

Membership and Account Agreement

MEMBERSHIP AND ACCOUNT AGREEMENT

This Agreement governs your and our rights and responsibilities concerning accounts and other account-related services that the Sovita Credit Union ("Credit Union") offers. In this Agreement, the words "you" and "your" mean each person who requests and receives services from the Credit Union. The words "we", "us", and "our" mean the Credit Union. The word "account" means Regular Share ("share"); Share Draft; HI-FI, Christmas Club, Super Club, Summer Check Club, Mortgage Payment Club, Loan Pledge Club (club); and Certificate of Deposit (if the certificate makes reference to this Agreement) accounts that you have with the Credit Union. The term "Account Card" includes, for example, the Membership Application and any account changes requested by you or on your behalf whether in writing, electronically, or other means. Except as otherwise provided herein, the Health Savings Account shall be regarded as a Share Draft Account under this Agreement. In order to open a Health Savings Account (HSA), you must complete and sign an HSA Custodial Application. HSAs are established as Beneficiary Accounts, but can be owned by only one individual. Beneficiaries of HSAs acquire rights to withdrawal only as described in the HSA Custodian Application.

The ownership and beneficiary arrangements applicable to your account(s) are set forth on your Account Card. By signing an Account Card, opening, or continuing to have your account with us, each of you, jointly and severally, agrees to the terms and conditions on the Account Card and in this Membership and Account Agreement. You also agree to be bound by our Funds Availability Disclosure, Truth-in-Savings Account Disclosure and Fee Schedule, any Account Receipt accompanying this Agreement, the Credit Union's Bylaws and policies, and any amendments to these documents from time to time, which collectively govern your Membership and Accounts. The term Agreement as used here includes this Membership and Account Agreement as well as all other disclosures, Account Cards and statements of rates, terms and conditions affecting your Accounts. In all provisions making reference to an account providing tax benefits under state or federal law, a Health Savings Account shall be regarded as such an account.

NOTICE OF ARBITRATION PROVISION

This Agreement contains an Arbitration Provision which provides that you or the Credit Union may elect to have all disputes resolved by **BINDING ARBITRATION INSTEAD OF IN COURT.**

You should read the Arbitration Provision below carefully. It provides, among other terms:

You **GIVE UP YOUR RIGHT TO GO TO COURT** to assert or defend your rights under this Agreement (**EXCEPT** for matters that may be taken to **SMALL CLAIMS COURT**).

Your rights will be determined by a **NEUTRAL ARBITRATOR** and **NOT** a judge or jury.

You are entitled to a **FAIR HEARING**, BUT the arbitration procedures are **SIMPLER AND MORE LIMITED THAN RULES APPLICABLE IN COURT.**

Arbitrator decisions are as enforceable as any court order and are subject to **VERY LIMITED REVIEW BY A COURT.**

YOU MAY NOT PARTICIPATE AS A CLASS REPRESENTATIVE OR MEMBER IN ARBITRATION OR IN ANY OTHER CONSOLIDATED PROCEEDING.

1. Membership Eligibility. To join the Credit Union you must meet our membership requirements including purchase and maintenance of at least one (1) share ("membership share") as set forth in the Credit Union's Bylaws. You authorize us to check your account, credit and employment history, and obtain reports

from third parties, including consumer (including but not limited to credit) reporting agencies, to verify your eligibility for the accounts and services you requested and to determine your eligibility for any other product or services offered by the Credit Union.

2. Information Verification. The Credit Union has adopted reasonable and practicable procedures to verify the identity information provided by each applicant for membership and/or new services as required by Section 326 of the USA PATRIOT Act. You agree that the Credit Union may make such inquiries as are necessary in its opinion to verify the information you provide and, to the extent not prohibited by applicable law, make copies for its records of any documents provided by you or others to confirm information about your identity. You also agree that the Credit Union may secure a copy of your consumer (including but not limited to credit) report and/or contact employers or other third parties to verify information about you as part of its USA PATRIOT Act compliance procedures. If the Credit Union cannot verify your identity or the identity of other parties to the account(s), it may open the account and restrict the use of the account while it takes those actions it deems necessary to verify identity of any accountholder(s). If the Credit Union cannot verify your identity or the identity of other parties to the account(s), you understand and agree that the Credit Union may, in its sole discretion, close the account(s), at any time, subject to such notice as may be required by law.

3. Account Cards and Ownership Rights. The ownership rights in your account will be based on the information set forth on your account card (generally this form is entitled "Application for Membership and Share Account with Beneficiary Option"). The provisions of paragraphs 4 through 10 that follow describe the basic rules applicable to the various possible ownership arrangements available for accounts at the Credit Union; which ones apply to your account will depend on how the account card is completed. You agree to check all records related to your account periodically (within 30 days after the account is opened or any changes are made and not less than once per year thereafter) to ensure that all ownership and beneficiary arrangements are set up in the way that you desire. You agree to contact the credit union immediately if any ownership or beneficiary arrangement is not how you wish it to be. You further agree to hold the credit union harmless from any claims that any ownership or beneficiary arrangement related to your account is not set up as you desire.

4. Single Party Accounts. A single party account is an account owned by one member (individual, corporation, partnership, trust or other organization) qualified for Credit Union membership. If it is owned by an individual it may have beneficiaries but there are no joint owners.

5. Multiple Party Accounts. An account owned by two or more persons is a multiple party account.

- a. Rights of Survivorship. Unless there is a separate contract document providing to the contrary, a multiple party account includes rights of survivorship. This means when one owner dies, all sums in the account will pass to the surviving owner(s). Any owner who is a surviving owner agrees that the Credit Union to the extent allowed by law may set off any money in the account against any obligation of a deceased owner within thirty days after the Credit Union becomes aware of the deceased owner's death unless such a setoff would not have been allowed during the deceased individual's lifetime (such as would be the case with certain tax favored accounts). All owners who are surviving owners also agree that their interests in the account are subject to any security interest or pledge granted by a deceased owner, even if they individually did not consent to it.
- b. Control of Multiple Party Accounts. Except to the extent there is a separate contract document providing to the contrary, the provisions of this Section 5.b. govern control of and access to Multiple Party Accounts. Any owner is authorized and deemed to act for any other owner(s) and may instruct us regarding transactions and other account matters. Each owner guarantees the signature of any other owner(s). Each owner appoints each other owner to be his or her irrevocable attorney: to make deposits to the account; to endorse, for cash or deposit, any checks or other items whether payable to one of the owners alone or with others; and to receive a receipt for all funds. Each owner of the account agrees with each other and the Credit Union that all sums paid into the account at any time by any or all of said owners with all accumulations on such sums, are and shall be subject to the withdrawal or receipt of any of them, and payment to any of them shall be valid and discharge the Credit Union from any liability for such payment. Any owner may make deposits, withdraw or transfer any or all available funds, stop payment on items, or pledge to us all or any part of the funds without the consent of the other owner(s). We have no duty to notify any owner(s) about any transaction. We reserve the right to require written consent of all owners for any change to or termination of an account. Any owner may remove himself or herself as an owner at any time; however such a removal will not relieve such an owner from any liability for which such owner had with respect to the account immediately prior to the removal. If we receive written notice of a dispute between owners or inconsistent instructions from them, we may suspend or terminate the account and require a court order or written consent from all owners to act. We shall have no responsibility to follow the application of the funds withdrawn from the account.

Each account owner authorizes the Credit Union to permit every joint account owner (i) to have access to the account through A+CALL® and A+COMPUTE®, if these services are provided for a joint account and (ii) to have access to information about every share, share draft, club, certificate and loan account of the other joint account holders. Each joint account owner also authorizes every other joint account owner to change the PIN, Access ID and Password, for the account and to order transactions in the account and agrees to be bound by those transactions.

The right or authority of the Credit Union under this Agreement shall not be changed or terminated by any owner, except by written notice to the Credit Union, in a form acceptable to us, which shall not affect any transaction made before the Credit Union receives the notice.

No individual account owner can be removed as an owner, except upon death, without the consent of the individual. No beneficiary of a multiple party account may be changed except with the consent of all living owners.

- c. Multiple Party Account Owner Liability. If a deposited item in a multiple party account is returned unpaid, an account is overdrawn, or if we do not receive final payment on a transaction, the owners, jointly and severally, are liable to us for the amount of the returned item, overdraft, or unpaid amount and any charges, regardless of who initiated or benefited from the transaction. If any account owner is indebted to us, we may enforce our rights against any account of an owner or all funds in the multiple party account regardless of who contributed them.

6. Accounts with Beneficiary Designation. If you have listed any beneficiaries on an Account Card, upon the death of the owner, or the last surviving owner if there is more than one, the funds in the account shall become the property of any beneficiary(s) living at the time. If none are living, the funds become property of the estate of the account owner last surviving. The Credit Union makes no representation as to whether the use of the beneficiary designation is appropriate for any person establishing such an account. Once the owner (or the last owner if there is more than one) has died, the Credit Union is entitled to pay funds in an account as provided herein to any person designated as a beneficiary on the account and shall not be liable to the person(s) establishing the account, their heirs, representatives or assigns or any other person by reason of such payment so long as the Credit Union has taken reasonable steps to identify the beneficiary receiving payment. If there is more than one beneficiary, each beneficiary shall have an equal share of the account balance, e.g., 3 beneficiaries each own 1/3. Each living beneficiary shall have the power to withdraw only the beneficiary's share together with any accumulations on the account. This Agreement's provisions on survivorship and joint control shall not apply to the ownership interest of the beneficiaries. No beneficiary shall have the right to change the terms and conditions of this Agreement. The interests of the beneficiary(ies) is subject to the right of the Credit Union, to the extent allowed by law, to set off any money in the account against any obligation of the deceased owner (or the last owner to die, if there was more than one) within thirty days after the Credit Union becomes aware of the deceased owner's death unless such a setoff would not have been allowed during the deceased individual's lifetime (such as would be the case with certain tax favored accounts). The interests of the beneficiary(ies) is subject to the right of the Credit Union, to the extent allowed by law, to set off any money in the account against any obligation of the deceased owner (or the last owner to die, if there was more than one) within thirty days after the Credit Union becomes aware of the deceased owner's death unless such a setoff would not have been allowed during the deceased individual's lifetime (such as would be the case with certain tax favored accounts).

7. Accounts for Minors. We may require any account established by a minor to be a multiple party account with an owner who has reached the age of majority under state law and who shall be jointly and severally liable to us for any returned item, overdraft, or unpaid charges or amounts on such account. We may pay funds directly to the minor without regard to his or her minority. Unless a guardian or parent is an account owner, the guardian or parent shall not have any account access rights. We have no duty to inquire about the use or purpose of any transaction. When the minor reaches the age of majority, the account will continue to be administered in the way it was established (either as a single name account or a multiple party account). If the account owner(s) wish to change the arrangements, the account owner(s) must contact the Credit Union and sign appropriate documentation to make the desired change.

8. Organization Accounts. An organization within the field of membership of the Credit Union may establish an account under the terms of this Agreement. The organization must provide the Credit Union with resolutions authorizing the opening of the account, in a form acceptable to the Credit Union. Only persons authorized by resolution of the organization's governing body will be permitted to make withdrawals from, or give instructions about, the account. The organization must promptly inform the Credit Union in writing of changes in the persons authorized by the organization to make transactions in the account. Until written notice of a change is received by the Credit Union, it may rely on the resolution designating persons authorized to transact business at the Credit Union last received from the organization.

9. Accounts for Trusts. An account owned by and titled in the name of a trust is an account for a trust.

- a. Control of Accounts for Trusts. All sums paid to the Credit Union on shares or deposits (less setoffs allowed by law and/or provided for by contract) shall be paid on proper withdrawal demand. Such demand must be made by at least one of the Trustee(s). The Credit Union has no responsibility to follow the application of funds withdrawn from the account.

- b. Trust Document Provisions. The Credit Union will act in accordance with the terms and conditions of the most recent information presented to the Credit Union regarding the provisions of the trust document. Furthermore, the Credit Union is not bound by any changes to the trust document of which it has not received written notice.
- c. Multiple Trustees. If there is more than one Trustee, the Credit Union is hereby authorized to recognize any of the signatures on the Account Card in the payment of funds or the transaction of any business for the account. The Trustees of the account agree with each other and the Credit Union that all sums paid into the account at any time by any or all of said Trustees with all accumulations on such sums, are and shall be subject to the withdrawal or receipt of any of them, and payment to any of them shall be valid and discharge the Credit Union from any liability for such payment. The authority of the Credit Union shall not be changed or terminated by any of said trustees, jointly or singly, except by written notice to the Credit Union. Such written notice to the Credit Union shall not affect transactions made prior to the time such notice is received by the Credit Union.

10. Agency or Other Capacity Designation on an Account. Unless an individual acting as agent, trustee, attorney-in-fact, custodian or in some other fiduciary capacity (collectively, a "fiduciary") is designated such by the member or other legally authorized party to the Credit Union in a form acceptable to the Credit Union, the credit union may decline to accept any requests or instructions from such individual. In addition, the Credit Union may decline in any given instance to honor a power of attorney or other designation of an individual as a fiduciary with power to act at the Credit Union's sole discretion. A fiduciary has no ownership in the capacity of fiduciary in the Account. The Credit Union is authorized to follow the directions of your fiduciary regarding your account until it receives written notice that the fiduciary relationship has been terminated and has had a reasonable time to act upon the notice. The Credit Union is not liable for the misapplication of funds by your fiduciary and is under no duty to inquire about the use or purpose of any transaction made by your fiduciary. If an individual is granted authority as a fiduciary over your property by a court of competent jurisdiction, such as would be the case with the appointment of a conservator or a personal representative, we will act in accordance with the direction of the court and the applicable provisions of law, and the fiduciary is obligated personally to inform us of any changes in his or her authority. If an individual is granted authority over portions of your property by a government authority other than a court, such as a designation of an individual as a Representative Payee for Social Security benefits by the Social Security Administration, we may separate the property covered from other property of yours and may act in accordance with the last such designation of which we have knowledge. Any fiduciary agrees personally to reimburse us for any transaction initiated by such fiduciary if the fiduciary did not in fact have authority to make such a transaction and we suffer a loss as a result.

11. Deposit, Collection and Access to Funds.

- a. Deposit of Items. You may make deposits in person, by mail or by any other method the Credit Union makes available, such as its automated teller machines. You are encouraged to use your personalized deposit slips, if available, in order to help the Credit Union credit deposits to your account as soon as possible and to minimize errors. If you do not use your personalized deposit slips, you agree that the Credit Union will not be liable to you for any errors resulting from your use of a counter deposit slip, whether completed by you or a Credit Union employee. The Credit Union is not responsible for deposits made by mail, night depository or other outside depository until the Credit Union actually records the receipt of those deposits in its books and records. The Credit Union reserves the right to limit, refuse or return any deposit. If you fail to endorse an item, that you submit for deposit, the Credit Union has the right, but is not obligated, to supply the missing endorsement. Endorsements must be made on the back of the share draft or check within 1 1/2 inches from the top edge, although we may accept endorsements outside this space. However, any loss we incur from a delay or processing error resulting from an irregular endorsement or other markings by you or any prior endorser will be your responsibility. The Credit Union may require that certain government checks, insurance company items or other special types of checks be personally endorsed by each of the payees. You agree to reimburse the Credit Union for any loss or expense, including without limitation attorneys' fees and the costs of litigation, arbitration or other dispute resolution to the extent permitted by law, that the Credit Union incurs because you fail to endorse an item exactly as it is drawn. If the Credit Union receives an item on a weekend, holiday or after the Credit Union's cutoff hour on a business day, the item is deemed to have been received on the Credit Union's next business day. The Credit Union's business days and cutoff hour are posted at the Credit Union's offices and are subject to change from time to time in the Credit Union's discretion. Except to the extent additional notice is required by law, any change in the Credit Union's business days or cutoff hour becomes effective on the day the new business days or cutoff hour are posted at the Credit Union's offices.
- b. Collection of Items. In receiving items for deposit or collection, the Credit Union acts as your collection agent and assumes no responsibility beyond the exercise of due care. Special instructions for handling an item are effective only if made in a separate signed writing, given to the Credit Union along with the item in question and accepted by specific act of the Credit Union. The Credit Union will not be liable for default or negligence of its correspondents or for loss in transit, and each correspondent will not be liable except for its own negligence. Items and their proceeds may be handled in accordance with applicable Federal Reserve and Credit Union regulations, Clearing House Association or Funds Transfer System rules, and contractual arrangements with other financial institutions. All deposited items (including ACH and those items drawn on another account at the Credit Union) are provisionally credited to your account subject to final payment and receipt of proceeds by the Credit Union. If final payment is not received, we may charge a fee for returning the item and any collection costs in addition to the right to charge your account for the amount of the item for which final payment was not received. If you deposit foreign currency or items that are denominated in a foreign currency into your account, the final credit to your account will be based on the exchange rate in effect at the time the Credit Union receives final payment for that item in United States currency. Without prior notice to you, the Credit Union may charge back any item to your account at any time before final payment, whether returned or not, and may also charge back any item to your account if, within the normal handling period for such item, the item cannot be honored against the drawer's account. If, after a check or other item deposited to your account is finally paid, someone else makes a claim that it was altered, forged, unauthorized or should not have been paid for some other reason, the Credit Union may withhold the amount of such item from your account until a final determination has been made as to that claim. The Credit Union is authorized to pursue collection of previously dishonored items, and in so doing it may permit the payor bank to hold an item beyond the midnight deadline.
- c. Direct Deposits. If your paycheck, Social Security Retirement benefits or pension check is directly deposited to your account, the Credit Union agrees to waive the annual fee on your Credit Union VISA® credit card account and the charges for printing your share drafts used with the account to which the funds are deposited. If the Credit Union is required to reimburse the Federal Government for all or any portion of any benefit payments deposited into your account through a direct deposit plan for any reason, you agree that the Credit Union may, without prior notice to you, deduct the amount returned to the Federal Government from your account or from any other account you have with the Credit Union, unless the deduction is prohibited by law. This right is in addition to any other rights the Credit Union has under this Agreement, including its right of setoff and its security interest in your account.
- d. Authorized Signature. Your signature on the Account Card is your authorized signature. For the payment of funds and for other purposes relating to any account you have with the Credit Union, the Credit Union is authorized to recognize your signature, but it will not be liable to you for refusing to honor your checks or other signed instructions if it believes in good faith that the signature appearing on such checks or instructions is not genuine. Additionally, you may authorize the use of a facsimile signature or endorsement device in a separate document in a form acceptable to the Credit Union. If you have so authorized the use of a facsimile signature or endorsement device or have otherwise used such a device, the Credit Union may honor or accept for deposit any check or other signed instruction which bears or appears to bear your facsimile signature or endorsement even if it was made by an unauthorized person or with a counterfeit facsimile device. Therefore, you should maintain close control over your facsimile signature or endorsement

device and promptly review your statements and copies of your paid checks for unauthorized use of the device. If you voluntarily give information about your account (such as the Credit Union's routing number and/or your account number) to a party who is seeking to sell you goods or services, and you do not physically deliver a check to that party, any item presented against your account by the party to whom you gave the information is deemed to have been authorized by you unless you notify us to the contrary, with sufficient information and a reasonable time to act, to prevent payment of such an item. Any designation in any document of a multiple signature requirement for access to your account is solely for your convenience and internal control purposes. In the absence of a specific written agreement to the contrary, the Credit Union is not required to determine if any check or other item drawn against your account contains the number of desired signatures indicated by any such designation.

- e. Share Drafts, Checks and Other Withdrawals. You may withdraw or transfer available funds from your account(s) in any manner we permit (e.g., at an automated teller machine, in person, by mail, automatic transfer, telephone, or debit card). The Credit Union may require that any share draft, check or other item drawn on your account or used to withdraw funds from your account be on forms approved by the Credit Union. Information concerning the forms, which the Credit Union has approved, may be obtained at the Credit Union's offices upon request. If you use forms that have not been approved, the Credit Union reserves the right to reject the item, impose a special fee for each such item, or both. Even if we have approved a form, if you use a draft with markings on the back such as a carbon strip, and we suffer a loss because of a delay in the return of the item or other reason, you agree that you will be liable for any loss or expense that we incur as a result (both in resolving the matter and collecting from you), including without limitation, attorneys' fees and the costs of litigation, arbitration or other dispute resolution to the extent permitted by law. The Credit Union also reserves the right to refuse or impose a special fee for any withdrawal or transfer request which is attempted by any manner not specifically authorized for the account in question, which is (i) greater in frequency or number than that specifically permitted for the account in question, or (ii) which is for an amount less than any minimum withdrawal or transfer denomination required for the account in question. If you have sufficient available funds, we will pay each draft that is properly payable. We will exercise ordinary care in determining whether an item is properly payable. We will not be liable if an item is forged or altered in a manner that cannot be detected by following reasonable commercial standards for a credit union our size. We will not be bound by any legend (e.g., "not valid for amounts in excess of \$100") placed on your draft. We are not required to pay any draft that is more than six (6) months old when presented. However, if we do pay such a draft, we may charge your account for that payment. You agree that we may refuse to pay any draft you write if it is presented at our offices by a person (other than a bank, clearing house or government unit) who is not a member unless they pay us the non-member draft/check cashing fee specified in our then current Truth-in-Savings Account Disclosure and Fee Schedule. Withdrawals are generally made first from finally collected available funds and, unless prohibited by law or by the Credit Union's written Funds Availability Disclosure, the Credit Union reserves the right to refuse to pay any share draft, check or other item drawn against uncollected or unavailable funds, impose a special fee for each such item, or both. The Credit Union may pay share drafts, checks or other items drawn upon your account (including those payable to the Credit Union or on which the Credit Union may be liable) in any order determined by the Credit Union, even if paying a particular check or item results in an insufficient available balance in your account to pay one or more other items that otherwise could have been paid out of your account. We have the right to review and approve any form of power of attorney and may restrict account withdrawals or transfers. We are under no obligation to honor any power of attorney.
- f. Responsibility for the Back of Share Drafts, Checks. You agree that the Credit Union will not be liable to you because an item you deposit in your account is returned after the time set by applicable law if the delay in returning the item is caused by markings on the item in the space reserved for the depository bank's endorsement that were made by you or a prior endorser. Similarly, you will be liable to the Credit Union for any loss or expense, including without limitation attorneys' fees and the costs of litigation, arbitration or other dispute resolution to the extent permitted by law, that the Credit Union incurs because it is unable to properly return an item drawn on your account within the time set by applicable law where the delay in properly returning the item is caused by markings on the item in the space reserved for the depository bank's endorsement that existed at the time you issued the item, including but not limited to a carbon strip even if the Credit Union had previously approved the use of the item.
- g. Credit Union Examination and Automated Processing. You recognize that the Credit Union has adopted automated collection and payment procedures so that it can process the greatest volume of items at the lowest possible cost to all members. These automated procedures are based on the use of high-speed automated check processing equipment that relies primarily on information encoded onto each item in magnetic ink. In recognition of this fact, you agree to reimburse the Credit Union for any loss or expense, including without limitation attorneys' fees and the costs of litigation, arbitration or other dispute resolution to the extent permitted by law, that the Credit Union incurs because you issue or deposit an item containing information that is not essential to completion or negotiation of the instrument and is inconsistent with proper magnetic ink encoding. Furthermore, you agree that the Credit Union does not fail to exercise ordinary care in paying an item solely because its procedures do not provide for the sight examination or verification of the signature of the drawer or of any endorser on items presented for payment.
- h. Telephone Transfers. If you have entered into a separate written telephone transfer agreement with the Credit Union, transfers of available funds from one of your accounts to another of your accounts at the Credit Union may be made by telephonic instructions given by the same persons and under the same conditions generally applicable to written withdrawal requests. We may, but are not required to, accept telephone instructions from you concerning transactions in your account without a written plan or agreement to do so. If we do, we are liable only to use ordinary care in accepting and executing such instructions. The Credit Union reserves the right to record and/or monitor any telephone calls with you for security and service quality reasons.
- i. Preauthorized Transfers. We may offer preauthorized deposits (e.g., payroll checks, Social Security or retirement checks, or other governmental checks) or preauthorized transfers from other accounts. You must authorize each direct deposit or preauthorized transfer by filling out the appropriate forms. The Credit Union will not complete forms for members to authorize direct deposits. You must notify us in writing at least three (3) days in advance to cancel or change a preauthorized transfer from your account. The Credit Union may rely on your request for a preauthorized transfer until you notify us to stop. For example, if you declare bankruptcy, you are expected to notify us to cease making transfers.
- j. ACH and Wire Transfers to Your Account. You may receive credits or debits to your account through wire transfers or automated clearinghouse (ACH) transfers. You agree that if you receive ACH or Wire Transfers: (1) we are not required to notify you at the time the funds are received. Instead, the transfer will be shown on your periodic statement; (2) we may provisionally credit your account for an ACH or Wire Transfer before we receive final settlement; (3) we are not required to provide access to funds received by ACH or Wire Transfer until we have good funds/final settlement; (4) we may reverse the provisional ACH or Wire Transfer credit, or, you will refund us the amount of the provisional credit to your account if we do not receive final settlement; (5) if you send or receive a wire transfer, Fedwire may be used. Regulation J is the law covering all Fedwire transfers. This means your rights and liabilities will be governed by Regulation J. If Fedwire is not used, wire transfers will be governed by Uniform Commercial Code Article 4A; (6) if the Credit Union receives a wire transfer or ACH transfer it may deposit it into the account based on the identifying account number provided on the payment order even if it names a person different from the holder/owner of the account into which the funds are deposited. Upon discovery of an error, the Credit Union may remove the funds erroneously deposited and charge your account for all amounts erroneously deposited; (7) in the event of an error in transmitting funds or placements of funds in an account for which operating rules of the National Automated Clearinghouse Association (NACHA), UCC 4A, or Federal Reserve Board Regulation J require the payment of interest, the Credit Union will pay the daily Federal Funds Rate unless another rate is

specifically agreed to in writing by the parties. If Regulation E of the Federal Reserve Board applies to any transaction that would fall within the provisions of this section, Regulation E shall take precedence to the extent provided by federal law.

If you send a Wire Transfer, your rights and liabilities will be governed by the Consumer Member Wire Transfer Agreement set forth in Section 47 below.

- k. **Member's Waiver of Notice.** By signing the Account Card or continuing to use your account after the date of this Agreement, you waive any notice of nonpayment, dishonor or protest regarding any items credited to or charged against your accounts. For example, if a check or share draft which you deposited is dishonored and returned to the Credit Union, the Credit Union is not required to notify you of the dishonor.
- l. **Withdrawal Restrictions.** We generally permit withdrawals only if your account has sufficient available funds to cover the full amount of the withdrawal or you have an established overdraft protection plan as set forth in Section 15.b. of this Agreement. Drafts or other transfer or payment orders which are drawn against insufficient available funds may be subject to a service charge set forth in the Truth-in-Savings Account Disclosure and Fee Schedule. If there are sufficient funds to cover some, but not all, of your withdrawal, we may allow those withdrawals for which there are sufficient available funds in any order at our discretion. No member may withdraw funds that are pledged for security on loans without the written approval of the credit committee or a loan officer, except to the extent that such shares exceed the member's total primary and contingent liability to the Credit Union.

No member may withdraw any funds below the amount of his/her primary or contingent liability to the Credit Union if he/she is delinquent as a borrower or if borrowers for whom he/she is a comaker, endorser, or guarantor are delinquent, without the written approval of the credit committee or a loan officer.

We may refuse to allow a withdrawal in some situations, and will advise you accordingly; for example: (1) a dispute between account owners (unless a court has ordered the Credit Union to allow the withdrawal); (2) a legal garnishment or attachment is served; (3) the account secures any obligation to us; (4) required documentation has not been presented; or (5) you fail to repay a Credit Union loan on time. Except for share draft accounts, we reserve the right, at any time, to require you to give us notice, in writing, of your intention to withdraw the whole or any part of the funds in your account(s), not less than seven (7) days and up to sixty (60) days (30 days for Individual Retirement Accounts) before the withdrawal date. This notice requirement does not apply to accounts having a maturity date (such as certificate accounts) where the withdrawal is made on the maturity date or within seven (7) days thereafter.

- m. **Transfer Limitations.** During any month, for share, HI-FI and club (except IRA) accounts, if applicable, you may make up to six (6) withdrawals or transfers to another Credit Union account of yours or to a third party by means of a preauthorized or automatic transfer or telephonic order or instruction. We may refuse or reverse a transfer that exceeds these limitations and may assess fees against, suspend or close your account. A preauthorized transfer includes any arrangement with us to pay a third party from your account upon oral or written orders including orders received through the automated clearing house (ACH). You may make unlimited transfers to any of your accounts or to any Credit Union loan account and may make withdrawals in person, by mail, or at an ATM. For HI-FI accounts, if applicable, the minimum amount you may withdraw, deposit or transfer is \$100.
- n. **Cooperation in Loss Recovery Efforts or Reconstruction of Lost Items.** You agree to fully co-operate in any effort we undertake to recover funds that were taken from your account without authorization. For example, you will sign affidavits of loss or forgery that may be required by our insurance company. You also agreed to cooperate fully in any prosecution that may be initiated by the proper authorities pursuant to us filing a complaint about unauthorized activities involving your account. In addition, you agree to assist us in reconstructing any lost deposit items, such as if we lose a deposited check.
- o. **Cash Withdrawal Limitations.** For security reasons we may limit the amount of withdrawals that may be taken in cash from an account or by any given individual; we will establish such limits in our discretion from time to time. Please contact us if you have any questions about such limits.

12. Account Rates and Fees. We pay account earnings and assess fees against your account as set forth in our Truth-in-Savings Account Disclosure and Fee Schedule. We may change the Disclosure and Fee Schedule at any time and will notify you as required by law.

13. Setoff/Statutory Lien and Security Interest. If you ever owe the Credit Union money as a borrower, guarantor or otherwise, and it becomes due (whether at its stated maturity, by our acceleration of the debt or otherwise), the Credit Union has the right under the law (called "lien") and under this Agreement (by which you grant the Credit Union a security interest in your account(s)) to use the money from your account to pay the debt. The Credit Union may use the money to pay the debt even if withdrawal results in an interest or other penalty or dishonor of checks/share drafts. In the case of a joint account, each joint owner agrees that the Credit Union may use the money in the joint account to satisfy any one of their individual obligations. Similarly, each joint owner agrees that the Credit Union may use the money in their individual account to satisfy obligations in the joint account. The security interest granted by this Agreement is consensual and is in addition to the Credit Union's statutory lien. However, the statutory lien and security interest do not apply to your account if: (a) it is an Individual Retirement Account (IRA) or other account permitting tax deferrals or providing other tax benefits under state or federal law; (b) the debt is created by a consumer credit transaction under a credit card plan or is secured by a dwelling that is your principal residence; or (c) the debtor's right of withdrawal arises only in a representative or fiduciary capacity.

13a. Responsibility for Your Transactions Not Involving an Account. If (i) you present a check or other item to us drawn on another financial institution for cash over the counter or for payment of any obligation owing to us or (ii) we initiate an automated clearinghouse (ACH) transfer to another financial institution for any obligation owing to us and the check, other item, or ACH transfer is returned to us unpaid for any reason not attributable to us, we may charge a \$25.00 returned transaction fee to any of your accounts (except accounts described in Section 13 as not being subject to lien or setoff rights) or, to the extent allowed by law, charge a \$25.00 returned transaction fee to the obligation for which payment was intended.

14. Certificate Accounts. Any time deposit or certificate of deposit account allowed by state law (Certificate Account) and which makes reference to this Agreement is subject to the terms of this Agreement, the Truth-in-Savings Account Disclosure and Fee Schedule and the Certificate for the account, the terms of which are incorporated herein by reference. Payment of the Certificate, as shown on the books of the Credit Union, shall be deemed conclusive evidence of payment. If any provision of this Agreement or the Truth-in-Savings Account Disclosure and Fee Schedule conflicts with any provision set forth on the Certificate or in a disclosure given to you in connection with a Certificate, the provision set forth on the Certificate or disclosure given in connection with it shall prevail.

15. Your Liability For Overdrafts. "Overdrawing" your account means that there are not sufficient available funds (as described below) in your account to pay for a transaction, resulting in a negative or "overdrawn" balance. The Credit Union is under no obligation, unless it has contracted to the contrary, to pay a check or other transaction you have written or authorized if it would result in your share draft account being overdrawn. However, the Credit Union may pay such a transaction and charge the amount of the resulting overdraft plus any applicable service charge against your share account or any of your other accounts. Subject to applicable law, the Credit Union may pay checks or other transactions drawn upon your share draft account (including those payable to the Credit Union or on which the Credit Union may be liable) in any order determined by the Credit Union, even if paying a particular check or other transaction results in an

insufficient balance in your share draft account to pay one or more other transactions that otherwise could have been paid out of your share draft account. **For a complete explanation of how we order transactions, please refer to our Overdraft Policy, the terms and conditions of which are incorporated into this Agreement.**

When determining whether a check or other transaction drawn on your share draft account would create an overdraft, both for the purpose of determining whether and how to honor the transaction and whether a fee related to it being an overdraft may be charged, the Credit Union will use the "available balance" for your share draft account at the time the transaction is presented. Your "available balance" is different from your "actual balance". Your "actual balance" is the amount of money that is actually in your account at any given time, but not all funds included in the actual balance are considered "available" for transactions on your account. The actual balance is also sometimes referred to as your "ledger balance". Your actual balance reflects transactions that have posted to your account, but it does not reflect transactions that have been authorized and are pending or deposits that may be on hold. Your available balance is the amount of money in your account that is available to you to use without incurring a fee. The available balance takes into account factors such as holds placed on deposits and pending transactions that have been authorized, but that have not yet posted or settled to your account. **For a complete explanation and examples of how we determine your available balance, please refer to our Overdraft Policy, the terms and conditions of which are incorporated into this Agreement.**

We assess a fee each time an item is presented for payment that we either pay, resulting in an overdraft, or which we decline to pay because payment of the item would result in an overdraft had we paid it. If we pay an item in accordance with our Overdraft Transfer Service or in accordance with our standard overdraft practices, which we call Courtesy Pay, we will charge you an Overdraft Fee and/or Courtesy Pay Fee, as applicable. If we decline to pay the item, we will charge you an NSF Fee each time the item is presented for payment. There is no limit on the total fees we can charge you for overdrafting your account. Please refer to the Fee Schedule for a current listing of all fees associated with overdrawing your account. **For a complete explanation of our standard overdraft practices (Courtesy Pay) and our Overdraft Transfer Service, please refer to our Overdraft Policy, the terms and conditions of which are incorporated into this Agreement.**

The Credit Union is not obligated to pay any item presented for payment if your account does not contain sufficient available funds. If we pay a transaction that overdraws your account, we are not obligated to continue paying such transactions in the future. We may pay all, some, or none of your overdrafts, without notice to you. You are liable to us to repay any NSF and overdraft transactions on your account whether you created them or not. If you do not pay us, and we take collection action against you, you agree to pay for any costs of collection. We may close, without notice, any account with excessive overdraft activity, and report the account to a consumer reporting agency.

FOR COMPLETE DETAILS OF OUR STANDARD OVERDRAFT PRACTICES (COURTESY PAY), OUR OVERDRAFT PROTECTION PLANS (OVERDRAFT TRANSFER SERVICE), YOUR LIABILITY FOR OVERDRAFTS AND NSF ITEMS, AND OTHER ADDITIONAL IMPORTANT INFORMATION CONCERNING OVERDRAFTS, PLEASE REFER TO OUR OVERDRAFT POLICY, THE TERMS AND CONDITIONS OF WHICH ARE INCORPORATED INTO THIS AGREEMENT. PLEASE REVIEW THE OVERDRAFT POLICY CAREFULLY. IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT US AT (800) 369-2786, OR VISIT ANY BRANCH.

16. Post-dated and Stale-dated Drafts. The Credit Union maintains the option either to pay or dishonor any stale share draft or check (i.e., more than 6 months old) upon presentation to the Credit Union. The Credit Union's high-speed automated check processing equipment cannot detect time-dated share drafts or checks (i.e., checks stating that they are not valid after a specified date or for more than a specified period of time). Therefore, you agree that the Credit Union will not be liable for charging your account after the date or beyond the period stated on an otherwise properly payable time-dated share draft or check. Similarly, the Credit Union's check processing equipment cannot detect post-dated share drafts or checks (i.e., a check bearing a date later than the actual calendar date it was written). Therefore, it is recommended that you not issue post-dated checks as a means of withdrawal and you agree that the Credit Union is not responsible for charging your account before the indicated date on a properly payable but post-dated share draft or check unless you notify it that you have issued a post-dated share draft or check. Oral notice concerning a post-dated share draft or check lapses after 14 calendar days unless it is confirmed in writing within that period; written notice concerning a post-dated share draft or check is effective for 6 months. Renewals must be in writing and may be made from time to time. A written notice concerning a post-dated share draft or check (collectively "item"), renewal or revocation will be valid upon delivery to the Credit Union. The Credit Union may charge a fee if you tell us not to pay a post-dated share draft or check. The fee is the same fee as for a stop payment order. Please see our current Truth-in-Savings Account Disclosure and Fee Schedule for the amount of the fee. Your notice must inform the Credit Union of the name of (a) the person who signed the item, (b) the name of the payee of the item, (c) the date and exact amount of the item, (d) the number of the item and (e) the number of the account on which the item was drawn. The Credit Union will not be responsible if the information you give is not correct or if you fail to give any other reasonable information regarding the item and it is paid prior to the indicated date. The Credit Union is entitled to a reasonable period of time after you give it notice concerning a post-dated item to notify its employees. If the Credit Union re-credits your account after paying a post-dated item over a valid and timely notice, you agree to transfer to the Credit Union all of your rights against the payee or other holder of the item, and to assist the Credit Union in any legal action it may later take against that person. If the Credit Union complies with a notice with respect to a post-dated item or other item drawn against your account, you agree to defend and hold the Credit Union harmless from and against any claims, demands, suits or other disputes resulting from or relating in any way to that notice and to indemnify the Credit Union for the amount of any such claims, demands, suits or other disputes and any related costs and expenses, including without limitation, attorneys' fees and the costs of litigation, arbitration or other dispute resolution to the extent permitted by law.

17. Stop Payment Orders. Stop Payment Orders are governing by the following provisions:

- a. Stop Payment Order Request. You may request a stop payment order on any draft drawn on your account unless the credit union has previously certified it. The Credit Union may charge a fee for a stop payment order. Please see your current Truth-in-Savings Account Disclosure and Fee Schedule for the amount of the fee for a stop payment order. To be binding an order must be dated, signed, and describe the account and draft number and the exact amount. The stop payment will be effective if the Credit Union receives the order in time for the Credit Union to act upon the order and you state the number of the account, number of the draft, and its exact amount. You understand that the exact information is necessary for the Credit Union's computer to identify the draft. If you give us incorrect or incomplete information, we will not be responsible for failing to stop payment on the draft. If the stop payment order is not received in time for us to act upon the order, we will not be liable to you or to any other party for payment of the draft. If we recredit your account after paying a draft over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to transfer to us all of your rights against the payee or other holders of the draft and to assist us in any legal action.
- b. Duration of Order. You may make an oral stop payment order which will lapse within fourteen (14) calendar days unless confirmed in writing within that time. A written stop payment order is effective for six (6) months and may be renewed in writing from time to time. We do not have to notify you when a stop payment order expires.
- c. Liability. Fees for stop payment orders are set forth in the Truth-in-Savings Account Disclosure and Fee Schedule. You may not stop payment on any certified share draft, certified check, cashier's check, teller's check, or any other check, draft, or payment guaranteed by us. Although payment of an

item may be stopped, you may remain liable to any item holder, including us. You agree to indemnify and hold the Credit Union harmless from all costs, including without limitation, attorneys' fees and the costs of litigation, arbitration or other dispute resolution to the extent permitted by law, damages or claims related to our refusing payment of an item, including claims of any multiple party account owner, payee, or endorsee in failing to stop payment of an item as a result of incorrect information provided by you.

- d. Stop Payment Rights in Electronic Fund Transfers. See your Disclosure Pursuant to Electronic Fund Transfer (EFT) Laws for Stop Payment Rights in Electronic Fund Transfers.

18. Credit Union Liability. If we do not properly complete a transaction according to this Agreement, we will be liable for your losses or damages not to exceed the amount of the transaction, except as otherwise provided by law. We will not be liable if: (1) your account contains insufficient funds for the transaction; (2) circumstances beyond our control prevent the transaction; (3) your loss is caused by your negligence or the negligence of another financial institution; or (4) your account funds are subject to legal process or other claim. We will not be liable for consequential damages, except liability for wrongful dishonor. We exercise ordinary care if our actions or nonactions are consistent with applicable state law, Federal Reserve regulations and operating letters, clearinghouse rules, and general practices followed by credit unions of a similar size in the area we serve. You grant us the right, in making payments of deposited funds, to rely exclusively on the form of the account and the terms of this Agreement. Any conflict between what you or our employees may say or write will be resolved by reference to this Agreement. Except where applicable law or this Agreement provides otherwise, we will not be liable for any events not involving our intentional misconduct or gross negligence.

- 19. Account Information.** See the Credit Union's Privacy Policy Disclosure for a description of our information handling practices.

20. Notices.

- a. Name or Address Changes. You are responsible for notifying us of any address or name change. The Credit Union is only required to attempt to communicate with you at the most recent address you have provided to us. We may accept oral notices of a change in address and may require any other notice from you to us be provided in writing. We may change the address for your account if we are informed of an address correction by the United States Postal Service or a USPS approved address updating method.
- b. Contacting You. You agree that we may try to contact you for account servicing and collection purposes in writing, by email (if you have provided us with an email address), or using prerecorded/artificial voice messages, text messages, and automatic telephone dialing systems, as the law allows. You also agree that we may try to contact you for account servicing and collection purposes in these and other ways at any address or telephone number assigned to you that you provide us, even if the telephone number is a cell phone number or the contact results in a charge to you.
- c. Effect of Notice. Any written notice you give us is effective when we receive it at the address specified in this Agreement at Paragraph 29 or your other agreements with the Credit Union. Any written notice we give to you is effective when it is deposited in the U.S. Mail, postage prepaid and addressed to you at your last known address in our records. We may include a notice in your statement. Notice to any account owner is considered to be notice to all account owners.

21. Taxpayer Identification Numbers and Backup Withholding. Your failure to furnish a correct Taxpayer Identification Number (TIN) or meet other requirements may result in backup withholding. If your account is subject to backup withholding, we must withhold and pay to the Internal Revenue Service (IRS) a percentage of dividends, interest, and certain other payments. If you fail to provide your TIN, we may suspend opening your account.

22. Statements.

- a. Contents. If we provide a periodic statement for your account, you will receive a periodic statement of transactions and activity on your account during the statement period as required by applicable law. If a periodic statement is provided, you agree that only one statement is necessary for a multiple party account. For share draft accounts, you understand and agree that your original drafts when paid, become property of the Credit Union or may be retained by an earlier party in the check clearing process and may not be returned to you, but that copies will be provided to you within a reasonable time after you request them and make payment of any fee, if any, to us for providing the copies. You agree to accept substitute checks as original checks. You understand and agree that statements are made available to you on the date that the statement is mailed, electronically posted or otherwise made available to you. You also understand and agree that drafts or copies thereof are made available to you on the date the statement is mailed, electronically posted or otherwise made available to you, even if the drafts do not accompany the statement.
- b. Reviewing Statements and Reporting Problems. You have the option of having statements for your account retained at the Credit Union until you request them, delivered electronically or of having them mailed to you. If you have elected to have your statements delivered electronically or mailed to you, they will be delivered or mailed to your address as shown on the Credit Union's records. You are in the best position to discover a forged, unauthorized or missing signature or endorsement, a material alteration, a missing or diverted deposit or any other error or discrepancy relating to a check, deposit or other credit or debit entry to your account. Therefore, you should carefully examine your statement(s) when you receive them. If you feel that some unauthorized person has withdrawn funds from your account, that one or more deposits is not reflected on your statement(s), or that there is any other type of error or discrepancy in your statement(s), you should notify the Credit Union immediately.

If you do not discover and report a forged, unauthorized or missing signature or an alteration promptly after the Credit Union has sent or otherwise made your statement(s) available to you, you agree not to assert against the Credit Union (a) any forged, unauthorized or missing signature or alteration, if the Credit Union suffered a loss because of your failure to discover and report the problem, and (b) any forged, unauthorized or missing signature or alteration by the same wrongdoer on items paid by the Credit Union after you have had a reasonable period of time (not to exceed 60 days) to examine the statement containing or reflecting the first forged, unauthorized or missing signature or alteration but before the Credit Union receives notice of the problem from you. If the previous sentence applies, but you are able to prove that the Credit Union failed to exercise ordinary care in paying the item in question and that the Credit Union's failure substantially contributed to the loss, then (unless the next paragraph applies) the loss will be allocated between you and the Credit Union based on the extent to which our respective failures to exercise ordinary care contributed to the loss. In that regard, and as disclosed elsewhere in this Agreement, the Credit Union processes checks and other items by automated means and does not visually examine or verify signatures on all checks or other items. You agree that the Credit Union does not fail to exercise ordinary care because it uses these automated procedures. You also agree that the Credit Union does not fail to exercise ordinary care if the items are forged or altered so cleverly (as by unauthorized use of a facsimile machine, photocopy machine, computer equipment or otherwise) that the forgery or alteration would not be detected by a reasonable person.

If you have not discovered and reported a forged, unauthorized or missing signature or endorsement, a material alteration, a missing or diverted deposit or any other error or discrepancy relating to a check, deposit or other credit or debit entry to your account within 60 days of the date on which the first statement containing or reflecting (or that should have contained or reflected) those items was mailed, electronically delivered or otherwise made available to you, you agree not to assert that problem against the Credit Union. This 60-day limitation takes priority over the provisions in the law and applies regardless of whether or not you or the Credit Union exercised ordinary care with respect to the item in question (or its payment), the examination of the statement on which it was reflected (or should have been reflected) or otherwise. **IF YOU FAIL TO DISCOVER AND REPORT THESE OR ANY OTHER ERRORS OR DISCREPANCIES WITHIN THE 60-DAY PERIOD, YOU LOSE ANY AND ALL RIGHTS YOU MAY HAVE TO ASSERT THE ERROR OR DISCREPANCY AGAINST THE CREDIT UNION.**

If you have elected to have your statements retained at the Credit Union until you request them, each statement will be deemed to have been made available to you for purposes of this Agreement on the first business day after the last date covered by that statement. If you request a copy of canceled check(s)/share draft(s) with your statements, the canceled check(s)/share draft(s) or legible copies will be provided to you within a reasonable time after the receipt of your written request that sufficiently identifies the check(s)/share draft(s) requested. You agree to pay the applicable service fee for retrieval and copying of the requested checks.

- c. **Notice to Credit Union.** You agree that the Credit Union's practice of not returning drafts to you does not alter or waive your responsibility to examine your statements or the time limit for notifying us of any errors. The statement will be considered correct for all purposes and we will not be liable for any payment made or charge to your account unless you notify us in writing within the above time limit for notifying us of any errors. If you fail to receive a periodic statement you agree to notify us within fourteen (14) days of the time you regularly receive a statement. If any statement is returned to us without a forwarding address, we may stop sending you statements until we receive a new address as required by this Agreement.

23. Inactive Accounts/Abandoned Property. If your account becomes inactive for the period of time set forth in the Truth-in-Savings Account Disclosure and Fee Schedule and you do not have other active share or lending arrangements with us, we may assess your account an Inactivity Fee as set forth in the Fee Schedule. This fee will not be assessed on accounts owned by minors. This fee is in addition to any fees and charges which would normally be assessed that are associated with an account's maintenance.

Abandoned property shall be defined as property that has been unclaimed for a period of three (3) years or more as of March 31 of each year. The term "abandoned property" includes such items as unpaid Credit Union checks, which were issued more than three (3) years prior to April 1 of each year. It also includes accounts on which there has been no activity, other than the posting of dividends, for a period of three (3) years or more as of March 31 of each year.

The Michigan Uniform Unclaimed Property Act requires that abandoned property be sent to the Michigan Department of Treasury each year. All records of abandoned property will be maintained by the Credit Union for ten (10) years. Funds in abandoned accounts will be reported and remitted in accordance with state law. Once funds have been turned over to the state, we have no further liability to you for such funds and if you choose to reclaim such funds, you must apply to the appropriate state agency.

- a. **Share, Share Draft, Club and Certificate Accounts.** An inactive account shall be defined as any account on which there has been no activity, other than the posting of dividends, for a period of six (6) months or more. Accounts with a balance less than \$500.00 and on which there has been no activity for a period of two (2) years, other than the posting of dividends, may be included as abandoned property and sent to the State of Michigan. However, the account must be included as abandoned property when it meets the general criteria outlined above.
- b. **Checks and Drafts.** Any check or draft drawn on a bank account of this Credit Union, which is not cashed within three (3) months of its issue date, will be considered inactive. Any check or draft drawn on a bank account of this Credit Union, which is not cashed within three (3) years from its issue date, will be included as abandoned property and sent to the State of Michigan.

24. Special Account Instructions. If you or any owner requests a change in the terms of any account, the request must be signed by an authorized party on a form that the Credit Union has approved and accepted. You may request that we facilitate certain trust, will, or court-ordered account arrangements. However, because we do not give legal advice, we cannot counsel you as to which account arrangement most appropriately meets the specific requirements of your trust, will, or court order. If you ask us to follow any instructions that we believe might expose us to claims, lawsuits, expenses, liabilities, or damages, whether directly or indirectly, we may refuse to follow your instructions or may require you to indemnify us or post a bond or provide us with other protection. Although share drafts and checks drawn on your account are negotiable, the Account itself is not. Accounts are not transferable except on the Credit Union's books and records. You may pledge your account (except certain IRA and similar accounts and Health Savings Accounts) as collateral for a loan at the Credit Union. If ownership is to be transferred, the Credit Union may require that the account be closed and a new account opened. You may not pledge your account to anyone else without our prior written consent.

25. Termination of Account. We may terminate your account at any time without notice to you or may require you to close your account and apply for a new account if: (1) there is a change in owners or authorized signers; (2) there has been a forgery or fraud reported or committed involving your account; (3) there is a dispute as to the ownership of the account or of the funds in the account; (4) any share drafts are lost or stolen; (5) there are excessive returned unpaid items not covered by an overdraft protection plan; (6) there has been any misrepresentation or any other abuse of any of your accounts; or (7) we reasonably deem it necessary to prevent a loss to us or we otherwise have determined that it would be in our best interest. You may terminate a single party account by giving written notice. We reserve the right to require the consent of all owners to terminate a multiple party account. You may remove yourself as an owner of such an account at any time; however, such a removal will not relieve you of any liability you had with respect to the account immediately prior to the removal. We are not responsible for payment of any draft, withdrawal, or other item after your account is terminated, however, if we pay an item after termination, you agree to reimburse us.

26. Termination of Membership. You may terminate your membership by giving us notice. You may be denied services or expelled from membership by the Credit Union's Board of Directors for any reason allowed by applicable law, including causing a loss to the Credit Union. If the Credit Union determines that you have abused the privileges of membership, such as by causing a loss to the Credit Union or engaging in abusive conduct toward staff or other members, the Credit Union will notify you that services provided to you will be restricted. Such restrictions may include limiting your use of Credit Union offices; you may be required to do your business by appointment only. In addition, services provided to you in connection with share accounts, loans, share draft accounts, or other accounts or services may be limited. Except where contracts provide to the contrary, we may also place all of your share account balances into a single share account that does not pay dividends. You will retain your right to attend meetings of members and vote in elections, provided that you behave in an orderly manner on such occasions, unless you are expelled from membership by the Board of Directors of the Credit Union.

27. Death of Account Owner. We may continue to honor all transfer orders, withdrawals, deposits and other transactions on an account until we are notified of a member's death. Once we are notified of a member's death, we may pay drafts or honor other payments or transfer orders authorized by the deceased member for a period of ten (10) days after that date unless we receive instructions from any person claiming an interest in the account to stop payment on the drafts or other items. We may require anyone claiming a deceased owner's account funds to indemnify us for any losses resulting from our honoring that claim. If there is not another joint party or beneficiary on the account, the remaining funds will remain separate from any other account(s) held jointly or individually by the decedent and will be subject to probate action. If an account is jointly held, the surviving owner will be instructed to transfer the funds into an individual or other joint account. Joint owners who are not eligible for membership must close the account once the end of the relevant dividend/interest period has been reached or, in the case of an account with a maturity date, the next maturity date is reached. This Agreement will be binding upon any heirs or legal representatives of any account owner.

28. Severability. If a court holds any portion of this Agreement to be invalid or unenforceable, the remainder of this Agreement shall not be invalid or unenforceable and will continue in full force and effect. All headings are intended for reference only and are not to be construed as part of the Agreement.

29. Notice to Credit Union. Written notices sent to the Credit Union are not effective until receipt. Notices to us should be sent to:

Sovita Credit Union
4411 Calkins Road
P.O. Box 320830
Flint, MI 48532-0015.

30. Indemnity. If by following your instructions we are exposed to a claim or suit by an adverse claimant, you shall hold us harmless and indemnify us from any such losses, expenses, liabilities or damages. If you ask us to follow instructions that we believe might expose us to claims, suits, losses, expenses, liabilities or damages, whether directly or indirectly, we may refuse to follow your instructions, or we may require a bond or other protections.

31. Enforcement. You are liable to us for any loss, cost or expense we incur resulting from your failure to follow this Agreement. You authorize us to deduct any such loss, costs or expenses from your account without prior notice to you. If we bring legal action to collect any amount due under or to enforce this Agreement, we shall be entitled, subject to applicable law, to payment of reasonable attorney's fees and costs of litigation, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions.

32. Governing Law. This Agreement is governed by the Credit Union's Bylaws, federal laws and regulations, the laws, including applicable principles of contract law, and regulations of the State of Michigan, and local clearinghouse rules, as amended from time to time. Except as may otherwise be provided in the Section 46, Resolution of Disputes by Arbitration, you agree that any legal action regarding this Agreement shall be brought in Genesee County, Michigan.

33. Record of Agreements. At our option, we may maintain any or all membership cards, account agreements, and other records relating to your account in an optical imaging or other electronic format and not maintain paper copies. You agree that these electronic records or paper reproductions from them will be treated the same as original documents for all purposes.

34. Waiver of Rights by the Credit Union. The Credit Union reserves the right to waive the enforcement of any of the terms of this Agreement with you with respect to any transaction or series of transactions. Any such waiver will not affect the Credit Union's right to enforce any of its rights with respect to other members, or to enforce any of its rights with respect to later transactions with you and is not sufficient to modify the terms and conditions of this Agreement.

35. Modification of Agreement by the Credit Union. The Credit Union reserves the right to modify the terms of this Agreement at any time and from time to time in the Credit Union's discretion. Unless otherwise required by law, the Credit Union may modify this Agreement by mailing to you, in your statement or to your mailing address as shown on the Credit Union's records, a written notice of the modification. If you do not agree with any amendment to this Agreement, you may close your account. If you close your account you will remain liable for all fees, charges, loans or other indebtedness to the Credit Union. Any such modification will be effective on the date specified in the notice, but that date will be no less than 10 days following the date of mailing unless you specifically consent to an earlier date or a greater period of notice is required by law. The Credit Union may modify the type and amount of service fees that apply to your account under the same circumstances. **NO AGREEMENT WITH, OR REPRESENTATION MADE BY, ANY EMPLOYEE OF THE CREDIT UNION THAT IS IN CONFLICT WITH OR IN ANY WAY MODIFIES ANY OF THE TERMS SET FORTH IN THIS AGREEMENT WILL BE BINDING ON THE CREDIT UNION UNLESS IT IS COMPLETELY CONTAINED IN A WRITTEN MODIFICATION OF THIS AGREEMENT THAT IS SIGNED BY AN AUTHORIZED OFFICER OF THE CREDIT UNION.**

36. Legal Process Against Account. If legal action such as a tax levy, attachment, garnishment, etc. is brought against your account, the Credit Union may impose a service fee as specified from time to time in its Truth-in-Savings Account Disclosure and may refuse to pay out any money from your account until the dispute is resolved. If your account is attached, garnished or otherwise subject to levy by legal action, the Credit Union will not be liable to you for any sums it may be required to pay because of such attachment, garnishment or other levy, even if paying the money from your account leaves insufficient available funds to pay a check you have written. If the Credit Union incurs any expenses, including without limitation attorneys' fees and the costs of litigation, arbitration or other dispute resolution to the extent permitted by law, that the Credit Union incurs in responding to or in any way related to an attachment, garnishment or other levy which are not otherwise reimbursed or to any dispute between owners or regarding ownership of funds in the account, it may charge such expenses (to the extent permitted by law) against your account without prior notice to you. Any garnishment or other levy against your account is subject to the Credit Union's lien rights and security interests.

37. Adverse Claims Against Account. If the Credit Union receives notice of an actual or potential adverse claim to your account or the funds in your account, it may in its discretion refuse to pay out any money from your account for a reasonable period of time after receipt of notice of the actual or potential claim. Although the Credit Union reserves the right to refuse to pay out any money from your account if it has received notice of an actual or potential claim or dispute regarding the account or ownership of funds in the account, the Credit Union is not required to recognize any adverse claim unless the person making the claim satisfies certain requirements. Contact the Credit Union for information on the requirements that apply to your account.

38. Service Fees. You agree to pay any service fees that apply to your account. Service fees may include but are not limited to charges for check printing, check writing, stop payment orders, notices of post-dated items, cashier's checks, insufficient funds checks and overdrafts or other negative balances in your account that are not covered by an Overdraft Protection Plan as described in Section 15.b. of this Agreement. Any service fees may be deducted from your account without prior notice to you. The Credit Union will not be liable for dishonoring checks or other withdrawal orders because of insufficient available funds resulting from proper deduction of fees. The Credit Union's service fees are outlined in the Truth-in-Savings Account Disclosure and Fee Schedule that is given to you when you open an account and that is available at our Credit Union's offices. Service fees may be changed at any time and from time to time at the Credit Union's discretion in accordance with the provisions of this Agreement and applicable law. Any fees applicable to your Health Savings Account will be deducted from your share account.

39. Disputes Involving the Account. You agree to be liable to the Credit Union for any loss, costs or expenses, including without limitation, attorneys' fees and the costs of litigation, arbitration or other dispute resolution to the extent permitted by law, that the Credit Union incurs as a result of any dispute involving your account, and you authorize the Credit Union to deduct any such loss, costs, or expenses from your account without prior notice to you. This obligation includes disputes between you and the Credit Union involving the account and situations where the Credit Union becomes involved in disputes between you and an authorized signer, another joint owner, or a third party claiming an interest in the account. It also includes situations where you, an authorized signer, another joint owner, or a third party takes action with respect to the account that causes the Credit Union, in good faith, to seek the advice of counsel, whether or not the Credit Union actually becomes involved in a dispute.

40. Negative Information Notice. We may report information about your loan, share, or deposit accounts to consumer reporting agencies. Late payments, missed payments, negative balances, and other default on your accounts may be reflected in your credit report.

41. Periodic Check of Ownership Arrangements. You agree to check all records related to your account periodically (not less than once per year) to ensure that all ownership and beneficiary arrangements are set up in the way that you desire. You agree to contact the credit union immediately if any ownership or beneficiary arrangement is not how you wish it to be. You further agree to hold the credit union harmless from any claims that any ownership or beneficiary arrangement related to your account is not set up as you desire.

42. Telephone Monitoring and Calling. From time to time you agree we may monitor and record telephone calls made or received by us or our agents regarding your account to assure the quality of our service. In order for us to service the account or to collect any amounts you may owe, and subject to applicable law, you agree that we may from time to time make calls and send text messages to you using prerecorded/artificial voice messages or through the use of an automatic dialing device at any telephone number you provide to us in connection with your account, including a mobile telephone number that could result in charges to you.

43. Rewards and Incentives Programs. From time to time, we may make rewards and incentives programs available to you in connection with one or more of your accounts. These programs will be governed by separate documents related to such programs and the credit union reserves the right to change or terminate such programs at any time.

44. Use of Recording Devices. The Credit Union does not permit its Members, you or members of the general public to use electronic, digital or other recording devices to record in-person, telephonic or other communications or interactions of or with Credit Union personnel without the express prior consent of the Credit Union management. The Credit Union expressly revokes, rescinds and withdraws any consent or permission to such recording that might otherwise be implied by law.

45. Permitted Time for Filing a Lawsuit. You must file any lawsuit or arbitration against us within one year after the cause of action arises, unless federal or state law or an applicable agreement provides for a shorter time. This limit is in addition to limits on notice as a condition of making a claim.

46. BINDING ARBITRATION AND CLASS ACTION WAIVER - RESOLUTION OF DISPUTES BY ARBITRATION: THIS SECTION CONTAINS IMPORTANT INFORMATION REGARDING YOUR ACCOUNTS AND ALL RELATED SERVICES. IT PROVIDES THAT EITHER YOU OR WE CAN REQUIRE THAT ANY 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 SUBMITTED TO A NEUTRAL PARTY, AN ARBITRATOR, INSTEAD OF A JUDGE OR JURY. ARBITRATION PROCEDURES MAY BE MORE LIMITED THAN RULES APPLICABLE IN COURT.

a. Agreement to Arbitrate Disputes. Either you or we may elect, without the other's consent, to require that any dispute between us concerning your membership, your deposit accounts ("Accounts") and the services related to your membership and Accounts, including but not limited to all disputes that You may raise against us, must be resolved by binding arbitration, except for those disputes specifically excluded below.

b. 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.

c. 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 Accounts 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 relating to your Accounts. 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 affiliates, successors, assignees, officers, directors, 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 Resolution of Disputes by Arbitration provision, the other party may elect to proceed in arbitration pursuant to this Resolution of Disputes by Arbitration provision.

d. Disputes Excluded from Arbitration. Disputes filed by you or by us individually in a small claims court are not subject to arbitration, so long as the disputes remain in such court and advance only an individual (non-class, non-representative) claim for relief. However, if a matter in small claims court is removed, transferred, or appealed to a non-small claims court, that claim shall be subject to this Resolution of Disputes by Arbitration provision. Our Claims or disputes against you arising from your status as a borrower under any loan agreement with the Credit Union or to collect any funds you may owe us are also excluded from this Resolution of Disputes by Arbitration provision.

e. 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. If you initiate the arbitration, you must notify Us in writing at:

Sovita Credit Union
Attention: Legal Department
P.O. Box 320830
Flint, Michigan 48532-0015

If we initiate the arbitration, we will notify you in writing at your last known address on file. 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:

American Arbitration Association
1-800-778-7879 (toll-free)
www.adr.org

JAMS
1-800-352-5267 (toll-free)
www.jamsadr.com

The arbitration shall be conducted in the same city as the U.S. District Court closest to your home address, unless the parties agree to a different location in writing.

f. Administration of Arbitration. The arbitration shall be decided by a single, neutral arbitrator. The arbitrator will be either a lawyer with at least ten years of 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 customer 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 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.

g. 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 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.

h. 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 the right of set-off or the right to restrain funds in an account, to interplead funds in the event of a dispute, to exercise any security interest or lien we may hold in property, or to 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, except in an action by us against you that has been initiated by Us to collect funds that you may owe to us.

i. Arbitration Award. The arbitrator's award shall be final and binding unless a party appeals it in writing to the arbitration forum within fifteen 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 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.

j. 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 of the State of Michigan shall apply.

k. Severability, Survival. These arbitration provisions shall survive (a) termination or changes to your accounts or any related services; (b) the bankruptcy of any party; and (c) the transfer or assignment of your Accounts or any related services. If any portion of this Resolution of Disputes by

Arbitration provision is deemed invalid or unenforceable, the remainder of this Resolution of Disputes by Arbitration provision shall remain in force. No portion of this Resolution of Disputes by Arbitration provision may be amended, severed, or waived absent a written agreement between you and us.

I. Applicability. Arbitration will not apply to your Account as long as you are an active duty Service Member.

m. Right to Reject this Resolution of Disputes by Arbitration provision. YOU MAY CHOOSE TO REJECT THIS RESOLUTION OF DISPUTES BY ARBITRATION PROVISION BY SENDING US WRITTEN NOTICE AS DESCRIBED BELOW:

Agreement to the Resolution of Disputes by Arbitration provision:

1. If you agree to be bound by the above Resolution of Disputes by Arbitration provision, then no action is needed on your part.
2. If you take no action, then effective immediately your Accounts will be bound by this Resolution of Disputes by Arbitration provision.

Rejection of the Resolution of Disputes by Arbitration provision:

1. If you do not agree to be bound by this Resolution of Disputes by Arbitration provision, you must send us written notice that you reject the Resolution of Disputes by Arbitration provision within 30 days of account opening or within 30 days of receiving this notice, whichever is sooner, including the following information:

- a. Your written notice must include: your name, as listed on your account, your account number, and a statement that you reject the Resolution of Disputes by Arbitration provision, and;
- b. You must send your written notice to us at Sovita Credit Union, Attention: Legal Department, P.O. Box 320830, Flint, Michigan 48532-0015

47. Consumer Member Wire Transfer Agreement. This Section 47 ("Section") shall govern your use of the Credit Union's Wire Transfer Services. By using the Credit Union to send a wire transfer, you agree to all of the following terms and conditions authorize the Credit Union, and the Credit Union agrees to honor, execute and charge to your designated Credit Union account(s), in-person requests by you for the wire transfer of funds ("Wire Transfers").

a. Security Procedures.

1. The Credit Union has established security procedures in connection with Wire Transfers ("Security Procedures"). The Security Procedures shall include, but not necessarily be limited to, the in-person presentation of a government-issued photographic identification. You agree to supply Credit Union, upon request, any information the Credit Union may reasonably request in connection with the Wire Transfer.
2. The Credit Union will reject any Wire Transfer request that cannot be verified as provided in this Section. You agree that any Wire Transfer request, or request for amendment to or cancellation thereof that is made pursuant to the Security Procedures set forth in this Section shall be conclusively deemed to be your instruction.
3. Except where otherwise required by law, you bear the risk of loss where Wire Transfer instructions are unauthorized or otherwise fraudulent as the direct or indirect action of a person you entrusted at any time with duties to act for you with respect to any Wire Transfer Instructions or applicable Security Procedures, or who obtained information facilitating a breach of the Security Procedures, regardless of how the information was obtained or whether you were at fault.
4. You acknowledge that the Security Procedures set forth in this Section, and as otherwise implemented by the Credit Union from time to time, will not detect errors in the transmission or content of the Wire Transfer instructions. You acknowledge and agree that you will strictly adhere to the Security Procedures as set forth in this Section, and as otherwise implemented by the Credit Union from time to time. You further acknowledge and agree that the Security Procedures set forth in this Section, and as otherwise implemented by the Credit Union from time to time, are commercially reasonable, and you shall be bound by any Wire Transfer instructions issued in your name and accepted by the Credit Union in good faith and in compliance with the Security Procedures set forth herein and as may otherwise be implemented by the Credit Union from time to time.

b. Wire Transfer Instructions.

1. You acknowledge and agree that you are responsible for ensuring that your Wire Transfer instructions are accurate, clear and correct. You agree that you shall be solely responsible for the discovery and identification of any errors contained within the Wire Transfer instructions and will advise the Credit Union of any such error. You further acknowledge and agree that the Credit Union is under no obligation to detect errors, inconsistencies or conflicts in any Wire Transfer instructions. Except where otherwise required by law, you bear the risk of loss where Wire Transfer instructions are ambiguous, inconsistent, unclear or incomplete.
2. You acknowledge and agree that if the Wire Transfer instructions identify the beneficiary by name and account number or some other identification number, such as a taxpayer identification number or driver's license number, the Credit Union may transfer funds to the beneficiary in reliance on the number provided to the Credit Union, even if the number identifies a beneficiary different from the one name in the Wire Transfer instructions. You further agree the Credit Union will not be liable for losses resulting from the beneficiary's financial institution paying the wrong person, even if the beneficiary's financial institution knew or should have known that the number and name referred to different persons. The Credit Union will not be liable if the beneficiary's financial institution does not accept the Wire Transfer or accepts it and then places the funds in a suspense or holding account due to the discrepancy and/or accepting and posting any Wire Transfer to an incorrect account, whether based on your instructions or for any other reason not directly attributable to the Credit Union's material breach of this Section.
3. In the event you discover an error in your Wire Transfer instructions, you must notify the Credit Union immediately. Unless otherwise required by law, Wire Transfer instructions are irrevocable and may be cancelled after issuance only with the Credit Union's prior written consent. The Credit Union will make reasonable attempts to correct any errors of which it is notified if such notification is made at a time and in a manner that gives the Credit Union a reasonable opportunity to act on the request before it carries out the Wire Transfer instruction, however, unless applicable law requires otherwise, the Credit Union will not be liable for any losses caused by errors or inaccuracies in your Wire Transfer instructions. The Credit Union reserves the right to decline to act upon any Wire Transfer instructions it believes are ambiguous, unclear, incomplete, unauthorized, fraudulent, or which the Credit Union believes fail to conform to the Wire Transfer service it offers.

c. Credit Union's Right to Reject Wire Transfer Instructions and/or Terminate Wire Transfer Services

1. You acknowledge and agree that the Credit Union has the right, in its sole and absolute discretion, to reject any Wire Transfer instructions, to set limits on the amounts you may wire, to impose conditions that must be satisfied before Credit Union will accept Wire Transfer instructions, to delay or suspend or cancel any Wire Transfer Instructions, and to refuse to provide Wire Transfer services on your behalf if:

- (a) if you fail to comply with Security Procedures or other Credit Union procedures;
- (b) if you are in default under this Section or any other agreement with the Credit Union;
- (c) if your account does not contain sufficient available funds for the Wire Transfer, or if your account is frozen or unavailable for any reason whatsoever;
- (d) if necessary in order to comply with the terms and conditions of this Section or applicable law or regulation;
- (e) if to carry out any Wire Transfer instruction would be unlawful, illegal or in contravention of the requirements of funds transfer system rule, regulatory or governmental authority or third-party service provider, or impose excessive cost or expense on the Credit Union;
- (f) if you are insolvent, in bankruptcy, or otherwise unable to pay your debts as they become due;
- (g) if the Credit Union is prevented by an event or circumstances outside of its control; or
- (h) if the Credit Union is unwilling or unable to provide Wire Transfer services to you for any other reason.

2. If the Credit Union decides to impose conditions on, cancel, delay or suspend any Wire Instruction, or otherwise determined it will not provide you with Wire Transfer services, the Credit Union will use reasonable efforts to notify you of such determination.

d. Time of Wire Transfer Requests. The Credit Union's Wire Transfer Department is open Monday through Friday (excluding holidays) between the hours of 9:30 a.m. and 5:30 p.m. Eastern Standard Time. Outgoing wire transfer requests received prior to 2:00 p.m. Eastern Standard Time (as observed in Flint, Michigan) will be processed on the same business day, if funds are available and Security Procedures (described below) are successfully completed. The Credit Union may, in its sole discretion, process Wire Transfer requests received after 2:00 p.m. on the same business day or the Credit Union may process such requests on the next business day. Incoming wire transfers received prior to 2:00 p.m. will be processed on the same business day.

e. Sufficient Funds. The Credit Union shall not be required to honor Wire Transfer instructions, unless you have sufficient available funds in your account to cover the amount of the Wire Transfer and service fees to be charged in connection with the Wire Transfer.

f. Cancellation of Wire Transfer Instructions.

1. You may ask the Credit Union to cancel any Wire Transfer and Credit Union will use reasonable efforts to comply with such request, provided the request is made at a time and in a manner that gives the Credit Union a reasonable opportunity to act on the request before it makes the Wire Transfer as you originally requested. Unless otherwise required by law, you acknowledge and agree that the Credit Union shall not be responsible and will have no liability for any loss resulting from any delay in handling any such request, or for Credit Union's inability for any reason to cancel any Wire Transfer request.

2. If you ask the Credit Union to recover funds that the Credit Union has already transferred in accordance with Wire Transfer instructions, the Credit Union may do so in its sole discretion, however the Credit Union shall be under no obligation to seek recovery of funds. If the Credit Union agrees to attempt to recover funds, it will take such action as it deems reasonable under the circumstances, however in no event will Credit Union be deemed to have guaranteed or otherwise assured the recovery of any funds transferred, nor to have accepted responsibility for any amount transferred before Credit Union received and had time to act upon the request to cancel the Wire Transfer.

g. Recurring Wire Transfers. Recurring Wire Transfers are Wire Transfers initiated on a scheduled basis as instructed by the Member. Recurring Wire Transfer authorizations shall continue and remain in full force and effect until Credit Union has received written notice from you revoking such recurring Wire Transfers in a form acceptable to Credit Union, and in a time and manner sufficient to provide Credit Union with a reasonable opportunity to act upon it.

h. International Transfers.

1. Wire transfers may be either domestic or international, provided, however, international wire transfers may not be sent through or into any country in violation of U.S. Laws.

2. Domestic wire transfers will settle only in U.S. Dollars. International wires may be in a foreign currency if accepted at our discretion. You will be responsible to ensure that the proper foreign currency is available and may be obtained through the Credit Union.

3. If you elect to initiate an international wire transfer in U.S. Dollars, you acknowledge and agree that the receiving financial institution may elect to pay the beneficiary in foreign currency at an exchange rate determined by the receiving financial institution. You agree to pay the Credit Union any costs and expenses of foreign currency conversion at the Credit Union's then-prevailing rates, terms and conditions.

4. With respect to any transfer to a beneficiary in a foreign country, you consent to conversion of the funds into foreign currency by the Credit Union, any correspondent bank or intermediary bank, the beneficiary's bank, or any other third party reasonably involved in the completion of the transfer, at conversion rates generally applied by that converting party. The Credit Union may, in its discretion, execute the transfer request in the currency of the country of the beneficiary's financial institution at either the Credit Union's buying rate of exchange for U.S. dollar transfers or the exchange rate of the beneficiary's institution. If the transfer is returned for any reason, you agree to accept the refund in U.S. dollars in the amount of the foreign money credit, based on the current buying rate on the date of the refund, less any charges and expenses incurred by the Credit Union.

5. You agree that you will bear all risk of loss due to fluctuation in exchange rates. You agree to pay the Credit Union any costs and expenses of foreign currency conversion at the Credit Union's then-prevailing rates, terms and conditions.

6. International wire transfers are subject to any and all applicable regulations and restrictions of U.S. and foreign governments relating to foreign exchange transactions. The Credit Union has no obligation to accept any international Wire Transfer requests directed to or through persons, entities or countries restricted by government regulation or prior Credit Union experience with particular countries. Except as may otherwise be required by law, you agree to release and hold the Credit Union harmless from any loss or liability which you may incur after the Credit Union has executed the international Wire Transfer, including, but not limited to, any loss due to failure of a foreign financial institution or intermediary to deliver funds to a beneficiary, or errors, delays or defaults in the transfer of any messages in connection with an international Wire Transfer by any means of transmission.

7. In some cases, international funds transfers are considered "Remittance Transfers" and are governed by Regulation E. Please see "Your Regulation E Rights Regarding Remittance Transfers" below for special provisions related to "Remittance Transfers"

i. Release and Indemnification of Credit Union. You agree to release, indemnify and hold harmless Credit Union, its directors, officers, employees and agents ("Credit Union Indemnitees") from any and all claims, causes of action, damages, demands, judgments and expenses (including attorneys' fees), liabilities and other losses of any kind incurred by or asserted against the Credit Union Indemnitees in any way resulting from, relating to or arising out of the Wire Transfer services provided by Credit Union, the provision of invalid or inaccurate data or instructions by you or anyone else acting on your behalf, or any acts or omissions by you or any third party or otherwise, except to the extent that such claims or losses are the direct result of the Credit Union's gross negligence and/or willful misconduct. You acknowledge and agree that this Section shall survive the termination, changes, or assignment to your accounts or any related services.

j. Limitation of Liability. You agree that the Credit Union, in following applicable Security Procedures, shall be entitled to accept and rely on any representation made by you. THE CREDIT UNION SHALL BE UNDER NO OBLIGATION TO MAKE ANY INQUIRIES IN ORDER TO VERIFY OR CONFIRM ANY SUCH REPRESENTATION OR TO ASSURE THAT ANY FUNDS OF MEMBER ARE IN FACT APPLIED OR USED FOR THE PURPOSES SO REPRESENTED OR FOR ANY OTHER PROPER PURPOSE. THE CREDIT UNION SHALL IN NO EVENT BE RESPONSIBLE OR HELD LIABLE FOR ANY MISAPPLICATION OR MISUSE OF ANY FUNDS OR OTHER PROPERTY OF THE MEMBER TRANSFERRED OR DISPOSED OF PURSUANT TO ANY AUTHORITY GRANTED HEREIN. IN NO EVENT WILL CREDIT UNION BE LIABLE FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF ANTICIPATED PROFITS OR OTHER ECONOMIC LOSS IN CONNECTION WITH OR ARISING OUT OF THE PERFORMANCE OR FAILURE OF PERFORMANCE OF WIRE TRANSFER SERVICES HEREUNDER, NOR SHALL THE CREDIT UNION BE LIABLE FOR THE INSOLVENCY, NEGLIGENCE, MISCONDUCT, MISTAKE OR DEFAULT OF ANOTHER FINANCIAL INSTITUTION OR PERSON INITIATING OR COMPLETING WIRE TRANSFER TRANSACTIONS.

k. Fees and Charges. The Credit Union may charge your account(s) Wire Transfer fees in accordance with its Fee Schedule and may reimburse itself by debits to your account(s) for any direct charges incurred by Credit Union in connection with Wire Transfers, including, but not limited to, charges from third parties, transmission charges, transfer fees, international wire transfer charges, and other similar charges. The Credit Union specifically reserves the right to change the fees set forth on its Fee Schedule from time to time.

l. Compliance with Laws. By using Wire Transfer services, you represent and warrant that are not subject to sanctions by the Office of Foreign Assets Control (OFAC). In accordance with OFAC rules, the Credit Union reserves the right to check the names of current and new members against the OFAC database, and block and/or reject transactions until the Credit Union is satisfied that you, or any of your beneficiaries, guarantors, co-signers and/or receiving parties are not subject to OFAC sanctions. You represent and warrant you will promptly notify the Credit Union if you or any of your beneficiaries, guarantors, co-signers and/or receiving parties has been, are now or ever become subject of OFAC sanctions.

m. Notices. Any notice you and/or Credit Union is required or permitted to give under this Section shall be in writing, sent via email to the following addresses: If to Credit Union, to P.O. Box 320830, Flint, MI 48532-0015; If to you, to your mailing address as shown on the Credit Union's records. You understand and agree that you have the responsibility to inform the Credit Union of any change to your mailing address and/or other contact details. Undeliverable mail attempts may cause the Credit Union to suspend your ability to initiate Wire Transfers until such time as a valid mailing address is provided. The Credit Union is not liable for any third-party incurred fees, other legal liability or any other issues or liabilities arising from notifications sent to an invalid mailing address provided by you.

n. Force Majeure. The Credit Union shall not be liable for failure to perform, delays or errors that occur by reason of acts of civil or banking authorities, national emergencies, labor difficulties, acts of God, insurrection, war, power supply failure, malfunctions or unavoidable difficulties with the Credit Union's Wire Transfer equipment, delays, or failure to act by any carrier and/or agent Credit Union may use to perform Wire Transfer services or any other cause of condition beyond the Credit Union's control.

o. Governing Law. The sending of Wire Transfers shall be governed by the laws and regulations of the state of Michigan, including Article 4A of the Uniform Commercial Code, as adopted in Michigan. In all cases, the sending of Wire Transfers shall be governed by the laws and regulations of the United States. All Wire Transfer instructions issued to Credit Union shall be subject to the rules and regulations of any funds transfer system used by the Credit Union, and where applicable, Regulation J.

p. Amendments and Modifications. The Credit Union may amend, change or modify the terms and conditions contained in this Section by providing notice to you. By delivering Wire Transfer instructions to Credit Union on or after 30 days following the date of such notice, you will be conclusively deemed to have agreed to any such amendment, change or modification.

q. Your Regulation E Rights Regarding "Remittance Transfers".

1. Your Regulation E Rights. Special provisions of the federal Consumer Financial Protection Bureau's Regulation E govern certain outgoing electronic international transactions initiated by consumers that are defined as "remittance transfers". Included within the definition of a remittance transfer are wire transfers of funds from any of your accounts with us that we may permit you to make under this Section to third parties who are located, or whose accounts are located, in foreign countries. Among other things, this means that when you request a remittance transfer:

- (a) You will receive specific disclosures about the details of the requested transfer before you will be permitted to complete the transfer.
- (b) The Credit Union will send you a special receipt containing additional information after you have made the transfer.

- (c) You have certain cancellation and refund rights in connection with these transfers if you change your mind within 30 minutes after making payment and the funds have not already been picked up or deposited into the recipient's account.
- (d) You have certain rights if you suspect an error or problem with a remittance transfer.
- (e) Certain provisions of this Section, which limit our liability to you or make you responsible for losses in certain circumstances, do not apply and the responsibility and liability of the Credit Union and you are instead governed by the Regulation E remittance transfer rules ("Regulation E Rules"). Among other things, the Regulation E Rules provide that if you give the Credit Union the incorrect account number or recipient institution identifier, you could lose the transfer amount.
- (f) There may be other provisions of this Section that are inconsistent with certain rights or responsibilities of you or the Credit Union under the Regulation E Rules. In the event of any such inconsistency, the Regulation E Rules will control, and this Section will be deemed modified so as to be consistent with the Regulation E Rules, without affecting the validity of any other terms and conditions of this Section.

2. What to do if you want to cancel a remittance transfer. You have the right to cancel a remittance transfer and obtain a refund of all funds paid to the Credit Union, including any fees. To cancel, you must contact the Credit Union at (800) 369-2786 within 30 minutes of making payment for the transfer. When you contact the Credit Union, you must provide us with information to help us identify the transfer you wish to cancel, including the amount and location where the funds were to be sent. The Credit Union will refund your money within three business days of your request to cancel a transfer, as long as the funds have not already been picked up or deposited into the recipient's account.

3. What to do if you think there has been an error or problem with a remittance transfer. You can call us toll free at (800) 369-2786, or write to us at Sovita Credit Union, P. O. Box 320830, Flint, MI 48532-0015. You must contact us within 180 days of the date the Credit Union promised that the funds would be made available to the recipient. When you contact us, you must provide us with the following information:

- (a) Your name and telephone number or address;
- (b) The error or problem with the transfer and why you believe it was an error or problem;
- (c) The name of the person receiving the funds, and if you know it, his or her telephone number or address;
- (d) The dollar amount of the transfer; and
- (e) The confirmation code or number of the transaction.

The Credit Union will determine whether an error occurred within 90 days after you contact us, and we will correct any error promptly. We will tell you the results within three business days after completing our investigation. If we determine that there was no effort, we will send you a written explanation. You may ask for copies of any documents we used in our investigation.

4. Exclusions from Regulation E. Because the Credit Union utilizes commercial wire systems to send these types of remittance transfers, they are not classified as "electronic fund transfers" under Regulation E, and therefore the "Disclosure Pursuant to Electronic Fund Transfer (EFT) Laws" and any provisions of the Membership and Account Agreement with respect to "electronic fund transfers" do not apply. Outgoing and incoming domestic wires within the United States and international wires into your U.S. accounts are not subject to the Regulation E remittance transfer rules, and further, are generally not subject to the "Disclosure Pursuant to Electronic Fund Transfer (EFT) Laws".