

LAFCU

MEMBERSHIP AGREEMENT
Electronic Records and Communications Agreement
Funds Availability, including a Notice of Change Effective July 21, 2011

What Does LAFCU Do with Your Personal Information?

Notice to Members: The laws and regulations governing the financial services we provide are complex. To insure your understanding of our relationship with you, we provide this detailed Agreement which explains both your responsibilities and ours. Please read this document carefully, and feel free to ask any questions regarding these terms and conditions.

BINDING ARBITRATION: EXCEPT AS SPECIFICALLY PROVIDED HEREIN, THIS ARBITRATION PROVISION SUBSTANTIALLY LIMITS YOUR RIGHT TO BRING A LEGAL ACTION IN A JUDICIAL FORUM (EXCEPT FOR MATTERS THAT MAY BE BROUGHT IN SMALL CLAIMS COURT AS SET FORTH HEREIN).

PLEASE READ THIS SECTION CAREFULLY. THE PARTIES WILL NOT HAVE A RIGHT TO HAVE A JUDGE OR JURY DECIDE ANY CLAIM OR DISPUTE; AND THE ABILITY TO APPEAL IS LIMITED IN AN ARBITRATED MATTER HEREUNDER. ANY DISPUTES WILL BE DECIDED BY A NEUTRAL ARBITRATOR. FURTHER, NEITHER PARTY NOR ANYONE ON THEIR BEHALF CAN PURSUE ANY CLAIM OR DISPUTE IN ANY CLASS OR REPRESENTATIVE CAPACITY. IT IS THE INTENT OF THE PARTIES HERETO TO PROVIDE A FUNDAMENTALLY FAIR AND LESS COSTLY FORUM TO ADDRESS ANY DISPUTES BETWEEN THE PARTIES; AND THE PARTIES SPECIFICALLY AGREE TO THIS ALTERNATIVE METHOD OF DISPUTE RESOLUTION AS AN INTEGRAL PART OF THE RELATIONSHIP BETWEEN THE PARTIES. SEE PARAGRAPH 8 OF THE MEMBERSHIP SECTION FOR COMPLETE DETAILS.

INTRODUCTION

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

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

MEMBERSHIP, ACCOUNT AND ACCOUNT SERVICES AGREEMENT

1. **Terms, Conditions and Limitations of Your Relationship with the Credit Union.** The purpose of this Booklet is to state the terms and conditions that apply to all of your accounts, account services or other relationships with us, including without limitation loan, safe deposit and other services. You understand that the agreements, terms, conditions, rules and regulations applicable to your loans, and any other applicable account(s) or service(s) remain in full force and effect and continue to be applicable, except as specifically modified by this Agreement. Further, to the extent that the terms of a specific Subsection of this Agreement vary from the terms set forth in this Section, the specific terms and conditions of the Subsection will govern our relationship with you.

All Credit Union services are further governed by the terms and conditions set forth in your account / signature card(s), account receipts, addenda or schedules that accompany agreements and/or disclosures, statements and certificates; any other application or agreement we require; together with the Credit Union's Bylaws, policies and procedures, which are herein collectively referred to as "Agreement." This Agreement governs all services whether opened now or in the future. This Agreement may be amended or revised by us at any time, and any change in the Agreement shall be immediately effective unless otherwise specifically required by applicable law. This Agreement is binding upon the account owner and all parties hereto together with their heirs, successors, assigns and any other person claiming any right or interest under or through said parties.

You agree at all times that you will comply with all applicable laws. "Applicable Laws" shall include: (i) MasterCard and Visa U.S.A. Inc. Bylaws and Operating Regulations; (ii) NACHA's (National Automated Clearing House Association) Operating Rules, and (iii) any and all laws, treaties, rules, regulations, or regulatory guidance of the government of the United States, any state thereof, or of any applicable foreign government or state thereof, as the same may be amended and in effect from time to time; and you agree that such Applicable Law shall govern despite any other general or specific terms or conditions set forth in the entirety of this Agreement.

2. **General Definitions.** In this Booklet the words "**you**" and "**your(s)**" means everyone that signs any account / signature card or is authorized to make transactions regarding your account(s) as provided herein or by governing law, including any account service(s). "**We,**" "**us,**" "**our,**" and "**ours**" means the Credit Union.
 - a. "**Access Device**" means any card, electronic access device and/or any codes, passwords or personal identification numbers (PIN) that we issue to allow you to access and/or use any account or other services.

- b. **“Account / signature Card”** means that instrument upon which you have signed your name requesting an account or account service with us.
- c. **“Agreement ”** means this Membership Agreement. Your signature which is required to open or change an account or obtain an account service with us, may be applied electronically via a signature pad or directly to a paper copy of this Agreement.
- d. **“Authorized User”** means any person who has actual, implied or apparent authority, or to whom any owner has at any time given any information, access device or documentation that enables such a person to access, withdraw, make transactions to or from your accounts, or to use any of your account services. If you authorize anyone to use your access devices, that authority shall continue until you specifically revoke such authority by notifying the Credit Union in writing or as required by applicable laws. If you fail to maintain the security of these access codes and the Credit Union suffers a loss, we may terminate any or all of your account services immediately. This definition is intended to be construed broadly and includes without limitation all users acting under a written document such as a power of attorney as well as any person or entity that is authorized to make deposits or debits to or from your accounts with us.
- e. **“Check,” “Draft,” or “Share Draft”** means any acceptable written “instrument” drawn on your account(s) or submitted for deposit or collection.
- f. **“Electronic Check” (e-Check)** means an unsigned check prepared after a customer buys a product, approves the amount, and provides his bank account and clearing house information, (usually over the phone). Marketers use this service to take orders from customers who do not have credit cards, or cannot authorize a credit card transaction.
- g. **“Instrument”** means a written order as defined by Articles 3 and 4 of the Uniform Commercial Code pursuant to the laws of the State set forth in this Agreement.
- h. **“Member”** means the person(s) who has established his or her "membership" with us as set forth in this Agreement and applicable law. Pursuant to the Credit Union's policies, a joint owner may establish membership through a joint ownership interest in an account if otherwise qualified for membership. Thus, more than one member may establish “membership” through a particular account. An owner's rights with regard to the par value deposit necessary to maintain membership may be restricted as set forth in this Agreement or otherwise.
- i. **“Owner”** means the person(s) who has a present ownership interest in the sums on deposit in the multiple party (joint) accounts with the Credit Union, subject to the Credit Union's lien rights or any security interest. A person is not an “owner” unless specifically designated as such in a completed and signed Membership Application and account / signature card.
- j. **“Schedule”** means the Truth in Savings Act Rate and Fee Schedule.
- k. **“Shares”** for the purpose of your pledge to secure your obligations to the Credit Union, our common law right of set off, and otherwise, **“share(s)”** means all deposits in any share savings, share draft, club, share certificate, Payable On Death, revocable trust or custodial account(s), whether jointly or individually held – regardless of contributions, that you have on deposit now or in the future, all of which are deemed "general deposits," for the purpose of your pledge. Your pledge does not include any I.R.A., Keogh, tax escrow, irrevocable trust or fiduciary account in which you do not have a vested ownership interest.
- l. **“Substitute Check”** means a digital reproduction of an original paper check.

m. **“Transaction”** means any deposit, order, transfer, payment, purchase via point of sale transaction or otherwise, withdrawal or other instruction relating to any account or account service provided by the Credit Union.

3. **Membership, Account Eligibility, Credit Reports, and Other Credit Union Services.** To open or maintain any account(s) or service(s) with us, you must qualify for membership and deposit and maintain the par value of the required shares as provided by the Credit Union's Bylaws and other applicable laws. **To verify your eligibility or continued eligibility for membership, any account(s), service(s), or loan product(s), increases or decreases in services and/or credit limits, now and in the future or as needed to comply with any applicable law, regulation or governmental agency requirements, you authorize us to make inquiry to determine your employment history and to obtain information concerning any accounts you may have now or in the past with other institutions and your credit history, including consumer credit reports. You agree that this authority applies to any account, account-related service, loans or other financial products you request or which we may offer or make available to you.** We may also report information concerning your account(s) and credit to others.

Federal law requires us to obtain sufficient information to verify your identity. You may be asked several questions and you understand and agree to provide one or more forms of identification to fulfill this requirement. In some instances we may use outside sources to confirm the information. The information you provide is protected by our privacy policy and federal law.

<p>Defaults and Your Credit Reports: The Credit Union may report information about your account(s) to third parties such as credit reporting agencies/bureaus. Late payments, missed payments, insufficient funds transactions or other defaults on your loan and share/share draft account(s) may be reflected in your credit report.</p>

4. **Membership Benefits and Obligations.** Upon approval of your application and the deposit of any required shares, you become a member-owner of this Credit Union. As a member-owner you are eligible to apply for all Credit Union deposit, loan and other financial services; and you may vote at all annual or special meetings of the membership if you are 18 years of age or older. You have an obligation to the Credit Union and all other member-owners to follow the rules established from time to time for the use of these services, and not to cause the Credit Union any loss. This includes, but is not limited to your obligation to repay all debts, loans, credit advances as well as other contractual, equitable and statutory obligations that may be payable by you to us.
5. **Account Access.** You may make deposits, withdrawals, transfers and other authorized transactions from your account(s) in any manner specifically permitted by us, subject to the limitations and restrictions set forth in this Agreement or as otherwise provided for by applicable law.
- a. **Authorized User(s).** You should exercise caution in providing authority, information, documentation or access devices to others. All withdrawals, transfers and transactions made by any person to whom you have at any time provided authority or the means to access your accounts or other services shall be deemed authorized by you, and the Credit Union will not have any responsibility or liability whatsoever for such withdrawals, transfers or other transactions. You and the person(s) authorized (as defined herein) shall be jointly and severally responsible to the Credit Union for all such access or use of your accounts and services with us.
- b. **Access to Account Information.** You agree that all owners, borrowers and authorized users, may have access to all of the information you provide to us, or which we gather and maintain regarding our relationships with you. This includes, but is not limited to, information regarding transactions, account history, your loan relationships with us, and other information relating to or arising with regard to any of your accounts, loans or other services with us. You acknowledge and agree that any owner of a joint account or

service, or any co-borrower may provide authority to others, or may make transactions involving others, who will have access to all such information as to all owners and/or co-borrowers. Further, you understand that we utilize a consolidated statement for your accounts, account services, loans and all other services with us. You understand and agree that we are authorized to send jointly and/or provide to any individual owner or borrower a statement that includes all of the information on the consolidated statement even though all parties receiving the statement may not be owners or borrowers as to all of the accounts or services addressed in the statement.

- c. **Sharing Information with Co-Borrowers, Co-Signers/Guarantors, Owners of Collateral Pledged and Other Lien Holders.** You hereby consent and agree that we may share any information regarding your obligations with us or collateral pledged to secure any obligations you owe to the Credit Union with the persons listed in this subsection.
6. **Account Rates and Fees.** Our payment of dividends on your account(s) is subject to the account rates, fees, compounding and crediting policies and balance requirements set forth in this Agreement. Fees applicable to all accounts and account services are set forth in the Schedule. We may transfer from any of your accounts any charges or costs in connection with the operation and maintenance of accounts as stated in this Agreement or the Schedule. You agree that we may change the Schedule at any time upon proper notice as required by law.
7. **Amendments and Changes.** Changes to any account or account service requested by any member or account owner can only be made with the express consent of the Credit Union. As set forth herein, the Credit Union, in its sole discretion, may change any term or condition of this Agreement, including the method for determining dividends, at any time without notice except as expressly required by applicable law, and any change in the Agreement shall be effective at the earliest time allowed by applicable law.
8. **Arbitration – Mandatory for Disputes and Claims.** Arbitration is a method of deciding disputes outside the court system. The parties agree and understand that they choose arbitration instead of litigation to resolve all claims and disputes not specifically excluded. This provision governs when and how any disputes you and we may have will be decided. Unless specifically prohibited by applicable law all disputes, claims, damages, choses in action, claims for injunctive relief or controversies arising from or relating in any way to the agreements, relationships, accounts, loans, or security agreements between you and us; the relationships which result or arise as a result of this Agreement; any rights, privileges or services you receive from us now or in the future; any claims or disputes arising in or ancillary to any bankruptcy or other insolvency proceeding; or the validity of this clause (together referred to collectively as Agreement), shall be resolved by binding arbitration by a single arbitrator chosen with the mutual consent of the parties. The arbitrator must be an attorney with more than ten (10) years experience or a retired judge.

If for any reason the parties do not consent to an arbitrator within thirty (30) days from the date that notice of a claim or intent to arbitrate is provided to the other party, then an arbitrator will be selected pursuant to the Rules of the American Arbitration Association (AAA). This arbitration Agreement is made pursuant to a transaction in Interstate Commerce, and shall be governed by the Federal Arbitration Act (FAA) at 9 USC § 1, et seq., as amended from time to time. It is understood and agreed that your credit plan agreement(s), your account(s), all transactions on your account(s), and any dispute defined herein shall involve Interstate Commerce. If any dispute between us does not involve Interstate Commerce, such dispute shall be governed by the Arbitration Act for the State set forth in this Agreement, as amended from time to time, in which case all references to the FAA herein shall be to said State Act. **If the State has no Arbitration Act, then the parties will be governed by the Rules of the American Arbitration Act in any matter not involving Interstate Commerce.**

The parties agree and understand that the arbitrator shall have all power provided by the law and this Agreement to make and enter findings of fact and determination of judgment based on the

parties' Agreements and applicable law, including but not limited to the rights of possession, off-set, property rights, money damages, declaratory relief, and injunctive relief. No arbitrator shall have the jurisdiction or authority to add to, take from, nullify or modify any of the terms of the Agreement. The arbitrator shall be bound by the facts and evidence submitted to him. Arbitration will be subject to the rules of procedure and evidence consistent with the Rules of the American Arbitration Association, and the arbitrator will not apply federal or state rules. The decision of the arbitrator shall be final and binding and may be enforced in accordance with the terms of either the Federal or applicable State Law, except for any specific appeal right regarding a judgment under the FAA or a judgment for more than \$100,000. For these judgments, any party may appeal to a three-arbitrator panel appointed by and under the rules of the AAA. The decision of the panel will be by majority vote and will be final and binding except for any specific appeal right under the FAA. All provisions of this Arbitration Agreement will apply to the panel. Judgment upon the award rendered may be entered in any court having jurisdiction.

Exception to Mandatory-Binding Arbitration for Small Claims: The parties to this agreement may bring any individual claim or action hereunder in the small claims court in the State that has jurisdiction pursuant to the provisions set forth in this Agreement as long as the amount of all claims or other actions does not exceed the lesser sum of **\$3,000.00** inclusive of costs and legal fees or the maximum limitations for venue in the State Court having proper jurisdiction for the resolution of small claims. No representative or class claims may be brought or asserted pursuant to this exception.

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

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

9. **Authorized Signature.** We are authorized to recognize any signature on an account / signature card or document, but will not be liable for refusing any order or item if we believe in good faith that the signature on any order or item is not genuine. We are authorized to honor any transactions initiated by a third person if you provide your access device or other information to a third person. Also, if you authorize the use of a facsimile signature, we shall not be liable for

honoring any instrument that appears to bear your facsimile signature, even if made by an unauthorized person.

10. **Your Account(s) – Deposits and Instruments Paid/Cashed.** Funds may be deposited to any account, in any manner that is acceptable to us. Deposits may be made by mail, in person at any of our offices having facilities to accept deposits, Service Centers, ATM or by direct deposit or other electronic funds transfer allowed by us.
- a. **Endorsements.** You authorize us, in our discretion, to accept transfers, checks, drafts, and other items for deposit into any of your accounts if they are made payable to, or to the order of any one or more owners on the account, whether or not endorsed by all payees. All owners are deemed to receive the benefit of all deposits and the proceeds of such deposits; and we may give cash back to any payee. You authorize us to supply missing endorsements of any owners. If an insurance, government, or other check or draft requires an endorsement as set forth on the back of the check or draft, we may require endorsement as set forth on the item. Endorsements must be placed in the space on the back of the share draft or check between the top edge and 1½ inches from the top edge. We may accept drafts or checks with endorsements outside this space. However, if any such endorsement or any other markings you or any prior endorser has made on the draft or check cause any delay or error in processing the item for payment, you will be responsible for any loss incurred by us due to the delay or error. This means when you endorse any item, your endorsement is a guaranty by you to us and all others who accept the item endorsed that the item you deposit is good; that the funds are properly payable; and you give other warranties under applicable laws. Further, this means that if the item is not good or is not paid for any reason, you are fully responsible to us or any other person for the amount of the item.
 - b. **Substitute Checks:** You agree not to deposit any substitute check or similar item that you have created, or for which no financial institution has provided any substitute check warranties and indemnity. If you do so, you agree to indemnify us for all losses we incur in connection with the substitute check or item. You agree not to deposit any substitute check without our consent.
 - c. **E-Checks:** When you or any person with authority authorize any E-Check you agree: (1) that we may pay the item as submitted to us; (2) that you shall be solely responsible for all information transmitted regarding such item(s) including but not limited to the payee(s), the amount(s) of the item(s), and endorsements or the lack thereof; and (3) you agree to indemnify us for all losses we incur in connection with any E-Check you authorize.
 - d. **Collection of Deposits.** In handling deposits to your account, we act only as your agent for collection and assume no responsibility beyond the exercise of ordinary care. By signing the account / signature card or using any accounts or services, you specifically waive your rights to notice of non-payment, dishonor or protest regarding all items presented for collection. We have the right to refuse any order, transfer or deposit, limit the amount that may be offered for deposit and to return all or any part of a deposit. Special instructions for handling an item are effective only if made in writing and given to us separately along with the item in question. We will not be liable for any default or negligence of correspondents or for loss in transit, and each correspondent will only be liable for its own negligence. Items and their proceeds may be handled in accordance with applicable Federal Reserve and other/local Clearing House rules/agreements. We are authorized to pursue collection of previously dishonored items (including re-presentment), and in so doing we may permit the payor bank to hold an item beyond the midnight deadline. Items that we present or re-present may be truncated or converted to an electronic or other format. **This means that if an item is not paid, you are fully responsible for any loss we may incur in seeking to collect the item for you. Items not drawn by you upon us are not overdrafts, but are Insufficient Funds Items**

(NSFs) that you must pay to us if we incur any loss in seeking to collect such items for you.

- e. **Direct Deposits.** We may offer a direct deposit option allowing you to preauthorize deposits (i.e., payroll checks, Social Security or retirement checks, or other government checks) or preauthorize transfers from other accounts with us. You must authorize any direct deposits to your accounts by a separate authorization form. If applicable, you must notify us at least thirty (30) days prior to any direct deposit or preauthorized transfer if you wish to cancel or change the direct deposit or direct transfer option.

You agree that you have an obligation to notify us immediately regarding the death of any person that receives any federal or state retirement, welfare, benefits or other payments via electronic or other deposit. If we are required to reimburse the federal or any state government, agency or authority for any payment deposited into your account for any reason, you agree that we may deduct the amount returned from any of your accounts, unless prohibited by law; and that you will be obligated to repay to us on demand any such sums.

- f. **Direct Deposit or Transfer Authorization/Bankruptcy.** If you file bankruptcy and fail to cancel any instructions in your direct deposit or transfer authorization, then you hereby instruct your employer and us to continue to make and apply deposits, make loan payments in order to avoid delinquency and other transfers in accordance with your authorization, until written notification is received by us to discontinue any payments or transfers.
- g. **Multiple Payees.** Unless any check, share draft or other instrument expressly indicates that the item is payable to all payees (usually indicated by the word "and"), the instrument shall be deemed payable to any one of the payees. If there is any ambiguity, the instrument shall be deemed payable to any one of the payees. For example: A check payable to "A and B" must be endorsed by both A and B. A check payable to "A or B;" "A, B;" "A/B", where "A and B are listed on separate lines;" or otherwise, are payable to either A or B.
- h. **Deposit At ATM and Night Deposit Facilities.** All deposits and payments made at an ATM that we own, or at one of our night deposit facilities, are subject to the provisions and check collection procedures as disclosed to you in our "Funds Availability Disclosure."

Deposit transactions of cash and other items to your account(s) can only be accepted at specifically designated ATMs. Not all ATMs can process deposit transactions. If you make a deposit or payment at an ATM and there is a discrepancy between the written receipt/deposit slip and the amount the Credit Union finds in the envelope, you agree that the correct amount will be the amount that the Credit Union finds in the envelope used to make the transaction. You further agree that the credit to your account(s) for non-cash items will be conditional until we can collect the item. If we cannot collect the amount of a non-cash item, the amount will be deducted from your account, regardless of whether or not funds are available in your account(s).

- i. **Final Payment.** All items, deposits, ACH (Automated Clearing House) transfers, or other transfers credited to your account are provisional and subject to our receipt of final payment. If final payment is not received, we may charge your account for the amount of such items or transfers or both and impose a return item charge on your account without notice. Such charge is set forth in the Schedule. If we incur any fee collecting any item, we may also charge such fee to any of your accounts with us. We reserve the right to refuse or to return all or any item or funds transfer. We also have the right to charge back against any of your accounts with us all deposits, transfers, or collection items, including checks presented for payment of cash, that are returned to us due to non-payment, as a reclamation by the United States Treasury, or if we are required to repay

any amounts previously collected for any reason whatsoever. These rights apply regardless of whether the amount of the item has been available for your use, or the amount of time that has passed since the date of the deposit.

If for any reason you do not have sufficient funds in your accounts to satisfy our charge back, then all joint owners agree to pay us the amount charged back on demand, together with all fees and costs as set forth herein.

11. **Your Account – Withdrawals From Your Account(s).** Generally, you may withdraw and/or transfer funds from your account(s) at any time subject to the limitations set forth in this section and the Funds Availability Disclosure in effect at the time of the deposit. Except as otherwise specifically provided in this Booklet or other written agreement(s) with us, all withdrawals shall be made in person, electronically or by written order, duly executed or by Power of Attorney upon a form acceptable to us and duly authenticated. Payments upon your order may be made in coin, bills, or checks at our option. You also agree that your account(s) is not assignable or transferable except to us, unless specifically authorized by the Credit Union in writing.

Transactions on your account may also be governed by agreements with third parties such as the Operating Rules of the National Automated Clearing House Association (NACHA), which agreements will also be binding upon you and the Credit Union. To the extent that the terms of any such third party agreements provide for specific processing, reporting or other time periods, or require you to make any claims or provide any notifications or responses, then the third parties' requirements and rules shall govern despite any other general or specific terms or conditions set forth in the entirety of this Agreement.

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

In addition to the foregoing if any person should instruct the Credit Union to make a large cash withdrawal (the definition of which shall be within the Credit Union's sole discretion) in lieu of other methods of transferring funds offered by the Credit Union, the member hereby releases the Credit Union from any and all liability, claims and demands whatsoever which arise from or in any way relate to the member's possession of any large sums of cash from the moment possession of same is made available to the member; and member will execute and deliver any further releases the Credit Union may require in connection with any such withdrawal.

- b. **Transaction Limitations for All Money Market Accounts.** Pursuant to Federal Regulation D, during any calendar month, you may not make more than six withdrawals or transfers to another LAFCU account of yours or to a third party by means of a preauthorized, automatic, telephonic, Home Banking, or audio response transfer or instruction. A preauthorized transfer includes any arrangement with us to pay a third party from your account upon oral or written orders, including orders received through ACH. Any minimum withdrawal requirements are set forth in the Schedule.

If you exceed the transfer limitations set forth above in any statement period, we may reverse or refuse to make the transfer, and your account will be subject to closure by the Credit Union and/or assessment of a fee as stated in the Schedule.

If payment is made directly to the depositor, you may make an unlimited number of withdrawals from these accounts in person, by mail, at an ATM, or by telephone if the withdrawal is mailed to you in a check. There is also no limit on the number of transfers you may make to any loan account(s) with us.

- c. **Term Share Certificates.** Any term share certificate or share certificate accounts offered by the Credit Union are subject to the terms of this Agreement, the Schedule, and any account receipt or certificate, which are incorporated herein by reference. IRA certificate accounts are also subject to the limitations imposed by federal law and regulations and to any limitations set forth in your Credit Union IRA Agreement, the terms of which are also incorporated herein by reference.
- d. **Checking Accounts.** The Credit Union may refuse any check or other item drawn against your account or used to withdraw funds from your account if it is not on a form approved by us. We also reserve the right to refuse any check or other item drawn against your account or used to withdraw funds from your account if made in a manner not specifically authorized for your account, if made more frequently or in a greater number than specifically permitted for your account, or if made in an amount less than the minimum withdrawal or transfer specifically permitted for your account. If we accept a check or other item not on a form approved by us, you will be responsible for any loss by us in handling the item. We may pay checks or other items drawn upon your account in any order determined by us, even if paying a particular check or item results in an insufficient balance in your account to pay one or more other items that otherwise could have been paid out of your account.

Because of the nature of the Credit Union check program, neither the Credit Union nor any other processing entities shall be responsible for the authenticity of the checks with regard to the signature or alterations; and checks, when presented, shall be paid without verification. We may disregard all information on or any writing or memorandum attached to any check or item except for your signature, the amount and the information that is magnetically encoded. You agree that we do not fail to use ordinary care because our procedures do not provide for sight examination.

You agree to take precaution in safeguarding your blank checks. You will notify us immediately if you learn or have reason to know that any of your checks have been lost or stolen. If you are negligent in safeguarding your checks, we will not have any liability or responsibility for any losses you incur as a result of fraud or forgery if we pay any such check in good faith pursuant to standard industry practices.

You agree that we may impose a fee as set forth in the Schedule on the payee or other holder of a check or other item drawn against your account(s) that is presented for payment over the counter (in person or otherwise) at the Credit Union rather than being deposited in an account at another institution and presented for payment through the check collection system.

CHECKS FROM SOURCE OTHER THAN CREDIT UNION APPROVED VENDOR: The Credit Union approves the vendor(s) listed in the Schedule for check printing due to their high standards. Other companies that provide check printing services may not meet the high standards of our approved vendor(s) or may print terms or limitations that we do not agree to on such checks. Therefore, you acknowledge and agree that we have no responsibility or liability to you whatsoever resulting, arising or relating from/to: non-payment; returns as no account/insufficient funds or otherwise; limitations we do not specifically agree to in writing; or any other processing/payment error with regard to any check that is not printed by our approved vendor(s).

- e. **Telephone Transfers.** A transfer of funds from one of your accounts to another of your accounts at the Credit Union may be made by telephonic instructions given by the same person(s) and under the same conditions that a written transfer request could be made. You agree that the Credit Union may rely upon the apparent authority of a person that is able to provide the Credit Union with the information we require to initiate a transaction by telephone. The Credit Union may charge a fee for telephonic transfers which will be stated in the Schedule.
 - f. **Checks you Request from the Credit Union.** If you, in person, request any check be issued by the Credit Union, then such checks are payable to any person or entity you designate. If you make an electronic or telephonic request for any check, then all such checks are payable to the first named owner on the account, trustee, custodian, or as otherwise indicated on your account / signature card with us and will be mailed to your address of record. The Credit Union may charge a fee for such checks as stated in the Schedule.
 - g. **Temporary Holds and Authorizations for Amounts in Excess of Transactions.** To facilitate certain electronic transactions you make we may place temporary holds on funds in your accounts. These holds may be for periods of 36 hours or more; and are generally imposed by the transaction networks that process your payment requests. The Credit Union can neither control the parties with whom you do business nor regulate the processing of transactions through the commercial networks used to facilitate your transactions. Therefore, it is your obligation to insure that sufficient funds are on deposit at all times to cover the transactions you make – including the amount that may be subject to these holds. Pursuant to the processing network’s rules, a merchant (hotel, car rental company, retailer, etc.) may obtain authorization for up to 3 times the total estimated amount of your actual hotel stay, car rental or purchase. This is deemed to be an “authorized amount” by you and the authorized amount may not be available via your account for 36 hours or more after your bill is finally settled with such merchant(s), which can cause an insufficient funds situation in your account(s). Even if your bill is satisfied with another form of payment, the merchant/retailer may continue to hold the funds as originally authorized by you for these time periods. In order to avoid problems associated with these holds and authorizations, **we recommend you not use your debit/check card when checking in at hotels or renting cars (which are the primary source of such holds/authorizations).** Note: Using your debit card to settle your bill at departure should not subject you to these risks.
 - h. **Restrictions Required by Applicable Laws.** We will block, limit, or otherwise restrict certain accounts or transactions when we believe in good faith that certain laws including but not limited to the Bank Secrecy Act, USA Patriot Act, Office of Foreign Assets Control (OFAC) Act, and Unlawful Internet Gambling Enforcement Act require us to do so.
12. **Business Accounts or Member Organizations.** Accounts held in the name of a member, organization, or association for business purposes are subject to the terms set forth in the Business Account Terms and Conditions Agreement and the following additional rules. The account owners agree to inform us of the persons authorized to transact business on behalf of the business or organization in a resolution acceptable to us. The parties identified in the resolution will be authorized to contract and otherwise act on behalf of the entity identified. We may rely on the resolution, as applicable, and corresponding account / signature card until such time as we are informed of changes in a written document signed by any owner, officer or director of the organization that is actually delivered and received by us. We may require that third party checks payable to an organization not be cashed, and be deposited to a business account. Further, if a resolution or account / signature card identifies the member/owner as an organization of any type; or if the Credit Union determines that any account is used for any business or organizational purpose, such account is deemed to be a business account and may be subject to additional fees or other requirements.

13. **Business Days.** Except as may be otherwise specifically provided in our Agreements, all transactions after our "daily cut-off time" and made on days that are not our business days as set forth in the Schedule will be treated, transmitted, recorded, etc., as applicable and appropriate as if received/directed on the next business day that we are open. Deposits, orders, instructions, requests, etc., received by mail, electronically, at an unstaffed facility, or outside depository will be processed and credited only when actually received by us, and we shall have no responsibility until we actually receive the item.
14. **Change of Name or Address.** You agree to promptly notify us of any change of address or your name, including your E-Mail or other electronic address by: (1) writing us; (2) visiting in person; (3) via E-Mail using the Credit Union's secure web site (the portion of the site you may access after entry of your user name and password or PIN); or (4) through any other electronic method that may become available in the future. We will confirm your request by mailing a confirmation letter to you. In the absence of such notice, any mail, disclosure or notice to you at any address, forwarding address provided to us by the U.S. Postal Office, or email address shown by our records or any communication received from you will be deemed properly addressed; and unless otherwise provided by applicable law, constitute effective delivery of any item we may be required to provide, regardless of actual receipt by you. If we receive notice that the address you provided to us is not or is no longer correct, or has changed without notice to us, and we attempt to determine your new name or address, then the Credit Union may, in its discretion: (1) charge a fee as set forth in the Schedule; and/or (2) discontinue sending any statements, notices or other items to you until verifiable information is provided to correct any deficiency under this provision.
15. **Check Originals.** You understand and agree that when paid, your original check (or any substitute check) becomes property of the Credit Union and may not be returned to you. We have no obligation to retain the originals of any checks or other documentation. You agree to keep a copy of your original check in order to verify its validity. If you request us to provide you with an original check or sufficient copy, you agree that we may provide a copy or an electronic image of the original check. The Credit Union may charge you a fee as set forth in the Schedule for each requested item and/or for research as applicable.
16. **Club Accounts.** The Credit Union offers club plan account(s) to help you save for Christmas, holidays, vacations or other purposes. The present plan period is November 1 through October 31 each year. You can make deposits any time during this period either in person, by Direct Deposit, Direct Dial Teller, Home Banking or telephone transfer. At the end of the club account period, you authorize the Credit Union to pay the balance in your account by depositing the balance into any account designated by you, that we allow. If paid electronically, this payment is deemed a pre-authorized transfer. If you withdraw funds during a period, we may require you to withdraw the entire balance and not allow additional deposits until the following club period. Club periods may be changed by the Credit Union from time to time. Since we plan to make a single withdrawal transaction at the end of a club period, we may charge a transaction fee for any additional withdrawal requests as set forth in the Schedule. We presently offer club accounts pursuant to the terms set forth in the Schedule. Club accounts may be terminated if deposits are not made within certain time periods in successive periods.
17. **Collection Items:** We may accept certain items — such as certain securities and checks payable in foreign currencies or at foreign locations — on a collection basis only. We route and process collection items separately from your other deposits. We normally credit your account for collection items only after we receive payment for them. But if we do credit your account and then do not receive payment, we may debit your account for the amount of the item. We may also receive items from other financial institutions on a collection only basis. Upon presentment of a collection item we will follow the presenting institution's instructions and pay the item if funds are available in your account or otherwise pursuant to your agreements with us.

We may charge fees for processing collection items (sending and receiving) as set forth in the Schedule. The financial institution on which the collection item is drawn may also charge you fees. If the other financial institution requires payment of a fee before that institution will process the collection item, we may pay the fee and charge your account. Otherwise, the other financial

institution may subtract its fee from the amount of the payment we receive. Any fees may apply even if the collection item is returned unpaid.

18. **Costs, Expenses and Attorneys' Fees.** All owners of account(s) or service(s) with us agree, jointly and severally, to pay us for all costs and expenses, including attorneys' fees we may incur (1) if it is necessary for us to bring any legal or other action to collect any sum you owe the Credit Union; (2) if we incur any costs or expense as a result of any order or instruction received from any owner or any owner's agent under this Agreement, any adverse claim, legal process; your failure to comply with any obligation in this Agreement or otherwise; (3) if we incur any expense as a result of any dispute, adverse or inconsistent claims; (4) if we bring any action contemplated in this Agreement; (5) if we successfully defend any claim against the Credit Union brought by any owner, agent, personal representative, executor, heir or other party in interest brought via any formal or informal process (including but not limited to arbitration or mediation) involving your accounts or services with us; or (6) if we deem it necessary to seek the advice or opinion of legal counsel or other professionals regarding the bona fides or legality of any transaction(s) to/from your account(s) or involving any services with us, or any request for information or documentation regarding any of your accounts and/or services with us. If you are responsible to pay us any costs of collection or legal expenses incurred in collecting any amount you owe; in enforcing or protecting our rights under this Agreement or otherwise; or as provided in this subsection, including but not limited to costs of repossession, repair, appraisal, and all other costs or expenses, you agree to pay us the actual amount of such costs and expenses together with reasonable attorneys' fees. In the case of any collection action you agree that 20% of the unpaid balance or such greater sum as may be appropriate based on the circumstances shall be a reasonable amount, unless applicable law specifically provides otherwise. Further, you agree to pay the Credit Union an additional sum for any costs, legal expenses or attorneys' fees incurred in any appellate, bankruptcy or post-judgment proceedings, except as limited or prohibited by applicable law. Any costs, expenses or fees hereunder will be paid from any of your account(s) with the Credit Union before payment to any owner or other party. If the amounts in your account(s) are not sufficient, then the owner(s) of the affected account(s) or parties to any applicable services will immediately pay any difference.
19. **CROSS-COLLATERALIZATION:** To reduce the possibility of loss, members grant to the Credit Union a lien on all shares and agree that all collateral pledged to secure any loan obligation owed to us will also secure payment of your other obligations. This pledge will secure all obligations owed at the time of the pledge or which arise thereafter. This "cross-collateralization" of your obligations applies to all debts regarding your accounts, loans or otherwise, including, but not limited to, each closed-end loan obligation, each advance under any open-end loan plan, all obligations under any credit card agreement with us, and overdrafts. Unless a contrary intent is evidenced in writing, obligations secured by a primary residence are not included in the "cross-collateralization" of your obligations to us.
20. **Custodial, Trusts and Other Fiduciary Accounts.** The Credit Union may open other accounts pursuant to a court order or to facilitate your request for a trust, custodial, probate or other acceptable purposes. We make no representations and give no advice concerning any such accounts and may refuse to open any account or refuse to follow any instruction that may expose us to any expense or liability.

Any individual acting as an agent, guardian, personal representative, trustee, custodian or in some other fiduciary capacity must be designated to us as such on the account / signature card, as well as any other documentation we may require. We are authorized to follow the directions of any such agent/fiduciary until we receive written notice that the agency is terminated and have had a reasonable time to act upon the notice. Further, you specifically agree that we are not liable for the misapplication of funds by your agent/fiduciary.
21. **Death of Account Owner.** We may continue to honor all transactions on your account(s) until we receive actual notice of your death. After receiving actual notice, we may honor all transactions you authorized for a period of ten (10) days, unless we are ordered not to do so by a

person claiming an interest in your account(s). We can require any person claiming the funds in your account(s) to indemnify us for any losses we may incur as a result of honoring their order.

Upon the death of an individual account holder, all funds on deposit shall be paid according to the express instructions in the account / signature card (i.e., Payable on Death Beneficiary). If no express beneficiary (or beneficiaries) is provided, survives the death of the last owner, or can be located via the information provided to the Credit Union by the owners, then all funds on deposit will be paid to the estate of the account holder. If there is no estate, then the Credit Union may, but has no obligation to do so, pay the funds to any heir, who will be solely responsible for any further distribution of said funds. The Credit Union may require satisfactory documentation to be provided regarding any right, claim or fact regarding any matter related or arising from the payment of funds hereunder. The Credit Union will have no further obligation or responsibility and you agree that we shall have no liability to you, your estate or any heir, successor or assign relating to the distribution of such funds pursuant to this Agreement. The payment of any funds is subject to our lien or other security interest; and all debts you owe to the Credit Union will be paid from the funds in your account(s) before any payment is made. In case of the death of a joint account owner, the deposits will be subject to additional provisions of this Agreement.

22. **General Limitation on Credit Union Liability.** If we do not properly complete a transaction according to this Agreement, we will be liable for your losses or damages not to exceed the amount of the transaction, except as otherwise provided by law. We will not be liable if through no fault of ours, your account does not contain enough money to make the transaction; circumstances beyond our control prevent the transaction; your loss is caused by your negligence or by another financial institution; or the money in your account is subject to legal process or other claim. We will not be liable for consequential damages, except liability for wrongful dishonor. Our actions will constitute the exercise of ordinary care if such actions or non-actions are consistent with applicable state law, Federal Reserve regulations and Operating Letters, clearinghouse rules, and general banking practices followed in the area served by us. You grant us the right, in making payments of your funds, to rely exclusively on the form of the account and the terms of this Agreement. Any conflict between oral representations by you or Credit Union employees and any written form will be resolved by reference to this Agreement and applicable written form. You agree that the person(s) establishing any account with us is solely responsible for the structure and information provided for the account (i.e., owner(s) name(s), Social Security or other Tax ID Number, trustee(s), custodian(s), etc.); and we provide no advice and make no representations regarding the structure of any account(s) or other services. The Credit Union will not have any responsibility or liability to you or others relating to the dishonor or other return of any check, draft, ACH transaction or other order occurring as a result of our exercising our lien rights or freezing any accounts in order to protect or preserve such rights; insufficiency of funds; or otherwise.

23. **Illegal/Inappropriate Transactions.** You warrant and agree that you will not use any Credit Union accounts or services, including but not limited to loans, to make or facilitate any illegal transaction(s) as determined by applicable law; and that any such use, including any such authorized use, will constitute a breach of this Agreement. Certain federal and/or state laws or third party service providers' rules may limit or prohibit certain transactions such as, but not limited to, those coded as possible gambling transactions. The Credit Union may decline to accept, process or pay any transaction that we believe to be illegal or unenforceable (regarding your obligation to pay us or otherwise) under applicable law; or which is otherwise limited or prohibited, including but not limited to, any transaction involving or relating to any gambling activity. Such prohibition or limitations may affect some otherwise proper or allowable transactions such as debits, charges or other transactions at or relating to a hotel-casino. You understand and agree such limitations/prohibitions are not within the Credit Union's control and that the Credit Union will not have any liability, responsibility or culpability whatsoever for any such use by you or any authorized user(s); or for declining to accept, process, or pay any such transaction. You further agree to indemnify and hold the Credit Union harmless from any suits, liability, damages or adverse action of any kind that results directly or indirectly from any such use of your account and/or access devices.

24. **Inactive/Dormant Accounts.** If your account falls below any applicable minimum balance or you have not made any transactions within the period of time specified in the Schedule, we may classify your account(s) as inactive. You may be charged fees as set forth in the Schedule for inactivity, which is generally the failure to transact any business on an account for a period of twelve (12) months or more.

An account is generally only considered dormant when an applicable state law requires such classification (i.e., dormant or abandoned). Although having no obligation to do so, we reserve the right to not classify a particular account as dormant if any owner thereof has other active accounts or services with us. Unless specifically prohibited by applicable law, we may also charge a fee as set forth on the Schedule for processing your dormant account. You authorize us to transfer funds from another account of yours to cover any such fees for inactivity or dormancy. Unless prohibited by applicable law, we further reserve the right to transfer your dormant account funds to a general Credit Union account and to suspend any further account statements. If a deposit or withdrawal has not been made on the account and we have had no other sufficient contact with you within the period specified by state law, the account will be presumed to be abandoned. Funds in abandoned accounts will be reported and remitted in accordance with applicable state law. Once funds have been turned over to the State, we have no further liability to you for such funds and if you choose to reclaim such funds, you must apply to the appropriate state agency.

25. **Information About Your Accounts and About You.** Generally, we will not disclose information to third parties about your account(s) or about you without your permission. However, we may disclose information (1) when it is necessary to complete transfers or transactions; or to send notice of dishonor or nonpayment; (2) to our accountants; (3) to state or federal government regulators; (4) to exchange, in the regular course of business, credit information with other banks, financial institutions, or commercial enterprises, directly or through credit reporting agencies; (5) to advise third parties of accounts closed for misuse; (6) to furnish information to appropriate law enforcement authorities when we reasonably believe we have been the victim of a crime; (7) to comply with government agency or court orders, subpoenas or other legal process or to furnish any information required by statute; (8) to furnish information about the existence of an account to any judgment creditor of yours who has made a written request for such information; or (9) when we are attempting to collect an obligation owed to us. In addition, you understand and agree that we may, from time to time, request and review consumer credit reports and other information about you prepared by credit reporting agencies or others. You will be responsible to pay all legal, copying and other expenses incurred by us or payable pursuant to the Schedule regarding any subpoena or other legal process.

You may apply for additional financial services, or seek to refinance your loan and other obligations from time to time with other lenders or financial service providers. You may also seek to sell, trade, transfer or exchange collateral pledged to secure your obligations to us. You authorize and specifically grant us permission to provide orally, electronically or in writing "payoff" and other information including the amounts you owe on all obligations to us, if we receive a request which we in good faith believe to be related to any such application, refinancing, sale, trade, transfer or exchange. To expedite such transactions for your benefit, you agree that we can rely on the representations made to us by a third party, and our duties to you hereunder do not require us to investigate or document a request for such information.

26. **Legal Process and Other Adverse Claims.** Should we receive any legal process, including any summons, order, injunction, execution, distraint, levy, or lien, (hereafter called "Process"), or other adverse claim which in the Credit Union's opinion affects your account(s), we may, at our option and without liability, refuse to honor orders to pay or withdraw sums from the account(s) and either hold the balance in the subject account(s) until the Process or adverse claim is disposed of to the Credit Union's satisfaction, or pay the balance over to the source of the Process. We may also refuse to allow a withdrawal if there is a dispute between owners about the account or if the account secures any obligations owed to the Credit Union. Any Process or adverse claim is subordinate to our lien and security interest in all funds in your account(s). We may also charge you a fee for such matters as set forth in the Schedule.

27. **Lien Rights – Authentication and Signature (Loans and Obligations to the Credit Union).** All borrowers and co-signers of collateral hereby authorize the Credit Union or its agent to file, execute, sign, authenticate and take all other actions it deems necessary or proper in said parties' name(s) and stead with regard to the said parties' obligations to sign, file or obtain any lien, evidence of lien, financing statement, certificate of title or other security instrument we deem necessary for the attachment or perfection of our lien rights in any collateral pledged to secure the borrower's obligations to the Credit Union as well as any additional collateral we may require under the terms of this Agreement and any alternate collateral we agree to accept; or sale of such collateral in the event of default, which authority includes any modification, amendment, continuation or refiling.
28. **Minor Accounts.** For any account established by or for a minor, we reserve the right to require the minor account to be a multiple party account with an owner who has reached the age of majority under applicable state law who shall be jointly and severally liable to us for any of the other owners' transactions, such as, but not limited to returned item, overdraft, or unpaid charges or amounts on such account. We may require that a minor sign the account / signature card if the minor can sign his or her own name, but may accept the representative signature of the minor's apparent guardian, parent, or any other adult (i.e., "Mary Doe by John Doe, Father") on the account / signature card or for any transaction on behalf of the minor where we may require a signature. All parties to such an account acknowledge and agree that the authorized signer may make any and all transactions we allow on behalf of a minor and the minor may not conduct transactions without the signature of the authorized signer. We will require a minor's signature on the account / signature card before a minor can make an individual withdrawal on any account. Unless a guardian, parent, or other adult is an account owner, the guardian, parent, or adult shall not have any right to access the account other than in a custodial capacity. We have no duty to inquire of the use or purpose of any transaction by the minor or any account owner. We will not change the account status when the minor reaches the age of majority, unless authorized in writing by all account owners.
29. **Multiple Party Accounts.** Any or all owners can make deposits or withdrawals regardless of contributions. To make withdrawals, an owner must have his or her signature on file with us. If only one owner has signed an account / signature card, the account may be treated as an individual account. Each owner guarantees the signature of all other owners. We may accept orders, instructions, and requests for future services from any account owner. Any account owner may withdraw funds, stop payment of items, transfer or pledge to us all or any part of the shares in any account, and block, terminate, discontinue or close any transaction, service, or account without the consent of the other owner(s). However, the Credit Union may, at its discretion, require that all multiple owners indicate their consent by signing our document evidencing the change. We have no obligation to notify the other account owner(s) of any pledge or other actions, orders or instructions by any owner.

Once a multiple party account is opened, one owner cannot remove another from the account and one owner cannot change any designated beneficiary without the signature of all account owners.

If there is a dispute between owners or any other parties claiming an interest in any account(s) or transaction(s); or if there is any dispute regarding ownership, entitlement, payment, an owner's intent or instructions, or otherwise with regard to any account or any transaction; or if we receive inconsistent instructions or claims, we can in our sole discretion: (1) suspend or terminate the account(s) and require a court order; (2) require an agreement in writing that we deem sufficient; (3) file an interpleader or similar action and pay any sums in dispute into a court or other appropriate entity; or (4) take such other action as we deem appropriate.

Each owner is jointly and severally liable for all returned items, overdrafts or any other obligations owed to the Credit Union as a result of any transaction(s) on a multiple party account, regardless of the drawer, user or authorized user who orders or causes said transaction(s).

We have the right to endorse any drafts, checks, or other orders for the payment of money made out to any of the owners. Once endorsed, we can deposit them in the multiple party account, or we can endorse them for deposit by using a stamp to show a general endorsement for the account. Each owner appoints the others as his or her agent to endorse, deposit, withdraw, cash and conduct business for the account. Further, any owner may make requests for services to make elections relating to any multiple party account; and such requests or elections shall be binding upon all owners. Acting as an agent, any owner or owners can endorse a draft, check, or other payment order made out to any other owner or owners of the account and any owner may pledge to us the funds in any account to secure any joint or individual obligation to us. Once endorsed, the money can be taken in cash or deposited into the multiple party account. You agree that any money in this account can be paid to any one or more of the owners. This payment can be made on the orders or instructions of any of the owners, whether or not the other owners are alive at the time of the payment. If we make a payment following these rules, you release us from liability. Only one periodic statement will be provided per statement period and may be provided to any of the account owners identified on the account / signature card.

We will accept a Stop Payment Order from any owner regardless of who signed the instrument or otherwise authorized the transaction. Only the person placing the Stop Payment Order may release the Stop Payment Order.

Multiple Party Rights of Survivorship: Unless your account / signature card specifically indicates otherwise, you agree that it is your intention to create a joint tenancy with the right of survivorship (a form of ownership) in any multiple party account and if one or more of the multiple party owners dies, his or her interest in the account passes to the remaining owners; unless subject to our right of set-off or a pledge of the funds in the account(s), in which case all sums in the account(s) will belong to us regardless of contributions, up to the amount of the obligation(s) owed. We may not release any funds to a survivor until all required legal documents are delivered to us. Further, the Credit Union reserves the right to require any changes to the account to be made in writing signed by all account owners.

When the deceased member is the first name listed on the account, after a reasonable period of time, we may ask the remaining account owner(s) to close this account and open an account under his/her own Taxpayer Identification Number.

30. **Overdraft:** An overdraft occurs when you make or authorize any transaction that exceeds the balance in the account you access by check, electronically, or otherwise or if we impose a fee that exceeds the balance in your account(s). Unless you have an approved overdraft protection agreement with us, you agree not to cause any overdraft on any of your accounts with us. The Credit Union, in its sole discretion, may pay any overdraft via an overdraft protection agreement or otherwise on a case-by-case basis, but has no obligation to do so, or to continue to do so. We may impose a fee as set forth in the Schedule for any overdraft, whether paid or denied. You agree to pay us promptly the amount of the overdraft as applicable together with the fee pursuant to the Credit Union's policies. The Credit Union has no obligation to notify you of any overdraft, insufficient funds transaction, or charge that creates an insufficient funds balance in your account(s). **ATM and one-time debit card transactions require a member to opt-in using the methods we require in order for the Credit Union to exercise its discretion under this provision to pay these particular transactions types.**
31. **Overdraft Protection Agreement:** You agree that the Credit Union may utilize any funds in any of your accounts to pay any overdrafts as defined herein or to pay any other debts that you owe as a result of any authorized acts. Authorized acts include, but are in no way limited to, any transaction on your account(s), payments on your loan(s) and other obligations whether pre-authorized or otherwise, any default or transaction that exceeds your authorized credit limits. Funds may be applied from any account in which you have a beneficial interest; and may include funds regardless of the source including, but not limited to, deposits of funds representing the payment of Social Security, Veterans benefits, or any other funds that may be subject to limitations under federal or state laws. Any application of funds hereunder shall be deemed a voluntary transfer that you have authorized. Further, you agree that any overdraft

protection plans you have now or in the future are intended to cover and be utilized for any such matter addressed herein caused by or arising from the actions of any owner or authorized users.

Debits are paid in low to high balance order until a negative balance would be incurred. If the Credit Union honors further check, ACH or debit card transactions on a deficit balance, payments will continue to be made using a low to high approach until the overdraft protection limit is reached to maximize the number of checks paid under the program and to provide the member with the greatest benefit before items are returned.

Any and all fees and charges, including without limitation the Overdraft Fee, negative balance fee, continuous overdraft fee and interest charges will be included in the amount of the overdraft limit and are due and payable upon demand, and the depositor and each authorized signatory will continue to be liable, jointly and severally, for all such amounts, as described in the Agreement.

The Credit Union is not obligated to pay any item presented for payment if the member's account does not contain sufficient available funds. Any discretionary payment by the Credit Union does not obligate the Credit Union to make any additional payment for non-sufficient funds. Neither is the Credit Union obligated to provide prior notice of its decision to refuse to pay.

The Credit Union may advance money to members to cover account deficits. Provided that the member is in good standing¹ with the Credit Union and funds are not available at the time of presentment, the Credit Union may provide a **courtesy overdraft** and honor a member's debit transactions, which include, but are not limited to, checks, ACH debits, and debit cards. An overdraft fee will be assessed on each item paid. Current fees are listed on the Schedule. The member has the right to opt out of the courtesy overdraft service at any time.

Members may also cover insufficient funds in their accounts by setting up (i) share transfers, or (ii) transfers from an approved line of credit loan. The prevailing terms and conditions of the loan will be based on the Credit Union's standard lending practices. The member can designate the order of the overdraft protection, i.e., which is accessed first –courtesy overdraft, share transfer, or line of credit transfer. If the first transfer account does not have a sufficient balance to cover the overdraft, the balance in that account will be transferred and the remaining amount needed to pay the overdraft transaction will be transferred from the next account you have designated. A Transfer Fee will be assessed on each item paid. Current fees are listed on the Schedule.

When honoring a member's debit transaction(s), which causes a deficit to the member's account, the member has up to 35 days to deposit enough funds to bring his/her account to a positive balance and remain positive for one full day. The 35-day time limit begins the day the Credit Union advances the overdraft protection. Failure to return a negative balance to a positive balance within 35 days may result in the loss of checking account services and the account may be placed in Collections. The account may be reported to credit reporting agencies.

32. **Payable on Death.** Payable on Death (POD) accounts are governed by your agreements with the Credit Union and applicable state law. A POD account instructs us that the designated account is payable to the owner(s) during his lifetime, and upon death of the last account owner, is payable to the beneficiary (or beneficiaries) then living designated by your account/signature card. All account owners must be present and agree on changing any designated beneficiary(ies).

Accounts payable to more than one beneficiary are jointly owned with rights of survivorship. This means that surviving beneficiaries, if more than one, are entitled to a pro-rata portion of the amounts in the account(s) designated. If the named beneficiary is not living at the time the

¹ Good Standing means:

- You bring your account to a positive balance within every 35 days and it remains positive for one day
- You are making regular deposits consistent with your past practices
- You are not in default on any loan or other obligation to LAFCU
- You are not subject to any legal or administrative order or levy

account(s) become payable, then the estate/heirs of the deceased beneficiary will be paid a pro-rata portion of the amount(s) in the account(s) designated. POD beneficiary designations do not apply to IRA accounts, but instead, are subject to your IRA Agreement/Certificate. The Credit Union has no obligation to notify any beneficiary of any POD account or the vesting of his or her interest. Further, the Credit Union is also entitled to all additional protections provided by applicable law regarding the payment of sums on deposit in POD accounts. If any beneficiary is not of legal age at the time the account(s) is to be paid to beneficiaries hereunder, then said amounts will be paid to the legal guardian of such beneficiaries. If the minor has no legal guardian, then the funds shall be retained in an account similar to the account from which the funds are payable, or such other account for which the deposit may qualify if no longer entitled to the benefits of the original POD account based on the terms we offer, until such time as the beneficiary reaches legal age.

33. **Postdated and Stale Dated Drafts.** We may pay any draft without regard to its date. You agree not to deposit checks, drafts or other items before they are properly payable. **We are not obligated to pay any check or draft drawn on your account, which is presented more than six (6) months past its date; however, we have no obligation or liability to you or any other party to the instrument or in the chain of the collection process if we do so.**
34. **Powers of Attorney.** The Credit Union may allow a third person acting as your attorney-in-fact to make transactions regarding your account(s), pursuant to a Power of Attorney, but has no obligation to do so. You agree that we have no obligation to verify the scope, authenticity, and validity of any Power of Attorney presented to us. If we accept the Power of Attorney, the Credit Union has no duty to inquire as to the use or purpose of any transaction(s) by your attorney-in-fact, and may restrict or refuse account access, withdrawals and transfers. Further, you agree to reimburse the Credit Union for all costs and expenses, including attorneys' fees, we incur and agree to indemnify us for any loss or other expense we incur from our acceptance of your Power of Attorney.
35. **Recording Conversations.** You understand and agree that for our mutual protection we may record any of our telephone conversations.
36. **Right of Set Off.** You agree that the Credit Union at all times retains the common law equitable right of set off against shares with regard to any debt or obligation owed to us individually or otherwise, which right may be exercised by us without legal process or notice to any account owner.
37. **Right to Refuse Instructions/Orders.** If you ask us to follow instructions that we believe might expose us to claims, suits, losses, expenses, liabilities, or damages, whether directly or indirectly, we may refuse to follow your instructions or may require a bond or other protections.
38. **Statements.** If the Credit Union provides a periodic statement for your account(s), you will receive a periodic statement from us, or notice of the availability of your statement describing all activity on your account(s) during the statement period as required by law. The periodic statement will list all account and/or loan information as described in this Agreement in accordance with applicable state and federal laws.

If provided electronically, you will be sent a notice via E-Mail that will give you the address of the site the Credit Union maintains or causes to be maintained where you may access, review, print and otherwise copy or download your periodic statements using procedures that we authorize. E-Mails from us will be sent to the E-Mail address provided by any owner.

- a. **Your Duty of Examination:** You understand and agree that periodic statements are made available to you on the date mailed by us or our agent; either in paper form or electronically. You acknowledge and agree that checks and other instruments are also made available to you for review on the date the periodic statement is mailed or made available, even though they do not accompany the statement. **You further agree that it is your duty and obligation to carefully and promptly review each periodic**

statement to verify that each transaction is authorized and accurate. You agree that we will have no responsibility or liability whatsoever for any forged, altered, unauthorized, unsigned, improperly endorsed, improperly encoded or inaccurate transaction or item if: (1) you do not review and notify us in writing within thirty (30) days of the mailing date of the earliest periodic statement containing information about or indicating any forgery, alteration, unauthorized signature or transaction, missing signature, improper or missing endorsement, encoding error or other inaccuracy; or (2) any checks or instruments are forged or altered in a manner not detectable by a reasonable person, including the unauthorized use of a facsimile signature.

Notwithstanding the foregoing, the time period for notifying us or making a claim under the Check 21 Act, with respect to a substitute check or an image of a substitute check that is sent with a statement or that appears on a statement, will be as set forth in the Check 21 Act. Information about substitute checks under Check 21 may be obtained from any branch office of the Credit Union.

- b. **Your Duty to Notify Us:** You agree that the information in each statement will be considered correct for all purposes and we will have no liability whatsoever unless you notify us in writing within the time described in this section. If you do not receive a periodic statement or have any problem accessing a periodic statement, you agree to notify us in writing within fourteen (14) days of the date that the statement is usually sent or made available by us. If you do not so notify us, you will be deemed to have received the statement for all purposes.
 - c. **Fiduciary Accounts:** Statements will be provided to the fiduciary upon any trust, custodial or other fiduciary or representative account; and the requirements of this paragraph will be binding on all parties in interest with regard to such accounts pursuant to such delivery.
39. **Status Quo – Collateral Preservation.** You specifically agree that all shares on deposit constitute collateral for all obligations owed to the Credit Union. You agree that the Credit Union has the right to preserve this collateral, and may use appropriate administrative procedures including but not limited to, placing a temporary hold or freeze on such funds to safeguard such funds if the Credit Union at any time has reason to believe such collateral may be impaired or at risk due to any default, bankruptcy, breach of any agreement or promise, or as otherwise provided for by our agreements or applicable law, without notice to any owner. In the case of any bankruptcy proceeding, the Credit Union has a right to preserve such collateral as set forth herein as cash collateral; and is not required to surrender or turn over such collateral absent the owner's filing any appropriate motions and the entry of an order either providing for adequate protection of the Credit Union's rights in such collateral, or modifying or terminating the automatic stay as to such collateral. You further agree that the Credit Union's exercise of this right to safeguard or freeze funds on deposit shall not constitute a violation of the automatic stay afforded by the Bankruptcy Code.
40. **Statutory and Consensual Liens on Shares.** By signing an account / signature card or other agreement conveying a pledge or security interest in shares, or your use of any accounts or services, you grant us and we impress a lien on any and all funds (shares) in all joint and individual share accounts, together with all dividends, regardless of the source of the shares or any individual owner's contributions. This lien secures any account owner's joint and individual obligations to us now or in the future, whether direct, indirect, contingent, or secondary. Payment of any sums to a joint owner, beneficiary, or other party will be subject to payment of all outstanding obligations owed to us.

You agree that this lien is created and/or impressed, as applicable, as of the first date that any applicable account is opened with us. This lien secures all debts you owe us, including but not limited to, those arising pursuant to any loan agreements, or under this Agreement, or arising from any insufficient funds item; or fees; or costs; or expenses; or any combination or all of the

above. You authorize us to apply shares to any obligations owed to us if you default or fail to pay or satisfy any obligation to us, without any notice to any account owner or other party. This right is immediate and applies to all accounts which means there will be no limitation or delay with regard to any stated maturity date as to any certificate or other applicable shares.

41. **Stop Payment Orders.** If you don't want us to pay a specific written instrument such as a personal check, you can ask us to place a Stop Payment Order (SPO) on the instrument. You can notify us by mail, telephone, electronically, or in person. Any such instruction must be given to a teller, member service representative or branch manager of the Credit Union. Your SPO will take effect upon verification that the check has not been paid. An SPO will not be valid and binding on us unless your SPO includes your account number, the number and date of the written instrument, the name(s) of the payee(s), and the exact amount of the instrument. We may charge you a fee for any SPO as set forth in the Schedule, which sum may be transferred by us from any owner's account(s) or paid directly to the Credit Union.

If you give an oral SPO that is not confirmed in writing by you within fourteen (14) days, your SPO will expire and the instrument may thereafter be paid by us.

If you provide written confirmation, your SPO will be effective for a period of six (6) months. Further, you agree that the Credit Union, in its sole discretion, may confirm any SPO in writing by sending a notice to the address shown in our records, but has no obligation to do so. Such written confirmation by us will also be effective for a period of six (6) months. To extend the SPO for an additional six (6) months, you must deliver to us an additional written request that provides all of the information required for an initial SPO as described above in this paragraph.

You may also place a Stop Payment through the Credit Union's secure internet banking site or other electronic method as may become available and acceptable to the Credit Union.

The Credit Union will not be responsible for any loss as a result of honoring a check when: (1) it is more than fourteen (14) days after receipt of your oral order to stop payment; (2) it is more than six (6) months after your written order to stop payment, our written confirmation, or more than six (6) months after a written extension as provided herein; (3) through inadvertence, oversight or accident, we honor any postdated check; or (4) you fail to provide us with complete or accurate information. We have no obligation to accept any order to stop payment on any certified check, cashier's check, money order or other instrument guaranteed by us. You will be responsible to the Credit Union if any claim or demand is made against us as a result of our acting in accordance with your stop payment order. This means that you are required to reimburse us for any loss or damages and reasonable costs, expenses or attorneys' fees that we incur in defending the Credit Union against any claims or demands made against us as a result of following your stop payment order.

You agree that any stop payment order received when you do not have sufficient funds on deposit in your account to cover the item on which you are requesting us to stop payment shall be subject to an NSF fee for return of an insufficient funds item rather than the fee for a stop payment order. If available, any stop payment order we receive by electronic mail or by similar means shall be treated as an oral order.

42. **Taxpayer Identification Numbers and Certification.** Pursuant to the account / signature card used to establish your membership with us, you provided a certification regarding the accuracy of your taxpayer identification number (usually your Social Security Number) and whether your account is subject to backup withholding under the Internal Revenue Code. You acknowledge and agree that this certification applies to any and all accounts you have with us now or in the future, unless you provide written notification to us that specifically provides otherwise.

43. **Telephone Requests.** You agree that funds in any account(s) with us can be transferred, upon the telephone request of any signer on the account, to another account with us or to any other financial institution. 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 reserve the right to refuse to execute any telephone request or order.

44. **Termination of Account(s) and Service(s).** We, in our sole discretion, may terminate, limit or restrict, or change the terms, as we in our sole discretion deem appropriate, any of your accounts or services, including but not limited to, loan services, or place a freeze on any sums on deposit with us at any time without notice or require you to close your account(s)/service(s) and apply for a new account(s)/service(s) if: (1) there is a request to change the owners or authorized users; (2) there is a fraud/forgery or unauthorized use committed or reported; (3) there is a dispute as to ownership of any account or sum on deposit; (4) there are any checks that are lost or stolen; (5) there are returned unpaid items/transactions not covered by an overdraft plan agreement with us or any abuse of any such plan per our assessment thereof; (6) there is any misrepresentation regarding any account(s) or service(s); (7) the Credit Union incurs any loss or believes it may incur any loss relating to any loan(s), account(s) or service(s) you have with us; (8) we believe you have been negligent in protecting any access devices or codes; (9) we deem it necessary to protect the Credit Union from any risks or losses, or otherwise deem it to be in the best interests of the Credit Union, our members or our employees; (10) you breach any promise under this Agreement or any other agreements with us including but not limited to any default or other delinquency with regard to any loan or other agreements; (11) bankruptcy or any other insolvency proceeding is filed by or against you, or if we otherwise deem you to be insolvent or incapable of meeting your obligations to us; (12) you refuse or fail to cooperate as provided in this Agreement; or (13) you violate any Credit Union policy, procedure or standard or any law, regulation or rule. We, on our own accord, may place a stop payment on any share draft, item or transaction if we are notified or otherwise reasonably believe that any of the foregoing circumstances have occurred. If you do not accept any deposit or part of a deposit that we attempt to return after termination, then such deposit will no longer earn dividends.

You may terminate a single party account at any time by notifying us in writing or in person. We may require advance notice for large cash withdrawals.

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

- a. **Residence Outside the U.S., Its Possessions or Territories.** We may require that all checking accounts and related services be closed or deactivated if you move your residence to a country or place outside the U.S., its possessions or territories. You will have a period of thirty (30) days from the date you move to close or deactivate your checking account(s). Thereafter, the Credit Union may close your checking account(s) and related services as set forth herein.
 - b. **Duty to Cooperate.** You have a duty to cooperate with us, and any law enforcement or government agent or agency with regard to any claim of fraud, forgery, unauthorized access or any other adverse claim(s).
 - c. **Par Value Requirement.** If your membership account balance falls below the required par value for membership, then your membership may be terminated by us pursuant to the Credit Union's Bylaws. Upon termination, the Credit Union may charge a fee as set forth in the Schedule.
45. **Termination of Membership.** You may terminate your Credit Union membership by giving us notice and complying with the policies and procedures of the Credit Union. Termination will not release you from any fees or obligations you owe us, those incurred in the process of closing your accounts or services or your liability on outstanding items or transactions. You further agree that we can terminate your membership for cause based on any of the circumstances defined in this Agreement; without notice or further action. Upon termination, no transaction(s) will be allowed.

46. **Uniform Gifts to Minors Act and/or Uniform Transfer to Minor Act ("UGMA/UTMA").** All grantors, custodians and beneficiaries agree to the terms of this paragraph. If you have signed an account as custodian for a beneficiary under an applicable UGMA and/or UTMA, your rights and duties are governed by that Act. We have no duty to inquire into the use of any funds or purpose of any transaction by the account custodian/trustee. Upon the death of the account custodian/trustee where no successor custodian/trustee is appointed pursuant to applicable laws, we may place an administrative freeze on the account until we receive instructions from a person authorized by law to withdraw funds or an appropriate court order. Successor custodians / trustees shall provide documentation required to evidence compliance with applicable law(s) which meet our satisfaction. Unless applicable laws provide otherwise, it is understood and agreed that a successor custodian/trustee may be the minor's legal guardian. If there is more than one legal guardian, the Credit Union can accept any such guardian as a successor custodian/trustee. Upon acceptance of a successor custodian/trustee, no instruction from any other guardian will be accepted. It is agreed that funds deposited into such an account belong to the beneficiary. When the beneficiary reaches the age of majority under the laws of the minor's state of residence, the funds in any UGMA and/or UTMA may not be paid or withdrawn by the beneficiary. If the beneficiary wishes to retain an account with us, all account holders must agree to close the UGMA/UTMA. The beneficiary can then execute a new Membership Application and signature card. Any authority to make transactions will then be governed by the new signature card and the authority of any custodian(s) will be terminated.
47. **Miscellaneous.** In this Agreement, except as otherwise indicated, the singular includes the plural and the masculine includes the feminine and the neuter. Further, this Agreement or any claim or dispute arising hereunder shall be construed in accordance with and governed by the Laws of the State of Michigan which law together with specifically applicable federal laws govern this Agreement unless specific applicable law expressly requires otherwise.

You represent and agree that you shall perform all transactions, undertakings, and all of your obligations under this Agreement in accordance with all applicable laws and regulations. This includes, but is not limited to sanctions enforced by the Office of Foreign Assets Control (OFAC). You shall indemnify the Credit Union against any loss, liability or expense (including attorneys' fees and expenses) resulting from or arising out of any breach of any of the foregoing representations or agreements.

Our website and the electronic services that we provide (excluding linked sites) are controlled by the Credit Union from its principal offices within the State of Michigan. While you may choose to access our website and electronic services from other locations, we make no representation that any information, materials, or functions included in our website or via our electronic service are appropriate or authorized for use in other jurisdictions. Your access from other locations is made on your own initiative; and you are solely responsible for compliance with any applicable local laws and regulations.

The terms and conditions of any account or service, including the method of determining dividends, may be changed by the Credit Union upon written notice, or as required by applicable law. Section headings in this Agreement are for convenience of reference only and shall not govern the interpretation of any provision of this Agreement. If any law or judicial ruling renders any term or condition of this Agreement unenforceable, the remaining terms and conditions shall remain in full force and effect. We reserve the right to waive enforcement of any of the terms set forth in this Agreement regarding any transaction or series of transactions. Any such waiver will not affect our right to enforce any of our rights with respect to any owner, user or other applicable person/party; or to enforce any of our rights with respect to other transactions. Any such waiver shall not modify the terms and conditions of this Agreement. Transactions involving a loan will not alter the terms or conditions of the loan agreement(s), but will remain subject to the terms and conditions of this Agreement when not inconsistent with the loan agreement. In the case of any conflict, the loan agreement will govern.

ELECTRONIC RECORDS AND COMMUNICATIONS AGREEMENT

Electronic Records. To facilitate electronic commerce, to reduce the expense of records storage, and to obtain the benefits of faster access to records, you acknowledge and agree that we may in our discretion store all records electronically; and that we will not retain and have no obligation to retain any original documents for any period of time. This applies to all documentation including but not limited to checks, transaction records, notes, mortgages, deeds of trust and other loan and/or security documentation. You further acknowledge and understand that we will routinely destroy all original documentation. We may store records electronically via imaging, scanning, filming or other technology used in the financial services industry for the storage of documentation via internal processes or third-party processors that we approve for these services. You agree that such storage shall be secure, and further agree that such records shall for all purposes be recognized and admissible in evidence or otherwise to prove the agreements, rights and obligations of the parties pursuant to any such records.

“E-Mail” and Facsimile Communications. You acknowledge and agree that the Internet is considered inherently insecure. Therefore, you agree that we have no liability to you whatsoever for any loss, claim or damages arising or in any way related to our response(s) to any e-mail or other electronic communication, which we in good faith believe you have submitted to us. We have no duty to investigate the validity or to verify any e-mail or other electronic communication; and may respond to an e-mail at either the address provided with the communication, the e-mail address in your Membership Application and Signature Card, or any other application or written communication actually received by us. Any account owner, co-borrower, or authorized user may change the e-mail address for statements or other information from us at any time.

Although having no obligation to do so, we reserve the right to require authentication of e-mails or electronic communications. The decision to require authentication is in the sole discretion of the Credit Union. We will have no obligation, liability or responsibility to you or any other person or company if we do not act upon or follow any instruction to us if a communication cannot be authenticated to our satisfaction. Further, the Credit Union may not immediately receive e-mail communications that you send. Also, we will not take action based on e-mail requests until we actually receive your message and have a reasonable opportunity to act. We reserve the right to require any notices from you be submitted to us in writing, and we may refuse to send certain information through unsecured e-mail communications. If you need to contact the Credit Union immediately regarding an unauthorized transaction, stop payment request, or otherwise, you may call the Credit Union at the telephone number on the back of this booklet.

Links to Other Sites. Our website may contain links to third party websites. These links are provided solely as a convenience to you and not as an endorsement by the Credit Union of the contents on such third-party website. Credit Union is not responsible for the content of linked third-party sites and does not make any representations regarding the content or accuracy of materials on such third party websites. If you decide to access linked third-party websites, you do so at your own risk.

REGULATION CC: FUNDS AVAILABILITY

Same Day Availability. Our general policy is to make funds from your cash deposits, checks drawn on LAFCU if funds are available in the account, and electronic direct deposit available to you on the day we receive your deposit. At that time, you can withdraw the funds in cash and we will use the funds to pay checks you have written.

Next Day Availability. Generally, the first \$5,000 of check(s) drawn by local (within Michigan) or state (Michigan) government is available the first business day after the day of deposit as long as the check is made payable to the account holder. If the check is not made payable to the account holder, then a two-day waiting period will apply. If the deposit is made in person to one of the Credit Union's tellers and is made payable to the account holder, the first \$5,000 from the following items are also available on the first business day after the day of deposit: Cashier's checks, certified checks, teller checks, Federal Reserve Bank checks, Federal Home Loan Bank checks, and U.S. postal money orders. If the deposit is not made in person to one of the Credit Union's tellers (for example, if the deposit is made through the mail or at a night depository), funds from these deposits will be available on the second business day after the day of deposit. The remaining balance may not be available until the seventh (7th) business day following the day of your deposit.

Other Checks. Generally, the first one hundred dollars (\$100) of your deposit of other checks will be available on the day of your deposit. The next \$4,900 will be available on the second business day after the day of your deposit. The balance will usually be available on the seventh (7th) business day after the day of your deposit. **NOTE: EFFECTIVE JULY 21, 2011, the first \$200 of your deposit will be available on the next business day following the day of deposit and the next \$4,800 will be available on the second business day after the day of your deposit.**

Longer Delay. We may delay your ability to withdraw funds deposited by check into your account for the following reasons. We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available.

- We have a reasonable cause to doubt the collectability of the check.
- You deposited checks totaling more than \$5,000 on any one day.
- You deposited a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- There is an emergency, such as failure of communications or computer equipment.

Wires and ACH Funds. If you initiate a wire or ACH transfer from your account at another institution to your LAFUCU account, the funds transferred to your LAFUCU account will be available on the day we receive the deposit, at which time you may withdraw the funds in cash and we will use them to pay checks you have written. However, the funds that you transfer by wire or ACH from your account at another institution to your LAFUCU account cannot be wired out of your LAFUCU account to a non-LAFUCU account until the next business day after the day we receive the deposit.

Notification of Delay. If we are not going to make all of the funds from your deposit available on the day of your deposit, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit.

Holds on Other Funds. If we cash a check or accept for deposit a check that is drawn on another financial institution, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

Business Days. For determining the availability of your deposits, every day is a business day, except Good Friday, the day after Thanksgiving, Christmas Eve, New Year's Eve, Saturdays, Sundays, and federal holidays. If you make a deposit before our "daily cut-off time" on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after our "daily cut-off time" or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

Special Rules for New Accounts. If your account has been open less than 30 days, you are a new member. The following special rules will apply during the first thirty days your account is open. Funds from cash, on us items and electronic direct deposits to your account will be available on the day we receive the deposit. The first \$100 is available immediately; the next \$4,900 from wire transfers and cashier's checks, certified checks, teller's checks, traveler's checks, United States Postal Service money orders, United States Treasury, state or local government checks will be available the next business day following the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, i.e., at an ATM, the first \$5,000 will not be available until the second business day after the day of your deposit. The excess over \$5,000 of these types of checks will usually be available on the seventh (7th) business day after the day of your deposit. For all other checks, the first \$100 is available immediately; the next \$4,900 will be available on the second business day following the day of your deposit with any remainder available the seventh (7th) business day following the day of your deposit. **NOTE: EFFECTIVE JULY 21, 2011, for all checks other than those listed in the Next Day**

Availability section, the first \$5,000 will be available on the second business day following the day of your deposit with any remainder available the seventh (7th) business day following the day of your deposit.

Deposits at Automated Teller Machines (ATM). Funds deposited (cash or checks) at ATMs owned by LAFCU will not be available for a minimum of two business days after the day of your deposit. Funds from any deposits (cash or checks) made at ATMs we do not own or operate will not be available for a minimum of five business days after the day of your deposit. Members using ATM cards who have ATM deposit privileges will be limited to one ATM deposit per day with up to \$200 cash withdrawal and the availability of up to \$500 per day to pay checks you have written. Members using Debit cards will be limited to two ATM deposits per day with up to \$500 cash withdrawal and the availability of up to \$1,000 per day to pay checks you have written.

Foreign Checks. Checks drawn on financial institutions located outside the U.S. (foreign checks) cannot be processed the same as checks drawn on U.S. financial institutions. Foreign checks are exempt from the policies outlined in this disclosure. Generally, the availability of funds for deposit of foreign checks will be delayed for the time it takes us to collect the funds from the financial institution upon which it is drawn. Foreign checks with no routing numbers and payable in foreign currency are not accepted for deposit. These items must be sent as a collection item. Only foreign checks payable through a U.S. bank with routing numbers and payable in U.S. dollars will be available the next day.

Special Rules for Time Period Adjustment for Withdrawals by Cash or Similar Means. The Credit Union reserves the right to extend by one business day the time that funds deposited will be available for withdrawal by cash or similar means. However, an additional \$400.00 will be available for withdrawal by cash or similar means on the date funds are otherwise available for withdrawal under this policy.