when the minor reaches the age of majority. All standard account products and services or the continuation of products and services will be available based on eligibility.
35. **REPRESENTATIVE PAYEE ACCOUNTS**: The representative payee agrees to be bound by the terms of the Account Agreements and to furnish us, upon request, a copy of the written SSA authorization designating the representative payee and such other documents and authorizations as we may deem necessary or appropriate. In opening a representative payee account, the Credit Union acts only as a depository for the Beneficiary's SSA or SSI funds and is under no obligation to act as a fiduciary or to inquire as to the powers or duties of the representative payee. The representative payee agrees that he or she is liable to us for any and all obligations incurred by any actions dealing with the account and agrees to indemnify and hold the Credit Union harmless from and against any and all loss, costs, damage, liability, or exposure, including reasonable attorney's fees, that we may suffer or incur arising out of or related to any action or claim by any party with respect to the authority or actions taken by the representative payee.
36. **CLUB ACCOUNTS**: The Credit Union offers club plan account(s) to help you save for Christmas, vacations, or other purposes. At the end of the club account period, you authorize the Credit Union to pay the balance in your account by depositing the balance into

any account designated by you, or by such other means set forth in the Schedule. If paid electronically, this payment is deemed a pre-authorized transfer. You may at any time withdraw any dollar amount without penalties.

37. **BENEFIT/MEMORIAL ACCOUNTS:** The Credit Union acts only as a depository for the funds related to the beneficiary and is under no obligation to act as a fiduciary or to inquire as to the powers or duties of the responsible individual. The responsible individual agrees that he or she is liable to us for any and all obligations incurred by any actions dealing with the account and agrees to indemnify and hold the Credit Union harmless from and against any and all loss, costs, damage, liability, or exposure, including reasonable attorney's fees, that we may suffer or incur arising out of or related to any action or claim by any party with respect to the authority or actions taken by the responsible individual.
38. **THIRD PARTY DOCUMENTS:** From time to time you may present us with certain documents that the Credit Union is not a party to (examples include but are not limited to: trust agreements, business operating agreements, contracts, court orders such as divorce settlement agreements, etc.). The Credit Union may require such documents for a purpose such proving the existence of an entity or trust as required by applicable laws. However, the Credit Union is not a party to such agreements and mere possession of these documents does not in any imply or impute knowledge of the contents of such documents to the Credit Union or its employees.
39. **ELECTRONIC RECORDS:** You acknowledge and agree that we may in our discretion store all records electronically and that we will not retain and have no obligation to retain any original documents for any period of time. This applies to all documentation including but not limited to checks, transaction records, notes, mortgages, deeds of trust, and other loan and/or security documentation. We will routinely destroy all original documentation. We may store records electronically via imaging, scanning, filming, or other technology used in the financial services industry for the storage of documentation via internal processes or third-party processors that we approve for these services. You agree that such storage shall be secure; you further agree that such records shall for all purposes be recognized and admissible in evidence or otherwise to prove the agreements, rights, and obligations of the parties pursuant to any such records.
40. **EMAIL AND FACSIMILE COMMUNICATIONS:** You acknowledge and agree that the Internet is considered inherently insecure. Therefore, you agree that we have no liability to you whatsoever for any loss, claim, or damages arising or in any way related to our response(s) to any email or other electronic communication, which we in good faith believe you have submitted to us. We have no duty to investigate the validity or to verify any email or other electronic communication, and we may respond to an email at either the address provided with the communication, the email address in your Membership Application and Signature Card, or any other application or written communication actually received by us. Any account owner, co-borrower, or authorized user may change the email address for statements or other information from us at any time. The Credit Union may not immediately

receive email communications that you send. We reserve the right to require any notices from you be submitted to us in writing, and we may refuse to send certain information through unsecured email communications. You expressly consent and agree to our sending, our agents' sending, or any parties' (that we authorize) sending and to your receiving any communications hereunder by facsimile or other electronic methods including any offers for Credit Union, affiliate, or third-party services and/or products.

41. **LIABILITY; DISPUTES AND COSTS AND/OR FEES:**

General Limitations on Credit Union Liability: We are not liable to you for any Loss caused by an event that is beyond our reasonable control including if circumstances beyond our reasonable control prevent us or delay us in performing our obligations with regard to any transaction, including acting on a payment order, crediting any funds transfer to your Account(s), processing an Item or crediting your Account(s). Circumstances beyond our reasonable control include, but are not limited to: a natural disaster; adverse weather conditions; acts of God; acts of terrorism; emergency conditions including any risk of loss to the Credit Union; a legal constraint or governmental action or inaction; strike or stoppage of labor; power failure; the breakdown or failure of our equipment for any reason; the breakdown of any communication or transmission facilities, any mail or courier service; suspension of payments by another party; or any matter resulting in whole or part from your act, omission, negligence or fault.

If your account is subject any legal or governmental action ("action") we may pay out funds from your account according to that action or alternatively place a hold on the funds in the account until the matter is resolved. Unless otherwise prohibited, all such actions are secondary to our security interest and statutory lien rights as set forth herein.

If you or any representative or purported representative submits to us any instructions or requests ("instruction") based on a legal document including but not limited to a Power of Attorney, Court Order, Appointment or Trust you agree we may not honor such instruction until such time as we are satisfied of the legality and/or authenticity of the instruction.

If there is a dispute between any person(s) and/or private or government organization over an accounts, or we are uncertain who is entitled to access an account or the funds in an account ("disputes"), you agree that we may hold the funds in the account and may not release the funds in the account until all persons or organizations that may claim an interest in the accounts/funds agree in a writing that meets our requirements addressing what should be done with the accounts and/or the funds; or until we receive a court order instructing us what to do. You understand and agree that such a hold is beneficial to both you and us to ensure that only persons who or organizations that are entitled to access the account and/or the funds in the account obtains access thereto.

To protect your and our interests with any "claim," "dispute," or "instruction" if we need to seek legal or other professional advice to review or assess any actions or other claims that affect your accounts; or to bring any legal action to protect or otherwise determine the rights addressed in this Agreement, you agree to pay all costs and expenses, including reasonable attorney fees and court costs, incurred by us. You further agree that all such costs and expenses may be deducted from your accounts, and that you will be responsible for any additional amount owed according to the terms of this Agreement. Alternatively, in the event of a dispute or uncertainty over who is entitled to access an account or the funds in an account, at our discretion we may deposit the funds in an account with a court and ask the court to resolve the dispute or uncertainty over who is entitled to the funds. In such instances, we may deduct our attorney fees and court costs from the funds in the account to be deposited with the court.

You will make all third persons including but not limited to attorneys in fact; representative payees; and trustees that he or she are liable to us for any and all obligations incurred by any actions dealing with the account; and you and they agree to indemnify and hold the Credit Union harmless from and against any and all loss, costs, damage, liability, or exposure, including reasonable attorney's fees, we may suffer or incur arising out of or related to any action or claim by any party with respect to the authority or actions taken by the third person.

**41. MANDATORY ARBITRATION OF DISPUTES AND CLAIMS:** Arbitration is a method of deciding disputes outside the court system. The parties agree and understand that they choose arbitration instead of litigation to resolve all claims and disputes not specifically excluded. This provision governs when and how any disputes you and we may have will be decided. Unless specifically prohibited by applicable law, all disputes, claims, damages, choses in action, claims for injunctive relief, or controversies arising from or relating in any way to the agreements, relationships, accounts, loans, or security agreements between you and us; the relationships which result or arise as a result of this Agreement; any rights, privileges, or services you receive from us now or in the future; any claims or disputes arising in or ancillary to any bankruptcy or other insolvency proceeding; or the validity of this clause (together referred to collectively as Agreement), shall be resolved by binding arbitration by a single arbitrator chosen with the mutual consent of the parties. The arbitrator must be an attorney with more than ten (10) years' experience or a retired judge. If for any reason the parties do not consent to an arbitrator within thirty (30) days from the date that notice of a claim or intent to arbitrate is provided to the other party, then an arbitrator will be selected pursuant to the Rules of the American Arbitration Association ("AAA"). This arbitration Agreement is made pursuant to a transaction in Interstate Commerce and shall be governed by the Federal Arbitration Act ("FAA") at 9 USC § 1, et seq., as amended from time to time. It is understood and agreed that your Credit Plan Agreement(s), your Accounts, all transactions on your Accounts, and any dispute defined herein shall involve Interstate Commerce. If any dispute between us does not involve

Interstate Commerce, such dispute shall be governed by the Arbitration Act for the State set forth in this

Membership Agreement., as amended from time to time, in which case all references to the FAA herein shall be to said State Act. **If the State has no Arbitration Act, then the parties will be governed by the Rules of the American Arbitration Act in any matter not involving interstate commerce.** The parties agree and understand that the arbitrator shall have all power provided by the law and this Agreement to make and enter findings of fact and determination of judgment based on the parties' Agreements and applicable law, including but not limited to the rights of possession, off-set, property rights, money damages, declaratory relief, and injunctive relief. No arbitrator shall have the jurisdiction or authority to add to, take from, nullify, or modify any of the terms the Agreement. The arbitrator shall be bound by the facts and evidence submitted to him. Arbitration will be subject to the rules of procedure and evidence consistent with the Rules of the American Arbitration Association, and the arbitrator will not apply federal or state rules. The decision of the arbitrator shall be final and binding and may be enforced in accordance with the terms of either the Federal or applicable State Law, except for any specific appeal right regarding a judgment under the FAA or a judgment for more than \$100,000. For these judgments, any party may appeal to a three-arbitrator panel appointed by and under the rules of the AAA. The decision of the panel will be by majority vote and will be final and binding except for any specific appeal right under the FAA. All provisions of this Arbitration Agreement will apply to the panel. Judgment upon the award rendered may be entered in any court having jurisdiction.

**Exception to Mandatory-Binding Arbitration for Small Claims:** The parties to this agreement may bring any individual claim or action hereunder in the small claims court in the State that has jurisdiction pursuant to the provisions set forth in this Agreement as long as the amount of all claims or other actions does not exceed the lesser sum of **\$7,500.00** inclusive of costs and legal fees or the maximum limitations for venue in the State Court having proper jurisdiction for the resolution of small claims. No representative or class claims may be brought or asserted pursuant to this exception.

**WITH THE EXCEPTION OF THE MATTERS SPECIFICALLY ADDRESSED HEREIN, THE PARTIES AGREE AND UNDERSTAND THAT ALL DISPUTES (INCLUDING ALL LEGAL AND EQUITABLE RIGHTS AND REMEDIES) ARISING UNDER CASE LAW, STATUTORY LAW, AND ALL OTHER LAWS INCLUDING, BUT NOT LIMITED TO, ALL CONTRACT, TORT, REGULATORY, AND PROPERTY DISPUTES WILL BE SUBJECT TO BINDING ARBITRATION IN ACCORD WITH THIS AGREEMENT.** Notwithstanding anything hereunto the contrary, the Credit Union retains an option to use judicial or non-judicial relief to enforce a security agreement relating to any collateral pledged to secure the Agreements between the parties, to enforce all monetary obligations by you to the Credit Union so long as there is no dispute that is subject to mandatory arbitration, or to foreclose on any collateral securing your obligations to us by way of replevin, claim and delivery, or otherwise. The initiation and maintenance of an action for

judicial relief in a court [on the foregoing terms] shall not constitute a waiver of the right of any party to compel arbitration regarding any other dispute or remedy subject to arbitration in this Agreement, including the filing of a counterclaim in any action brought by the Credit Union pursuant to this provision.

**Any arbitration proceeding will take place in the federal judicial circuit where you live. If you cannot afford to pay the fees charged by the arbitrator or any panel for an appeal as provided herein, we will consider any reasonable written request by you for us to pay the fees of the arbitrator or arbitration panel. We will pay any fees or costs specifically required by applicable law. However, each party must bear the expense of that party's own attorneys, experts, and witnesses, regardless of who wins the arbitration, except to the extent that applicable law specifically requires otherwise. The rules of the AAA will be applied to any arbitration between the parties, except in the event of any inconsistency between this Agreement and the rules of the AAA, in which case this Agreement will govern. Any costs we pay in order for you to bring a proceeding hereunder are subject to being awarded to us upon a ruling or an award by the arbitrator that is favorable to the Credit Union. The AAA and other legal assistance services may be able to refer you to legal assistance from government or non-profit organizations that aid those who can show a financial need for such assistance.**