

MEMBERSHIP / ACCOUNT AGREEMENT FOR BUSINESSES AND OTHER ENTITIES

This is the Agreement between you (the member) and Sovita Credit Union (hereinafter "Credit Union"), a Michigan state-chartered credit union whose principal place of business is located at 4411 Calkins Road, Flint, Michigan, 48532 regarding your business accounts with the Credit Union. By establishing an account with the Credit Union through a membership card that makes reference to this Agreement, you agree that this Agreement is a binding contract between you and the Credit Union.

This Agreement is designed to allow certain businesses and other entities as more fully described below to join the Credit Union and to obtain various financial products and services offered by the Credit Union. For purposes of this Agreement, a sole proprietorship is regarded as a "business" even though it is one and the same as its owner as opposed to being a distinct entity.

You should retain a copy of this Agreement and feel free to call the Credit Union if you have any questions. This Agreement also includes certain disclosures required under Federal Reserve Board Regulation D, and Uniform Commercial Code Article 4A. Throughout this Agreement, the words "you," "your," "organization," and "business" mean the business or other entity that has signed a Membership Card which makes reference to this Agreement. The words "we," "our," "us," and "Credit Union" mean the Credit Union.

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.

Membership Eligibility. If your business is a sole proprietorship, you may open an account for it and maintain the account as long as you are a member of the Credit Union. A business or other entity that is not a natural person is eligible for membership in the Credit Union if on its own it qualifies for membership or if its shareholders, partners, owners, or members are composed primarily of persons who are within the field of membership of this Credit Union.

Documentation. No organization, incorporated or otherwise, shall be eligible for membership in the Credit Union without substantiating its legal existence, to the reasonable satisfaction of the Credit Union, by providing such documentation as the Credit Union may, from time to time, require, and such Resolutions as may be required by the Credit Union. We reserve the right to require that you provide, and you agree to provide, any such documentation at any time. The Credit Union reserves the right to refuse membership to an organization when such organization is not properly registered with the State of Michigan.

While the individuals who comprise an organization, incorporated or otherwise, shall not be joint owners on an account created for the organization, each of the individuals signing the Business Membership Card as a Guarantor personally guarantees any obligation created by the organization owing to the Credit Union.

In addition to a Business Share account, the Credit Union will make various types of financial products and services available to businesses and other organizations. These products and services are subject to change at any time and you may not be eligible for all products and services offered by the Credit Union.

You understand and agree that the Credit Union may distribute funds pursuant to the terms of the most recently dated Resolutions or other authorizing document on file at the Credit Union, and the organization and all persons who make any representation to the Credit Union concerning the Resolutions or other such document forever indemnify and hold the credit union harmless for distributions made in good faith pursuant to those Resolutions or other document. You further agree that it is your responsibility to notify the Credit Union when the terms of those Resolutions or other documents have been revoked, rescinded, revised, or in any way modified.

Becoming a Member. For an organization to become a member of the Credit Union, the organization must complete a Business or Other Entity Account Signature Card / Resolution and a Business / Other Entity Membership Card, both of which are incorporated into this Agreement by reference, and open a Business Share Account. The basic share deposit that you must always keep in your Business Share Account is \$5.00. If you are opening an account for a sole proprietorship, you must complete a Sole Proprietorship Membership (Account) Card, which is incorporated into this Agreement by reference.

Business Share Account

Deposits Generally. After you have established your Business Share Account, you may make additional deposits into that account, or establish other types of accounts as described herein, at any time and in any amount. This account is not transferable except on the Credit Union's books and records. Your interest in a Business Share Account cannot be used as collateral for a loan with another financial institution unless we consent in writing and the transfer is reflected in our records. We may establish minimum amounts for deposits in your Business Share Account. You can make deposits in person, by mail, or by any other means established by the Credit Union.

Withdrawing Money from Your Business Share Account. As long as you have money in your account, and subject to any applicable state or federal laws and regulations, money can be withdrawn from your account by any method approved by the Credit Union. 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.

Transaction Limitations. You may not make during any calendar month more than six withdrawals or transfers to another credit union account of yours or to a third party by means of preauthorized or automatic transfer or telephonic order or instruction. If you exceed the transfer limitations set forth above in any calendar month, your account will be subject to a per item fee as set forth in the Business Account Fee Schedule and/or the account may be restricted to in person activity only.

Funds Availability. If you make a non-cash deposit, that money may not be available to you right away. Our Funds Availability Policy does not apply to this account since it is not a "transaction" account.

Fees. We will not be liable for refusing to pay items presented if, at any time, fees or charges leave insufficient available funds in your account to cover the items.

You agree to pay any applicable monthly maintenance charges, plus our current service charges, for each separate activity engaged in during the month. These charges may be changed at any time and from time to time by us with 30 days advance notice. These charges are set forth in our Business Account Fee Schedule.

Dividends. The Credit Union generally pays dividends on its Business Share Accounts. However, it may choose not to pay dividends for a calendar quarter if market rates for that given calendar quarter are such that the dividend amount that would be paid at then current market rates would not be meaningful. Dividends, if paid, are paid on a quarterly basis each calendar quarter. If you make a deposit by authorizing us to receive funds from another account (for example, from a savings account at another credit union or bank), that deposit will not earn dividends or be available to you until we actually receive the funds.

Business Checking Account

Deposits Generally. After you have established your Business Checking Account, you may make additional deposits into that account at any time and in any amount subject to the terms of this Agreement. The account is not transferable except on the Credit Union's books and records. Your interest in a Business Checking Account cannot be used as collateral for a loan with another financial institution unless we consent in writing and the transfer is reflected in our records. You can make deposits in person, by mail, or by any other method approved by the Credit Union. There is no minimum deposit for your Business Checking Account, but we may from time to time establish minimum amounts for deposits in the account.

Minimum Balance. You must maintain a basic membership share of \$5.00 on deposit in your Business Share Account to retain a Business Checking Account. We may establish a minimum balance requirement for a Business Checking Account, and we reserve

the right to adjust the minimum balance requirements from time to time. If you do not maintain any such required minimum balance, we may charge you a maintenance fee as described in the Business Account Fee Schedule.

General Checking Terms. In addition to the other terms set forth in this Agreement it is agreed that:

- Only checks and other methods approved by Credit Union may be used to withdraw funds from the account. 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.
- All non-cash payments received in this account will be credited subject to final payment.
- The front side of all checks shall at a minimum contain the legal or "doing business as" name of the Business or other entity
- Credit Union is under no obligation to pay a check that exceeds the available balance in the account; however Credit Union may pay such a check in accordance with the Overdraft (NSF Transactions) provisions below.
- Credit Union is under no obligation to pay a check that is over six (6) months old, but may at its option pay such a check without notice to you.
- Except for negligence, the Credit Union is not liable for any action it takes regarding the payment or non-payment of a check
- Any electronic debit initiated by a third party against this account is deemed authorized by any signatory if the signatory voluntarily gives the third party information about the account and the Credit Union's routing number other than by delivery of a fully completed check to the payee of the check. You may use information from your check to initiate a one-time electronic fund transfer from your account. If you pay for something with a check you may authorize your check to be converted to an electronic fund transfer. You may also authorize merchants to electronically debit your account for returned check fees. You are considered to have authorized these electronic debits if you complete the transaction after being told (orally or by a notice posted or sent to you) that the transfer may be processed electronically or if you sign a written authorization.
- Credit Union reserves the right to pay items drawn against the account in any order.
- The use of the Business Checking Account is subject to other terms, conditions and requirements as the Credit Union may establish from time to time.

Transaction Limitations. There are no transaction limitations on a Business Checking Account.

Dividends. The Credit Union generally pays dividends on its Business Checking Accounts. However, it may choose not to pay dividends for a calendar quarter if market rates for that given calendar quarter are such that the dividend amount that would be paid at then current market rates would not be meaningful. Dividends, if paid, are paid on a quarterly basis each calendar quarter. If you make a deposit by authorizing us to receive funds from another account (for example, from a savings account at another credit union or bank), that deposit will not earn dividends or be available to you until we actually receive the funds. .

Funds Availability. Funds shall be made available to you in accordance with our Funds Availability Policy as disclosed. You hereby acknowledge receipt of our Funds Availability Policy disclosure.

Fees. We will not be liable for refusing to pay items presented if, at any time, fees or charges leave insufficient available funds in your account to cover the items.

You agree to pay any applicable monthly maintenance charges, plus our current service charges, for each separate activity engaged in during the month. These charges may be changed at any time and from time to time by us with 30 days advance notice. These charges are set forth in our Business Account Fee Schedule.

Overdrafts (NSF Transactions). The Credit Union is under no obligation, unless it has contracted to the contrary, to pay a check you have written or honor any other transaction that you initiate if it would result in this Business Checking Account being overdrawn (a withdrawal transaction against your Business Checking Account when insufficient available funds are on deposit in the account is known as an "NSF Transaction"; in some cases we may refer to it as an overdraft). Please refer to the "Your Liability for Overdrafts" section for important information concerning how the Credit Union calculates your available balance and fees associated with overdrawing your account. All individuals who are personally liable on this account are jointly and severally liable to repay the Credit Union the amount of any overdraft and service charges, regardless of who writes the check or otherwise initiates the transaction that creates an overdraft.

Drafts; Statements. Your cancelled checks will not be returned to you; they will become Credit Union property and be held by us ("truncated") for you. They may also be truncated earlier in the check clearing process, such as by the bank into which the payee deposits them. This may be done either pursuant to a contractual electronic presentment process or under a federal law commonly referred to as "Check 21." Your monthly statement will itemize your cancelled checks by number, date of clearing and the amount of the check. Any objection respecting any item shown on a periodic statement is waived unless made in writing to the Credit Union

before the end of sixty (60) days after the statement is mailed or any lesser time specified in this Agreement where such a provision is applicable. A copy of any check will be available to you as required by law. There may be a small fee to obtain a copy of a check.

Stop Payments.

Stop Payment Order Request. Any authorized signer may request a stop payment order on any check drawn on your account. To be binding, a stop payment order must be dated, signed, and describe the account and check 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 check, and its exact amount. You understand that the exact information is necessary for the Credit Union's computer to identify the check. If you give us incorrect or incomplete information, we will not be responsible for failing to stop payment on the check. 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 check. If we re-credit your account after paying a check 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.

Duration of Order. A 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.

Liability. Fees for stop payment orders are set forth on the Business Account Fee Schedule. You generally may NOT stop payment on any certified check, teller's check or any other check, draft, or payment guaranteed by us. Even if payment of such an item is 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 attorney's fees, damages or claims related to our refusing payment of an item, including claims of any multiple party, account owner, payee, or endorser because of the Credit Union failing to stop payment of an item as a result of incorrect information provided by you.

Check Legends. We will not be responsible for, and you hereby waive any losses or costs you incur as a result of, the payment by us of any check that contains any extraneous legends, for example, "void after 60 days," unless we agree otherwise.

Automated Processing. You recognize that Credit Union has adopted automated collection and payment procedures that rely primarily upon information encoded on to each item in magnetic ink. In recognition of this fact you agree that in paying or processing an item, Credit Union may disregard all information on the item other than the identity of the drawee bank, the amount of the item, and any information encoded onto the item in magnetic ink according to general banking standards, whether or not that information is consistent with any other information on the item. You acknowledge that the Credit Union does not fail to exercise ordinary care in paying an item solely because its procedures do not provide for sight review of items.

Business HI-FI Account

Deposits Generally. After you have established your Business HI-FI Account, you may make additional deposits into that account, at any time and in any amount subject to the terms of this Agreement. This account is not transferable except on the Credit Union's books and records. Your interest in a Business HI-FI Account cannot be used as collateral for a loan with another financial institution unless we consent in writing and the transfer is reflected in our records. We may establish minimum amounts for deposits in your Business HI-FI Account. You can make deposits in person, by mail, or by any other means established by the Credit Union.

Withdrawing Money from Your Business HI-FI Account. As long as you have money in your account, and subject to any applicable state or federal laws and regulations, money can be withdrawn from your account by any method approved by the Credit Union. 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.

Transaction Limitations. You may not make during any calendar month more than six withdrawals or transfers to another credit union account of yours or to a third party by means of preauthorized or automatic transfer or telephonic order or instruction. If you exceed the transfer limitations set forth above in any calendar month, your account will be subject to a per item fee as set forth in the Business Account Fee Schedule and/or the account may be restricted to in person activity only.

Funds Availability. If you make a non-cash deposit, that money may not be available to you right away. Our Funds Availability Policy does not apply to this account since it is not a "transaction" account.

Fees. We will not be liable for refusing to pay items presented if, at any time, fees or charges leave insufficient available funds in your account to cover the items.

You agree to pay any applicable monthly maintenance charges, plus our current service charges, for each separate activity engaged in during the month. These charges may be changed at any time and from time to time by us with 30 days advance notice. These charges are set forth in our Business Account Fee Schedule.

Interest. The Credit Union pays interest on its Business HI-FI Accounts. Interest is paid on a monthly basis at the end of each calendar month at a rate determined weekly. If you make a deposit by authorizing us to receive funds from another account (for example, from a savings account at another credit union or bank), that deposit will not earn interest or be available to you until we actually receive the funds.

Other Types of Business Accounts

The Credit Union may make other types of accounts available to you from time to time. Such other accounts may either incorporate the terms and conditions of this Agreement or be offered as free-standing arrangements, such as a Certificate of Deposit that contains all of its terms and conditions on the certificate form itself.

Electronic Fund Transfer Services

If you have applied (by indicating as such on the Business or Other Entity Membership Card or otherwise) to receive a Debit Card or other electronic fund transfer services, you hereby request that the Credit Union provide you with electronic fund transfer (EFT) services that are authorized by the individuals you have designated as authorized users on the accounts established by and for your business entity at the Credit Union, and the provisions set forth in the Electronic Fund Transfer Services Supplement to Agreement (which appear at the end of the Agreement) apply.

Other Terms and Conditions

Credit for Deposits. All deposits are subject to proof and verification. If you deposit a check, draft or other non-cash item, we have the right to clear it before we make the money available to you subject to applicable federal regulations. If there are fees for collecting your deposit, you promise to pay them. We may deduct them directly from your account. If we feel there is a reason, we may refuse, limit or return any deposit. We have the right to refuse to accept any deposit and we specifically reserve the right to refuse to accept checks for deposit that have more than one endorsement. We reserve the right not to pay dividends or interest on amounts subject to garnishment, levy or other legal process and to assess a fee for processing a garnishment, levy or other legal process; and we reserve the right not to pay dividends or interest on any deposit that is returned to us unpaid by the financial institution on which it is drawn (even if that means a reversal of credited dividends or interest). Your account will be charged for any check or other deposited item that is returned or is uncollectible for any reason. You will not receive notice before such a charge is made. We will notify you after your account has been charged either with a separate notice or on your next periodic statement.

We may require all items presented for deposit, including items payable to cash or bearer, to be endorsed in our presence by the person depositing them. We may in our sole discretion supply any missing endorsements on items deposited into your account.

All negotiable instruments presented for deposit must be in a format that can be processed and/or photographed. The Credit Union may refuse to accept any check or draft that does not meet this requirement. All endorsements placed on the reverse side of any check or draft which you deposit to your account must be placed so that they are on the left side of the item when looking at it from the front and must be placed so they do not go beyond an area located 1 and ½ inches from the left edge of the item when looking at it from the front. The Credit Union may refuse to accept any item that does not meet this requirement, and, if the Credit Union does accept it, you agree that you are completely responsible for any loss we incur which is premised on an endorsement not meeting this requirement or requirements of the Uniform Commercial Code as adopted in Michigan. "Loss" for this purpose shall include any court costs and reasonable attorneys' fees related to the loss.

Any item presented to the Credit Union that is made payable to the business or other organization must be deposited into one of your accounts in full. If you wish to obtain cash, you must do so as a separate withdrawal transaction.

Signatures. We may accept for deposit all checks, drafts, notes or other instruments signed or endorsed in writing, whether by rubber stamp or any other means. We may pay and charge your account for all checks, drafts or other items bearing your signature, or the facsimile signature(s) you designate, whenever they resemble the specimen furnished by you, regardless of by whom or by what means the actual or purported facsimile signature may have been affixed. The Credit Union shall not be responsible for any loss incurred as a result of our acting upon or executing any request, order or instruction we believe to be genuine. Furthermore, Credit Union may refuse to execute any facsimile request or order.

Your Liability for Overdrafts.

A. General.

1. What Does it Mean to Overdraw Your Account? “Overdrawing” your account means that there are not sufficient available funds (as described in Section C below) in your account to pay for a transaction, resulting in a negative or “overdrawn” balance. Some transactions that can result in an overdraft in your account include, but are not limited to:

- the payment of checks, ACH transactions, electronic fund transfers, telephone-initiated transactions, preauthorized payments under our Bill Payment Service, debit card transactions, or other withdrawal requests authorized by you;
- the return (unpaid) of items deposited by you;
- the assessment of service charges by us; or
- the deposit of items that are treated as not yet “available” according to our Funds Availability Policy.

2. What Happens if the Credit Union Refuses to Pay the Item? If you overdraw your account, we may return the item unpaid, commonly known as a return for “non-sufficient funds” or “NSF”. It is important to understand that the Credit Union has no control over how many times an intended payee will resubmit an item to us for payment. When we return an item unpaid, we will assess you an NSF Fee each time the item is presented to us for payment. There is no limit on the number of NSF Fees we may assess against your account. NSF items are described in more detail in Section D.

3. What Happens if the Credit Union Pays the Item? If you overdraw your account, and you have elected to participate in our overdraft protection plan which we call “Overdraft Transfer Service”, then we may pay the item. Please refer to Section B below for information concerning our Overdraft Transfer Service.

If you have not elected to participate in our Overdraft Transfer Service, or if you have elected to participate in our Overdraft Transfer Service but your designated account does not contain sufficient available funds to make the transfer, your transactions will be declined for non-sufficient funds. Please refer to Section B below for a complete description of our Overdraft Transfer Service.

4. Your Obligation to Keep Records of Your Transactions. You are responsible for keeping track of the funds in your account that are available for you to use before you write a check, preauthorize a payment under our Bill Payment service, authorize an ACH transaction, make a cash withdrawal at an ATM, or use your debit card for a transaction. Among other things, you should keep a running balance that reflects all of your transactions. It is imperative that you keep track of the transactions you may have authorized (such as outstanding checks or automatic bill payments), as your available balance (discussed in more detail below) may not reflect these transactions until they are paid from your account.

B. Overdraft Transfer Service.

1. Overdraft Transfer Service. We offer an overdraft protection plan that we refer to as our “Overdraft Transfer Service” where funds from a linked share account are used for overdraft protection. With this service, you authorize us to make transfers of available funds automatically from your share account, plus the overdraft transfer fees, to cover overdrafts in your share draft account. Each transfer counts as one of the six (6) limited transactions you are allowed each month from your share account. To terminate the Overdraft Transfer Service: (1) call us at (800) 369-2786; (2) visit any branch and speak with a Member Service Representative; or (3) mail a request to us at Sovita Credit Union, 4411 Calkins Road, P.O. Box 320830, Flint, MI 48532-0015.

Overdrafts paid pursuant to the Overdraft Transfer Service are subject to a per-item Overdraft Transfer Fee as set forth in the Fee Schedule.

If you decline or terminate the Overdraft Transfer Service, and there are insufficient available funds in your share draft account to pay an item, your item will not be paid unless it was a previously authorized everyday debit card transaction (discussed below). The items will be returned, and an NSF fee will be charged, **each time an item is presented for payment and returned unpaid due to an insufficient available balance.** It is important to remember that we have no control over how many times an intended payee may present the same item for payment. Multiple presentations of the same item will result in multiple fees. Transfers will appear on your periodic statements for each applicable account.

2. Limits on Overdraft Transfer Service. We will not transfer more than the available account balance in designated linked account if the amount of the overdraft and related fee(s) exceed the available amount. If the available balance in a designated linked account is not enough to pay the full amount of the transaction(s) you have initiated on any day plus the Overdraft Transfer Fee(s), we will transfer up to the available balance to pay one or more transactions, plus the applicable fee for each item. Any

transactions that are not paid by the transfer will either be returned, and Overdraft Transfer Fees and/or NSF Fees, as applicable, will be assessed.

3. We May Return Items Unpaid. We are not obligated to pay any item presented for payment if your account does not contain sufficient available funds. If we do not authorize and pay an overdraft, then we will decline or return the transaction or item unpaid and charge a related NSF Fee as stated in our Fee Schedule. You are responsible for ensuring that your account includes sufficient available funds to pay the transactions you initiate or authorize when they are processed for payment from your account, and you also acknowledge that the timing of when merchants or payees submit transactions to us for payment may vary.

If your account does not have sufficient available funds when a transaction or item is presented to us for payment and, as a result, returned unpaid, the merchant or payee of your transaction or item may choose to resubmit the same transaction, and may do so multiple times. In the event a transaction or item is resubmitted for payment at a time when your account lacks sufficient available funds to pay it and we decline it, we will charge a related NSF Fee each time that same transaction is returned unpaid.

4. Termination of Overdraft Transfer Service. We may terminate the Overdraft Transfer Service at any time with or without notice to you. Any owner of the share draft account or any owner of a linked share account used for overdraft protection may decline the Overdraft Transfer Service. To terminate the Overdraft Transfer Service: (1) visit any branch and speak with a Member Service Representative; or (2) mail notice of your decision to decline the Overdraft Transfer Service to us at Sovita Credit Union, 4411 Calkins Road, P.O. Box 320830, Flint, MI 48532-0015. Your election to decline will be effective after we have received notice and have had a reasonable time to act on it.

C. Your Available Balance.

1. Actual Balance Versus Available Balance. Your share draft account has two kinds of balances: the “actual” balance and the “available” balance. Both can be checked when you review your account online, by phone, or at any branch (however only your actual balance is displayed at Credit Union owned ATMs). It is important to understand how these two balances work so that you know how much money is available to you in your account at any given time. This section explains actual and available balances and how they work.

2. 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. While the term “actual” may sound as though the number you see is an up-to-date indication of what is in your account that you can spend, that is not always the case because any purchases, holds, fees, other charges, or deposits made on your account that have not yet posted will not appear in your actual balance. For example:

- assume you have a \$50 actual balance, but you just wrote a check for \$40, then your actual balance is \$50 but it does not reflect the pending check transaction. Though your actual balance is \$50, you have already spent \$40.

3. Your “Available Balance”. 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.

4. Your Available Balance and Non-Debit Card Transactions. For electronic funds transfers (ACH), checks, bill payments, and any other non-debit card transactions, we use your available balance at the time a transaction posts to determine whether your account is overdrawn and whether a fee will be assessed. For information on how your available balance works with respect to debit card transactions, please see Section D.

D. Authorization Requests for Debit Card Transactions.

1. What is an Authorization Request? When you use your debit card to pay for goods or services, the merchant may seek preauthorization from us for the transaction. When we preauthorize the transaction, we commit to make the requested funds available when the transaction finally posts. Some financial institutions will place a temporary hold against some or all of the funds in the account linked to your debit card, based on the amount of the preauthorization request from the merchant. This temporary hold as an “authorization hold,” and the amount of the authorization hold will be subtracted from your available balance as authorization requests are received throughout each day. **We do not place such temporary holds against your account when we receive an authorization request from a merchant. If we approve an authorization, it does not affect your available balance until that transaction actually settles to your account.**

2. The Amount of an Authorization Request May Differ From the Amount of the Actual Transaction. It is important to keep in mind that the amount requested by a merchant at authorization may differ from the actual amount of the transaction because the actual transaction amount may not yet be known to the merchant when the authorization request is submitted. For example, this can happen in connection with transactions where your debit card is authorized before your actual transaction amount is known, such as at a restaurant (where you may choose to add a tip to the transaction amount) or a gas station. We cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for payment.

3. Your Available Balance and Debit Card Transactions. Everyday debit card transactions are processed against your account at two different times: first, when the transaction is authorized, and again when the transaction actually settles to your account, usually days later. This delay between the time a particular transaction is authorized and when it actually settles to your account is solely within the control of the merchant and its processor. The Credit Union has no control with respect to the time period that elapses between the time a merchant seeks authorization and finally submits the transaction for settlement.

For debit card transactions, we use your available balance at the time a transaction settles to your account to determine if each specific transaction will overdraw your account and whether a fee will be assessed. It is important to remember that your available balance may not reflect all of your transactions.

It is important to understand that even if you have sufficient available funds in your account at the time the transaction is authorized, it is possible that the settlement of the transaction may result in an overdraft to your account, and the incurring of a fee. The two most common scenarios are as follows:

- **Example 1: Purchase transactions where the final amount is initially unknown.** The most common examples of a purchase transaction where the final amount is initially unknown are gas station purchases, restaurant charges, hotel and car reservations. In such cases the transaction will be communicated to the Credit Union for authorization in one amount, but when the transaction actually settles your Account it does so for a greater amount. For example, if you use your debit card to pay at the pump for a gasoline purchase, you typically must utilize your debit card before operating the pump. The Credit Union may receive an authorization request in the amount of \$15.00. At the time of the authorization request, the available balance in your account is \$30.00, so the Credit Union approves the authorization request. You proceed with the transaction, and purchase gasoline totaling \$40.00. When that transaction actually settles to your Account in the amount of \$40.00 as opposed to the \$15.00 that was authorized, the available balance in your Account is not sufficient to cover the settlement of the preauthorized transaction. Accordingly, the Credit Union's payment of the preauthorized transaction results in an overdraft, and you may incur a fee.
- **Example 2: Purchase transactions where intervening items paid between authorization and settlement result in the overdrafting of your Account.** Assume the same gas station scenario as described in Example 1, except that you purchase gasoline totaling just \$15.00, so the authorized amount of the transaction is the same as the settlement amount of the transaction. However, between the day the transaction was authorized and the day the transaction settles to your account, a check you wrote in the amount of \$30.00 is presented for payment. The Credit Union pays the item, taking your account balance to \$0. When the \$15.00 gas station transaction actually settles to your account, the available balance in your account is not sufficient to cover the settlement of the preauthorized transaction, even though the settlement amount of the transaction is the same as the preauthorized amount of the transaction. Accordingly, the Credit Union's payment of the preauthorized transaction results in an overdraft, and you may incur a fee.

For debit card transactions involving merchant authorization requests, we look at the available balance at the time a transaction is settled to determine whether the transaction will result in an overdraft and a fee.

- If your available balance is sufficient to cover a merchant's authorization request, the authorization request will be approved, but the amount of the request will not be subtracted from your available balance until that transaction posts to your account. If the available balance in your account at the time of settlement is insufficient to cover the transaction, and you have not elected to participate in the Overdraft Transfer Service (or you have elected to participate in the Overdraft Transfer Service, but there are insufficient available funds in your designated linked account to cover the transactions), the Credit Union is still required to pay the preauthorized transactions, and as a result, your account will be overdrawn.
- If your available balance is insufficient to pay the preauthorization amount requested by a merchant, we will decline the request.

E. Payment of Overdrafts.

1. The Credit Union Has No Obligation to Pay Your Overdrafts. We are not obligated to pay any item presented for payment if your account does not contain sufficient available funds. You are liable to us to repay any overdrafts 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.

2. Fees Associated with Overdrawing Your Account – Overdraft Transfer Service. If we pay an item in accordance with our Overdraft Transfer Service, we will charge you an Overdraft Transfer Fee for each item presented. There is no limit to the total fees we can charge you for overdrafting your account.

3. Fees Associated with Overdrawing Your Account – NSF Fees. If we do not pay an item, we will return the item and charge you an NSF Fee each time an item is presented for payment and we return it unpaid due to an insufficient available balance. We have no control over the number of times an intended payee may resubmit the same item to us for payment. There is no limit on the total fees we can charge you for overdrafting your account.

4. Fee Schedule. Please refer to the Fee Schedule for a current listing of all fees associated with overdrawing your account.

5. YOU ACKNOWLEDGE THAT YOU MAY STILL OVERDRAW YOUR ACCOUNT EVEN THOUGH THE AVAILABLE BALANCE APPEARS TO SHOW THERE ARE SUFFICIENT AVAILABLE FUNDS TO COVER A TRANSACTION THAT YOU WANT TO MAKE. This is because your available balance may not reflect all of the outstanding checks, automatic bill payments that you have authorized, or other outstanding transactions that have not yet been paid from your account. For example, you may have written a check that is still outstanding because it has not been submitted for payment by the payee. That check will not be reflected in your available balance until it is presented to us and paid from your account. In addition, your available balance may not reflect all of your debit card transactions. We have no control over when a merchant submits an item for payment. Finally, your available balance may not reflect the most recent deposits to your account. Please refer to the Funds Availability Disclosure for information regarding the availability of your deposits for withdrawal.

F. How Transactions Are Posted to Your Account.

There are basically two types of transactions in your account: credits or deposits of money into your account, and debits or payments out of your account. It is important to understand how each is applied to your account so that you know how much money is available to you at any given time. This section explains generally how and when we post transactions to your account.

When processing items drawn on your account, our policy is to pay them as we receive them. We commonly receive items to be processed against your account(s) multiple times per day in what are referred to as presentment files. Each presentment file received commonly contains a large amount of a specific type of item (checks, ACH transactions, or ATM/POS transactions). It is common for each of these presentment files to contain multiple items to be processed against your particular account. When multiple items are received at the same time, the items will be paid as follows:

- Checks and ACH items are paid by the transaction amount, from lowest to highest
- ATM/POS items are paid in the order they are presented.
- Transactions performed in person, such as withdrawals or checks cashed at one of our locations or a shared branch, are generally paid at the time they are performed.

The order in which items are paid is important if your account does not contain sufficient available funds to pay all of the items that are presented. If an item is presented for payment and your available balance is insufficient to pay it, we may automatically transfer available funds from your designated account pursuant to the Overdraft Transfer Service or return the item (NSF), as applicable.

Please understand that the above information is only a general description of how certain types of transactions are posted. These practices may change, and the Credit Union specifically reserves the right to pay items in any order, as permitted by law.

THE BEST WAY TO KNOW HOW MUCH MONEY YOU HAVE AND AVOID PAYING OVERDRAFT FEES IS TO RECORD AND TRACK ALL OF YOUR TRANSACTIONS CLOSELY. PLEASE REVIEW THIS INFORMATION CAREFULLY. IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT US AT (800) 369-2786 OR VISIT ANY BRANCH.

Fees and Charges. You agree to pay us charges in connection with your accounts in accordance with the Business Account Fee Schedule in effect from time to time. These fees may be changed at our discretion. We will provide advance notice of any increase in current charges, or any new charges, as required by law. We may deduct any charges from any of your accounts. We reserve the right to waive or otherwise not charge any charges in our sole discretion; however any such action on any given occasion shall not affect our right to impose charges on any other occasion.

Return of Deposits/Closed Accounts. We may, at any time, in our sole discretion, refuse to accept any deposit, or close any or all of your accounts with us without prior notice to you. Provided, however, we may not terminate your membership in the Credit Union without satisfying applicable legal requirements. If we close an account, we will notify you and send you a check for any balance in your account after deducting all applicable charges. Any withdrawal that reduces the amount in an account to zero may automatically close that account. We are not liable for any check, draft, withdrawal or other order after an account is closed. Any drafts presented after the account has been closed will be returned unpaid. We reserve the right to advise consumer or commercial reporting agencies and other third parties of accounts closed for misuse.

Inactive Accounts. The Credit Union will consider your account inactive after twelve months of no deposits or withdrawals on your account. "Deposits" for this purpose excludes dividends credited to your account by the Credit Union. Michigan Law requires the Credit Union to turn these funds over to the State after three years of no activity. Before turning funds from inactive accounts over to the State of Michigan, the Credit Union will send notices as required by Michigan law advising you of your rights.

Statement. You will receive a periodic statement (normally monthly) for your Business Checking Account. You will receive a periodic statement (normally quarterly) for your Business Share Account or other savings accounts unless you have an electronic funds transfer transaction during a monthly period (in which case you will receive a monthly statement), or you will receive a combined statement on a monthly basis if you have a Business Checking Account and other savings accounts. Each such statement shall show the transactions on your accounts and any charges. We reserve the right not to send statements for accounts we consider inactive, or for those accounts on which we do not have a valid address on file.

You should examine the periodic statement carefully and reconcile the account. If there are any discrepancies, the Credit Union should be notified immediately. You are in the best position to detect an unauthorized signature, a forged endorsement, or an alteration. You have the responsibility for any fraud loss if you fail to exercise reasonable care in examining the statement or fail to report forgeries or alterations to the Credit Union within 60 days of the mailing date of the earliest statement containing those items, unless another time period is required by state or federal law. The Credit Union will not be liable if items were forged or altered such that the fraud could not be detected by a reasonable financial institution.

Electronic Financial Services. You may, if you desire, request one or more of the electronic financial services described below. If you do so, you agree to be bound by the applicable terms and conditions set forth below as well as any other required agreement for the use of various electronic services offered by the credit union and requested by you in connection with accounts owned by you. You understand and acknowledge that some of the services referenced below may require approval prior to the Credit Union authorizing their use. Approval for such use may require review of the Organization and signatory credit histories and standing in the Credit Union.

e-Statements. You acknowledge that should you request our e-Statement service that you are capable of retaining such statements and that our system does not inhibit your ability to print or store the statements.

ATM/Debit Card. If you request an ATM/Debit Card, you hereby authorize issuance of an ATM/Debit Card and a personal identification number (PIN) for conducting automated teller machine, point of sale, VISA® merchant transactions or any other transactions that may be authorized in the future. You acknowledge that the Credit Union may revoke any ATM/Debit Card issued hereunder or any other agreement to provide such an access device.

Online Banking Services (A+COMPUTE®). If you request online banking services, you hereby authorize issuance of a personal identification number (PIN) and any other verification and identification password, code or security device to access accounts and perform other authorized transactions including the payment of bills via the Internet. You understand and acknowledge that a separate agreement for access to the system or for some of its services may be required, and you agree to be bound to the terms and conditions of such agreement. You acknowledge that the Credit Union may revoke any access or services hereunder or any other agreement to provide such an access device.

Touch Tone Telephone Transaction System (A+CALL®). If you request our "Touch Tone Teller" service, you hereby authorize the issuance of a personal identification number (PIN) to access accounts and perform other authorized transactions via a touch tone telephone. You acknowledge that the Credit Union may revoke any access or services hereunder to provide such an access device.

Agreement. This Agreement shall be effective and shall govern all of your business or other organization accounts with us. By signing a signature card, making deposits or withdrawals, or leaving amounts on deposit, you agree to the terms of this Agreement. This Agreement shall supersede all previous agreements for such accounts.

Amendment. We may change any of the items of this Agreement at any time without prior notice to you if the change is favorable to you. We may make changes that are adverse to you only if we provide you with any notice required by law or required in this Agreement. When we change the Agreement, you may close the account if you do not agree to the changes; if you continue to use the account or keep the account open after the effective date of such change, you will be deemed to have agreed to the changes.

Notices. You are responsible for notifying us of any address or name change. Whenever we are required to send you notice, the Credit Union is only required to attempt to communicate with you at the most recent address you have provided to us in writing. Except as prohibited by applicable law, we may change the terms of this Agreement. We will notify you of any changes in terms or rates as required by law or as required in this Agreement. All notices regarding the account will be sent to you to the address shown on your statement. We reserve the right not to send notice for accounts we consider inactive. Notices to us should be sent to:

Sovita Credit Union 4411 Calkins Road Flint, MI 48532

Any written notice you give us is effective when we receive it. 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 statement mailing address.

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 losses, expenses, liabilities or damages including actual attorney's fees resulting from such a claim or suit. 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.

You agree as set forth above to provide sufficient funds to cover any overdraft and any penalties assessed upon notice of the overdraft, and to reimburse us for any costs we incur in collecting the overdraft, including, without limitation, reasonable attorney's fees and the costs of litigation, to the extent permitted by law.

You agree to indemnify and hold us harmless from any liability loss, costs, or expenses, including reasonable attorney's fees, to the extent permitted by law, that we incur as a result of any dispute involving your account, including any loss, costs, or expenses resulting from a delay in the forward collection or return of any check you deposit caused by improper placement of endorsements or other material on the back of the check that affects the ability to endorse the items as required by federal regulations. You authorize us to deduct any such loss, costs, expenses, or attorney's fees from your account without prior notice to you.

In the event we become a party to any legal proceedings between you and any third parties or between members of your organization, you agree to indemnify us and hold us harmless from any liability for any loss, costs, or expenses, including reasonable attorney's fees, to the extent permitted by law, that we incur as a result of any such proceeding. We may exercise our right of offset to recover such amounts from your accounts. This obligation includes situations that cause us, in good faith, to seek the advice of counsel, whether or not we actually become involved in a dispute.

Severability. If any provision or portion of this Agreement is found by any other court or regulatory body of competent jurisdiction to be invalid or unenforceable in whole or in part for any reason, the enforceability of the remaining provisions or portions shall not be affected.

Waiver. We may waive any of these provisions at our sole discretion, but any such waiver will apply only on that occasion. If we chose to waive any provision, we will not be bound to waive the same provision or any other provision on another occasion.

Offset. If you owe us money as a borrower, guarantor, endorser, or otherwise, we have a lien on the account funds in any account in which you have an ownership interest, regardless of their source, unless prohibited by law. You agree that we may apply these funds in any order to pay off your indebtedness. By not enforcing a lien, we do not waive our right to enforce it later. In addition, you grant the Credit Union a consensual security interest in your accounts and we may use the funds from your accounts to pay any debt or amount now or hereafter owed the Credit Union, except for obligations secured by an individual's residence, unless prohibited by applicable law. We will notify you if we have exercised our right of offset. All accounts are nontransferable to third parties.

Telephone Requests. You agree that funds in any of your accounts with us can be transferred upon the telephone request of any authorized signer on the account. We shall not be responsible for any loss incurred as a result of our acting upon or executing any request, order or instruction we believe to be genuine. Furthermore, we may refuse to execute any telephone request or order.

Information About Your Accounts. You authorize us to share information concerning your accounts with other entities as permitted or required by law, including affiliates of the Credit Union.

Section Headings. Section headings in this Agreement are for convenience of reference only and shall not govern the interpretation of any of the provisions of this Agreement.

Legal Process. If any legal action is brought against your account, we may pay out funds according to the terms of the action or refuse any pay out until the dispute is resolved. Any expenses or attorney's fees we incur responding to legal process may be charged against your account without notice, unless prohibited by law. In lieu of expenses other than attorney's fees, we may charge a Legal Process Fee as set forth in our Business Account Fee Schedule. Any legal process against your account is subject to our lien and security interest.

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.

Special Account Instructions. You may request that we facilitate certain business 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 business 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 other protection. Account changes requested by you such as adding or closing an account or service, must be evidenced by a signed account change form and accepted by us.

Termination of Account. We may terminate your account at any time without notice to you, or we may require you to close your account and apply for a new account if: (1) there is a change in your 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 checks, whether completed or in blank, are lost or stolen; (5) there are excessive overdraft 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. We are not responsible for payment of any check, draft, withdrawal, or other item after your account is terminated, however, if we pay an item after termination, you agree to reimburse us.

Termination of Membership. You may terminate your membership by giving us notice. You may be denied services or expelled for any reason allowed by applicable law, including causing a loss to the Credit Union.

Governing Law. Except as may otherwise be provided in the Resolution of Disputes by Arbitration section below, this Agreement shall be governed by the laws, including applicable principles of contract law, and regulations of the State of Michigan, except as superseded by federal laws and regulations. This Agreement shall also be subject to the Credit Union's Bylaws and local clearinghouse rules. Unless prohibited by applicable law, any action brought pursuant to this Agreement against the Credit Union must be brought in the local State District Court or State Circuit Court with jurisdiction over the location of the Credit Union's principal place of business.

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.

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.

L. 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**

BUSINESS MEMBER WIRE TRANSFER AGREEMENT

This Business Member Wire Transfer Agreement ("Agreement") 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.

A. Wire Transfer Services.

Subject to the terms and conditions set forth in this Agreement, you 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").

B. Authorized Representatives.

Only individuals who are authorized signers on account(s) shall have authority to initiate Wire Transfers. Authorized signers shall be referred to in this Agreement as "Authorized Representatives". Authorized Representatives shall have maintenance authority over Wire Transfers and will serve as the primary contact(s) for the Credit Union. You authorize the Credit Union to contact any Authorized Representative to confirm Wire Transfers. You represent and warrant that the Authorized Representatives are authorized to give instructions to the Credit Union for Wire Transfers and matters related to Wire Transfers with respect to your account(s). You must provide the Credit Union with prompt written notice of any change in Authorized Representatives. You agree that the Credit Union shall be entitled to rely upon the authority of any Authorized Representative until such time as the Credit Union receives written notice from you of the revocation of such authority.

C. Security Procedures.

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 presentment of a government-issued photographic identification. You agree to supply Credit Union, upon request, any information the Credit Union may reasonably request including, but not limited to, further evidence of authority to consummate the Wire Transfer or perform other acts under the terms of this Agreement.

The Credit Union will reject any Wire Transfer request that cannot be verified as provided herein. 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, whether or not you have authorized same, and you shall be required to pay the Credit Union, and the Credit Union is authorized to charge your account, for any such Wire Transfer made pursuant to the Security Procedures set forth in this Section.

You agree that you will adequately supervise your Authorized Representatives in connection with Wire Transfers and further agree to implement and maintain at all times adequate safeguards to prevent unauthorized Wire Transfers from being made on your behalf. The Credit Union reserves the right to change the Security Procedures as it deems necessary in its sole and absolute discretion.

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 on your behalf 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.

D. Adequacy of Security Procedures.

You acknowledge that the Security Procedures set forth herein, 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 herein, 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 Agreement, 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.

E. Wire Transfer Instructions.

You acknowledge and agree that you are responsible for ensuring that its Wire Transfer instructions are accurate, clear and correct. You agree that you are solely responsible for the discovery and identification of any errors contained within the Wire Transfer instructions and you 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.

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 named 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 Agreement.

In the event you discover an error in its 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.

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

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 (i) you fail to comply with Security Procedures or other Credit union procedures; (ii) you are in default under any agreement with the Credit Union; (iii) 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; (iv) if necessary in order to comply with the terms and conditions of applicable law or regulation; (v) 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; (vi) if you are insolvent, in liquidation, bankruptcy or receivership or otherwise unable to pay debts as they become due; (vii) if the Credit Union is prevented by an event or circumstances outside of its control; or (viii) if the Credit Union is unwilling or unable to provide Wire Transfer services to you

for any other reason. 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.

G. 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.

H. Sufficient Available Funds.

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

I. Cancellation of Wire Transfer Instructions.

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.

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.

J. Recurring Wire Transfers.

Recurring Wire Transfers are Wire Transfers initiated on a scheduled basis as instructed by you. 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.

K. No Currency Conversion.

All Wire Transfer requests shall be sent in U.S. Dollars. The Credit Union will not accept incoming transfers of funds in a currency other than U.S. Dollars. 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 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.

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.

L. 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 attorney's

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 your, your directors, officers, employees, agents 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.

M. Limitation of Liability.

You agree that the Credit Union, in dealing with any of your Authorized Representatives following applicable Security Procedures, shall be entitled to accept and rely on any representation of such Authorized Representative. 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 OF YOUR FUNDS 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 TRANSFERRED OR DISPOSED OF PURSUANT TO ANY AUTHORITY GRANTED HEREIN. IN NO EVENT WILL THE 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.

N. 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 the 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.

O. Compliance with Laws.

By using Wire Transfer services, you represent and warrant that you are authorized under U.S. federal, state and local laws to conduct financial transactions with the Credit Union, and you 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, beneficial owners, collateral owners, guarantors, co-signers and/or receiving parties are not subject to OFAC sanctions. You represent and warrant that you will promptly notify the Credit Union if you or any of yours beneficiaries, beneficial owners, collateral owners, guarantors, co-signers and/or receiving parties has been, are now or ever become subject of OFAC sanctions.

P. Notices.

Any notice the Credit Union is required or permitted to give under this Agreement shall be in writing, sent via email 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 we may restrict 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.

Q. 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.

R. Termination.

This Agreement may be terminated by either party by written notice, which notice shall specify the date of such termination. The Credit Union may terminate this Agreement immediately if it has reasonable cause to believe you or any of your Authorized Representatives is committing or attempting to commit an illegal or otherwise improper act, or for any of the reasons set forth in Section 6 of this Agreement. Termination of this Agreement for any reason shall not affect the rights of obligations of either

party accruing prior to the effective date of termination. Your representations, warranties and obligations hereunder shall survive any termination of this Agreement.

S. Governing Law.

This Agreement 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, this Agreement 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.

T. Successors and Assigns.

The provisions of this Agreement shall be binding upon and inure to the benefit of any legal successor to the Credit Union or your, whether by merger, consolidation or otherwise. This Agreement may not be assigned or transferred by you without the prior written consent of Credit Union.

U. Severability.

Should any provision of this Agreement be declared invalid or unenforceable, the provision shall be ineffective only to the extent of the invalidity or unenforceability. The remaining provisions of this Agreement shall remain in full force and effect.

V. Amendments and Modifications.

The Credit Union may amend, change or modify the terms and conditions contained in this Agreement 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.

W. Previous Agreements.

This Agreement supersedes and replaces any previous agreements between you and Credit Union with respect to Wire Transfer services.

Electronic Fund Transfer Services Supplement to Agreement

If you have applied to receive an ATM Card, a Debit Card or other electronic fund transfer services, you hereby request that the Credit Union provide you with electronic fund transfer (EFT) services that are authorized by the individuals you have designated as authorized users on the accounts established by and for your business entity at the Credit Union, and the provisions set forth in this Supplement apply.

The Credit Union offers you various electronic fund transfer services, made possible by our advanced electronic data processing system. We may also provide plastic ATM Cards (which are referred to throughout this Supplement as "ATM Cards") and VISA® Debit Cards (which are referred to throughout this Supplement as "Debit Cards") to various non-natural person members. On occasion, ATM Cards and VISA® Debit Cards are referred to collectively simply as "Cards." In addition, we may provide you with a PIN for use in conjunction with our A+COMPUTE® Online Banking Service. Your use of a Card and/or the A+COMPUTE® Online Banking Password, or your use of any of your accounts to conduct electronic fund transfers is subject to the terms and conditions set forth in this Supplement as well as to the other terms and conditions contained in this Agreement, to the terms and conditions applicable to any account for which an electronic fund transfer services is obtained, and to the rules and regulations of the credit union governing all or any such accounts.

Any Card and personal identification number ("Card PIN") and/or any Online Banking personal identification number ("A+COMPUTE® Online Banking Password") issued for your business entity remains the property of the Credit Union and the Credit Union may terminate your right to use the Card and PINs, at any time. Upon our demand, you agree to return any Card we have issued to you to the Credit Union. All privileges available through the use of a Card shall terminate upon the expiration date to be determined by the Credit Union.

The terms and conditions set forth in this Electronic Fund Transfer Services Supplement to the Agreement are binding on you and on us as to the making of any electronic fund transfer in the following cases:

- If you make an electronic fund transfer transaction with any of the account(s) referred to in this Agreement after receipt of this Supplement.
- If you already have a Card and PIN and/or an A+COMPUTE® Online Banking Password provided by us and you use them to make such transactions.
- If you ask us to provide you with a PIN and you thereafter use it together with a Card and/or our A+COMPUTE® Online Banking service, to make such transactions.

In any such case, your use of the account(s) in such a manner or your making of such transactions constitutes your acceptance of the terms and conditions in this Supplement.

Although your account(s) may be subject to electronic fund transfers, and in that regard are subject to the terms and conditions of this Supplement to the Agreement, you may continue to use those accounts(s) to the same extent and in the same manner that you have in the past, insofar as “over-the-counter” and other non-electronic fund transfer transactions are concerned.

Accounts Affected. Each of the following types of accounts in the credit union can be subject to some kind of electronic fund transfer service:

- Business Share Account
- Business Checking Account
- Business HI-FI Account

Types of Electronic Fund Transfer Transactions. At the present time, you can authorize the following types of electronic fund transfers to or from your accounts:

Transfers TO your account(s) (credits):

- Direct deposit of various governmental payments.
- Deposits from any third party through the facilities of the National Automated Clearing House Association.
- Automatic transfers to your account(s) from another person's account with us.

Transfers FROM your account(s) (debits):

- Except as provided below in the Excluded Transactions section, payments you have authorized be made to third parties (such as insurance premiums and utility bills), as well as other types of payments to third parties
- Automatic transfers from your account(s) to make payments on another person's or business entity's loan owing to us.

AUTOMATED TELLER MACHINE (ATM) Transactions:

If you have an ATM Card, along with a PIN, you can use it to make any or all of the following transactions at an Automated Teller Machine:

- Cash withdrawals from your Business Checking or Business Share accounts up to your authorized limit.
- Transfers (non-cash) from your Business Checking to your Business Share account or from your Business Share Account to your Business Checking account (some networks may not allow all transaction types).
- Balance inquiries on your Business Checking or Business Share accounts.
- Deposit transactions if the credit union has approved of the use of your Card for such transactions.
- Transfer funds between specified accounts of the Credit Union and other financial institutions that participate in the NYCE® Network and pursuant to the rules of the NYCE® Network.
- Pay certain bills with participating vendors on-line or by telephone via the NYCE® Network.

The following limitations on the frequency and amount of ATM transactions may apply:

- You may withdraw up to a maximum of \$100.00 in any one (1) day, if there are sufficient available funds in your account. A higher limit may be applied for or granted based upon your account relationship with the Credit Union. You may also request a lower limit.

- You have the right to require us to program our system so that no more than \$50.00 cash can be obtained from an account during a single day by use of your ATM Card. Please contact us if you want this option.
- You may deposit up to a maximum of \$5,000.00 in any one day. A higher limit may be applied for or granted based upon your account relationship with the Credit Union. You may also request a lower limit.
- Certain ATM Cards are issued which are limited to transactions for withdrawal only from various accounts.
- Certain ATM Cards are issued which are limited to transactions for deposit only to various accounts, such as Individual Retirement Accounts. As to ATM Cards issued for deposit only, the limitations on withdrawals discussed above do not apply since no withdrawals at all are allowed.
- For security purposes, there may be other limits imposed on the frequency and amount of transfers available at ATMs.
- You may transfer up to the available balance in your accounts at the time of the transfer.

POINT OF SALE Transactions:

- If we approve your application for POS services, you may use your Card and PIN to pay for purchases from participating merchants who have agreed to accept the Card at POS terminals within the NYCE® Network or such other POS terminals as the Credit Union may designate.
- Funds to cover your POS transactions will be deducted from your business checking account. If the available balance in your account is not sufficient to pay the transaction amount, the Credit Union will handle it as stated in the Section entitled "Your Liability for Overdrafts" section of this Agreement, and may terminate the services under this Agreement.
- You may make Card purchases up to the lesser of the amount of collected funds in the account each day or \$100.00, exclusive of ATM withdrawals. A higher limit may be applied for or granted based upon your account relationship with the Credit Union. You may also request a lower limit.
- For security purposes, there may be other limits imposed on the frequency and amount of POS transactions.

Debit Card:

You may use your Card to purchase goods and services at places that accept VISA® Cards (these are POS transactions). You may use your Card to receive cash advances at financial institutions that accept VISA®. You may also use the Card and PIN for any ATM or POS transaction, as stated above. You may also order goods or services by mail or telephone from places that accept VISA® Cards. Some of these services may not be available at all locations. Use of the Card, the account number on the Card, the PIN, or any combination of the three for payments, purchases, or to obtain cash from merchants, financial institutions, or others who honor VISA® Cards is an order by you for the withdrawal of the amount of the transaction from your specified account. If the available balance in your account is not sufficient to pay the transaction amount, the Credit Union will handle it as stated in the Section entitled "Your Liability for Overdrafts" in the "Other Terms and Conditions" provisions of this Agreement .

- You may make Card purchases and/or cash advances up to the lesser of the amount of collected funds in your Business Checking Account or the maximum authorization limit defined by the Credit Union per day, exclusive of ATM and POS withdrawals. Please contact us to obtain information as to your maximum authorization limit.
- For security purposes, there may be other limits imposed on the frequency and amount of Debit Card transactions.

Pay certain bills with participating vendors on-line or by telephone via the NYCE® Network.

A+COMPUTE® Online Banking Transactions:

If we approve your application for computer access to your accounts using A+COMPUTE®, you can use A+COMPUTE® with your on-line Access ID and Password to:

- Transfer funds between your specified accounts.
- Obtain account information.
- Withdraw a check payable to you and mailed to your address of record from your specified accounts.

You may also use A+COMPUTE® to download account information and obtain copies of statements, but these are not considered “EFT transactions.”

A+COMPUTE® is generally available 24 hours a day, 7 days a week, although the system may be down from time to time for maintenance. All transactions are limited to available funds in your authorized account(s), plus any overdraft protection you may have in your Business Checking Account. There is no limit to the number of inquiries or transfers you may make in any one day, other than as stated elsewhere in this Agreement. The transfers made through A+COMPUTE® can only be reversed by parties to the receiving account.

The amount of any recurring payment or transfer you make may be charged to your account. If the A+COMPUTE® service is not used for a period of 90 days, it may be automatically cancelled.

A+CALL® Telephone Transaction System:

Using the A+CALL® Telephone Transaction System, you can:

- Transfer funds from your Business Share Account, Business Checking Account, and Business HI-FI Account
- If applicable, access your Business Overdraft Line of Credit Account
- If applicable, make loan payments from your Business Share, Business Checking and Business HI-FI accounts.
- Access your specified accounts.
- Your accounts can be accessed under the audio response service via a Touch-Tone® telephone only. The service will be available for your convenience 24 hours per day. This service may be interrupted for a short time each day for data processing.
- There is no limit to the number of inquiries, transfers, or withdrawal requests you may make in any one day, other than as stated elsewhere in this Agreement.
- No transfer or withdrawal may exceed the available funds in your account. The transfers made through A+CALL® can only be reversed by parties to the receiving account.

Electronic Check Conversion/Electronic Returned Check Fee:

You may authorize a merchant or other payee to make a one-time electronic payment from your Business Checking Account using information from your check to pay for a purchase or pay a bill. If you pay for something with a check you may authorize your check to be converted to an electronic fund transfer. You may also authorize merchants to electronically debit your account for returned check fees. These transactions may use the Automated Clearing House (ACH) or other payments network. You are considered to have authorized these electronic fund transfers if you complete the transaction after being told (orally or by a notice posted or sent to you) that the transfer may be processed electronically or if you sign a written authorization. If an electronic check conversion occurs, the original check may be returned to you by the payee or may be retained by the payee or the payee's financial institution. If you do not wish for an electronic check conversion to occur, you must find another way to pay the obligation involved, such as a money order.

Preauthorized EFTs:

You may authorize third parties to initiate the following types of EFTs through the ACH or other payments network:

- Direct Deposit. The Credit Union will accept direct deposits to your specified account(s).
- Preauthorized Debits. Upon instruction, the Credit Union will pay certain recurring transactions from your specified account(s).

Online Bill Payment:

If we approve your application for Online Bill Payment service, this service will be added to your Online Banking service (accessible through A+COMPUTE®) and you will be able to schedule withdrawals from your Business Checking Account to be sent to a third party. This service is generally available 24 hours a day, 7 days a week. All transactions are generally limited to available funds in your Business Checking Account plus any overdraft protection you may have with respect to your Business Checking Account.

There is a monthly fee to use the Online Bill Payment service as set forth in our Business Account Fee Schedule. Under some circumstances, as set forth in the Business Account Fee Schedule, this fee will be waived. The monthly fee, unless waived, will be deducted each month from your Business Checking Account.

You may use the Online Bill Payment service to make payments from your Business Checking account to anyone you designate that we accept as a “Payee.” We reserve the right to refuse to accept any payee or to revoke our acceptance of a payee. Payments will be made in United States dollars and must be made to payees located in the United States or who have an account at a

financial institution in the United States to which payments can be sent. We generally will not accept as a payee any of the following: (1) a tax authority, (2) a court or a court-controlled account, and (3) a securities account used to settle securities purchases.

Excluded Transactions. We have developed an elaborate electronic data processing system which makes it possible to offer you many electronic services. However, some of these services do not constitute “electronic fund transfers” for purposes of this Supplement to the Agreement. For example, automatic transfers from your account(s) to pay your loan(s) owing to us and automatic transfers between your own asset accounts in the credit union. Nor does any transfer of funds through Fedwire or through a similar wire transfer system (such as the Automated Clearing House (ACH) System) that is used primarily for transfers between businesses, such as an ACH item that is posted to your account with a corporate-to-corporate Standard Entry Class Code, constitute an “electronic fund transfer” for purposes of this Supplement. The terms and conditions of this Supplement only apply to those services and transfers which are “electronic fund transfers” as described above; they do not apply to other transactions which, although electronic in nature, do not constitute “electronic fund transfers” described in this portion of the Agreement.

Limitations on Transactions. You may not make deposits at an ATM unless the credit union specifically authorizes that service for you. To protect against possible losses, your card will not allow you to withdraw more than \$100.00 cash from an ATM during such a 24-hour cycle while our system is online -- of course, not in excess of the verified available balance of the account(s) -- and \$100.00 while our system is off-line, reduced by the amount of any cash withdrawn during the “on-line” part of the cycle. Different ATMs dispense cash in differing multiples and minimum amounts depending on the brand of the machine. We reserve the right to change these limitations, and we will give you written notice of any such change at least 21 days in advance when we do. You may apply for a higher cash withdrawal limit. If we approve a higher limit we will send you a separate notice to that effect.

You have the right to require us to program our system so that no more than \$50.00 in cash can be obtained by use of your Card during a single day. Please contact us if you want this option.

Except as otherwise described in this Agreement, there are generally no limitations as to how often you can make “electronic fund transfers” described above. Nor are there generally any restrictions as to the dollar amount of any one “electronic fund transfer”. However, there may be restrictions on services where a third party is involved, such as our bill payment service. In addition, we reserve the right to impose additional restrictions in the future as we deem reasonable, but we will give you at least 21 days advance written notice before doing so.

Fees and Charges. There are certain charges for electronic funds transfer services, and you hereby agree to pay them. We may deduct such fees and charges directly from any of your accounts. From time to time, the fees and charges may be changed. We will notify you of any changes as required by applicable law. Refer to our Business Account Fee Schedule for current information as to those fees and charges.

Minimum Balance Requirements. You must always maintain a minimum of \$5.00 in a Business Share Account to be entitled to make electronic fund transfers affecting your account(s). PINs or Passwords for use with Cards and/or our A+COMPUTE Online Banking Service will not be issued to members whose loan payments to us are delinquent or whose accounts are otherwise not in good standing.

Evidence of Electronic Fund Transfers. An electronic fund transfer made by you using an ATM or through a POS transaction will be evidenced by a receipt provided to you at the time of any electronic fund transfer when you make such transfer to or from your account, except that a receipt may not be available for some small dollar amount POS transactions. In addition, you will get a monthly statement for each account accessible via electronic fund transfer, unless there are no such transactions for a particular month. In any case, you will get a statement at least quarterly. All such receipts and statements are intended to be admissible as evidence of the withdrawal, deposit or other transaction they represent in any action in a court of law.

Error Resolution.

- (1) If you notify us orally or in writing, within 60 days after receipt of a statement, that an electronic fund transfer error affecting your account(s) has occurred, we will investigate the alleged error and report the results of the investigation to you within 10 business days.
- (2) We will have no duty to investigate any such error unless you notify us by calling us during business hours at:

810-720-8300 – Ask for Member Services Department

or by writing us at:

**Sovita Credit Union Attn: Member Services Department
4411 Calkins Road Flint, MI 48532**

In the event you provide us with oral notification, will we be not required to investigate any such error unless you provide us with written notification of that alleged error within 14 calendar days following oral notification on a form we will provide to you for that purpose.

(3) Our report to you shall do either of the following:

(a) Provisionally correct the amount in question and provide you with written notification of the correction and, if the correction is not in the exact amount of the alleged error, provide you with a written explanation of any difference between the alleged error and correction made. In the event we make a provisional correction to your account, we may charge back the corrected amount to your account 15 days after providing notification and an explanation of the charge-back to you. A provisional correction shall become final not later than 60 days after the day it is made. A provisional correction shall be accompanied by a notice explaining to you that the amount of the correction may be charged back to your account within 60 days.

(b) Provide you with a written explanation, stating the reason we believe the statement is correct.

(4) For purposes of this section, an electronic fund transfer error consists of:

(a) An unauthorized electronic fund transfer;

(b) An incorrect electronic fund transfer from or to your deposit account; or

(c) The omission of an electronic fund transfer affecting your account.

An error does not include any electronic fund transfer made by a person who was furnished an access device or who was otherwise authorized to make electronic fund transfers, unless you notified us that transfers by that person were no longer authorized, nor does an error include any electronic fund transfer made with fraudulent intent by you or any person acting in concert with you. In addition, an error does not include a transfer of funds, though electronic in nature, that is excluded from the definition of "electronic fund transfer" (see "Excluded Transactions" above).

(5) When we receive a notice under subsection (1), we will not place a hold on the funds in the account which are in excess of the amount in dispute. If we close the account in which the disputed funds are held, we will provide the report to you required by subsection (3). This section shall not be construed or interpreted to prohibit us from placing a hold on any account as permitted by law or contract.

(6) If the correction of an error relating to an electronic fund transaction in an account of yours results in a credit to the account, we will additionally credit the account with dividends or interest which would have been due to you if there had not been an error.

Your Liability.

Tell us AT ONCE if you believe that your Card, PIN or other access code, or checkbook has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check. Calling via telephone is the best way of keeping your possible losses down; contact us at (810) 720-8300 and ask for the Member Services Department.

(1) You shall not be liable for an unauthorized use of your account through an electronic fund transfer unless we can prove, without benefit of inference or presumption, that your negligence substantially contributed to the unauthorized use and that we exercised reasonable care to prevent the loss. As used in this section your negligence means only the following:

(a) Writing the PIN on the Card or other means of affording access;

(b) Keeping the PIN with the Card or other means of affording access;

(c) Voluntarily permitting the account accessing device, including the PIN and the Card, to come into the possession of a person who makes or causes to be made an unauthorized use.

(2) If you fail to notify us of an unauthorized use within 30 days after the receipt of a statement containing an unauthorized use, you shall be liable for any subsequent unauthorized use that could have been prevented by timely notification.

(3) You shall not be liable for further unauthorized use of your account by electronic fund transfer after you have reported that the means of access to the account has been lost or that the security of the PIN has been violated or otherwise compromised.

Additional Limits on Liability for VISA® Debit Card When Used for Point-of-Sale-Transactions. Unless you have been grossly negligent, have engaged in fraud, or have used your card for an illegal transaction, you will not be liable for any unauthorized transactions using your lost or stolen VISA® Debit Card, when it is used for point-of-sale transactions at a merchant who processes the transaction through VISA®. However, when you discover the loss or theft of your VISA® Debit Card, you should immediately

report it to us at the address or phone number written above.

CREDIT UNION LIABILITY FOR FAILURE TO MAKE TRANSFERS. If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we may be liable for your losses or damages. There are exceptions. We will not be liable, for example:

If, through no fault of ours, there are insufficient available funds in your accounts to complete the transaction, if any funds in your accounts necessary to complete the transaction are held as uncollected funds or pursuant to our Funds Availability Policy, or if the transaction involves a loan request exceeding your credit limit.

- If you used your Card or access code in an incorrect manner, or after your right to use your Card or access code has been cancelled.
- If the ATM where you are making a withdrawal does not have enough cash.
- If the ATM was not working properly and you knew about the problem when you started the transaction.
- If circumstances beyond our control (such as fire, flood, power failure, or malfunction of the central data processing facility) prevent the transaction.
- If the money in your account is subject to legal process or other claim.
- If funds in your account are pledged as collateral, or frozen, or offset because of a delinquent loan.
- If the error was caused by a system of any participating ATM network.
- If the electronic transfer is not completed as a result of your negligent use of your Card, access code, or any EFT facility for making such transfers.
- If the telephone or computer equipment you use to conduct audio response or electronic/PC transactions is not working properly and you knew or should have known about the breakdown when you started the transaction.
- If the transfer would go over the credit limit on your overdraft line.
- If the terminal was not working properly and you knew about the breakdown when you started the transfer.
- If a law or regulation prevents us from completing the transaction.
- If any other exception as established by the Credit Union and communicated to you applies.

In no event will the Credit Union be liable for consequential, indirect costs or damages, or punitive damages. If we fail to correctly complete a transfer from your account, in a circumstance other than as listed above, our liability will be limited to the amount of the transfer, and we will be responsible for returning the improperly transferred funds to your account, and/or for directing to the proper recipient any previously misdirected bill payments or transfers.

STOP PAYMENT RIGHTS.

Procedures. If you have told us in advance to make regular payments out of your account, you can stop any of these payments. You **MUST** call us at:

(810) 720-8300 - Ask for Member Services Department

or write us at:

**Sovita Credit Union
Attn: Member Services Department
P.O. Box 320830 Flint, Michigan 48532-0015**

in time for us to receive your request three (3) "business days" or more before the payment is scheduled to be made. You must tell us whether you want the current payment only or all future payments to stop. If you call, you will be **REQUIRED** to put your request in writing and get it to us within fourteen (14) days after you call. We charge a fee as set forth in our Business Account Fee Schedule for handling such stop payment orders. We reserve the right to increase such charge in the future.

Liability for Failure to Stop Payment of Preauthorized Transfers. If you order us to stop one of these payments three (3) business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

Debit Card Transactions. The Credit Union cannot honor stop payment requests on Debit Card transactions. You do not have the right to order the Credit Union to stop payment on any such transaction.

A+COMPUTE® Online Banking Transactions. The Credit Union cannot honor stop payment requests on transactions through our A+COMPUTE® Online Banking services other than payments through our Online Bill Payment service that have been scheduled in advance. In the event a payment order is sent by you in error, you should directly contact the Credit Union for assistance.

REVERSING EFTs. If an EFT was a payment of \$50.00 or more for goods or services, you have the right to require us to reverse such transfer and to recredit your account with the full amount of the transfer if (1) you tell us, within four (4) calendar days after the date of the transfer, to make such a reversal, (2) you notify us that you have made a good faith **attempt to resolve your dispute with the third party involved**, and (3) **you assure us that any returnable goods involved in the dispute will be returned**. If you do these things in writing you **MUST** send the letter to:

**Sovita Credit Union
Attn: Member Services Department
P.O. Box 320830
Flint, Michigan 48532-0015**

If you phone us, you **MUST** call us at:

(810) 720-8300 - Ask for Member Services Department

If you tell us orally that you want such a transfer reversed, we will send you a form you can use to confirm your reversal request, your notice of attempted resolution of the dispute, and your assurance to return any returnable goods involved. You are required to get this form back to us properly filled out within fourteen (14) calendar days after the date of your oral request for reversal. We reserve the right to impose a reasonable charge for handling such reversal requests, and to increase such charges thereafter. If we discover errors in the posting of deposits, transfers, withdrawals or loan balances, we will initiate corrections as authorized by our underlying account agreements and applicable law.

Regulatory Authority. This Agreement and the electronic fund transfer services provided hereunder are governed by Michigan law. You may notify the Department of Insurance and Financial Services of the State of Michigan of any violation of law at:

State of Michigan
Department of Insurance and Financial Services
Box 30224
Lansing, MI 48909

Security of Access Codes (PINs, Access ID, Checkbook, and Password). We may require you to use one or more access codes to complete EFTs. These codes are required for security purposes. Any codes issued to you or that you select should not be disclosed to third parties or kept with or written upon the access device. You are responsible for the safekeeping of your access codes and agree not to furnish such codes to any person not authorized to conduct transactions on your accounts. If you furnish another person with your ATM Card and PIN, Debit Card and PIN, A+CALL® PIN, A+COMPUTE® Access ID and Password, checkbook or a check (other than a fully completed check given to the person shown as the Payee on the check), you will be responsible for all electronic fund transfers initiated by the person. Your responsibility pertains to transfers from which you may receive no benefit, and applies even though that person may not have actual authority to initiate a transfer or transfers an amount in excess of that which is authorized. Your responsibility for such transfers remains until you have notified us in writing that the person is no longer authorized to initiate transfers. Until you have notified us in writing, you will be liable for all transfers initiated by that person. If we suffer a loss that results from your failure to maintain the security of such codes, then we may terminate all EFT services for your accounts.

Responsibility for Overdraft. The Credit Union is under no obligation, unless it has contracted to the contrary, to honor a transaction if it would result in the account upon which it is drawn being overdrawn although it may honor such a transaction at its sole option. If you obtain any electronic fund transfer service that results in an overdraft in any account, the handling of the overdraft will be governed by the provisions of the "Your Liability for Overdrafts" section of the "Other Terms and Conditions" portion of this Agreement.

No Deposits or Payments at an ATM. You understand and agree that unless we have specifically approved you for ATM deposits, you may not make deposits or payments at an ATM. If an ATM inadvertently accepts a deposited item from you, we are not responsible for it, although if such an item ends up in our possession we generally will contact you about it.

Illegal Use of a Card or Other EFT Service. You understand and agree that electronic fund transfer services, including but not limited to use of a Card, may not be used for any illegal transaction. You further understand and agree that illegal use of an electronic fund transfer service will be deemed an action of default and/or breach of contract, and as a result your account and other related services may be terminated at the discretion of the Credit Union. You further agree, should illegal use occur, to waive any right to sue the Credit Union for such illegal use or any activity directly or indirectly related to it, and, additionally, to indemnify and hold the Credit Union harmless from any suits or other legal action or liability directly or indirectly resulting from such illegal use.

Internet gambling may be illegal in the jurisdiction in which you are located, including the United States and elsewhere. Display of a payment card logo by an online merchant does not mean that Internet gambling transactions are legal in the jurisdiction in which you are located. The Credit Union may decline to authorize any transaction the Credit Union believes poses an undue risk of illegality or unlawfulness.

Warranty. Except where expressly contained herein, the Credit Union makes no warranties, expressed or implied, pertaining to the use of any electronic fund transfer services.

Business Use Only; Indemnification. You agree that this Agreement contemplates the use of electronic fund transfer services for business purposes only, and you agree that you will not use any of the electronic fund transfer services provided under this Agreement for individual personal consumer use. You agree to hold the Credit Union harmless from all damages, including incidental and consequential damages suffered by you as a result of your breach of this Agreement.

Foreign Transactions. Transactions that are initiated in foreign countries or foreign currency will be charged to your account in U.S. dollars. The conversion rate to dollars will be determined by a rate selected by VISA® from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate VISA® itself receives, or the government-mandated rate in effect for the applicable central processing date. In addition, your account may be charged an International Transaction Fee as set forth in our Business Account Fee Schedule.

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