

## BUSINESS ACCOUNT MEMBERSHIP AND ACCOUNT AGREEMENT

### INTRODUCTION

This Business Membership and Account Agreement, combined with any Disclosures, and Rate and Fee Schedules that we provide you now or in the future, are considered to be one whole agreement and are referred to as **"this Agreement."** This Agreement explains the rules that govern your Account and Account services with us. This Agreement is subject to Arbitration under the state laws as stated in the section, herein, titled "Arbitration Provision" and the Federal Arbitration Act §9 USC 1 ET SEQ. This Section explains any opt-out rights you may have and steps to exercise such rights. Your relationship with the Credit Union is also governed by state and federal laws, which may change in the future. Those laws are too large and complex to be reproduced here. The purposes of this Agreement are to: (a) summarize the rules that will apply to common transactions between you and the Credit Union; (b) establish rules to govern transactions that are not regulated by state or federal law; (c) establish variations that will apply to certain rules, events or transactions as permitted by Applicable Law; and (d) provide you with certain disclosures and information regarding our Policies as required by Applicable Law. Please read this Agreement carefully and retain it for your records and future reference.

### MEMBERSHIP, BUSINESS ACCOUNT AND BUSINESS ACCOUNT SERVICES AGREEMENT -- GENERAL TERMS AND CONDITIONS

**Terms, Conditions and Limitations of Your Relationship with the Credit Union:** Your relationship with the Credit Union is governed by: (a) this Agreement; (b) Applicable Law; (c) the Credit Union's Bylaws, Policies and Procedures; and (d) the terms and conditions set forth in any other separate agreements and disclosures we may provide to you in the future. This Agreement governs all Accounts and services you have with, or receive from, the Credit Union, now or in the future.

By signing a Signature Card or using any Account or Account services after you receive this Agreement (or receive notice that this Agreement is available or notice of any change in its terms), you, jointly and severally, agree that: (a) you understand and will be bound by the terms and conditions set forth in this Agreement, including future changes to this Agreement; (b) you will abide by Applicable Law, the Bylaws, the Policies, and any other separate agreements between you and the Credit Union, all of which may be changed in the future; (c) any change in this Agreement, Applicable Law, the Bylaws, the Policies, or other agreement will be immediately effective unless we notify you of another effective time or Applicable Law requires another effective time; and (d) Applicable Law will govern your entire relationship with the Credit Union despite any other general or specific terms or conditions set forth in this Agreement, the Bylaws, the Policies, or any other separate agreements between you and the Credit Union.

**General Definitions:** In this Agreement, the plural form of a word also means the singular, and vice versa. The terms defined in this paragraph have the following meanings when used in this Agreement: **"you"** or **"your"** mean the organization, association, or other business in whose name the Account was opened and everyone who signs any Signature Card, is an Authorized Representative, Authorized User, or is otherwise authorized to make any transaction involving the Account as provided in this Agreement or by Applicable Law, including any Account service. **"Credit Union," "we," "us," "our,"** or **"ourselves"** means the Credit Union providing this Agreement to you. **"Access Device"** means any card, electronic access device, or any codes, passwords or personal identification numbers ("**PIN**s") that we issue to allow you to access or use any Account or other service. With regard to online or Internet transactions, Access Device also means any computer, smart-phone or other hardware used to make or process a transaction. **"Account"** means any one or more shares or other types of accounts offered by the Credit Union in which you have an ownership interest or as to which you are an Authorized Representative or Authorized User. **"Account Owner"** or **"Owner"** means each organization, association, or other business that has an ownership interest in the Account as designated in the Credit Union's records. **"ACH"** means Automated Clearing House. **"Applicable Law"** means all federal, state and local laws, rules and regulations that apply to or govern the conduct of your business, any Account or any

Account service or your relationship with the Credit Union. Applicable Law includes the Controlled Substances Act (18 U.S.C. § 801 et seq.). **"ATM"** means automated teller machine. **"Authorized Representative"** means any person who has been duly authorized by you to execute and deliver this Agreement on your behalf, and to otherwise execute, deliver and perform any other agreement, certificate, document, or instrument, or take any other action, on your behalf, and may include, without limitation, any of your managers, directors, officers, or employees, to the extent so authorized. **"Authorized Use"** means any access, withdrawal, or transaction made to or from an Account, or any use of an Account service by any Authorized Representative or Authorized User. **"Authorized User"** means any person who has actual, implied or apparent authority, or to whom you have at any time given any information, Access Device or documentation that enables such a person to access, withdraw, make transactions to or from an Account, or to use an Account service. This definition will be construed broadly and includes without limitation all users acting as members, shareholders, managers, directors, officers, employees or agents of any Account Owner or acting under a written document such as a power of attorney. **"Bylaws"** mean the Credit Union's Bylaws. **"Check"** means check (share draft), draft, electronic image, or other negotiable instrument, including substitute checks deposited to or debited from your Account including withdrawals. **"Checking Account"** or **"Checking"** means your share draft account. **"Policies"** means the Credit Union's policies and procedures, now and in the future. **"Signature Card"** means application for membership and account signature card.

**Compliance with Laws and Restricted Transactions:** You agree: (a) to comply with Applicable Law; (b) that you will not use any Account or Credit Union service, including (but not limited to) loans, to make or facilitate any illegal transaction as determined by or otherwise prohibited by Applicable Law; and (c) that any such use will constitute a breach of this Agreement. Certain Applicable Laws or third-party service providers' rules may limit or prohibit certain transactions, such as (but not limited to) those coded as possible gambling transactions. We 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 that is otherwise limited or prohibited, including (but not limited to) any transaction involving or relating to any gambling activity. You understand and agree such limitations or prohibitions may not be within our control and that we will not have any liability, responsibility or culpability whatsoever for any such use by you or for declining to accept, process or pay any such transaction.

**Account Opening Information:** Applicable Law requires us to obtain, verify and record information that identifies each person who opens an Account or acts on behalf of a person who opens an Account, in order to help the government fight the funding of terrorism and money laundering activities. When your Account is opened, you and your Authorized Representative, if applicable, will be required to provide various identifying information or documentation. If you are an entity, we will ask for: (a) a copy of your organizational documents and for certified corporate resolutions regarding the opening of your Account and your use of our services; and (b) your Authorized Representative's name, title, evidence of representative capacity and authority, and other identifying information or documentation. If you are a sole proprietorship, we will ask for your personal name, your fictitious name, your address, and other identifying information or documentation. We may also use a consumer reporting agency or other third-party service to help authenticate your identity.

**Credit Reports, Membership-Account Eligibility and Other Credit Union Services:** You authorize us to make inquiry to determine your business background and history and to obtain information concerning any of your accounts with other institutions and, where applicable, your employment history and your credit history, including consumer credit reports. We will use this information: (a) to verify your eligibility for membership, any Account, service or loan product; (b) to establish, and to determine increases or decreases in, services or credit limits; and (c) as needed to comply with any Applicable Law. This authority applies to any Account, Account-related service, loans or other financial products you request or that we may offer or make available to you. Additionally, you authorize us to make such inquiries and

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investigations as we deem necessary in handling the collection of items outstanding on your Account.

**NEGATIVE INFORMATION NOTICE:** We may also report information concerning your Account and credit to others, including credit bureaus. Late payments, missed payments or other defaults on your Account may be reflected in your credit report.

**Taxpayer Identification Numbers (TIN) and Certification and Identification:** Pursuant to the Signature Card used to open your Account with us, you provided a certification regarding the accuracy of your taxpayer identification number 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.

**Bylaw Par Value Requirements:** The par value of a membership share must be fully paid to become a member of, or maintain membership in, the Credit Union, or to receive and maintain any Account or service from or with us and must be paid into and retained in your primary savings account.

**Nature of Dividends:** Dividends are paid from current income and available earnings after required transfers to reserves at the end of the dividend period. Therefore, dividends are not guaranteed.

**National Credit Union Share Insurance Fund:** The shares and deposits in your Account are federally insured by the National Credit Union Share Insurance Fund.

**Primary Member:** The primary member (the "Primary Member") is the member whose name appears first in the Credit Union's records for the Account. The Primary Member is the Account Owner who qualifies for membership, and has voting privileges, in the Credit Union, subject to the Bylaws. If you are an organization or association, your Authorized Representative may cast your vote at any meeting of members at which you are otherwise eligible to vote.

**Accounts under this Agreement:** You agree to inform us of each Authorized Representative and Authorized User who is authorized to execute and deliver this Agreement and to transact business on behalf of the Account in a certified corporate resolution acceptable to us. The persons identified in the resolution will be authorized to contract and otherwise act on behalf of the entity identified. We may rely on the resolution and any Signature Card or Authorized Representative card until such time as we are informed of changes in a written document signed by you that is actually delivered to and received by us along with a new Signature Card. We may require that third party Checks payable to an organization, association, or business be deposited to the specific organization, association, or business Account rather than being cashed. Further, if a resolution or Signature Card identifies an Owner as an organization, association, or other form of business, or if we determine that any Account is used for any organizational, associational, or other business purpose, we will designate that Account as a "business account" and we may subject that Account to additional fees or other requirements.

You represent, warrant and agree that neither the Account, the Account-related services, nor any transaction involving the Account will be used for any consumer, household or family purpose whatsoever.

You expressly represent and warrant that: (a) the entity named on any Signature Card is duly organized, validly existing and in good standing under the laws of the state where organized and operating and has filed articles of association or organization, or an assumed name certificate or registration, in a manner sufficient to ensure that no other person or entity can conduct business under the same name or any name deceptively similar to that of the named entity; (b) each Authorized Representative who signs a certified resolution or Signature Card is qualified and authorized to sign in the capacity represented and is empowered to so act on behalf of the named entity; (c) such Authorized Representative's authority has not been modified, limited, revoked, or rescinded as of the effective date of this

Agreement; and (d) the entity named on any Signature Card is eligible for membership in the Credit Union.

Each of you agrees to execute or provide any such additional documentation as we may require or deem appropriate in connection with the opening and maintaining of any Account or as required by Applicable Law.

**Organization or Association Accounts:** An organization or association Account is an Account opened for a unique purpose that is not for a personal or business nature. Organization or association Accounts may be for profit or not for profit. We may require the Account be opened with a tax identification number issued by the Internal Revenue Service specifically for the organization or association. If one Owner of an Organization or Association Account dies or withdraws from the Account, the ownership interest in the Account passes according to the articles of organization or charter, if any, or otherwise as provided under Applicable Law.

**Sole Proprietor Account:** A sole proprietor Account is an Account held by one individual or married couple in business alone (and is not formed as a business entity with separate legal identity). If the Owner of a sole proprietor Account dies, subject to Applicable Law, the Owner's ownership interest in the Account passes to either: (a) the Owner's estate; (b) the Owner's payable-on-death (POD) beneficiary or (c) the Owner's trust beneficiary, as designated in our account records. Any or all of you can make deposits, withdrawals, issue stop payment on any item, transfer or pledge to us all or any funds in the Account and block, terminate or discontinue any transaction or service, regardless of contributions. We may accept orders from any Owner, which will be binding on all Owners. We have no obligation to notify any other Owner of any actions, orders or instructions taken or given by any Owner. Each of you on a sole proprietor Account is jointly and severally liable for all returned items, overdrafts and other obligations owed to us as a result of any transaction on a sole proprietor Account, regardless of the drawer, user, Authorized Representative or Authorized User who orders or causes such transaction. We may allow a third person acting as your agent to make transactions regarding your sole proprietor Account, pursuant to a valid power of attorney, but we have no obligation to do so, unless required to do so pursuant to Applicable Law.

**General Partnership Account:** A general partnership Account is an Account that has two or more Owners acting together for profit. If one Owner of a general partnership Account dies or withdraws from the general partnership account, the Owner's ownership interest in the Account passes according to the written partnership agreement, if any, or otherwise as provided under Applicable Law.

**Limited Partnership ("LP") Account:** A limited partnership Account is an Account owned by an LP, which is a legal entity, separate from its partners. An LP has two or more partners under a written partnership agreement, at least one of which partners agrees to be fully liable for the debts, obligations, and liabilities of the LP and the other partners' liability for such debts, obligations and liabilities is limited to the extent of their investment in the LP. Because an LP is a separate legal entity that is the Account Owner, in their capacities as general partners or limited partners, the partners in an LP do not have any direct ownership interest in the limited partnership Account. However, one or more general partners and each Authorized Representative or Authorized User will have the authority to transact business on the Account on behalf of the limited partnership Account Owner. If an Owner dies or withdraws from the limited partnership account, the Owner's ownership interest in the Account passes according to the written partnership agreement, if any, or otherwise as provided under Applicable Law.

**Limited Liability Company ("LLC") and Limited Liability Partnership ("LLP") Accounts:** An LLC Account or an LLP Account is an Account owned by either an LLC or an LLP as applicable. LLCs and LLPs are similar in that each: (a) is a legal entity, separate from its members and partners; (b) has two or more members or partners; and (c) generally operates under a detailed written operating or partnership agreement that describes each member's or partner's authority, share and distribution of profits or losses, and extent of responsibility for the LLC's or LLP's debts, obligations, and liabilities. Because the LLC and the LLP each is a separate legal entity that is the Account Owner, the

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members or partners do not have any direct ownership interest in the LLC Account or LLP Account. Accordingly, when an individual member or partner dies, his or her interest in the LLC or LLP passes according to the written agreement, subject to Applicable Law; however, there would be no change in the ownership of the Account. As reflected in the certified corporate resolutions or the Signature Card, an LLC or LLP may designate one or more members, managers, or partners to act as Authorized Representatives or Authorized Users who have the authority to transact business on the Account on behalf of the LLC or LLP.

**Corporation Account:** A corporation Account is an Account that is owned by the corporation, a legal entity incorporated under state law, and may be for profit or not for profit. Because the corporation is a separate legal entity the Account Owner, the stockholders or members do not have any direct ownership interest in the corporation Account. Accordingly, when an individual stockholder or member of the corporation dies, his or her interest in the corporation passes according to the corporation's articles of incorporation and bylaws, subject to Applicable Law; however, there would be no change in the ownership of the Account. As reflected in the certified corporate resolutions or the Signature Card, a corporation may designate one or more directors, officers, employees or other agents to act as Authorized Representatives or Authorized Users who have the authority to transact business on the Account on behalf of the corporation.

**Minors' Accounts:** We will not open or maintain any business account in which a minor has a direct ownership interest.

**Deposits to Your Account and Instruments Paid or Cashed:** Funds may be deposited to any Account in any manner that is acceptable to us. You will not deposit proceeds of activities which are not permitted under Applicable Law. All deposits accepted by us are subject to verification. You should retain a copy of your receipt or other documentation that evidences your deposit. If you claim that a deposit was not properly credited to your Account, we may ask you to show us your receipt or other documentation that evidences your deposit. We reserve the right to make adjustments to your Account upon verification of your deposit or for computational or other errors related to your Account.

**Indorsements:** You authorize us, at our discretion, to accept transfers, Checks and other items made payable to you for deposit into your Account, whether or not you have indorsed the Check or other item. The indorsement may be written or stamped without designation of the party making the indorsement. You authorize us to supply any missing indorsements for you and further agree to indorse all items pursuant to any Applicable Law.

**Substitute Checks:** A substitute Check is a paper reproduction of an original Check that conforms to the requirements of the Check Clearing for the 21st Century Act, commonly referred to as the "Check 21 Act." 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 indemnities. You further agree not to identify us as a "reconverting bank" or "truncating bank" on a substitute check document you deposit at any other financial institution or transfer to any other person. If you do so, you agree to indemnify us for all losses we incur in connection with the substitute Check or item. We may pay any substitute Check, even if there is an error or defect that occurs in the creation or transmission of the substitute Check.

**Electronic Checks:** An electronic Check is created when you authorize the conversion of your Check to an electronic item for processing. When you (or any person with proper authority) authorize any electronic Check, you agree: (a) that we may pay the item as submitted to us; (b) that you will be solely responsible for all information transmitted regarding such item including (but not limited to) the payee, the amount of the item, and indorsements or the lack of any indorsement; and (c) to indemnify us for all losses we incur in connection with any such electronic Check.

**Collection of Deposits:** In handling deposits to your Account, we act only as your agent for collection and we assume no responsibility beyond the exercise of ordinary care. By signing the Signature Card or using any Account or service, you 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, 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 given to 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-presentation), and in so doing we may permit the payor financial institution 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.

**Direct Deposits:** If a direct deposit is made to an Account that should have been returned to the U.S. Government for any reason, you authorize us to deduct the amount of our liability to the U.S. Government from the Account or from any other Account you have with us, without prior notice and at any time, except as prohibited by Applicable Law. We may also use any other legal remedy to recover the amount of our liability.

**Multiple Payees:** Unless a Check or other instrument expressly indicates that it is payable to conjunctive payees, or if there is any ambiguity about multiple payees, we will treat the instrument as being payable in the alternative. For example, a Check payable to "A and B" is a conjunctive instrument, and will be paid only to the order of A and B. Examples of situations that are not expressly conjunctive or are ambiguous include (but are not limited to) a Check (a) payable to "A or B"; (b) payable to "A, B"; (c) payable to "A/B"; and (d) where A and B are listed on separate lines. In such cases, we will treat the instrument as being payable in the alternative (to the order of either A or B).

**Final Payment:** All items, deposits, ACH transfers or other transfers credited to your Account are subject to our receipt of final payment. Deposits payable in a foreign currency will be converted to U.S. dollars at the then-current rate and we may give you provisional credit for all or part of the amount deposited. If we do not receive final payment, without further notice to you, we may charge your Account for the amount of such items or transfers and impose all fees or charges set forth in the Fee Schedule. Deposits or transactions received after the time we close for business on a day we are open, received after we open our night depository or received on a day on which we are closed for business will be treated as if received on the next business day that we are open. We are not responsible for transactions by mail or night depository until we record them.

**Transactions from Your Account:** Generally, you and your Authorized Representatives and Authorized Users may withdraw or transfer funds from your Account at any time, subject to the limitations set forth in the Deposit Availability Policy Disclosure in effect at the time of the funds were deposited in your Account. For non-transactional accounts not covered by the Deposit Availability Policy Disclosure, you may ask us when the funds will be available for withdrawal or transfer.

**Payment Order of Your Transactions:** To assist you in handling your Account, we are providing you with the following information regarding how we process the items that you authorize. When processing items drawn on your Account, we pay them as we receive them. We commonly receive items to be processed against your Account multiple times during the day in "presentation files." Each presentation file that we receive commonly contains a large number of a specific type of item (Check, ACH or ATM/Debit Card transactions). It is common for each of these presentation files to contain multiple items to be processed. When we receive multiple items at once, we pay the items in the following order: Checks are paid in order of dollar amounts, lowest to highest; ACH items are posted by settlement date. Credits are posted first and then debits by dollar amount, lowest to highest. ATM and debit card transactions are paid in the order they are presented. Transactions conducted in person (such as a withdrawal at one of our locations or a shared

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branch) are generally paid at the time they are conducted. **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. If an item is presented without sufficient funds in your Account, we may, at our discretion, pay the item (creating an overdraft) or return the item for insufficient funds (an "NSF"). We may impose a fee (as described in the Fee Schedule) for any overdraft or NSF.

**Restrictions on Withdrawals from All Accounts:** We may refuse to allow or process any transaction in certain circumstances (and we will notify you when required by Applicable Law). Circumstances in which we may refuse to allow or process a transaction include (but are not limited to) those in which: (a) there is a dispute between or among you; (b) a legal garnishment, attachment or levy is served on us that affects your Account; and (c) we have not been provided any documentation that we require. Under certain conditions, we also may refuse to allow or process a transaction if the Account secures an obligation owed to us or you are delinquent or fail to pay a loan or any other obligation owed to us when due.

**Additional Restrictions on Withdrawals from Savings and Money Market Accounts:** Pursuant to Federal Regulation D, there are certain restrictions on the number of withdrawals or transfers you may make from your savings account or your money market account during any month. Specifically, you may not make more than 6 "convenience" withdrawals from, or transfers to, another of your Accounts at the Credit Union or to a third party from, your savings Account or your money market Account during any month. A convenience withdrawal or transfer includes (but is not limited to) a withdrawal or transfer: (a) via Online Banking (including mobile banking); (b) via telephone (unless the withdrawal is a Check mailed to you) or by facsimile; (c) that is preauthorized, automatic, recurring or scheduled (including ACH and EFT transactions); and (d) by Check, draft, debit card, or similar order payable to third parties. If you exceed these limitations, we may: (a) impose a fee as set forth in the Fee Schedule; (b) reverse or refuse to make the withdrawal or transfer; and (c) close your account.

**Check Processing:** Because of the nature of the check collection and processing system, neither the Credit Union nor any other processing entities will be responsible for verifying the authenticity of any Check, including any signature or indorsement, or for detecting any alteration of a Check. As a result, Checks, when presented, will be paid without verification. We may disregard all information on, or any writing or memorandum attached to, any Check except for your signature, the amount, and the information that is magnetically encoded. You agree that we have not failed to use ordinary care because our Policies do not provide for sight examination. You will notify us immediately if you learn or have reason to know that any of your unused checks have been lost or stolen. If you are negligent in safeguarding your checks or if there is a processing problem because of the quality of your Check, 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 becomes property of the Credit Union and may not be returned to you. If you request us to provide you with an original Check or sufficient copy, we may provide a copy or an electronic image of the original Check. We may charge you a fee (as set forth in the Fee Schedule) for each item you request and for research.

**Temporary Holds and Authorizations for Amounts in Excess of Transactions:** To facilitate certain electronic transactions that you make, we may place a temporary hold on funds in your Account. We 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 in your Account at all times to cover the transactions you make – including the amount that may be subject to these holds. Under the rules of various processing networks (such as Visa or MasterCard), a merchant or retailer may obtain authorization in excess of your transaction amount. For example, a hotel or car rental merchant

may hold up to three times the total estimated amount of your actual hotel stay or car rental. This is deemed to be an "authorized amount" by you and will not be available via your Account until after your bill is settled with the merchant or retailer. This may cause your Account to have insufficient funds when you want to make another transaction or want us to pay another item. Even if your bill is satisfied with another form of payment, the merchant or retailer may continue to hold the funds as originally authorized by you for these time periods.

**Postdated Checks:** You agree not to issue any Check payable in the future (a postdated Check). If you issue a postdated Check, we may pay it prior to the future date and we will have no liability to you or any other party to the instrument if we do so. We also have the right to return any postdated Check, whether presented to us as a cash item or as a collection item.

**Stale Checks:** We are not obligated to pay any Check drawn on your Account that is presented more than 6 months past its issue date; however, we have no liability to you or any other party to the instrument if we pay the Check in good faith.

**Authorized Signature:** We will not be liable for refusing any order or item if we believe in good faith that the signature on that order or item is not genuine. We are authorized to honor any transactions initiated by a third person to whom you provide your Access Device or other Account access information. Also, you authorize the use of facsimile signatures and electronic signatures under Applicable Laws.

**Additional Terms, Rates and Conditions:** For additional terms, rates and restrictions that may apply to your Account, please refer to the disclosures appended to this Agreement along with any separate agreements that may be given to you now or in the future. We reserve the right, at any time, to require not less than 7 days' written notice before each withdrawal from an interest-bearing account other than a time deposit or from any other "savings account" (as defined in the Federal Reserve Board's Regulation D).

**Overdraft and Overdraft Services:** An overdraft (an "Overdraft") occurs when we pay an item or a transaction that you make or authorize by Check, electronically or otherwise that exceeds the balance in your Account, or when we impose a fee that exceeds your balance. If we decide not to pay an Overdraft (return the item), the transaction will become an insufficient funds transaction (an "NSF"). If we so choose, we may pay any Overdraft via a courtesy overdraft program ("Courtesy Pay"), via a pre-approved overdraft line of credit ("NuPal"), via an overdraft transfer program ("Overdraft Transfer"), or otherwise on a case-by-case basis, but we have no obligation to do so, or to continue to do so unless otherwise expressly agreed in a separate written agreement. We may impose a fee (as set forth in the Fee Schedule) for any Overdraft or NSF. You are required to promptly pay us the amount of any Overdraft, together with any fee, pursuant to our Policies. We have no obligation to notify you prior to any Overdraft, any NSF, or any charge that creates a negative funds balance. Any overdraft protection services you have with us now or in the future are intended to cover Overdrafts and other negative funds balances caused by or arising from your actions.

We are never obligated to pay any NSF or Overdraft presented for payment if your Account does not have sufficient collected funds. If, in our sole discretion, we do pay the item against the Account, you agree that you are individually, jointly, and severally liable for both the principal amount of the item and any resulting fees. You further agree that you do not have the right to defer the payment of any item we may have paid and that any principal amount and any resulting fees shall be due and payable immediately or on demand.

**Overdraft Transfer –** Overdraft Transfer is an optional overdraft transfer program where you authorize us to make transfers from another account ("Transfer Account") you have designated for overdraft transfers and overdraft transfer fees to cover Overdrafts on your Checking Account. This service is optional and by request. Eligible Transfer Accounts are at the sole discretion of the Credit Union. However, all Owners on the Checking Account must be Owners on the Transfer Account. If you have set up Overdraft

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Transfer on your Checking Account, we will consider, without obligation on our part, paying items for which your Checking Account has insufficient or unavailable funds, instead of automatically returning those items unpaid. For each day an Overdraft Transfer is made, we will charge you an overdraft transfer fee as contained in the Fee Schedule. We will not transfer more than the available funds in a Transfer Account. Available funds ("Available Funds") are funds that are immediately available for transfer or withdrawal and do not include deposits which are not yet available or other funds which are not available, such as but not limited to, a par value or minimum balance requirement. If the Available Funds in a Transfer Account are not enough to pay the full amount of the transactions you have initiated on any day, we will transfer up to the Available Funds to pay one or more transactions. When there are not enough Available Funds in the Transfer Account to fully pay an item, we will either a) transfer up to the Available Funds and use Courtesy Pay when available for the remaining amount or, b) if you do not have Courtesy Pay available to pay the remaining amount, we will not transfer the partial amount and may return the item. The Overdraft Transfer Fee is applied at the end of the day. Available Funds in your Transfer Account may be used for applicable fees. Any transactions that are not paid by the Overdraft Transfer will either be paid through one of our other overdraft services, if applicable, or returned unpaid and any applicable fees will be assessed as contained in the Fee Schedule. We may terminate Overdraft Transfer at anytime with or without notice to you. Any Owner of a Transfer Account may decline or cancel Overdraft Transfer by contacting us. The election to cancel will be effective after we have received notice and have had a reasonable time to act on it.

**Courtesy Pay Service** – Courtesy Pay is a discretionary overdraft service for qualifying Checking Accounts in good standing. You may opt-out of the Courtesy Pay service any time by notifying us. If your Checking Account qualifies for Courtesy Pay, we will consider, without obligation on our part, paying items for which your Account has insufficient or unavailable funds, instead of automatically returning those items unpaid. For each Overdraft we pay, we will charge the standard per item fee set forth in the Fee Schedule. If we do not authorize or pay an Overdraft, your transaction may result in an NSF and we may charge you a fee (as set forth in the Fee Schedule). This service is discretionary and we reserve the right to refuse to provide this service at any time or from time to time without notice. Courtesy Pay applies to a variety of transactions including (but not limited to) Checks and other transactions made using your Checking Account number, in-person transactions, bill payments, ATM and debit card transactions and other electronic means.

### Account Access:

**Access to Account Information:** All Account Owners, borrowers and Authorized Representatives or Authorized Users may have access to all of the information you provide to us or that we gather and maintain regarding our relationship with you and 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. We use a consolidated statement that includes all of the information for your Accounts, Account services, loans and all other services with us. We are authorized to send or provide a consolidated statement jointly or individually to any individual Account Owner or borrower even though every person receiving the consolidated statement may not be Account Owners or borrowers on all of the Accounts or services addressed in the statement.

**Authorized Use:** We will treat all withdrawals, transfers and transactions made by any individual identified in any certified corporate resolution or Signature Card and any person to whom you have at any time otherwise provided the authority or the means to access your Account or other services as being authorized by you. We will not have any responsibility or liability whatsoever for such withdrawals, transfers or other transactions. If you authorize anyone to use your Access Device that authority will continue until you specifically revoke it by notifying us in writing or as required by Applicable Law. If we, or any of our agents, contact you regarding

any transaction and you, your Authorized Representative, or your Authorized User verify the transaction, we will rely on such verification and we will treat any such transaction as being authorized by you.

**Sharing Information with Other Persons, Co-Borrowers, Co-Representatives and Guarantors, Owners of Collateral Pledged and Others:** We may share information regarding your obligations to us, or collateral pledged to secure any obligations you owe to us, if we receive a request we in good faith believe to be in connection with any related obligations, refinances, sales, trades, transfers, exchanges or transactions. Also, we may provide pay-off or payment information to persons or entities who seek to make payments on your behalf, including potential "pay-offs" and information to process payments. To expedite the matters for your benefit, we may rely on the representations made to us by a third party, and our duties to you do not require us to investigate or document a request for such information. When you give another party (including without limitation Authorized Users) access to your Account or Account information, we have no liability or obligation for any errors, claims or losses of any type or 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, if applicable, your personal information.

### YOUR DUTY TO EXAMINE STATEMENTS AND REPORT PROBLEMS

**What Are Problems, Errors and Unauthorized Transactions:** Problems, errors and unauthorized transactions include suspected fraud; missing deposits; unauthorized electronic transfers; missing, stolen, unauthorized Checks or other withdrawal orders; Checks or other withdrawal orders bearing an unauthorized signature, indorsement or alteration; illegible images; encoding errors made by you or us; and counterfeit checks. This is not a complete list.

**Your Responsibility:** If you find that your records and ours disagree, if you suspect any problem, error or unauthorized transaction on your Account, or you do not receive a statement when expected, call us immediately at the number for customer service on your statement. If you have a multiple party Account, we will provide a periodic statement to only one of the Account Owners. If you fail to notify us in a timely manner, your rights may be limited.

You must exercise reasonable control over your statements, checks, deposit slips, indorsement and signature stamps, debit and ATM cards, PINs, and other Access Devices. It is your responsibility to keep them safe and secure and to promptly discover and report if any of them is missing or has been compromised in time to prevent misuse or continued misuse. You assume full responsibility for monitoring and reviewing the activity of your Account.

As permitted by Applicable Law, we may deny a claim for losses because of forged, altered or unauthorized transactions, items or signatures if you do not guard against improper access to your checks, statements, deposit slips, indorsement and signature stamps and Account information. We may also deny your claim if you do not monitor your Account and report problems to us.

If you report to us or make a claim against us in connection with a problem, error or unauthorized transaction on your Account, we may require you to confirm the report or claim in writing and give us a sworn statement regarding the report or claim and to furnish us with such reasonable information and documents under your control. We reserve the right to conduct a reasonable investigation before re-crediting your Account, and you agree to cooperate fully in such investigation. Cooperation includes assisting us to recover funds and working with law enforcement agencies and officials in any criminal investigation or prosecution of, or lawsuit against, the responsible persons. We may (although we are not required to) provisionally credit your Account while the investigation is being completed. You must pay any fees assessed or accrued against your Account during the investigation or that may arise upon reversal of any provisional credit, if given. We may consider your failure or refusal to cooperate as your ratification of the correctness of your Account as reflected in our records, your agreement that we

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may charge the full amount to your Account, and that the matter is resolved.

**Reviewing Your Account Statements:** Your review of your statements, Checks and other items is one of the best ways to help prevent the wrongful use of your Account. You agree: (a) to review your statements, Checks and other items and reconcile them with reasonable promptness after they are made available to you; (b) to report any problems, errors or unauthorized transactions as soon as possible; and (c) within a reasonable time, not exceeding 30 days, after we send you a statement and any accompanying items (or otherwise make them available), to review your statement or items and report any problem, error or unauthorized transaction. For substitute Checks, you must notify us within 40 days to qualify for an expedited re-credit.

**If You Fail To Report Promptly:** If you fail to notify us in writing of suspected problems, errors or unauthorized transactions with reasonable promptness after we make your statement or items available to you, (a) you may not make a claim against us relating to the unreported problems, errors or unauthorized transactions, regardless of the care or lack of care we may have exercised in handling your Account; and (b) you may not bring any legal proceeding or action against us to recover any amount alleged to have been improperly paid out of your Account.

We are not liable to you for subsequent unauthorized transactions on your Account by the same person if you fail to report an unauthorized transaction on your Account within 30 days following the closing date of the statement containing information about the first unauthorized transaction by that person.

**Certain Failures by Us:** Even if you fail to report with reasonable promptness, if we fail to exercise ordinary care in paying an item and our failure substantially contributed to a loss, the loss will be allocated between you and us. If we did not pay the item in good faith, however, we will bear the entire loss. In the case of an unauthorized signature on, or any alteration of, an item, if you do not discover and report the item to us within 1 year after the statement or item is made available to you, then you may not assert any claim for the unauthorized signature or alteration. This limitation applies regardless of the care or lack of care exercised by you or by us.

**Status Quo – Collateral Preservation:** We have the right to preserve our interests in your Account and any funds in your Account in which we have a lien given to us by law or in which you have granted us a security interest and pledge. This is our "collateral." Accordingly, we may use appropriate administrative procedures, including (but not limited to) placing a temporary hold or "freeze" on your funds, to protect our interests if we believe that our 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. We are entitled to use these administrative procedures without notice to any Owner. In the case of any bankruptcy proceeding, we have the right to preserve the collateral and we are not required to surrender or turn over the collateral absent the Owner's filing an appropriate motion and the entry of an order either providing for adequate protection of our rights in the collateral or modifying or terminating the automatic stay as to the collateral.

**ACH and Wire Transfers:** You may initiate or receive (credit or debit) a payment order on your Account through ACH funds transfer or wire transfer. Generally, ACH and wire transfers will be governed by federal law and the laws of the State of Oklahoma, including Article 4A of the Uniform Commercial Code – Funds Transfers. Other fund transfers use systems such as Fedwire (under the Federal Reserve Board's Regulation J) and NACHA and these fund transfers are governed by the rules of the particular transfer system. The following provisions apply to fund transfers (but may not apply if we provide you a separate more specific agreement for the fund transfer):

**Rejection or Refusal of a Payment Order:** We reserve the right to reject or refuse to accept any payment order without any liability. If you receive funds by a wire or ACH transfer, we are not required to notify you at the time the funds are received. Instead, the transfer will be shown on your periodic statement. We may establish cut-off times for the receipt and processing of funds

transfer requests, amendments or cancellations. Payment orders, amendments or cancellations received after the cut-off time may be treated as having been received on the next funds transfer business day. Currently, the deadline for sending a wire is 3:00 P.M., Central Time (12:00 P.M., Central Time, for international wires), and for receiving a wire is 5:00 P.M., Central Time, Monday through Friday excluding holidays.

**Improperly Identified Beneficiary or Intermediary:** If you give us a payment order that identifies the beneficiary (recipient of funds) by name and account number, the beneficiary's financial institution may make payment on the basis of the account number even if it identifies a person who is not the named beneficiary. If you give us a payment order that identifies an intermediary's or a beneficiary's financial institution by both name and routing number, a receiving financial institution may rely on the number as the proper identification even if it identifies an institution that is not the named financial institution.

**Provisional Credit:** We may, if we so choose, give you credit for a wire transfer before we receive final settlement of the funds. If we give you credit, payments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A-403(a) of the Oklahoma Uniform Commercial Code. If we do not receive such final settlement, we are entitled to a refund from you in the amount credited to your Account and the party originating such payment will not be considered to have paid the amount so credited.

**Fees:** We may charge fees (as set forth in the Fee Schedule) for sending or receiving a funds transfer. We may deduct the fee from your Account or from the amount of the funds transfer. Other financial institutions involved in the funds transfer may also charge fees.

### ACH and Wire Transfers – Special Terms:

**Payment Processing and Settlement:** If we accept a payment order from you, we may receive payment by automatically deducting from any of your Accounts the amount of the payment order plus the amount of any expenses and charges for our services in connection with the execution of your payment order. We are entitled to payment on the payment or execution date. Unless your payment order specifies otherwise, the payment or execution date is the funds transfer business day we receive the payment order. The funds transfer is completed upon acceptance by the beneficiary's bank. Your obligation to pay your payment order is excused if the funds transfer is not completed, but you are still responsible to pay us any expenses and charges for our services. However, if you told us to route the funds transfer through an intermediary bank, and we are unable to obtain a refund because the intermediary bank that you designated has suspended payments, then you are still obligated to pay us for the payment order.

**Security Procedures:** You agree that we may verify the authenticity of any payment order or communication cancelling or amending a payment order issued in your name using our security procedures in place at the time of any such order or communication. Our security procedures may (but will not necessarily) include signature verification, call back procedures, the use of identifying words or numbers and identification including but not limited to valid driver's license, passport or other acceptable photo identification document.

You affirm that you are not subject to any circumstances that are relevant to the determination of a commercially reasonable security procedure unless those circumstances are expressly set forth in a separate writing signed by us. If you refuse a commercially reasonable security procedure that we have offered you, then: (a) we will have no obligation to accept any payment order from you or any Authorized Representatives or Authorized User without your agreement with us in writing to an alternate security procedure; and (b) you agree that you will be bound by any payment order issued in your name, whether or not authorized, that we accept in good faith and in compliance with the security procedure you have chosen. Furthermore, you agree that in the event we require additional information, but do not receive such information, we, at our discretion, may initiate or reject your funds transfer request. Under

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such circumstances, we will not be liable to you for any actual loss or damages provided we acted in good faith.

**Reporting unauthorized or erroneous payments:** You must exercise ordinary care to determine that all payment orders or amendments to payment orders that we accept that are issued in your name are authorized, enforceable, in the correct amount, to the correct beneficiary, and not otherwise erroneous. If you discover (or with reasonable care should have discovered) an unauthorized, unenforceable, or erroneously executed payment order or amendment, you must exercise ordinary care to notify us of the relevant facts. Thus, you must practice ordinary care with managing your Account activity on a daily basis.

**Erroneous Execution:** If we receive an order to pay you, and we erroneously pay you more than the amount of the payment order, we are entitled to recover from you the amount in excess of the amount of the payment order, regardless of whether you may have some claim to the excess amount against the originator of the order.

**Wire Transfer:** You must notify us during normal business hours within one business day (Monday through Friday excluding holidays) from the date the wire transfer is processed of any discrepancy that pertains to your wire transfer request. In the event you fail to notify us within this timeframe, you agree that we will be relieved of any liability in connection with the wire transfer request. If we can prove that you failed to perform your duties with respect to an erroneous payment and that we incurred a loss as a result of the failure, you are liable to us for the amount of the loss not exceeding the amount of your order. Thus, you must practice ordinary care with managing your Account activity on a daily basis.

**Cancellation or Amendment of Wire Transfer:** You agree that you may not amend or cancel a wire transfer request after we have received it. In the event you request that we amend or cancel a wire transfer we have previously received, we may, at our discretion, make a reasonable effort to act upon your request. Under such circumstances, you agree that we are not liable to you in the event the wire transfer cannot be amended or cancelled, for any reason. Further, you agree to indemnify and reimburse us for any losses we incur as a result of your request to amend or cancel a wire transfer.

**Intermediaries:** You agree that we may select any intermediary financial institution, system or means of transmittal to send a wire transfer. Furthermore, you agree that our selection may differ from that indicated in your payment instructions.

**Automated Clearing House Items:** A non-business consumer who discovers an unauthorized ACH transaction has up to 60 calendar days following the Settlement Date of the ACH transaction to return it as unauthorized under NACHA rules. In contrast, the owner of a business account is limited to the next business day following the Settlement Date to return an unauthorized ACH transaction. The Settlement Date ("**Settlement Date**") is the date on which the ACH posts to your Account. Therefore, you must practice ordinary care by managing your Account activity on a daily basis.

Credit given by us to you with respect to an ACH credit is provisional until we receive final settlement from the Federal Reserve Bank. If we do not receive final settlement, you agree that we are entitled to debit your Account in the amount of the ACH credit, and the originator that initiated the ACH credit will be deemed not to have made payment to you. Without limiting the foregoing, you agree that we are not required to provide you with next day notice of an ACH credit we accept on your behalf. However, we will continue to notify you of such receipt as reflected on your statement we provide to you.

**Returning Unauthorized ACH Entries:** All ACH entries may be returned in accordance with NACHA's Operating Rules. In the event you discover (or reasonably should have discovered) any unauthorized ACH debit on your Account, it is your responsibility to notify us AT ONCE. If we determine that the ACH debit is unauthorized, we will ask you to provide us with a written statement of unauthorized debit and will return the ACH debit accordingly. You agree that we must receive your request to return such ACH debit not later than 12:00 P.M., Central Time, the next business day (Monday through Friday excluding holidays) following the Settlement Date. You agree to hold us harmless

from any loss you incur as a result of any unauthorized ACH debit that is not returned within this timeframe and in accordance with NACHA's Operating Rules. Without limiting the foregoing, you agree to hold us harmless in the event it is later determined that the ACH debit was authorized.

**Change of Address, Name or Business Model:** We require that you promptly notify us of any change of address, including your email or other electronic address, of any change in your name and of any change in your business model, including but not limited to, depositing proceeds of activities not permitted by Applicable Law. We may require that change of address notice be in writing and signed by an Owner. Any name change requires a new Signature Card and may require a new certified resolution. In the absence of our actual receipt of an acceptable change of address notice, any mail, disclosure or notice we send to you will be considered properly addressed to you and will constitute proper delivery to you if it is addressed and sent to any address or email address that is: (a) shown in our records; (b) a forwarding address provided to us by the U.S. Postal Service; or (c) received from you. If we receive notice that the address you provide to us is not or is no longer correct, or has changed without notice to us then we may, if we so choose: (a) charge a fee (as set forth in the Fee Schedule) to determine your current address; and (b) discontinue sending any statements, notices or other items to you until we receive verifiable information that permits us to correct your address in our records.

**Collection Items:** We may accept certain items on a collection basis only. We route and process collection items separately from your other deposits. Your Account will be credited 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 may charge fees (as set forth in the Fee Schedule) for processing collection items. The financial institution on which the collection item is drawn may also charge you fees. Fees may apply even if the collection item is returned unpaid. 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.

**Email and Facsimile Communications:** You understand and agree that the Internet is considered inherently insecure. Therefore, we have no liability to you whatsoever for any loss, claim or damages arising from or in any way related to our response to any email or other electronic communication that we in good faith believe you have submitted to us. We have no duty to investigate the validity of or to verify any email or other electronic communication. We may respond to an email or other electronic communication at either: (a) the address provided with the communication; (b) the address in our records of your Account or in any application you have submitted to us; or (c) any address set forth in any written communication we actually receive from you or your Authorized Representatives or Authorized User. Any Account Owner, Authorized Representatives or Authorized User may change the address for email or other electronic communications at any time. We may not immediately receive email or other electronic communications that you send. We reserve the right to require any notices from you to be submitted to us in writing, and we may refuse to send certain information through unsecured email or other electronic communication or by facsimile communications.

**Fees and Charges:** Fees and charges applicable to all Accounts and Account services are set forth in the Fee Schedule unless more specifically defined in another agreement and may change at any time upon proper notice if required by Applicable Law. You authorize us to deduct these fees and charges from your Account as they are accrued.

**Inactive and Dormant Accounts:** We will consider an Account "inactive" when it has had no transaction history other than dividend postings and we cannot verify the Owner's current address for a period of 6 months or more. We will consider an Account "dormant" when it has had no transaction history other than dividend postings and we cannot verify the Owner's current address for a period of 3 years or more. Although having no obligation to do so, we may choose not to classify a particular Account as either inactive or dormant if any Owner has other active Accounts or services. Dormant Account funds may be

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transferred to a special reserve for dormant accounts. We may charge you fees (as set forth in the Fee Schedule) for an inactive or dormant Account. We will follow state law in determining when an Account will be considered "abandoned and escheatable." After we turn abandoned and escheatable funds to the state, we will have no further liability for those funds and you must apply to the appropriate state agency.

**Retention and Electronic Records:** We may choose to store all records electronically and we have no obligation to retain, and we may not retain, any original documents, including (but not limited to) Checks, transaction records, notes, mortgages, deeds of trust and other loan or security documentation. We will retain records for a reasonable retention period in accordance with Applicable Law or Policies and we may 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 and we may use third-party processors for these services. You agree that such storage will be secure, and further agree that such records will 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.

**Stop Payment Orders:** If you do not want us to pay a specific item on your Account, you can ask us to place a stop payment order (a "stop payment order") on the item. We must receive a stop payment order in time to act on it (*i.e.*, prior to the item clearing the Account, being processed on the Account, or being authorized on the Account). For some ACH debits, including preauthorized payments, we must receive the stop payment order at least 3 banking days before the date it is scheduled to transfer. For recurring preauthorized ACH payments, you must notify the payee that you have withdrawn your authorization. You can notify us of your stop payment order by mail, telephone, in person or as allowed by Applicable Law. Your stop payment order will take effect when we record it on your Account. Your stop payment order will not be valid or binding on us unless it includes correct information that is sufficient for us to identify the item, such as your Account number, the number and date of the item, the name of the payee, the exact amount of the item and any other information we request. We may charge you a fee (as set forth in the Fee Schedule) for handling any stop payment order.

The effectiveness of stop payment orders for certain payments depends on such factors as the type of payment. For example, if: (a) you have authorized a non-recurring (one-time) transfer from your Account by telephone or via the Internet by providing your Account number; (b) your Check has been converted to an electronic funds transfer; or (c) your transaction using our electronic bill payment service was processed by either a check or an electronic funds transfer, it may not be possible for us to stop such a payment if it has been processed or if it has already cleared the Account. We cannot take or process stop payment orders on one-time ATM and POS transactions using your ATM or Debit Card.

If you give us an oral stop payment order that you do not confirm in writing within 14 days, your stop payment order will expire and we may pay the item after such expiration. If you provide written confirmation of your oral stop payment order, your stop payment order will be effective for a period of 6 months. To extend your stop payment order for an additional 6 months, you must deliver to us an additional written stop payment order prior to the expiration of the original stop payment order. We are not required to send you a notice of the expiration of a stop payment order.

We will not be responsible for any loss as a result of honoring an item: (a) more than 14 days after we receive your oral stop payment order if it is not confirmed in writing during that period; (b) more than 6 months after our written confirmation that we received your written stop payment order; (c) more than 6 months after a written extension of your initial written stop payment order; (d) through inadvertence, oversight or accident; (e) if you fail to provide us with complete or accurate information; or (f) if you fail to meet your obligations as noted in this section or otherwise in this Agreement. We have no obligation to accept any stop payment order on any certified check, cashier's check, official check, official draft or other instrument guaranteed by us. You

will be responsible if any claim or demand is made against us as a result of our acting in accordance with your stop payment order.

**Telephone Requests:** We may transfer funds in your Account to another Account with us or to any other financial institution based on a request we receive by telephone. We may rely upon the apparent authority of a person who is able to provide us with the information we require to initiate a transaction by telephone. On the other hand, we may refuse to execute any telephone request or order. For your protection and ours, we may record any telephone conversations between you and us, and you hereby authorize us to do so.

**Amendments and Changes:** Changes to any Account or Account service requested by any Account Owner can only be made with our express consent.

**Termination of Account and Service:** You may terminate your membership, Account, or Account service by giving us written notice and complying with our Policies. We have the right to require the written consent of all parties to a multiple party Account for termination and we have the right to require the Primary Member's written consent when terminating the membership Account. Termination will not release you from any fees or obligations you owe us, those incurred in the process of closing your Account or service, or your liability on outstanding items or transactions. 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. We are not responsible for any Check, draft, withdrawal, item or transaction after your Account is terminated. However, if we pay any item or transaction after termination, you agree to reimburse us upon demand.

We may also terminate your membership in accordance with Applicable Law and the Bylaws.

We may terminate, limit, restrict or change the terms that apply to your Account or to any service we provide to you, including (but not limited to) loan services, without notice, and we may require you to close your Account or service and apply for a new Account or service, if: (a) we receive a request to change the Owners, Authorized Representatives or Authorized Users; (b) there is a fraud, forgery or unauthorized use committed or reported; (c) there is a dispute as to the ownership of any Account or sum on deposit; (d) there are lost or stolen items on the Account, whether by Access Device, Check or otherwise; (e) there are returned unpaid items, there are unpaid transactions not covered by an overdraft service agreement with us, or we detect any abuse of any such overdraft service; (f) there is any misrepresentation regarding any Account or service; (g) we incur, or believe we may incur, any loss relating to any loan, Account or service you have with us; (h) we believe you have been negligent in protecting any Access Device; (i) we believe doing so is necessary to protect ourselves from any risks or losses, or we believe doing so is in our best interests, or the best interests of our members or our employees; (j) 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 agreement; (k) you file, or there is filed against you, bankruptcy or any other insolvency proceeding, or we otherwise determine that you are insolvent or incapable of meeting your obligations to us and you will cause us a loss; (l) you refuse or fail to cooperate as provided in this Agreement; (m) if at any time and for any reason within our discretion we determine that continuing to maintain your Account or providing any services exposes the Credit Union to any burdens or risks that we do not wish to incur; or wish to no longer incur; (n) you falsely submit any affidavit or other form claiming fraud or loss from a transaction that is determined to be legitimate; (o) you have an Account that does not maintain a required par value for a membership account or any balance as to all other accounts; (p) if you participate or facilitate any transactions for another person who is prohibited from making transactions with us pursuant to Applicable Law or Credit Union Policy; (q) making unauthorized postings, defacing or removing notices or signs on Credit Union premises and/or social media sites without management authorization; (r) misappropriating Credit Union funds, property, or other material proprietary to the Credit Union; (s) deliberately or repeatedly violating security procedures or safety rules; (t) possessing, using, or being under the influence of illicit drugs or intoxicated on Credit Union premises; (u) if any new United States or other Country's laws, rules, regulations or other requirements make it

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impractical or impossible for the Credit Union to meet the requirements of such laws, rules, regulations or other requirements; or (v) you violate any Policy or Applicable Law.

**Miscellaneous:** This Agreement or any claim or dispute arising under this Agreement will be construed in accordance with and governed by the laws of the State of Oklahoma, together with specifically applicable federal laws governing this Agreement. Any suit to enforce any provision of this Agreement, or arising out of or based upon this Agreement, shall be brought in the United States District Court for the Northern District of Oklahoma or the District Court in and for the County of Tulsa, Oklahoma, unless prohibited by the Fair Debt Collection Practices Act. Each party hereby agrees that such courts shall have personal jurisdiction and venue with respect to such party, and each party hereby submits to the personal jurisdiction and venue of such courts if any party shall commence any action or proceeding against the other in order to enforce the provisions of this Agreement, unless prohibited by the Fair Debt Collection Practices Act. 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 will remain in full force and effect. We have the right to waive the enforcement of any term or condition of this Agreement regarding any transaction or series of transactions. No such waiver will affect our right to enforce any of our rights with respect to any Owner, Authorized Representative, Authorized User or other applicable person, or to enforce any of our rights with respect to other transactions. No such waiver will modify the terms and conditions of this Agreement.

We control our website and the electronic services that we provide (excluding linked sites) from our principal office in Tulsa, Oklahoma. 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 on our website or via our electronic service will be available 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 Applicable Law. Our website may contain links to third party websites. We provide these links solely as a convenience to you and not as our endorsement of the contents on such third-party website. We are not responsible for the content of linked third-party sites and we do not make any representations regarding the content or accuracy of materials on such third-party websites. If you decide to access linked third-party websites, you assume all risks associated with doing so.

**Residence Outside the U.S., Its Possessions or Territories.** We may require that Accounts or services be closed or deactivated if you move your residence or corporate residence to a country or place outside the U.S., its possessions or territories. We may close your Account or services if you do not do so.

**Right to Refuse Instructions and Orders:** If you ask us to follow instructions or orders 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 we may require a bond, court order or further indemnifications.

**Legal Process and Other Adverse Claims:** Should we receive any legal process, or other adverse claim that we believe affects your Account, we may, at our option and without liability: (a) refuse to honor orders to pay or withdraw sums from the Account; (b) hold the balance in the subject Account until the legal process or adverse claim is disposed of to our satisfaction; (c) pay the balance over to the source of the legal process; and (d) otherwise comply with any specifically Applicable Law in addressing the legal process. Any legal process or adverse claim is subordinate to our lien and security interest in all funds in your Account unless contrary to Applicable Law. We may also charge you a fee for handling such matters unless Applicable Law prohibits us from doing so.

**Credit Union Liability:** Unless otherwise prohibited by Applicable Law, you agree that we are not liable to you for your losses or damages: (a) that exceed the lesser of your actual proven loss or the amount of any missing deposit or any forgery, alteration or other unauthorized withdrawal, reduced in all cases by the amount that could have been avoided by your use of ordinary care; (b) that exceed the amount of the transaction; (c) that are, in whole or in part, indirect,

punitive, incidental, consequential or special; (d) as a result of circumstances beyond our control; (e) resulting, in whole or in part, from your or a third party's negligent or intentional act or failure to act; (f) resulting from action taken against your Account by a third party; (g) when our action or inaction was required by Applicable Law, including operating letters, clearing house rules, court orders or rules, legal process, or general banking practices; (h) if we reasonably act to prevent a suspected fraudulent or illegal act; (i) resulting from your failure to comply with the terms of this Agreement, the Bylaws, the Policies or any written agreement between you and us; or (j) resulting from your reliance on any representations that conflict with this Agreement, our written agreements with you, the Bylaws, or the Policies. In the event of: (a) any dispute regarding, or any claim adverse to, your Account; (b) a legal dispute involving the Account; or (c) any notice to us or knowledge by us that your Account has been used in a fraudulent or illegal manner, we may restrict or freeze the Account until the reasons the Account was restricted or frozen have been resolved to our reasonable satisfaction. We may also interplead the Account or Account funds with any court having appropriate jurisdiction.

**Your Liability for Fees:** Unless specifically prohibited by Applicable Law, or resulting from our gross negligence or our intentional misconduct, you will reimburse us for any expense, loss or damage that we incur, including reasonable professional fees, expert fees, attorney's fees and legal expenses (whether at the trial, bankruptcy, appellate, mediation, arbitration, collection or post-judgment stage) in protecting or defending your or our interests related to your Account, transactions, loans or membership with us or in protecting your or our interests, including the necessity to seek the advice or opinion of legal counsel or other professionals regarding the bona fides or legality of any transaction to or from your Account or involving any services with us, or any request for information or documentation regarding any of your Accounts or services with us ("Fees"). You authorize us to deduct any Fees due us from any Account you own individually or jointly. If the amounts in your Account are not sufficient, then you agree, upon demand, to pay us any difference.

**Statutory and Consensual Liens:** To the extent that you owe us money as an Account Owner, borrower, guarantor or otherwise, or any Fees, the Federal Credit Union Act gives us a lien on all funds in any Account in which you have an ownership or beneficial interest, unless prohibited by some other provision of Applicable Law. Because of this lien, we have the right to use funds in your Account, without prior notice to you, to pay off your indebtedness or obligation to us, including (but not limited to) obligations arising from attorney and other professional fees, costs, expenses, loans, and overdrafts incurred by us or that you owe to us. This indebtedness or obligation may be individual, joint, primary, secondary or contingent. If we choose not to enforce our lien at a particular time, we are not waiving our right to enforce our lien at a later time. In addition, you grant us a security interest and pledge in any Account in which you have an ownership or beneficial interest and agree that we may use funds in any Account to pay any indebtedness or obligation you owe to us now or in the future, except (if applicable) for obligations secured by your primary residence, unless otherwise prohibited by Applicable Law. Your Account is not transferable, assignable or to be pledged to a third party without our written consent.

**Indemnification:** You agree to indemnify, defend and hold us harmless from and against every claim, demand, action, cost, loss, liability, damages and expense, including Fees, that we incur as a result of a claim or legal process you are involved in or by us acting in accordance with Applicable Law, this Agreement, the disclosures or the Bylaws, unless otherwise prohibited by Applicable Law.

### ARBITRATION PROVISION

**BINDING ARBITRATION AND CLASS ACTION WAIVER: THIS SECTION CONTAINS IMPORTANT INFORMATION REGARDING YOUR ACCOUNTS AND ALL RELATED FEATURES, TRANSACTIONS, AND SERVICES. IT PROVIDES THAT EITHER YOU OR WE CAN REQUIRE THAT DISPUTES BE RESOLVED BY BINDING ARBITRATION. ARBITRATION REPLACES THE RIGHT TO GO TO COURT, INCLUDING THE RIGHT TO A JURY TRIAL AND THE RIGHT TO PARTICIPATE IN A CLASS ACTION OR SIMILAR PROCEEDING. IN ARBITRATION, THE DISPUTE IS**

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### **SUBMITTED TO A NEUTRAL PARTY, AN ARBITRATOR, INSTEAD OF A JUDGE OR JURY. ARBITRATION PROCEDURES MAY BE MORE LIMITED THAN RULES APPLICABLE IN COURT.**

**Definitions:** Solely as used in this Arbitration Provision, the word "Claim" is any demand, cause of action, complaint, claim, asserted right, or request for monetary or equitable relief, whether past, present or future, and based upon any legal theory, including contract, tort, consumer protection law, fraud, statute, regulation, ordinance, or common law, which arises out of or relates to your Membership and Account Agreement, your Account, the events leading up to your becoming an account holder or borrower (for example, advertisements or promotions), any feature or service provided in connection with your Account, or any transaction conducted on an Account or ancillary thereto.

**AGREEMENT TO ARBITRATE DISPUTES:** Either you or we may elect, without the other's consent, to require that any dispute between us concerning your Account and the services, features, and transactions related to your Account be resolved by binding arbitration, except for those disputes specifically excluded below.

**NO CLASS ACTION OR JOINDER OF PARTIES.** YOU ACKNOWLEDGE THAT YOU AND WE AGREE THAT NO CLASS ACTION, CLASS-WIDE ARBITRATION, PRIVATE ATTORNEY GENERAL ACTION, OR OTHER PROCEEDING WHERE SOMEONE ACTS IN A REPRESENTATIVE CAPACITY, MAY BE PURSUED IN ANY ARBITRATION OR IN ANY COURT PROCEEDING, REGARDLESS OF WHEN THE CLAIM OR CAUSE OF ACTION AROSE OR ACCRUED, OR WHEN THE ALLEGATIONS OR FACTS UNDERLYING THE CLAIM OR CAUSE OF ACTION OCCURRED.

Unless mutually agreed to by you and us, claims of two or more persons may not be joined, consolidated, or otherwise brought together in the same arbitration (unless those persons are joint account holders or beneficiaries on your Account and/or related accounts, or parties to a single transaction or related transaction), whether or not the claim may have been assigned.

**DISPUTES COVERED BY ARBITRATION:** YOU ACKNOWLEDGE THAT IN ARBITRATION THERE WILL BE NO RIGHT TO A JURY TRIAL. Any claim or dispute relating to or arising out of your Account and any services or features related thereto, your transactions, or our relationship will be subject to arbitration, regardless of whether that dispute arose before or after your receipt of this notice. Disputes include claims made as part of a class action, private attorney general or other representative action, it being expressly understood and agreed to that the arbitration of such claims must proceed on an individual (non-class, non-representative) basis and the arbitrator may award relief only on an individual (non-class, non-representative) basis. Disputes also include claims relating to the enforceability or interpretation of any of these Arbitration Provisions. Any questions about whether disputes are subject to arbitration shall be resolved by interpreting this Arbitration Provision in the broadest way the law will allow it to be enforced.

All disputes are subject to arbitration, no matter what legal theory they are based on, or what remedy (damages, or injunctive or declaratory relief) they seek. Disputes include any unresolved claims concerning any services, features, or transactions relating to your Account. Disputes include not only claims made directly by you, but also made by anyone connected with you or claiming through you, such as a joint account holder, account beneficiary, employee, representative, agent, predecessor or successor, heir, assignee, or trustee in bankruptcy. Disputes include not only claims that relate directly to the Credit Union, but also its parent, affiliates, successors, assignees, employees, and agents, and claims for which we may be directly or indirectly liable, even if we are not properly named at the time the claim is made. Disputes include claims based on any theory of law, contract, statute, regulation, tort (including fraud or any intentional tort), or any other legal or equitable ground, and include claims asserted as counterclaims, cross-claims, third-party claims, interpleaders or otherwise; and claims made independently or with other claims. If party initiates a proceeding in court regarding a claim or dispute which is included under this Arbitration Provision, the other party may elect to proceed in arbitration pursuant to this Arbitration Provision.

**DISPUTES EXCLUDED FROM ARBITRATION:** This Arbitration Provision shall not apply to lawsuits filed by the Credit Union as creditor with respect to any collection actions or efforts against you, unless you file counterclaim(s) in said lawsuit. Once a counterclaim has been filed by you against the Credit Union, any party may require the dispute to be resolved by binding arbitration as set forth herein.

**COMMENCING AN ARBITRATION:** The arbitration must be filed with one of the following neutral arbitration forums and follow its rules and procedures for initiating and pursuing an arbitration: American Arbitration Association or JAMS (formerly Judicial Arbitration and Mediation Services). If you initiate the arbitration, you must notify us in writing at: **Tulsa Federal Credit Union, Attention: Risk Department, 9323 E. 21<sup>st</sup> St., Tulsa, OK 74129.**

If we initiate the arbitration, we will notify you in writing at your last known address on file with the Credit Union. You may obtain a copy of the arbitration rules for these forums, as well as additional information about initiating an arbitration by contacting these arbitration forums: (1) contacting AAA at: 1-800-778-7879 or visiting: [www.adr.org](http://www.adr.org), or (2) contacting JAMS at: 1-800-352-5267 or visiting: [www.jamsadr.com](http://www.jamsadr.com).

The arbitration shall be conducted in Tulsa, Oklahoma, Tulsa County (unless prohibited by the Fair Debt Collection Practices Act), or such other different location as may be agreed upon by the parties.

**ADMINISTRATION OF ARBITRATION:** The arbitration shall be decided by a single, neutral arbitrator. The arbitrator will be either a lawyer with at least ten (10) years' experience or a retired or former judge selected in accordance with the rules of the arbitration forum. The arbitrator shall follow procedures and rules of the arbitration forum in effect on the date the arbitration is filed, unless those rules and procedures are inconsistent with this Arbitration Provision, in which case this Arbitration Provision will prevail. Those provisions and rules may limit the discovery available to you or us. The arbitrator will take reasonable steps to protect member account information and other confidential information if requested to do so by you or by us. The arbitrator shall decide the dispute in accordance with applicable substantive law consistent with the Federal Arbitration Act and applicable statutes of limitations, will honor claims of privilege recognized at law, and will be empowered to award any damages or other relief provided for under applicable law. The arbitrator will not have the power to award relief to, or against, any person who is not a party to the arbitration. An award in arbitration shall determine the rights and obligations between the named parties only, and only in respect of the claims in arbitration, and shall not have any bearing on the rights and obligations of any other person, or on the resolution of any other dispute. You or we may choose to have a hearing and be represented by legal counsel. The decision rendered by the arbitrator shall be in writing. At your or our request, the arbitrator shall issue a written, reasoned decision following applicable law and relief granted must be relief that could be granted by the court under applicable law. Judgment on the arbitration award may be entered by any court of competent jurisdiction.

**COSTS:** The party initiating the arbitration shall pay the initial filing fee. If you file the arbitration and an award is rendered in your favor, we will reimburse you for your filing fee. If there is a hearing, we will pay the fees and costs of the arbitration for the first day of that hearing. All other fees and costs will be allocated in accordance with the rules of the arbitration forum. However, we will advance or reimburse filing and other fees if the arbitrator rules that you cannot afford to pay them or finds other good cause for requiring us to do so, or if you ask us in writing and we determine there is good reason for doing so. Each party shall bear the expense of their respective counsel, attorneys, experts, and witnesses and other expenses, regardless of who prevails, but a party may recover any or all costs and expenses from another party if the arbitrator, applying applicable law, so determines.

**RIGHT TO RESORT TO PROVISIONAL REMEDIES PRESERVED:** Nothing herein shall be deemed to limit or constrain our right to resort to self-help remedies, such as repossession, the right of set-off, replevin, reserves, collections, or the right to restrain funds in an Account or transaction, to interplead funds in the event of a dispute, to exercise any security interest or lien we may hold in property, or to

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comply with legal process, or to obtain provisional remedies such as injunctive relief, attachment, or garnishment by a court having appropriate jurisdiction; provided, however, that you or we may elect to arbitrate any dispute related to such provisional remedies.

**ARBITRATION AWARD:** The arbitrator's award shall be final and binding, unless a party appeals it in writing to the arbitration forum within fifteen (15) days of notice of the award or pursuant to the rules of the arbitration forum, whichever is later. The appeal must request a new arbitration before a panel of three (3) neutral arbitrators selected in accordance with the rules of the same arbitration forum. The panel will consider all factual and legal issues anew, follow the same rules that apply to a proceeding using a single arbitrator, and make decisions based on the vote of the majority. Costs will be allocated in the same manner as allocated before a single arbitrator. An award by a panel is final and binding on the parties after fifteen days of notice of the award or pursuant to the rules of the arbitration forum, whichever is later. A final and binding award is subject to judicial intervention or review only to the extent allowed under the Federal Arbitration Act or other applicable law. A party may seek to have a final and binding award entered as a judgment in any court having jurisdiction.

**GOVERNING LAW:** You and we agree that our relationship includes transactions involving interstate commerce and that these Arbitration Provisions are governed by, and enforceable under, the Federal Arbitration Act. To the extent state law is applicable, the laws and statutes of the State of Oklahoma shall apply. In the event of a conflict between laws, federal law will govern over state laws and Oklahoma state law will govern over any other state laws.

**SEVERABILITY, SURVIVAL:** These Arbitration Provisions shall survive (a) any termination or changes to your Account, the Agreement, or any related services, features, or transactions; (b) the bankruptcy of any party; and (c) the transfer or assignment of your Account or any related services. If any portion of this provision is deemed invalid or unenforceable, the remainder of this Arbitration Provision shall remain in force. No portion of this Arbitration Provision may be amended, severed, or waived absent a written agreement between you and us, which may occur as a result of a change in the Agreement.

**APPLICABILITY:** Arbitration will not apply to your Account or related features, services, and transactions, if you are and as long as you are a covered borrower under the Military Lending Act.

**AGREEMENT TO ARBITRATION PROVISION:** If you agree to be bound by the above Arbitration Provision, then no action is needed on your part. If you take no action, then this Arbitration Provision is effective immediately upon opening an Account with the Credit Union or within thirty (30) days of the date this Arbitration Provision was delivered or otherwise made available to you, in paper or electronic form with respect to an existing Account with the Credit Union.

**RIGHT TO REJECT THE ARBITRATION PROVISION:** YOU MAY CHOOSE TO REJECT THIS ARBITRATION PROVISION BY SENDING US WRITTEN NOTICE WITHIN THIRTY (30) DAYS OF (i) YOUR FIRST ACCOUNT OPENING, OR (ii) A CHANGE IN TERMS NOTICE INCLUDING THIS ARBITRATION PROVISION, AS APPLICABLE. If you do not agree to be bound by this Arbitration Provision, you must send us written notice that you reject the Arbitration Provision within thirty (30) days of your initial first account opening or within thirty (30) days of a change in terms notice that includes this Arbitration Provision, as applicable. Your written notice must be postmarked by the thirtieth (30th) day after your first account opening or change in terms notice and must contain the following information:

- a. Your written notice to us must include: (i) your account number and ALL applicable share numbers; (ii) each account owner's name (as identified on each share account with the Credit Union) who are rejecting this Arbitration Provision (iii) the date of the correspondence (written notice), (iv) a clear and concise written statement by each owner that they reject the Arbitration Provision of the Membership and Account Agreement and want to "**opt-out of arbitration for any account claims or disputes,**" and (v) all applicable signatures (if more than one party to any relationship) on the written notification; and

- b. You must send your written notice to us at the following address and addressed as follows for proper documentation purposes: **Tulsa Federal Credit Union, Attention: FCM Main Office, 9323 E 21<sup>st</sup> St., Tulsa, OK 74129.**

*Failure to provide your arbitration opt-out in the written form required, with all requirements and to the address provided in this Agreement, may cause a failure of your arbitration opt-out from being recorded to your Account and being effective. You are advised to keep a copy of your written arbitration opt-out notice for your records.*