Membership and Account Agreement

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MEMBERSHIP AND ACCOUNT AGREEMENT

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

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

1. **Membership Eligibility.** To join the Credit Union you must meet the membership requirements including purchase and maintenance of at least one (1) share ("membership share") as set forth in the Credit Union's Bylaws. You authorize us to check your account, credit and employment history, and obtain reports from third parties, including credit reporting agencies, to verify your eligibility for the accounts and services you requested.

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

3. **Account Cards and Ownership Rights.** The ownership rights in your account will be based on the information set forth on your account card (generally this form is entitled "Application for Membership and Share Account with Beneficiary Option"). The provisions of paragraphs 4 through 10 that follow describe the basic rules applicable to the various possible ownership arrangements available for accounts at the Credit Union; which ones apply to your account will depend on how the account card is completed.

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

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

a. Rights of Survivorship. Unless there is a separate contract document providing to the contrary, a multiple party account includes rights of survivorship. This means when one owner dies, all sums in the account will pass to the surviving owner(s). Any owner who is a surviving owner agrees that the Credit Union to the extent allowed by law may set off any money in the account against any obligation of a deceased owner within thirty days after the Credit Union becomes aware of the deceased owner's death unless such a setoff would not have been allowed

during the deceased individual's lifetime (such as would be the case with certain tax favored accounts). All owners who are surviving owners also agree that their interests in the account are subject to any security interest or pledge granted by a deceased owner, even if they individually did not consent to it.

b. Control of Multiple Party Accounts. Except to the extent there is a separate contract document providing to the contrary, the provisions of this Section 5.b. govern control of and access to Multiple Party Accounts. Any owner is authorized and deemed to act for any other owner(s) and may instruct us regarding transactions and other account matters. Each owner guarantees the signature of any other owner(s). Each owner appoints each other owner to be his or her irrevocable attorney: to make deposits to the account; to endorse, for cash or deposit, any checks or other items whether payable to one of the owners alone or with others; and to receive and receipt for all funds. Each owner of the account agrees with each other and the Credit Union that all sums paid into the account at any time by any or all of said owners with all accumulations on such sums, are and shall be subject to the withdrawal or receipt of any of them, and payment to any of them shall be valid and discharge the Credit Union from any liability for such payment. Any owner may make deposits, withdraw or transfer any or all funds, stop payment on items, or pledge to us all or any part of the funds without the consent of the other owner(s). We have no duty to notify any owner(s) about any transaction. We reserve the right to require written consent of all owners for any change to or termination of an account except that any owner may remove himself or herself as an owner at any time. If we receive written notice of a dispute between owners or inconsistent instructions from them, we may suspend or terminate the account and require a court order or written consent from all owners to act. We shall have no responsibility to follow the application of the funds withdrawn from the account.

Each account owner authorizes the Credit Union to permit every joint account owner to have access to the account through A+CALL® and A+COMPUTE®, if these services are provided for a joint account and to have access to information about every regular share, share draft, club, certificate and loan account of the other joint account holders. Each joint account owner also

authorizes every other joint account owner to change the PIN, Access ID and Password, for the account and to order transactions in the account and agrees to be bound by those transactions.

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

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

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

6. Accounts with Beneficiary Designation. If you have listed any beneficiaries on an Account Card, upon the death of the owner, or the last surviving owner if there is more than one, the funds in the account shall become the property of any beneficiary(s) living at the time. If none are living, the funds become property of the estate of the account owner last surviving. The Credit Union makes no representation as to whether the use of the beneficiary designation is appropriate for any person establishing such an account. Once the owner (or the last owner if there is more than one) has died, the Credit Union is entitled to pay funds in an account as provided herein to any person designated as a beneficiary on the account and shall not be liable to the person(s) establishing the account, their heirs, representatives or assigns or any other person by reason of such payment so long as the Credit Union has taken reasonable steps to identify the beneficiary receiving payment. If there is more than one beneficiary, each beneficiary shall have an equal share of the account balance, e.g., 3 beneficiaries each own 1/3. Each living beneficiary shall have the power to withdraw only the beneficiary's share together with any accumulations on the account. This Agreement's provisions on survivorship and joint control shall not apply to the ownership interest of the beneficiaries. No beneficiary shall have the right to change the terms and conditions of this Agreement.

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

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

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

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

b. Trust Document Provisions. The Credit Union will act in accordance with the terms and conditions of the most recent information presented to the Credit Union regarding the provisions of the trust document. Furthermore, the Credit Union is not bound by any changes to the trust document of which it has not received written notice.

c. Multiple Trustees. If there is more than one Trustee, the Credit Union is hereby authorized to recognize any of the signatures on the Account Card in the payment of funds or the transaction of any business for the account. The Trustees of the account agree with each other and the Credit Union that all sums paid into the account at any time by any or all of said Trustees with all accumulations on such sums, are and shall be subject to the withdrawal or receipt of any of them, and payment to any of them shall be valid and discharge the Credit Union from any liability for such payment.

The authority of the Credit Union shall not be changed or terminated by any of said trustees, jointly or singly, except by written notice to the Credit Union. Such written notice to the Credit Union shall not affect transactions made prior to the time such notice is received by the Credit Union.

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

reimburse us for any transaction initiated by such fiduciary if the fiduciary did not in fact have authority to make such a transaction and we suffer a loss as a result.

11. Deposit, Collection and Access to Funds.

a. Deposit of Items. You may make deposits in person, by mail or by any other method the Credit Union makes available, such as its automated teller machines. You are encouraged to use your personalized deposit slips, if available, in order to help the Credit Union credit deposits to your account as soon as possible and to minimize errors. If you do not use your personalized deposit slips, you agree that the Credit Union will not be liable to you for any errors resulting from your use of a counter deposit slip, whether completed by you or a Credit Union employee. The Credit Union is not responsible for deposits made by mail, night depository or other outside depository until the Credit Union actually records the receipt of those deposits in its books and records. The Credit Union reserves the right to limit, refuse or return any deposit. If you fail to endorse an item, which you submit for deposit, the Credit Union has the right, but is not obligated, to supply the missing endorsement. Endorsements must be made on the back of the share draft or check within 1 1/2 inches from the top edge, although we may accept endorsements outside this space. However, any loss we incur from a delay or processing error resulting from an irregular endorsement or other markings by you or any prior endorser will be your responsibility. The Credit Union may require that certain government checks, insurance company items or other special types of checks be personally endorsed by each of the payees. You agree to reimburse the Credit Union for any loss or expense, including without limitation attorneys' fees and the costs of litigation, arbitration or other dispute resolution to the extent permitted by law, that the Credit Union incurs because you fail to endorse an item exactly as it is drawn. If the Credit Union receives an item on a weekend, holiday or after the Credit Union's cutoff hour on a business day, the item is deemed to have been received on the Credit Union's next business day. The Credit Union's business days and cutoff hour are posted at the Credit Union's offices and are subject to change from time to time in the Credit Union's discretion. Except to the extent additional notice is required by law, any change in the Credit Union's business days or cutoff hour becomes effective on the day the new business days or cutoff hour are posted at the Credit Union's offices.

b. Collection of Items. In receiving items for deposit or collection, the Credit Union acts as your collection agent and assumes no responsibility beyond the exercise of due care. Special instructions for handling an item are effective only if made in a separate signed writing, given to the Credit Union along with the item in question and accepted by specific act of the Credit Union. The Credit Union will not be liable for default or negligence of its correspondents or for loss in transit, and each correspondent will not be liable except for its own negligence. Items and their proceeds may be handled in accordance with applicable Federal Reserve and Credit Union regulations, Clearing House Association or Funds Transfer System rules, and contractual arrangements with other financial institutions. All deposited items (including ACH and those items drawn on another account at the Credit Union) are provisionally credited to your account subject to final payment and receipt of proceeds by the Credit Union. If final payment is not received, we may charge a fee for returning the item and any collection costs in addition to the right to charge your account for the amount of the item for which final payment was not received. If you deposit foreign currency or items that are denominated in a foreign currency into your account, the final credit to your account will be based on the exchange rate in effect at the time the Credit Union receives final payment for that item in United States currency. Without prior notice to you, the Credit Union may charge back any item to your account at any time before final payment, whether returned or not, and may also charge back any item to your account if, within the normal handling period for such item, the item cannot be honored against the drawer's account. If, after a check or other item deposited to your account is finally paid, someone else makes a claim that it was altered, forged, unauthorized or should not have been paid for some other reason, the Credit Union may withhold the amount of such item from your account until a final determination has been made as to that claim. The Credit Union is authorized to pursue collection of previously dishonored items, and in so doing it may permit the payor bank to hold an item beyond the midnight deadline.

c. Direct Deposits. If your paycheck, Social Security Retirement benefits or pension check is directly deposited to your account, the Credit Union agrees to waive the annual fee on your Credit Union VISA® credit card account and the

charges for printing your share drafts used with the account to which the funds are deposited. If the Credit Union is required to reimburse the Federal Government for all or any portion of any benefit payments deposited into your account through a direct deposit plan for any reason, you agree that the Credit Union may, without prior notice to you, deduct the amount returned to the Federal Government from your account or from any other account you have with the Credit Union, unless the deduction is prohibited by law. This right is in addition to any other rights the Credit Union has under this Agreement, including its right of setoff and its security interest in your account.

d. Authorized Signature. Your signature on the Account Card is your authorized signature. For the payment of funds and for other purposes relating to any account you have with the Credit Union, the Credit Union is authorized to recognize your signature, but it will not be liable to you for refusing to honor your checks or other signed instructions if it believes in good faith that the signature appearing on such checks or instructions is not genuine. Additionally, you may authorize the use of a facsimile signature or endorsement device in a separate document in a form acceptable to the Credit Union. If you have so authorized the use of a facsimile signature or endorsement device or have otherwise used such a device, the Credit Union may honor or accept for deposit any check or other signed instruction which bears or appears to bear your facsimile signature or endorsement even if it was made by an unauthorized person or with a counterfeit facsimile device. Therefore, you should maintain close control over your facsimile signature or endorsement device and promptly review your statements and canceled checks for unauthorized use of the device. If you voluntarily give information about your account (such as the Credit Union's routing number and/or your account number) to a party who is seeking to sell you goods or services, and you do not physically deliver a check to that party, any item presented against your account by the party to whom you gave the information is deemed to have been authorized by you unless you notify us to the contrary, with sufficient information and a reasonable time to act, to prevent payment of such an item. Any designation in any document of a multiple signature requirement for access to your account is solely for your convenience and internal control purposes. In the absence of a specific written agreement to the contrary, the

Credit Union is not required to determine if any check or other item drawn against your account contains the number of desired signatures indicated by any such designation.

e. Share Drafts, Checks and Other Withdrawals. You may withdraw or transfer funds from your account(s) in any manner we permit (e.g., at an automated teller machine, in person, by mail, automatic transfer, telephone, or debit card). The Credit Union may require that any share draft, check or other item drawn on your account or used to withdraw funds from your account be on forms approved by the Credit Union. Information concerning the forms, which the Credit Union has approved, may be obtained at the Credit Union's offices upon request. If you use forms that have not been approved, the Credit Union reserves the right to reject the item, impose a special fee for each such item, or both. Even if we have approved a form, if you use a draft with markings on the back such as a carbon strip, and we suffer a loss because of a delay in the return of the item or other reason, you agree that you will be liable for any loss or expense that we incur as a result (both in resolving the matter and collecting from you), including without limitation, attorneys' fees and the costs of litigation, arbitration or other dispute resolution to the extent permitted by law. The Credit Union also reserves the right to refuse or impose a special fee for any withdrawal or transfer request which is attempted by any manner not specifically authorized for the account in question, which is greater in frequency or number than that specifically permitted for the account in question, or which is for an amount less than any minimum withdrawal or transfer denomination required for the account in question. If you have sufficient fully paid and collected funds, we will pay each draft that is properly payable. We will exercise ordinary care in determining whether an item is properly payable. We will not be liable if an item is forged or altered in a manner that cannot be detected by following reasonable commercial standards for a credit union our size. We will not be bound by any legend (e.g., "not valid for amounts in excess of $100") placed on your draft. We are not required to pay any draft that is more than six (6) months old when presented. However, if we do pay such a draft, we may charge your account for that payment. You agree that we may refuse to pay any draft you write if it is presented at our offices by a person (other than a bank or government unit) who is not a member unless they pay us the non-member

draft/check cashing fee specified in our then current Truth-in-Savings Account Disclosure and Fee Schedule. Withdrawals are generally made first from finally collected funds and, unless prohibited by law or by the Credit Union's written Funds Availability Disclosure, the Credit Union reserves the right to refuse to pay any share draft, check or other item drawn against uncollected funds, impose a special fee for each such item, or both. The Credit Union may pay share drafts, checks or other items drawn upon your account (including those payable to the Credit Union or on which the Credit Union may be liable) in any order determined by the Credit Union, even if paying a particular check or item results in an insufficient balance in your account to pay one or more other items that otherwise could have been paid out of your account. We have the right to review and approve any form of power of attorney and may restrict account withdrawals or transfers. We are under no obligation to honor any power of attorney.

f. Responsibility for the Back of Share Drafts, Checks. You agree that the Credit Union will not be liable to you because an item you deposit in your account is returned after the time set by applicable law if the delay in returning the item is caused by markings on the item in the space reserved for the depositary bank's endorsement that were made by you or a prior endorser. Similarly, you will be liable to the Credit Union for any loss or expense, including without limitation attorneys' fees and the costs of litigation, arbitration or other dispute resolution to the extent permitted by law, that the Credit Union incurs because it is unable to properly return an item drawn on your account within the time set by applicable law where the delay in properly returning the item is caused by markings on the item in the space reserved for the depositary bank's endorsement that existed at the time you issued the item, including but not limited to a carbon strip even if the Credit Union had previously approved the use of the item.

g. Credit Union Examination and Automated Processing. You recognize that the Credit Union has adopted automated collection and payment procedures so that it can process the greatest volume of items at the lowest possible cost to all members. These automated procedures are based on the use of high-speed automated check processing equipment that relies primarily on information encoded onto each item in magnetic ink. In recognition of this fact, you

agree to reimburse the Credit Union for any loss or expense, including without limitation attorneys' fees and the costs of litigation, arbitration or other dispute resolution to the extent permitted by law, that the Credit Union incurs because you issue or deposit an item containing information that is not essential to completion or negotiation of the instrument and is inconsistent with proper magnetic ink encoding. Furthermore, you agree that the Credit Union does not fail to exercise ordinary care in paying an item solely because its procedures do not provide for the sight examination or verification of the signature of the drawer or of any endorser on items presented for payment.

h. Telephone Transfers. If you have entered into a separate written telephone transfer agreement with the Credit Union, transfers of funds from one of your accounts to another of your accounts at the Credit Union may be made by telephonic instructions given by the same persons and under the same conditions generally applicable to written withdrawal requests. We may, but are not required to, accept telephone instructions from you concerning transactions in your account without a written plan or agreement to do so. If we do, we are liable only to use ordinary care in accepting and executing such instructions. The Credit Union reserves the right to record and/or monitor any telephone calls with you for security and service quality reasons.

i. Preauthorized Transfers. We may offer preauthorized deposits (e.g., payroll checks, Social Security or retirement checks, or other governmental checks) or preauthorized transfers from other accounts. You must authorize each direct deposit or preauthorized transfer by filling out the appropriate forms. The Credit Union will not complete forms for members to authorize direct deposits. You must notify us in writing at least three (3) days in advance to cancel or change a preauthorized transfer from your account. The Credit Union may rely on your request for a preauthorized transfer until you notify us to stop. For example, if you declare bankruptcy, you are expected to notify us to cease making transfers.

j. ACH and Wire Transfers. If we provide the service, you may receive credits or debits to your account through wire transfers or automated clearinghouse (ACH) transfers. You agree that if you receive ACH or Wire Transfers: (1) we are not required to notify you at the time the funds

are received. Instead, the transfer will be shown on your periodic statement; (2) we may provisionally credit your account for an ACH or Wire Transfer before we receive final settlement; (3) we are not required to provide access to funds received by ACH or Wire Transfer until we have good funds/final settlement; (4) we may reverse the provisional ACH or Wire Transfer credit, or, you will refund us the amount of the provisional credit to your account if we do not receive final settlement; (5) if you send or receive a wire transfer, Fedwire may be used. Regulation J is the law covering all Fedwire transfers. This means your rights and liabilities will be governed by Regulation J. If Fedwire is not used, wire transfers will be governed by Uniform Commercial Code Article 4A; (6) if you send or receive an ACH transfer, your rights and liabilities will be governed by the operating rules of the National Automated Clearinghouse Association; (7) the Credit Union, from time to time, may establish security procedures to verify the authenticity of a wire transfer or ACH transfer (collectively "payment orders"). You agree that the authenticity of the payment orders may be verified using the security procedure established by the Credit Union unless you notify the Credit Union in writing that you do not agree to the security procedure before the payment order is executed by the Credit Union. In that event the Credit Union will have no obligation to accept any payment order from you or other authorized parties on the account until you and the Credit Union agree, in writing on a security procedure; (8) the Credit Union's cut-off time is 2 p.m. any day that it is open for business. Payment orders or other items received by the Credit Union after 2 p.m. may be processed the next business day; (9) when you initiate a wire transfer or ACH transfer, you must provide both the name of the receiving financial institution (e.g., a credit union or bank) and its identifying number (a routing and transit number). The Credit Union may rely on the identifying number even if it identifies a different financial institution than the named financial institution. This means that you will be responsible for the transfer if the transfer is completed on the basis of the identification number you provided to the Credit Union; (10) when you initiate a wire transfer or ACH transfer, you must provide both the name of the receiving beneficiary (e.g., person or business) and the beneficiary's identifying account number. The Credit Union and receiving financial institutions may rely on the identifying number even if it identifies a different beneficiary than the

named beneficiary. This means that you will be responsible for the transfer if the transfer is completed on the basis of the identification number you provided to the Credit Union; (11) if the Credit Union receives a wire transfer or ACH transfer it may deposit it into the account based on the identifying account number provided on the payment order even if it names a person different from the holder/owner of the account into which the funds are deposited. Upon discovery of an error, the Credit Union may remove the funds erroneously deposited and charge your account for all amounts erroneously deposited; (12) in the event of an error in transmitting funds or placements of funds in an account for which NACHA, UCC 4A or Federal Reserve Board Regulation J require the payment of interest, the Credit Union will pay the daily Federal Funds Rate unless another rate is specifically agreed to in writing by the parties. If Regulation E of the Federal Reserve Board applies to any transaction that would fall within the provisions of this section, Regulation E shall take precedence to the extent provided by federal law.

k. Member's Waiver of Notice. By signing the Account Card or continuing to use your account after the date of this Agreement, you waive any notice of nonpayment, dishonor or protest regarding any items credited to or charged against your accounts. For example, if a check or share draft which you deposited is dishonored and returned to the Credit Union, the Credit Union is not required to notify you of the dishonor.

l. Withdrawal Restrictions. We generally permit withdrawals only if your account has sufficient available funds to cover the full amount of the withdrawal or you have an established overdraft protection plan as set forth in Section 15.b. of this Agreement. Drafts or other transfer or payment orders which are drawn against insufficient funds may be subject to a service charge set forth in the Truth-in-Savings Account Disclosure and Fee Schedule. If there are sufficient funds to cover some, but not all, of your withdrawal, we may allow those withdrawals for which there are sufficient funds in any order at our discretion.

No member may withdraw funds that are pledged for security on loans without the written approval of the credit committee or a loan officer, except to the extent that such shares exceed the member's total primary and contingent liability to the Credit Union.

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

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

m. Transfer Limitations. During any month, for regular share, HI-FI and club (except IRA) accounts, if applicable, you may make up to six (6) withdrawals or transfers to another Credit Union account of yours or to a third party by means of a preauthorized or automatic transfer or telephonic order or instruction. A preauthorized transfer includes any arrangement with us to pay a third party from your account upon oral or written orders including orders received through the automated clearing house (ACH). You may make unlimited transfers to any of your accounts or to any Credit Union loan account and may make withdrawals in person, by mail, or at an ATM. However, we may refuse or reverse a transfer that exceeds these limitations and may assess fees against, suspend or close your account. For HI-FI accounts, if applicable, the minimum amount you may withdraw, deposit or transfer is $100.

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

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

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

15. Overdrafts.

a. Overdraft Liability. If on any day, the funds in your share draft account are not sufficient to cover drafts, fees or other items posted to your account, those amounts will be handled in accordance with our overdraft procedures or an overdraft protection plan (as described in Section 15.b. of this Agreement) that you have with us. The Credit Union's determination of an insufficient account balance may be made at any time between presentation and the Credit Union's midnight deadline with only one review of the account required. We do not have to notify

you if your account does not have funds to cover drafts, other presented items, or fees. Whether an item that overdraws or further overdraws your account is paid or returned, your account may be subject to a charge as set forth in the Truth-in-Savings Account Disclosure and Fee Schedule. Except as otherwise agreed in writing, we, by covering one or any overdraft, do not agree to cover overdrafts in the future and may discontinue covering overdrafts at any time without notice. If we pay a draft or impose a fee that would otherwise overdraw your account, you agree to pay the overdrawn amount upon our demand.

b. Overdraft Protection Plan. If we have approved an overdraft protection plan for your account, we will honor drafts or other transfer or payment orders drawn on insufficient funds (we refer to all such items/orders as "overdrafts") and reimburse ourselves by transferring funds from other accounts of yours as set forth in this Section 15.b. Unless you have made other arrangements with us, the transfers will be handled as set forth below. As a general matter, where there is more than one source from which to make a transfer, we will first seek to make the entire transfer from a single source. The sequence in which we will look to available sources to cover a single transfer is as follows: If you have an approved line of credit loan account, you authorize the Credit Union to reimburse itself from that loan account. We will do so by making advances in multiples of $100 or if a multiple of $100 is not available, the amount needed to pay the overdraft(s) up to the entire available balance of the loan account. If you have not been approved for a line of credit loan account or we decline to make a loan advance for all or part of the overdraft amount, then you authorize the Credit Union to reimburse itself (1) from your regular share account if a transaction initiated against your share draft account overdraws your share draft account or (2) from your share draft account if a transaction initiated against your regular share account overdraws the available funds in your regular share account. We will do so by making transfers in multiples of $100 or if a multiple of $100 is not available, the amount needed to pay the overdrafts and any fee(s) up to the entire available balance of the account from which the transfer is being made.

When it is not possible to cover the full amount of the transfer from a single source, we will then determine if the required amount can be covered by making transfers from more than one

source, as listed above. Additional sources may be utilized if you have entered into a separate Overdraft Reimbursement Agreement with us establishing such an arrangement. If enough funds to pay the overdrafts and any fee(s) are available by using transfers from multiple sources, we will then handle making the transfer(s) in that manner. Generally, the accumulated total of these transfers will equal the amount necessary to pay the overdraft(s) plus any fee(s) associated with the overdraft(s). However, the transfer from the last of these sources will be rounded up to the next even multiple of $100 if sufficient funds are available from that source to do so.

Such transfers shall not reduce the balance in the regular share account below the par value of one share nor shall such a transfer be made from your regular share account if making the transfer would cause the Transaction Limitations set forth in the Truth-in-Savings Account Disclosure and Fee Schedule to be exceeded. The fee, if any, for overdraft transfers from either your regular share account or your share draft account is set forth in the Truth-in-Savings Account Disclosure and Fee Schedule. This fee, if any, shall also apply to any arrangements you and we establish for transfers from other share or deposit accounts to cover overdrafts. This Agreement governs all transfers, except those governed by agreements for loan accounts. If we pay an overdraft and a transfer to cover it as described above is not made to cover it, you must immediately reimburse us for the overdraft in cash, unless another manner of reimbursement has been authorized. All regular share, share draft, club, and certificate accounts at the Credit Union (except IRAs and other accounts permitting tax deferrals or providing other tax benefits under state or federal law) are security for the repayment of the overdraft if the Credit Union honors an overdraft on any of your accounts and does not cover it through a transfer from another account as set forth above.

c. Health Savings Account Overdraft Liability. In general, the Credit Union will not honor any drafts or other items if honoring them would create an overdraft in your Health Savings Account. If, however, on any day, the funds in your Health Savings Account are not sufficient to cover drafts or other items that have been posted to your account, those amounts will be handled in accordance with our overdraft procedures. Section 15.b. of this Agreement does not apply to Health Savings Accounts. The Credit Union's determination of an insufficient account balance

may be made at any time between presentation and the Credit Union's midnight deadline with only one review of the account required. We do not have to notify you if your account does not have funds to cover drafts or other posted items. Whether a draft or other item that would overdraw your Health Savings Account is paid or returned, a fee may be charged to your Regular Share Account as set forth in the Truth-in-Savings Account Disclosure and Fee Schedule. If you have more than one Regular Share Account, we may charge the fee to any of them. The Credit Union, by covering one or any overdraft, does not agree to cover overdrafts in the future and may discontinue covering overdrafts at any time without notice. If we pay a draft or other item that overdraws your account, you agree to pay the overdrawn amount immediately. We reserve the right to pursue collection of previously dishonored deposit items at any time, including giving a payor bank extra time beyond any midnight deadline limits. If your Health Savings Account has a negative balance for more than five consecutive days, the Credit Union may close it. If we close your Health Savings Account under these circumstances, we may recover the amount of any negative balance in your Health Savings Account at the time of closure from any account that you may pledge as security for a loan from us.

16. Post-dated and Stale-dated Drafts. The Credit Union maintains the option either to pay or dishonor any stale share draft or check (i.e., more than 6 months old) upon presentation to the Credit Union. The Credit Union's high-speed automated check processing equipment cannot detect time-dated share drafts or checks (i.e., checks stating that they are not valid after a specified date or for more than a specified period of time). Therefore, you agree that the Credit Union will not be liable for charging your account after the date or beyond the period stated on an otherwise properly payable time-dated share draft or check. Similarly, the Credit Union's check processing equipment cannot detect post-dated share drafts or checks (i.e., a check bearing a date later than the actual calendar date it was written). Therefore, it is recommended that you not issue post-dated checks as a means of withdrawal and you agree that the Credit Union is not responsible for charging your account before the indicated date on a properly payable but post-dated share draft or check unless you notify it that you have issued a post-dated share draft or check. Oral notice concerning a post-dated share draft or check lapses after 14 calendar days unless it is confirmed in writing within that period; written notice concerning a post-dated share draft or check is effective for 6 months. Renewals must be in writing and may be

made from time to time. A written notice concerning a post-dated share draft or check (collectively "item"), renewal or revocation will be valid upon delivery to the Credit Union. The Credit Union may charge a fee if you tell us not to pay a post-dated share draft or check. The fee is the same fee as for a stop payment order. Please see our current Truth-in-Savings Account Disclosure and Fee Schedule for the amount of the fee. Your notice must inform the Credit Union of the name of (a) the person who signed the item, (b) the name of the payee of the item, (c) the date and exact amount of the item, (d) the number of the item and (e) the number of the account on which the item was drawn. The Credit Union will not be responsible if the information you give is not correct or if you fail to give any other reasonable information regarding the item and it is paid prior to the indicated date. The Credit Union is entitled to a reasonable period of time after you give it notice concerning a post-dated item to notify its employees. If the Credit Union re-credits your account after paying a post-dated item over a valid and timely notice, you agree to transfer to the Credit Union all of your rights against the payee or other holder of the item, and to assist the Credit Union in any legal action it may later take against that person. If the Credit Union complies with a notice with respect to a post-dated item or other item drawn against your account, you agree to defend and hold the Credit Union harmless from and against any claims, demands, suits or other disputes resulting from or relating in any way to that notice and to indemnify the Credit Union for the amount of any such claims, demands, suits or other disputes and any related costs and expenses, including without limitation, attorneys' fees and the costs of litigation, arbitration or other dispute resolution to the extent permitted by law.

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

a. Stop Payment Order Request. You may request a stop payment order on any draft drawn on your account. The Credit Union may charge a fee for a stop payment order. Please see your current Truth-in-Savings Account Disclosure and Fee Schedule for the amount of the fee for a stop payment order. To be binding an order must be dated, signed, and describe the account and draft number and the exact amount. The stop payment will be effective if the Credit Union receives the order in time for the Credit Union to act upon the order and you state the number of the account, number of the draft, and its exact amount. You understand that the exact information is necessary for the Credit Union's computer to identify the draft. If you give us incorrect or incomplete information, we will not be responsible for failing to stop payment on the draft. If the stop payment order is not received in

time for us to act upon the order, we will not be liable to you or to any other party for payment of the draft. If we recredit your account after paying a draft over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to transfer to us all of your rights against the payee or other holders of the draft and to assist us in any legal action.

b. Duration of Order. You may make an oral stop payment order which will lapse within fourteen (14) calendar days unless confirmed in writing within that time. A written stop payment order is effective for six (6) months and may be renewed in writing from time to time. We do not have to notify you when a stop payment order expires.

c. Liability. Fees for stop payment orders are set forth in the Truth-in-Savings Account Disclosure and Fee Schedule. You may not stop payment on any certified share draft, certified check, cashier's check, teller's check, or any other check, draft, or payment guaranteed by us. Although payment of an item may be stopped, you may remain liable to any item holder, including us. You agree to indemnify and hold the Credit Union harmless from all costs, including without limitation, attorneys' fees and the costs of litigation, arbitration or other dispute resolution to the extent permitted by law, damages or claims related to our refusing payment of an item, including claims of any multiple party account owner, payee, or indorsee in failing to stop payment of an item as a result of incorrect information provided by you.

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

18. Credit Union Liability. If we do not properly complete a transaction according to this Agreement, we will be liable for your losses or damages not to exceed the amount of the transaction, except as otherwise provided by law. We will not be liable if: (1) your account contains insufficient funds for the transaction; (2) circumstances beyond our control prevent the transaction; (3) your loss is caused by your negligence or the negligence of another financial institution; or (4) your account funds are subject to legal process or other claim. We will not be liable for consequential damages, except liability for wrongful dishonor. We exercise ordinary care if our actions or nonactions are consistent with applicable state law, federal reserve regulations and operating letters, clearinghouse rules, and general practices followed by credit unions of a similar size in the area we serve. You grant us the right, in

making payments of deposited funds, to rely exclusively on the form of the account and the terms of this Agreement. Any conflict between what you or our employees may say or write will be resolved by reference to this Agreement.

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

20. Notices.

a. Name or Address Changes. You are responsible for notifying us of any address or name change. The Credit Union is only required to attempt to communicate with you at the most recent address you have provided to us. We may accept oral notices of a change in address and may require any other notice from you to us be provided in writing. We may change the address for your account if we are informed of an address correction by the United States Postal Service or a USPS approved address updating method.

b. Effect of Notice. Any written notice you give us is effective when we receive it at the address specified in this Agreement at Paragraph 29 or your other agreements with the Credit Union. Any written notice we give to you is effective when it is deposited in the U.S. Mail, postage prepaid and addressed to you at your last known address in our records. We may include a notice in your statement. Notice to any account owner is considered to be notice to all account owners.

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

22. Statements.

a. Contents. If we provide a periodic statement for your account, you will receive a periodic statement of transactions and activity on your account during the statement period as required by applicable law. If a periodic statement is provided, you agree that only one statement is necessary for a multiple party account. For share draft accounts, you understand and agree that your original drafts when paid, become property of the Credit Union or may be retained by an earlier party in the check clearing process

and may not be returned to you, but that copies will be provided to you within a reasonable time after you request them and make payment of any fee, if any, to us for providing the copies. You understand and agree that statements are made available to you on the date that the statement is mailed, electronically posted or otherwise made available to you. You also understand and agree that drafts or copies thereof are made available to you on the date the statement is mailed, electronically posted or otherwise made available to you, even if the drafts do not accompany the statement.

b. Reviewing Statements and Reporting Problems. You have the option of having statements for your account retained at the Credit Union until you request them, delivered electronically or of having them mailed to you. If you have elected to have your statements delivered electronically or mailed to you, they will be delivered or mailed to your address as shown on the Credit Union's records. You are in the best position to discover a forged, unauthorized or missing signature or endorsement, a material alteration, a missing or diverted deposit or any other error or discrepancy relating to a check, deposit or other credit or debit entry to your account. Therefore, you should carefully examine your statement(s) when you receive them. If you feel that some unauthorized person has withdrawn funds from your account, that one or more deposits is not reflected on your statement(s), or that there is any other type of error or discrepancy in your statement(s), you should notify the Credit Union immediately.

If you do not discover and report a forged, unauthorized or missing signature or an alteration promptly after the Credit Union has sent or otherwise made your statement(s) available to you, you agree not to assert against the Credit Union (a) any forged, unauthorized or missing signature or alteration, if the Credit Union suffered a loss because of your failure to discover and report the problem, and (b) any forged, unauthorized or missing signature or alteration by the same wrongdoer on items paid by the Credit Union after you have had a reasonable period of time (not to exceed 60 days) to examine the statement containing or reflecting the first forged, unauthorized or missing signature or alteration but before the Credit Union receives notice of the problem from you. If the previous sentence applies, but you are able to prove that the Credit Union failed to exercise ordinary care in paying the item in question and that the Credit Union's failure

substantially contributed to the loss, then (unless the next paragraph applies) the loss will be allocated between you and the Credit Union based on the extent to which our respective failures to exercise ordinary care contributed to the loss. In that regard, and as disclosed elsewhere in this Agreement, the Credit Union processes checks and other items by automated means and does not visually examine or verify signatures on all checks or other items. You agree that the Credit Union does not fail to exercise ordinary care because it uses these automated procedures. You also agree that the Credit Union does not fail to exercise ordinary care if the items are forged or altered so cleverly (as by unauthorized use of a facsimile machine, photocopy machine, computer equipment or otherwise) that the forgery or alteration would not be detected by a reasonable person.

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

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

check(s)/share draft(s) requested. You agree to pay the applicable service fee for retrieval and copying of the requested checks.

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

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

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

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

a. Regular Share, Share Draft, Club and Certificate Accounts. An inactive account shall be defined as any account on which there has been no activity, other than the posting of dividends, for a period of six (6) months or more. Accounts with

a balance less than $500.00 and on which there has been no activity for a period of two (2) years, other than the posting of dividends, may be included as abandoned property and sent to the State of Michigan. However, the account must be included as abandoned property when it meets the general criteria outlined above.

b. Checks and Drafts. Any check or draft drawn on a bank account of this Credit Union, which is not cashed within three (3) months of its issue date, will be considered inactive. Any check or draft drawn on a bank account of this Credit Union, which is not cashed within three (3) years from its issue date, will be included as abandoned property and sent to the State of Michigan.

24. Special Account Instructions. If you or any owner requests a change in the terms of any account, the request must be signed by an authorized party on a form that the Credit Union has approved and accepted. You may request that we facilitate certain trust, will, or court-ordered account arrangements. However, because we do not give legal advice, we cannot counsel you as to which account arrangement most appropriately meets the specific requirements of your trust, will, or court order. If you ask us to follow any instructions that we believe might expose us to claims, lawsuits, expenses, liabilities, or damages, whether directly or indirectly, we may refuse to follow your instructions or may require you to indemnify us or post a bond or provide us with other protection. Although share drafts and checks drawn on your account are negotiable, the Account itself is not. Accounts are not transferable except on the Credit Union's books and records. You may pledge your account (except certain IRA and similar accounts and Health Savings Accounts) as collateral for a loan at the Credit Union. If ownership is to be transferred, the Credit Union may require that the account be closed and a new account opened.

25. Termination of Account. We may terminate your account at any time without notice to you or may require you to close your account and apply for a new account if: (1) there is a change in owners or authorized signers; (2) there has been a forgery or fraud reported or committed involving your account; (3) there is a dispute as to the ownership of the account or of the funds in the account; (4) any share drafts are lost or stolen; (5) there are excessive returned unpaid items not covered by an overdraft protection plan; (6) there has been any misrepresentation or any other abuse of any of your accounts; or (7) we reasonably deem it necessary to prevent a loss to us. You may terminate a single party account by giving written notice. We reserve the right to require the consent of all owners to terminate a multiple party account; however you may remove yourself as an owner of such an account at any time. We are not

responsible for payment of any draft, withdrawal, or other item after your account is terminated, however, if we pay an item after termination, you agree to reimburse us.

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

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

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

28. Severability. If a court holds any portion of this Agreement to be invalid or unenforceable, the remainder

of this Agreement shall not be invalid or unenforceable and will continue in full force and effect. All headings are intended for reference only and are not to be construed as part of the Agreement.

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

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

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

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

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

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

34. Waiver of Rights by the Credit Union. The Credit Union reserves the right to waive the enforcement of any of the terms of this Agreement with you with respect to any transaction or series of transactions. Any such waiver

will not affect the Credit Union's right to enforce any of its rights with respect to other members, or to enforce any of its rights with respect to later transactions with you and is not sufficient to modify the terms and conditions of this Agreement.

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

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

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

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

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