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## **Heritage Grove Federal Credit Union Membership and Account Agreement**

This Agreement is the contract of deposit, which covers your and our rights and responsibilities concerning Membership and Account(s) offered to you. In this Agreement, the words “you” and “yours” mean those who sign the Account Card (“Account Card”). The words “we,” “us,” and “our” mean Heritage Grove Federal Credit Union (“Credit Union”). The word “account” means any one or more share accounts you have with the Credit Union.

The classification and form of ownership of your accounts are designated on your Account Card. By signing the Account Card that is a part of the Agreement, each of you, jointly and severally, agree to the terms and conditions in this Agreement, including the Funds Availability Policy, Electronic Funds Transfer Agreement, the Credit Union’s Privacy Policy and the Truth-in-Savings Disclosures (Rate and Fee Schedule) accompanying this Agreement, any account receipt, the Credit Union’s Bylaws and Policies, and any amendments which collectively govern your Membership and Accounts. You agree that additional accounts and services you request in the future will be governed by this Agreement, as amended from time to time.

**Important Information about Procedures for Opening New Accounts.** *To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. When you open an account, we will ask you your name, address, date of birth and other information that will allow us to identify you. We may also ask to see your driver’s license or other identifying documents.*

### **I. MEMBERSHIP AND ACCOUNTS**

**1. Membership Eligibility.** To be eligible for membership in the Credit Union you must be an individual or entity qualifying within the Credit Union’s field of membership and must purchase and maintain at least one share as required by the Credit Union’s Bylaws. You authorize us to check your account, credit and employment history, and obtain a credit report from third parties, including credit-reporting agencies, to verify your eligibility for accounts and services we may offer.

**2. Individual Accounts.** An individual account is an account owned by one depositor including any individual, corporation, partnership, trust, or other organization qualified for Credit Union membership. If the account is an individual account, the interest of a deceased individual owner will pass, subject to applicable law, to the decedent’s estate or payable on death (“POD”) beneficiary, if applicable.

**3. Joint Accounts.** An account owned by two or more persons is a joint account.

**a. Rights of Survivorship.** If your account is a joint account, the account is owned as a joint account with rights of survivorship. If the account is a joint account without right of survivorship, the interest of a deceased owner will pass to the decedent’s estate. If the account is a joint account with right of survivorship, upon the death of one of the joint account owners, that person’s interest will become the property of the surviving joint account owners. A surviving owner’s interest is subject to the Credit Union’s statutory lien and security interest for the deceased owner’s obligations, and to any security interest or pledge granted by a deceased owner, even if a surviving owner did not consent to it.

**b. Rights of Joint Account Owners.** Any joint account owner is authorized and deemed to act for the other owner(s) and the Credit Union may accept orders and instructions regarding the account and requests for future services from any other account owner. Each account owner guarantees the signature of the other owners. Any account owner may withdraw all funds in the account, stop payment on items drawn on an account, withdraw, or pledge all or any part of the shares of any account, including funds representing a membership share, or close an account without the consent of the other account owner(s) and the Credit Union shall have no duty to notify any other joint account owner(s). If the Credit Union receives written notice of a dispute

between account owners or receives inconsistent instructions from them, the Credit Union may suspend or terminate the account, require a Court order to act, or require that all joint account owners agree in writing to any transaction concerning the account.

**c. Joint Account Owner Liability.** If any item deposited in a joint account is returned unpaid or an account is overdrawn, or if we do not receive final payment on any transaction, each of the multiple account owners is jointly and severally liable to the Credit Union for the amount of the returned item, overdraft, or unpaid amount and any charges, regardless of who created the overdraft, deposited or cashed the item or benefited from the transaction. If any account owner is indebted to the Credit Union, the Credit Union may enforce its rights against any or all funds in the joint account regardless of who contributed the funds to the joint account.

**4. POD Beneficiaries.** A Payable on Death (POD) designation is an instruction to the Credit Union that a designated account is an account payable to the owner or owners during their lifetimes, and upon the death of the last joint account owner, payable to any named and surviving POD beneficiary designated on your Account Card. Accounts payable to more than one POD beneficiary are owned jointly by such beneficiaries with right of survivorship. Any POD beneficiary designation shall not apply to IRA accounts which shall be governed by a separate beneficiary designation. The Credit Union shall at no time have any obligation to notify any beneficiary of the existence of any account or the vesting of the beneficiary's interest in any account, except as otherwise provided by law.

**5. Accounts for Minors.** For any account established by or for a minor, the Credit Union reserves the right to require the minor account owner to have a parental joint account owner who is at least eighteen (18) years of age who shall be jointly and severally liable to the Credit Union for any returned item, overdraft, or unpaid charges or amounts on such account. For a joint account, all funds in the account shall be owned as a joint account with rights of survivorship unless otherwise indicated on the Account Card. The Credit Union may make payments of funds directly to the minor without regard to his or her minority. Unless the guardian is a joint account owner, the guardian shall not have any right to access the account. The Credit Union has no duty to inquire of the use or purpose of any transaction by the minor or joint account owner. The minor account owner's tax identification number must be shown on the Card. The Credit Union shall not change the account status when the minor reaches age eighteen (18), unless authorized in writing by all account owners.

**6. Fiduciary Accounts.** A fiduciary account is an account opened by an executor, administrator, personal representative, trustee, conservator, or other fiduciary in such capacity authorized under a will, court order or trust instrument establishing the fiduciary relationship or a Representative Payee authorized by the Social Security Administration ("fiduciary"). The account owner is the estate, conservatorship, trust or Social Security Administration benefit recipient as the sole owner of this account. The fiduciary is authorized to act on behalf of the account owner but has no ownership interest in the account. The fiduciary is the only authorized party to transact on this account. The fiduciary is expressly authorized to endorse all items payable to or owned by the Account owner for deposit with or collection by the Credit Union and to execute such other agreements and to perform any other account transaction under the Agreement. The fiduciary is authorized to receive account information from the Credit Union, either orally or in writing, and any information related to the account. The authority given to the fiduciary shall remain in full force until a court order, termination of the account owner or written notice of revocation is received by the Credit Union either by a court appointed representative of the account owner or by the Social Security Administration, as applicable. Any such notice shall not affect any items in process at the time notice is given. The fiduciary will notify the Credit Union of any change in the account owner's status affecting the deposit relationship between the account owner and the Credit Union. The fiduciary warrants that all actions he or she takes regarding the account will be for the sole benefit of the account owner and that the fiduciary will not conduct any transaction on the account that will personally benefit the fiduciary or will not comply with the terms of the applicable laws, will, court order or instrument establishing the fiduciary relationship. The Credit Union may rely upon these representations and shall have no duty to examine such authorizing documents for compliance or inquire as to the powers and duties of the fiduciary and shall have no notice of any breach of fiduciary duties by the fiduciary unless the Credit Union has actual notice of wrongdoing. The account owner agrees that the Credit Union shall not

be liable for any losses due to the account owner's failure to notify the Credit Union of any unauthorized acts of the fiduciary or changes to the relationship between the fiduciary and account owner. The account owner and fiduciary agree to indemnify and hold Credit Union harmless of any claim or liability as a result of unauthorized acts of the fiduciary upon which Credit Union relies prior to any actual notice of any account change or change of account owner. For accounts owned by a trust, if the trust is revocable and the Credit Union receives any garnishment, levy, or other form of execution against a trustor, or a trustor owe money to the Credit Union, the Credit Union may treat all accounts (including safe deposit boxes) held by or on behalf of the Trust as if the accounts were held by the trustor(s) individually.

**7. Accounts of Organizations.** Accounts held in the name of an organization or association member are subject to the same terms set forth in this Agreement and the following additional rules. By signing the Account Card, the organization certifies that it does not engage in Internet gambling business, and will notify the Credit Union before engaging in any Internet gambling business in the future. The Credit Union reserves the right to require the member to provide written account authorization informing the Credit Union who is authorized to act on its behalf. You agree to notify the Credit Union of any change in authority. The Credit Union may rely on the written authorization until such time as the Credit Union is informed of changes in writing and has had a reasonable time to act upon such notice. The Credit Union may require that third-party checks payable to a business may not be cashed, but must be deposited to a business account. The Credit Union shall have no notice of any breach of fiduciary duties arising from a transaction by any agent of the account owner, unless the Credit Union has actual notice of any wrongdoing.

**8. Deposit Requirements and Limitations.** Funds may be deposited to any account in any manner approved by the Credit Union in accordance with the requirements set forth on the Rate and Fee Schedule. All accounts are nonassignable and nonnegotiable to third parties. Certificate accounts are governed by the terms of this Agreement and the terms and disclosures on your Certificate Account Receipt for each account, which is incorporated herein by this reference. We may refuse to accept any check or other item for deposit at any time, for any reason. You agree not to deposit any substitute check or similar item that you have created, or for which no financial institution has provided any substitute check warranties and indemnities. If you do so, you agree to indemnify the Credit Union for all losses the Credit Union incurs in connection with the substitute check or item. You agree not to deposit any substitute check without our consent

**a. Endorsements.** You authorized the Credit union, in its discretion, to accept transfers, checks, drafts, and other items for deposit into any of your accounts, whether or not they are endorsed by all payees. You authorized the Credit Union to supply missing endorsements if the Credit Union chooses to supply such endorsements. The Credit Union reserves the right to verify all endorsements on third-party checks presented for deposit either in person or by comparison with member signature files. If an insurance, government, and certain other checks or drafts require such endorsement as set forth on the back of the check, the Credit Union may require endorsement as set forth on the back of the check. Endorsements must be placed in the space on the back of the check between the top edge and 1½ inches from the top edge. The Credit Union may accept drafts or checks with endorsements outside this space. However, if any such endorsement or other markings you or any prior endorser make on the check cause any delay or error in processing the item for payment, you will be responsible for any loss incurred by the Credit Union due to the delay or error. You agree to endorse any check deposited through a mobile deposit service with your signature and the legend "For Mobile Deposit Only to Heritage Grove Federal Credit Union."

**b. Collection of Items.** The Credit Union shall not be responsible for deposits made by mail or at an unstaffed facility until the Credit Union actually receives them. In handling items for deposit or collection, the Credit Union only acts as your agent and assumes no responsibility beyond the exercise of ordinary care. The Credit Union will not be liable for default or negligence of any correspondent or for loss in transit, and each correspondent will only be liable for its own negligence. The Credit Union reserves the right to send any item for collection.

**c. Final Payment.** All items or Automated Clearing House (“ACH”) transfers credited to your account are provisional and subject to our receipt of final payment. If final payment is not received, we reserve the right to charge your account for the amount of those items or ACH transfers and impose a return charge on your account. After we have received final payment, we refer to these deposits as collected items. If the Credit Union incurs any fee to collect any item, the Credit Union may charge such fee to your account. The Credit Union reserves the right to refuse or to return all or any item or funds transfer. The Credit Union shall have the right to charge back against your account all previously deposited items or other items endorsed by you that are returned to the Credit Union unpaid, regardless of whether the amount of the item has been available for your use.

**d. Direct Deposits.** The Credit Union may offer direct deposit options allowing you to preauthorize deposits (i.e., payroll checks, Social Security or retirement checks, or other government checks) or preauthorize transfers from other accounts at the Credit Union. You must authorize any direct deposits to your accounts by a separate authorization form. If applicable, you must notify the Credit Union 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. Upon a filing of a bankruptcy, if you fail to cancel any direct deposit authorization, you instruct your employer and the Credit Union to make and apply direct deposits in accordance with your authorization on file with the Credit Union. If the Credit Union is required to reimburse the U.S. Government for any benefit payment directly deposited into your account for any reason, you agree the Credit Union may deduct the amount returned from any of your accounts, unless prohibited by law.

**e. Crediting of Deposits.** Deposits made on Saturdays, Sundays, and Credit Union holidays will be credited to your account on the next business day. Ask for our current deposit cutoff time. Deposits received at unstaffed facilities, such as night depositories, will be credited on the day funds are removed and processed by the Credit Union. Items drawn from an institution located outside the United States are handled on a collection basis only. Funds will be credited to your account when we receive final payment. You waive any notice of nonpayment, dishonor, or protest regarding any items purchased or received by the Credit Union for credit to your account or for collection.

## **9. Account Access.**

**a. Authorized Signature.** In order to access any account, the Credit Union must have an authorized signature of yours on an Account Card. The Credit Union is authorized to recognize your signature, but will not be liable for refusing to honor any item or instruction of yours if it believes in good faith that the signature on such item or instruction is not genuine. If you have authorized the use of a facsimile signature, the Credit Union may honor any draft that appears to bear your facsimile signature even if it was made by an unauthorized person. If you give your account number to a third person, you authorize us to honor transactions initiated by the third person even if you did not specifically authorize a particular transaction.

**b. Access Options.** You may make withdrawals or transfers from your account in any manner, which is permitted by the Credit Union (i.e., check, automated teller machines (ATMs), Online Banking and mobile banking, debit card, in person, by mail, automatic transfer, audio response, or telephone). If the Credit Union accepts any draft that is not drawn on a form provided by the Credit Union, you will be responsible for any loss incurred by the Credit Union for handling the draft. The Credit Union may return as unpaid any check that is not drawn in the form provided by the Credit Union.

**c. ACH & Wire Transfers.** If offered, you may initiate or receive credits or debits to your account via wire transfer or ACH (“Automated Clearing House”) transfer. You agree that if you receive funds by a wire or ACH transfer, the Credit Union is not required to notify you at the time the funds are received. Instead, the transfer will be shown on your periodic statement. The

Credit Union may provisionally credit your account for an ACH transfer before it receives final settlement for the transfer. You agree that if the Credit Union does not receive final settlement for a transfer, it may reverse the provisional credit to your account, or you will refund the amount to the Credit Union. You acknowledge that processing of international transactions may be delayed if necessary to complete OFAC screening. You must ensure that all international entries you initiate are designated with the appropriate code as required by the Rules. All entries shall be credited to or debited from your Account in U.S. Dollars. Currency conversion will be at rates determined by, or available to, us or the ACH. You shall bear all currency conversion risk associated with international entries; you will bear all gains or losses associated with currency conversion for international entries. When you initiate a wire transfer, you may identify either the recipient or any financial institution by name and by account or identifying number. The Credit Union (and other institutions) may rely on the account or other identifying number you give as the proper identification number, even if it identifies a different party or institution. Wire transfers are governed by Federal Reserve Regulation J if the transfer is cleared through the Federal Reserve. ACH transactions are governed by the rules of the National Automated Clearing House Association.

**d. Credit Union Examination.** The Credit Union may disregard information on any check other than the signature of the drawer and amount of the item and any magnetic encoded information. You agree the Credit Union does not fail to exercise ordinary care in paying an item solely because its procedures do not provide for sight examination of items.

**e. Electronic Check Transactions.**

**i. Electronic Checks.** If you authorize a merchant to electronically debit your checking account using the routing, account and serial number or your check to initiate the transfer, whether the check is blank, partially or fully completed and signed, such authorization is an electronic check conversion. An electronic check conversion is an Electronic Funds Transfer (“EFT”) subject to the terms of III. Electronic Funds Transfer Agreement. You authorize us to honor any electronic check conversion from your checking account just the same as a regular written check.

**ii. Electronic Re-presented Checks.** If you write a check on a personal account that we return unpaid because of insufficient or uncollected funds, payee or any subsequent holder of the check may re-present the check to us, through an electronic instruction (“Electronic re-presented Check”) to charge your account for the amount of the check. If we receive an electronic re-presented check, we will pay or return the electronic re-presented check as if the original paper check was presented to us. Any collection fee you authorize the merchant to debit from your account is an electronic funds transfer subject to the terms of III. Electronic Funds Transfer Agreement. If you want to reverse an electronic re-presented check, you must give us an affidavit within 15 days after we send or make available to you the periodic statement that reflects payment of that electronic re-presented check. In your affidavit, you must declare and swear under oath that the electronic re-presented check was ineligible or unauthorized. If we receive a proper notice or affidavit from you within the 15-day period, we will recredit your account with the amount of the charge. If you wish to stop payment on any electronic re-presented check, you must follow the procedures contained in this Agreement for stopping payment of checks, not the procedures for stopping payment on electronic loan or bill payments. If you ask us to request the depositor’s bank to send us the original paper check or a copy of the paper check, and we provide it to you, you agree that you will not seek to have your account recredited due to a prior stop payment order or if the item is otherwise ineligible for collection.

**10. Accounts Rates and Fees.** The Credit Union’s payment of dividends on any account is subject to the account rates and fees, earnings, payment and balance requirements as set forth on the Rate and Fee Schedule and each Certificate Account Receipt, which are incorporated herein by this reference.

You agree the Credit Union may impose fees and charges for the deposit account services provided by the Credit Union. A current Rate and Fee Schedule has been provided to you separately. You agree the Credit Union may change the Rate and Fee Schedule from time to time and you will be notified of such changes as required by law.

**11. Transaction Limitations.** The Credit Union will permit a withdrawal only if you have sufficient available funds in your account to cover the full amount of the withdrawal or have an established overdraft protection plan. Drafts or other transfer or payment orders which are drawn against insufficient available funds will be subject to a service charge, set forth in the Rate and Fee Schedule. If there are sufficient available funds to cover some but not all of your withdrawal orders, the Credit Union may allow those withdrawals for which there are sufficient available funds in any order at the Credit Union's discretion. The Credit Union may also refuse to allow a withdrawal in other cases; for example: any dispute between the owners about the account (unless a court has ordered the Credit Union to allow the withdrawal); a legal garnishment or attachment is served; the accounts secures an obligation to the Credit Union; any required documentation has not been presented; or you fail to repay a Credit Union loan on time. You will be advised of the reasons for refusal if such action is taken. The Credit Union reserves the right to require members to give notice in writing of any intended withdrawals from any account (except checks) of up to 60 days, as required by law, before such withdrawal.

**12. Insufficient Available Funds to Pay Items.**

**a. Order In Which Checks and Other Items Are Paid.** In general, we pay checks and other transactions in the order in which they are presented to us for payment, regardless of when you issued or authorized them. Insufficient balances on your account may result from 1) checks, 2) automated clearing house (ACH) debits such as online bill payment transactions, 3) payments authorized by an owner or other withdrawal requests, 4) items deposited and returned unpaid by the paying institution, and 5) imposition of service charges. Checks and ACH debits may be presented to us in batches or data files, and are paid when we process the data file. Checks in the same data file are processed in low to high order. Checks presented for payment at one of our branches are processed at the time of payment. Debit card transactions are processed when they are transmitted to us, which may occur at the time of the transaction or up to several days later. The merchant or its processor determines when the transaction will be transmitted to us. When a merchant obtains authorization for a debit card transaction, we place a temporary hold against the funds in the account for the amount of the authorized transaction. In some cases, such as restaurants, gas stations, or car rental transactions, there may be a hold for an initially authorized amount, but the transaction is submitted at a different amount. You should be certain there are enough funds in your account at all times to pay checks or other transactions you authorize, or those checks or transactions will be handled according to the overdraft and insufficient funds terms of this Agreement, or paid under one of our check overdraft services if applicable. You agree that we may change these practices at any time without prior notice to you to address data processing constraints, changes in law, regulation, clearing house rules or business concerns.

**b. Determination of Available Balance to Pay Items.** Checks and other transactions on your account are paid based on your available balance, and not the actual balance. Your actual balance is the amount of funds in the account at a point in time based on transactions that have posted to the account at that time. Your available balance is the amount of funds in the account that are available to pay checks, ACHs, and other items presented against the account without incurring an overdraft or non-sufficient funds fee or transferring funds from another account. The available balance is generally equal to the actual balance, less the amount of any holds placed on recent deposits, holds placed for other reasons, and holds for pending transactions (such as debit card purchases) that we have authorized but that have not yet posted to your account. If an item presented for payment against your account exceeds the available balance, we will treat it as presented against non-sufficient funds even if the actual balance exceeds the amount of the item.

**c. Responsibility for Items Presented Against Insufficient Funds.** If on any day, the available funds in your checking account are not sufficient to cover checks and other items posted to your account, except ATM or debit card purchases, those checks and items will be handled in accordance with our overdraft procedures or an overdraft protection plan 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. The Credit Union has no duty to notify you of an insufficient funds check. Your account will then be subject to a charge for the item whether paid or returned as set forth in the Rate and Fee Schedule. However, the Credit union will not charge an overdraft fee for covering an ATM or debit card purchase transaction unless you request such protection. Except as otherwise agreed in writing, 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. If the Credit Union pays a draft that would otherwise overdraw your account, you agree to pay the overdraft amount immediately. We reserve the right to pursue collection of previously dishonored items at any time, including giving a payor bank extra time beyond any midnight deadline limits.

**d. Overdraft Protection Plan.** If we approve your request for overdraft protection, we will provide an overdraft protection plan for you, including checks and other items including ATM and debit card purchase transactions. We will honor drafts drawn on insufficient funds in any checking account by transferring the funds in increments of \$100 from a deposit or loan account to your checking account. If you elect to have transfers from shares, funds will be transferred in increments of \$100 to satisfy the amount necessary to clear the overdrawn item. If you elect to have transfers from a line of credit account, you authorize us to access your account and transfer funds in increments of \$100 to your checking account. The fee for overdraft transfers is set forth on the Rate and Fee Schedule. Transfers from a share account will be governed by this Agreement. Transfers from your line of credit account will be governed by the applicable loan agreement.

**e. Terms & Conditions of the Overdraft Service.** The Overdraft Service will be provided under the following terms and conditions.

**i. Discretionary Service.** Under the Overdraft Service, we are not obligated to pay any check or item presented for payment if your account does not contain sufficient funds. We may, as a discretionary service and not as a right of yours or our obligation to you, pay overdrafts up to an approved overdraft limit under the terms of this service and subject to this Agreement. This overdraft service is not a line of credit, is not guaranteed, and is independent of any loan arrangement you may have with us. We will not pay an overdraft for you in excess of any limit we have established for your account type. Also, we may refuse to pay an overdraft for you at any time, even if we have previously paid overdrafts for you.

**ii. Overdraft Transactions Covered.** Subject to the opt-in requirement set forth above, if on any day you do not have available funds in your account, the following transactions, which may result in an insufficient or negative balance ("overdrafts"), may be covered under our service: checks, debit card purchases, online or other electronic funds transfers, ACH debits and other payments or withdrawals authorized by you, account service charges, pre-authorized drafts, and any other items that may be posted to your account. If we pay an item, we will pay the item in the order it is presented or received by us, regardless of amount and in accordance with our normal operating procedures for such checks, items or transactions.

**iii. Overdraft Limit.** If you qualify, the Credit Union may pay overdrafts up to a limit to which you qualify, we may pay overdrafts up to this overdraft limit provided you continue to qualify for the service. The Credit Union's fees and charges and each paid check or item will be included in this limit. This overdraft limit will not be included or reflected in the actual balance of your account provided by a teller, at ATM or POS



facilities, through online services or on your periodic statements. If you have reached your overdraft limit, any checks or items presented to us will be returned for insufficient funds.

**iv. Notification.** We have no obligation to notify you before we pay or return any item.

**v. Overdraft Fees.** There is a fee for each overdraft check or item we pay as set forth on the Rate and Fee Schedule. If we do not pay the overdraft, there is a Returned Item fee for each check or item we return as set forth on the Rate and Fee Schedule. These fees may be amended as set forth in our Rate and Fee Schedule.

**vi. Member Repayment Responsibility.** You agree your overdraft balance, including applicable overdraft fees, is due and payable upon demand. If there is more than one owner on an account, all owners are jointly and severally liable for repayment of the overdraft balance. If you fail to repay your overdraft balance within 45 days of notice from us, we may immediately suspend the Overdraft Service. Accounts may be closed for failure to repay overdraft balances and we will report account closures to consumer reporting agencies.

**vii. Member Opt-Out Right.** We offer the Overdraft Service as a service and convenience to members for incidental overdrafts. We do not encourage you to repeatedly overdraw your account. We encourage you to manage your finances responsibly. You may opt out of the Overdraft Service at any time by notifying us verbally or in writing. We may require that any verbal opt-out be confirmed in writing. You understand that by opting out of this service, we may refuse to pay any check or item that is presented against an insufficient balance on your account and you will be responsible for any Returned Item fees. You are still responsible to pay any overdraft, even if you have opted out of the service.

**13. Postdated and Staledated Items.** You authorize us to accept and pay any check, even if the check is presented for payment before its date, unless you notify the Credit Union of the postdating. Your notice will be effective only if the Credit Union receives the notice in time for the Credit Union to notify its employees and reasonably act upon the notice and you accurately describe the check, including the number, date, and amount. You understand that the exact information is necessary for the Credit Union's computer to identify the check. If you give the Credit Union an incorrect, incomplete, or untimely notice, the Credit Union will not be responsible for paying the item before the date stated and the Credit Union may charge your account as of the date the Credit Union pays the item. You may make an oral notice, which will lapse within fourteen (14) days unless continued in writing, within that time. A written notice will be effective for six (6) months. A written notice may be renewed in writing from time to time. You also agree not to deposit checks, drafts, or other items before they are properly payable. The Credit Union is under no obligation to you to pay a check or draft drawn on your account, which is presented more than six months after its date.

**14. Stop Payment Orders.**

**a. Stop Payment Request.** You may ask the Credit Union to stop payment on any check drawn upon or ACH debit scheduled from your checking account. You may request a stop payment by telephone, by mail or in person. For checks, the stop payment will be effective if the Credit Union receives the order in time for the Credit Union to act upon the order. For ACH debits, the stop payment order must be received at least three (3) banking days before the scheduled date of the transfer. You must state the number of the account, date and the exact amount of the check or ACH and the number of the check or originator of the ACH debit. 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, date and number of the item, its exact amount, and to whom it was issued. If you give the Credit Union incorrect or incomplete

information, the Credit Union will not be responsible for failing to stop payment on the item. If the stop payment order is not received in time for the Credit Union to act upon the order, the Credit Union will not be liable to you or to any other party for payment of the item. If we recredit your account after paying a check over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to transfer all of your rights against the payee or other holders of the check to the Credit Union, and to assist the Credit Union in legal action taken against the person.

**b. Duration of Order.** You may make an oral stop payment order, which will lapse within fourteen (14) calendar days unless continued in writing within that time. A written stop payment order will be effective for six (6) months. A written stop payment order may be renewed in writing from time to time. The Credit Union is not obligated to notify you when a stop payment order expires.

**c. Liability.** The Credit Union may charge a fee for each stop payment order requested, as set forth on the Rate and Fee Schedule. You may not stop payment on any certified check or draft, cashier's check or teller's check, or any other check, draft, or payment guaranteed by the Credit Union. You should be aware that while payment of the item may be stopped, you may remain liable to any person, including the Credit Union, who is a holder of the item despite the stop payment order. You agree to indemnify and hold the Credit Union harmless from all costs, including attorney fees, damages or claims related to the Credit Union's action in refusing payment of an item, including claims of any multiple party account owner, payee, or endorsee in failing to stop payment of an item as a result of incorrect information provided by you.

**15. Lost Items.** The Credit Union, in receiving items from you for withdrawal or deposit, acts only as your agent and reserves the right to reverse the credit for any deposited items or to charge your account for the items should they become lost in the collection process.

**16. Credit Union's Liability for Errors.** If the Credit Union does not properly complete a transaction according to this Agreement, the Credit Union will be liable for your losses or damages not to exceed the amount of the transaction, except as otherwise provided by law. The Credit Union will not be liable if: (a) through no fault of the Credit Union, your account does not contain enough money to make the transactions; (b) circumstances beyond the Credit Union's control prevents the transaction; (c) your loss is caused by your negligence or the negligence of another financial institution; or (d) the money in your account is subject to legal process or other claim. The Credit Union will not be liable for consequential damages except liability for wrongful dishonor. The Credit Union's 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, clearing house rules, and general banking practices followed in the area serviced by the Credit Union. You grant the Credit Union 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 oral representations by you or Credit Union employees and any written form will be resolved by reference to this Agreement and applicable written form.

**17. Credit Union Lien and Security Interest.** To the extent you owe the Credit Union money as a borrower, guarantor, endorser or otherwise, the Credit Union has a lien on any or all of the funds in any account in which you have an ownership interest at the Credit Union, regardless of the source of the funds. The Credit Union may apply these funds in any order to pay off your indebtedness without further notice to you. If the Credit Union chooses not to enforce its lien, the Credit Union does not waive its right to enforce the lien at a later time. In addition, you grant the Credit Union a consensual security interest in your accounts and agree the Credit Union may use the funds from your accounts to pay any debt or amount owed the Credit Union, except obligations secured by your dwelling, unless prohibited by applicable law. All accounts are nonassignable and nontransferable to third parties.

**18. Legal Process.** If any legal action, such as a levy, garnishment, or attachment, is brought against your account, the Credit Union may refuse to pay out any money from your account until the dispute is resolved. If the Credit Union incurs any expenses or attorney fees in responding to legal

process, such expenses may be charged against your account without prior notice to you, unless prohibited by law. Any legal process against your account is subject to the Credit Union's lien and security interest.

**19. Account Information.** Upon your request, the Credit Union will inform you of the name and address of each credit reporting agency from which the Credit Union obtains a credit report in connection with your account. The Credit Union agrees not to disclose information to third parties about your account regarding any transaction or balances except when: (a) it is necessary to complete the transaction; (b) the third party seeks to verify the existence or condition of your account in accordance with the Fair Credit Reporting Act or other applicable laws and regulations; (c) such disclosure is in compliance with the law, government agencies or court orders; or (d) you give us your written permission.

**20. Communications – Notices & Alerts.**

**a. Name of Address Changes.** It is your responsibility to notify the Credit Union upon a change of address or change of name. The Credit Union is only required to attempt to communicate with you only at the most recent address you have provided to the Credit Union. The Credit Union will accept notices of a change in address and any other notice from you to the Credit Union only if provided in writing to the Credit Union. If the Credit Union attempts to locate you, the Credit Union may impose a service fee as set forth on the Rate and Fee Schedule.

**b. Notice of Amendments.** Except as otherwise prohibited by applicable law, the terms of this Agreement are subject to change at any time. The Credit Union will notify you of any changes in account terms, rates, or fees as required by law. Changes in account ownership such as adding or removing a joint account owner, must be evidenced in writing. Only a primary member may remove another joint owner from the account, provided that the person being removed shall sign a removal acknowledgment in form satisfactory to the Credit Union. The Credit Union reserves the right to waive any term in this Agreement. Any such waiver shall not affect the Credit Union's right to enforce any right in the future.

**c. Effect of Notice.** Any written notice you give to the Credit Union is effective when it is actually received by the Credit Union. Any written notice the Credit Union gives to you is effective when it is deposited in the U.S. Mail, postage prepaid and addressed to you at your statement mailing address. Notice to any one account owner is considered notice to all owners of the account.

**d. Account Alerts.** The Credit Union provides an Account Alerts Service ("Alerts Service") which enables you to request and receive email or text messages and notices ("Alerts" or "Alert") from time to time concerning available account information, potential fraud conditions and other matters relating to your Credit Union accounts. You may receive Alerts through a SMS-enabled mobile device ("Mobile Alert"), an e-mail account that is accessed via a personal computer ("E-mail Alert"), or both. By enrolling or using the Service, you agree to the following Service Terms and Conditions. The Service allows you to request and receive Alerts about your account(s). We send Alerts to you based upon the instructions you provide to us. These instructions include your correct mobile number or email address. Your instructions are neither reviewed nor verified by Credit Union prior to or following activation of the Service. By using the Alert Service, you are expressly consenting to receive Alerts and other messages via text message to a cellular phone number for your mobile device and email addresses via email. You acknowledge and accept that each Alert may be sent to you without being encrypted and may include your name and information pertaining to your account. Depending upon which Alerts you select, information such as your account balance may be included. Anyone with access to your mobile device will be able to view the contents of these Alerts. It is your responsibility to: ensure the security of your mobile device; determine if your wireless provider supports SMS; and ensure your mobile device is capable of receiving SMS. You acknowledge that message and data rates may apply. You are solely responsible for any fees imposed of any kind whatsoever by your wireless service provider. Credit Union provides the Alerts Service purely as a convenience to you and for information

purposes only. Credit Union does not assume any additional responsibility or obligation in respect of the use of, or any transaction on your account. The Service does not free you from the responsibility of safeguarding the physical security and authorized use of your account or security codes. You acknowledge and agree that your receipt of any Alert may be delayed or prevented by factors outside of Credit Union's control, including factors affecting your wireless or Internet service provider and coverage in your area. We do not guarantee the delivery, timeliness or accuracy of the contents of any Alert. The Service is subject to transmission limitations and service interruptions. You agree to indemnify, defend and hold Credit Union and agents free and harmless from any and all losses or damages, including attorneys' fees, that may arise, directly or indirectly, in whole or in part, from: a non-delivery, delayed delivery, or the misdirected delivery of an Alert; inaccurate or incomplete content in an Alert; your reliance on or use of the information provided in an Alert for any purpose; or any third party, whether authorized or not, obtaining information regarding your account disclosed in the Alerts by accessing your mobile device. THE CREDIT UNION DISCLAIMS ANY RESPONSIBILITY AND ALL WARRANTIES OF ANY KIND, WHETHER EXPRESS OR IMPLIED, IN CONNECTION WITH THE SERVICE. THE SERVICE IS PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS AND YOU ACKNOWLEDGE USE OF THE SERVICE IS AT YOUR SOLE RISK.

**e. Mobile Text Communications.** You agree that we may send text message communications to your mobile device to offer you service and support for your accounts (Text Service). We may use a telephone/mobile number, e-mail address, or other delivery location we have in our records for you or other such contact information as you may provide to us for these services so that we may send you certain information about your applicable account. **By using the Text Service, you are expressly consenting to receive text message to a cellular phone number for your mobile device.** You understand and agree these services may not be encrypted and may include personal or confidential information about you such as your account activity or the status of your account. You also understand that there may be a disruption in service if you change your communications service provider. Messages may be delayed or impacted by external factors, internet service providers, phone carriers, or other parties. We will not be liable for losses or damages arising from any disclosure of account information to third parties, non-delivery, delayed delivery, misdirected delivery, or mishandling of, or inaccurate content in, the messages sent through the Text Services.

**21. Taxpayer Identification Numbers (TIN) and Backup Withholding.** If your account is or becomes subject to backup withholding, the Credit Union is required by law to withhold and pay to the Internal Revenue Service (IRS) a required percentage of payments of interest, dividends and certain other payments under certain conditions. Your failure to furnish a correct taxpayer identification number (TIN) or meet other applicable requirements may result in backup withholding as well as civil or criminal penalties. If you refuse to provide your TIN, the Credit Union may suspend the opening of your account, or you may request a non-dividend bearing account until a TIN is provided.

## **22. Statements.**

**a. Contents.** If the Credit Union provides a statement for your account, you will receive a periodic statement of all transactions and activity on your account during the statement period. If a periodic statement is provided you agree that only one statement is necessary for a multiple party account. For checking accounts, you understand that when paid your original check becomes property of the Credit Union and may not be returned to you, but copies will be retained by the Credit Union or a payable through financial institution and made available upon your request. You understand your statements and checks are made available to you on the date the statement is mailed to you. Please be aware that your account statement may not show all owners, POD beneficiaries, or other persons with an interest in the account. If you wish to confirm the ownership, beneficiary designations, or other features of your accounts, please contact the Credit Union.

**b. Electronic Statements.** If your statement is provided electronically, statements will be electronically mailed to you as an attachment, or you will be provided with information directing you to the website where you may access, review, print and otherwise copy/download your periodic statements using procedures we authorize. Electronic mails from us will be sent to the electronic mail address you provide. It is your responsibility to provide a current and correct e-mail address to the credit union. You are also responsible to keep us updated on e-mail address changes. If you have requested electronic statements, you agree that the statement is considered to be delivered to you on the day that it is made available electronically.

**c. Examination.** You are responsible for examining each statement and reporting any irregularities to the Credit Union. The Credit Union will not be responsible for any forged, altered, or unauthorized item drawn on your account if (a) you fail to notify the Credit Union within thirty (30) days of the mailing date of the earliest statement and availability of checks containing any forgery, alteration, or unauthorized signature on the item; or (b) any items forged or altered in a manner not detectable by a reasonable person including the unauthorized use of a facsimile signature machine.

**d. 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 and draft copies or the time limit for notifying the Credit Union of any errors. The statement will be considered correct for all purposes and the Credit Union will not be liable for any payment made or charged to your account unless you notify the Credit Union in writing within the above time limit after the statement and checks are made available to you.

**e. Negative Information Notice.** We may report information about your loan, share or deposit accounts to credit bureaus. Late payments, missed payments, or other defaults on your accounts may be reflected in your credit report.

**23. Dormant and Abandoned Accounts.** If you have an account with a balance of less than \$100 that you have not made a withdrawal from, deposit to, or transfer involving your account for three (3) years, the Credit Union may classify your account as a dormant account and may charge a dormant account service fee as allowed by applicable law and set forth on the Rate and Fee Schedule. Thereafter, dividends will not be paid on the account if the balance falls below any minimum balance requirement. The Credit Union will notify you at your last known address prior to imposing any fee as required by law. Checking accounts will continue to incur the monthly maintenance fee, if applicable, until closed by the member. You authorize us to transfer funds from an available account of yours to cover the monthly maintenance fee, if necessary. If a deposit or withdrawal has not been made on the account and the Credit Union has had no other contact with you for three (3) years as required by the Uniform Unclaimed Property Act, the account will be presumed to be abandoned. Funds in abandoned accounts will be remitted in accordance with state law. Once funds have been turned over to the state, the Credit Union has no further liability to you for such funds and if you choose to reclaim such funds, you must apply to the appropriate state agency.

**24. Death of Account Owner.** The Credit Union may require the survivor or other claimant to the account to produce certain documents before releasing the funds in the account. The Credit Union may continue to honor all transfers, withdrawals, deposits and other transactions on the account until the Credit Union learns of an account owner's death. Once the Credit Union learns of a member's death, the Credit Union may pay checks or honor other payments or transfer orders authorized by the deceased member for a period of ten (10) days unless the Credit Union receives instructions from any person claiming an interest in the account to stop payment on the checks or other items. You agree that the Credit Union can require that anyone who claims funds in your account after your death to indemnify the Credit Union for any losses resulting from honoring that claim.

**25. Termination of Account.** The Credit Union 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 (a) there is a change in owners or authorized signers; (b) there has been forgery or fraud reported or committed

involving your account; (c) there is a dispute as to the ownership of the funds in the account; (d) any account checks are lost or stolen; (e) if there are excessive returned unpaid items not covered by an overdraft protection plan; or (f) if there has been any misrepresentation or any other abuse of any of your accounts. You may terminate your account at any time by notifying the Credit Union by oral direction or in writing. The Credit Union is not responsible for payment of any check, withdrawal, or other item once your account is terminated; however, if the Credit Union pays a check after termination, you agree to reimburse the Credit Union for payment.

**26. Termination of Membership.** You may terminate your membership at the Credit Union after giving written notice of your intent to withdraw from membership. You may be denied services or expelled from membership for any reason allowed by applicable law, including causing a loss to the Credit Union.

**27. Special Account Instructions.** You may request the Credit Union to facilitate certain trust, will, or court-ordered account arrangements. However, because the Credit Union does 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 the Credit Union to follow instructions that the Credit Union believes might expose it to claims, suits, lawsuits, expenses, liabilities, or damages, whether directly or indirectly, the Credit Union may refuse to follow your instructions or may require you to post a bond to indemnify the Credit Union. Any item presented with a full payment legend must be presented in person to a Credit Union officer; otherwise, payment is accepted with full reservation of rights. Account changes requested by you, or any account owner, such as adding or closing an account or service, must be evidenced by a signed Account Card and accepted by the Credit Union. The Credit Union will not recognize the authority of someone to whom you have given power of attorney unless the power of attorney is in writing and a copy of the Power of Attorney is on file at the Credit Union.

**28. Severability.** In the event that any paragraph of this Agreement or any portion thereof is held by a court to be invalid or unenforceable for any reason, the other paragraphs and portions of this Agreement shall not be invalid or unenforceable and will continue in full force and effect.

**29. Arbitration and Class Action Waiver Agreement.**

**RESOLUTION OF DISPUTES BY ARBITRATION: THIS AGREEMENT CONTAINS IMPORTANT INFORMATION REGARDING YOUR DEPOSIT ACCOUNTS AND RELATED ELECTRONIC FINANCIAL SERVICES. IT PROVIDES THAT EITHER YOU OR WE CAN REQUIRE THAT CERTAIN DISPUTES BE RESOLVED BY BINDING ARBITRATION. ARBITRATION REPLACES THE RIGHT TO GO TO COURT, INCLUDING THE RIGHT TO A JURY TRIAL AND THE RIGHT TO PARTICIPATE IN A CLASS ACTION OR SIMILAR PROCEEDING. IN ARBITRATION, THE DISPUTE IS SUBMITTED TO A NEUTRAL PARTY, AN ARBITRATOR, INSTEAD OF A JUDGE OR JURY. ARBITRATION PROCEDURES MAY BE MORE LIMITED THAN RULES APPLICABLE IN COURT.**

**a. Agreement to Arbitrate Disputes.** Either You or We may elect, without the other's consent, to require that any dispute between us concerning Your Deposit Accounts (share accounts) and the electronic financial services related to your Accounts be resolved by binding arbitration, except for those disputes specifically excluded below. This Arbitration Agreement and any arbitration conducted under it are governed by the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and are not subject to any state law related to arbitration.

**b. Disputes Covered by Arbitration.** Claims or disputes between you and us arising out of or relating to your Deposit Account(s), transactions involving your Deposit Account(s) and any related electronic financial service with us are subject to arbitration. Electronic financial services include online and mobile account access, bill pay, telephone access, and any other electronic service provided pursuant to our Electronic Funds Transfer Disclosures. Any claims or disputes arising from or relating to this agreement, any prior account agreement between us, any advertising, the application for, or the approval or establishment of your account are also included. Disputes include not only claims made directly by You, but also made by anyone

connected with You or claiming through You, such as a joint account holder, account beneficiary, employee, representative, agent, predecessor or successor, heir, assignee, or trustee in bankruptcy. Claims are subject to arbitration, regardless of what theory they are based on or whether they seek legal or equitable remedies. Arbitration applies to any and all such claims or disputes, whether they arose in the past, may currently exist or may arise in the future. All such disputes are referred to in this section as "Claims".

**c. Disputes Not Covered by Arbitration.** Both you and we have the right to pursue a Claim in state court instead of arbitration for claims related to our collection of any negative balance or amounts you owe us under our Membership and Account Agreement, including but not limited to: fraud, counterfeit items and any unpaid account obligations. This exception applies if the Claim is in that court's jurisdiction and brought on an individual basis. Also, arbitration will not apply to Your Account as long as You are an active duty Service Member. Otherwise, this Agreement to arbitrate will apply without limitation, regardless of whether 1) your account is closed; 2) you pay us in full any outstanding debt you owe; or 3) you file for bankruptcy.

**d. No Class Action or Joinder of Parties.** YOU ACKNOWLEDGE THAT YOU AND WE AGREE THAT NO CLASS ACTION, CLASS-WIDE ARBITRATION, PRIVATE ATTORNEY GENERAL ACTION, OR OTHER PROCEEDING WHERE SOMEONE ACTS IN A REPRESENTATIVE CAPACITY, MAY BE PURSUED IN ANY ARBITRATION OR IN ANY COURT PROCEEDING, REGARDLESS OF WHEN THE CLAIM OR CAUSE OF ACTION AROSE OR ACCRUED, OR WHEN THE ALLEGATIONS OR FACTS UNDERLYING THE CLAIM OR CAUSE OF ACTION OCCURRED. Unless you and we both agree, claims of two or more persons may not be joined, consolidated, or otherwise brought together in the same arbitration (unless those persons are joint account holders or beneficiaries on your account and/or related accounts, or parties to a single transaction or related transaction), whether or not the claim may have been assigned.

**e. Arbitration Procedures.** The arbitration must be filed with the following neutral arbitration forum and must follow its rules and procedures for initiating and pursuing an arbitration:

JAMS  
[www.jamsadr.com](http://www.jamsadr.com)  
1-800-352-5267 (toll-free)

The arbitration shall take place in the federal district in which you reside, or in which you entered into this Agreement. The arbitration shall be decided by a single, neutral arbitrator selected by both parties in accordance with the rules of the arbitration forum. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures and pursuant to JAMS' Streamlined Arbitration Rules and Procedures. Judgment on the arbitrator's award may be entered in any court having jurisdiction. This Arbitration Agreement does not preclude parties from bringing claims in small claims court or seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction. You or we may choose to have a hearing, be represented by counsel and conduct discovery. If the claim is brought by You, You will pay no more than \$250 of the filing costs and expenses and the remaining costs are borne by us. If we bring the claim, we pay for all filing fees and costs. Judgment on the arbitration award may be entered by any court of competent jurisdiction. We will not reimburse any fees if the arbitrator determines that your claim or dispute was frivolous or baseless. Each party shall be responsible for its own attorney fees in any arbitration unless the arbitrator awards attorney fees under applicable law or agreement.

**f. Right to Resort to Provisional Remedies Preserved.** Nothing herein shall be deemed to limit or constrain our right to resort to self-help remedies, such as our federal statutory lien; our right of set-off; the right to restrain funds in an account; to interplead funds in the event of a dispute; to exercise any security interest we may hold in property; to comply with legal process;

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

**g. Right to Reject this Arbitration Agreement.** You have the right to opt out of this agreement to arbitrate if you tell us within 30 days after you opened your first Account or 30 days after we issued our Notice and this Agreement, whichever is later. To opt out, send us written notice including the following information: (i) Your written notice must include: your name, as listed on your account, your account number, and a statement that you reject this Arbitration Agreement, and (ii) You must send Your written notice to Us at the following address: Heritage Grove Federal Credit Union, 631 Winter Street N.E., Salem, OR 97301, Attn: Risk Management.

**h. Acceptance of Arbitration and Class Action Waiver.** By your receipt of our Notice and a copy of this Binding Arbitration and Class Action Waiver Agreement, your decision not to reject this Agreement and as confirmed by your continued use of your Account, you agree to be bound by the above terms and Disputes Covered by Arbitration provision for all of your Accounts and effective immediately your Accounts will be bound by this Arbitration and Class Action Waiver Agreement.

**30. Enforcement.** You agree to be liable to the Credit Union for any liability, loss, or expense as provided in this Agreement that the Credit Union incurs as a result of any dispute involving your accounts or services. You authorize the Credit Union to deduct any such liability, loss, or expense from your account without prior notice to you. In the event either party brings a legal action to enforce the Agreement or collect any overdrawn funds on accounts accessed under this Agreement, the prevailing party shall be entitled, subject to applicable law, to payment by the other party of its reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions, if applicable.

**31. Governing Law.** This Agreement is governed by the Bylaws of the Credit Union, federal laws and regulations, the laws and regulations of the State of Oregon and local clearinghouse rules, as amended from time to time. Any disputes regarding this Agreement shall be subject to the jurisdiction of the court of the country in which the Credit Union is located.

## **II. FUNDS AVAILABILITY POLICY**

**1. General Policy.** For savings accounts, we reserve the right to place reasonable holds on deposit funds to the extent permitted by law. For checking accounts, our funds availability policy is set forth below. Our policy is to make funds from your deposits available to you on the same business day that we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written. For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before 5:30 p.m. 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 5:30 p.m. or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

**2. Reservation of Right to Hold.** In some cases, we will not make all of the funds that you deposit by check available to you on the same business day that we receive your deposit. Depending on the type of check that you deposit (e.g. large checks without available funds or third-party checks), funds may not be available until the second business day after the day of your deposit. However, the first \$225 of your deposit will be available on the first business day. If we are not going to make all of the funds from your deposit available on the first business day, 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.



**3. Holds on Other Funds.** If we cash a check for you that is drawn on another financial institution, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it. If we 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.

**4. Longer Delays May Apply.** We may delay your ability to withdraw funds deposited by check into your account an additional number of days for these reasons:

- a. We believe a check you deposit will not be paid.
- b. You deposit checks totaling more than \$5,525 on any one day.
- c. You deposit a check that has been returned unpaid.
- d. You have overdrawn your account repeatedly in the last six (6) months.
- e. There is an emergency, such as failure of communications or computer equipment.

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. They will generally be available no later than the seventh business day after the day of your deposit.

**5. Special Rules for New Accounts.** If you are a new member, the following special rules may apply during the first thirty (30) days your account is open. Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,525 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state, and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5,525 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,525 will not be available until the second business day after the day of your deposit. Funds from all other check deposits will be available on the ninth business day after the day of your deposit.

**6. Deposits at Automated Teller Machines.** The first \$200 from any deposit (cash or checks) made at automated teller machines (ATMs) will be available on the same day of your deposit, however, the remaining funds will not be available until the second business day after the day of your deposit. If the deposit was made at an ATM we own and operate, the remaining funds will be available the next business day. ATMs owned and operated by the Credit Union are located at the Credit Union branch.

### **III. ELECTRONIC FUNDS TRANSFERS**

This Agreement is the contract which covers your and our rights and responsibilities concerning Electronic Fund Transfer (EFT) services offered by the Credit Union. By signing the Account Card, signing or using a debit card, or using an electronic funds transfer service, each of you, jointly and severally, agree to the terms and conditions in this Agreement, and any amendments. Electronic funds transfers ("EFTs") are electronically initiated transfers of money through direct deposits, electronic check transactions, ATM and VISA Check card transactions at automated teller machines ("ATMs"), automated telephone access ("24-Hour Teller"), Online Banking, Mobile Banking transactions, and VISA Check card purchases involving your deposit accounts at the Credit Union.

#### **1. Services.**

**a. VISA Check Card.** If we approve your application, you may use your debit card to purchase goods and services any place your card is honored by participating merchants. Funds to cover your debit card purchases will be deducted from your checking account. A debit card purchase will not be authorized if the amount of purchase exceeds the available balance in your account at the time the authorization is requested. For a debit card purchase that has been authorized, if there are insufficient funds in your account at the time the authorized transaction is processed by the Credit Union, the funds in your overdraft protection account may be used to pay these transactions. If the balance in your account is not sufficient to pay the transaction amount, your account will be subject to a charge as set forth in the Rates and Fee Schedule, and the Credit Union may terminate all services under this Agreement.

You may also use your debit card and Personal Identification Number (“PIN”) in automated teller machines of the Credit Union, and such other machines or facilities we may designate from time to time. At the present time, you may use your card to make the following transactions on your accounts:

- Make deposits to your savings and checking accounts.
- Withdraw cash from your savings, checking, or line of credit accounts.
- Transfer funds between your savings, checking, or line of credit accounts.
- Make balance inquiries on your savings, checking or line of credit accounts.

**b. Direct Deposit and ACH.** Upon instruction of: (i) your employer; (ii) the Treasury Department; or (iii) other financial institutions, the Credit Union will accept direct deposits of your paycheck or recurring federal payments, such as Social Security. You may authorize preauthorized debits to your account through ACH transactions. An ACH transaction drawn from a checking account will be covered by overdraft protection if funds are available and a fee may be charged as set forth in the Account Rates and Terms Schedule. If you overdraft your account by use of ACH, your account will be subject to a charge as set forth in the Account Rates and Terms Schedule and may be returned to the payer.

**c. 24-Hour Teller.** If we approve automated telephone access (24-Hour Teller) service for your accounts, you must designate a Personal Identification Number (PIN). You must use your PIN along with your account number to access your accounts. At the present time you may use the automated telephone access service to:

- Obtain balance, withdrawal, dividend, loan payoff, due date information, and cleared check information on your accounts at the Credit Union.
- Transfer funds between your savings, checking, money market and loan accounts as allowed, including loan payments.
- Transfer funds from your savings, checking, money market and loan accounts.
- Access your line of credit and transfer funds to your checking account or authorize a check payable to you.
- Other transactions as offered and permitted in the future.

**d. Online Banking Service.** Upon approval, you may use your personal computer and the Online Banking service to access your accounts. You must use your account number along with your PIN to access your accounts. You will need a personal computer and a web browser (such as Mozilla Firefox® or Internet Explorer®). The online address for the Online Banking service is [www.OurGroveCU.com](http://www.OurGroveCU.com). You are responsible for the installation, maintenance and operation of

your computer and modem. The Online Banking service is available seven (7) days a week, twenty-four (24) hours a day, except during scheduled maintenance periods. The Credit Union will not be responsible for any errors or failures involving any telephone service, Internet Service Provider or your computer. At the present time, you may use the Online Banking service to:

- Transfer funds between your savings, checking, and money market accounts.
- Transfer from your savings, checking, and money market accounts to a loan account.
- Transfer funds from a line of credit account to your savings, checking, or money market account.
- Review account balance and transaction history for any of your deposit accounts.
- Review information on your loan account including payment amounts, due dates, interest charges, and balance information.
- Make bill payments from your checking account using BillPay bill payment service.
- Communicate with the Credit Union using email.

Transactions including your deposit accounts will be subject to the terms of your Membership and Account agreement and transactions involving a line of credit account will be subject to your Loan Agreement and Disclosures as applicable.

**e. Mobile Banking Service.** Mobile Banking, which includes text banking, is a personal financial information management service that allows you to access account information and make such other financial transactions as set forth in the Electronic Funds Transfer Agreement using compatible and supported mobile phones and/or other compatible and supported wireless devices (including phones, "Wireless Devices"). We reserve the right to modify the scope of the Mobile Banking services at any time. We reserve the right to refuse to make any transaction you request through Mobile Banking. You agree and understand that Mobile Banking may not be accessible or may have limited utility over some mobile telephone networks, such as while roaming. The most up-to-date list of services which you may be able to access through Mobile Banking is posted on the Mobile Access enrollment website at [www.OurGroveCU.com](http://www.OurGroveCU.com). When you register for Mobile Banking, designated accounts linked to your account through Online Banking will be accessible through the Mobile Banking service.

**i. Use of Services.** Mobile Banking will not work unless you use it properly. You accept responsibility for making sure that you understand how to use Mobile Banking before you actually do so, and you use Mobile Banking in accordance with the online instructions posted on our website. You also accept responsibility for making sure that you know how to properly use your wireless device and the Mobile Banking software ("Software") required to use the Service. The Software is provided by a service provider not affiliated with the Credit Union and you are solely responsible for entering a license agreement to use the software. We will not be liable to you for any losses caused by your failure to properly use the Mobile Banking service, the Software or your wireless device. You may experience technical or other difficulties related to the Mobile Banking service that may result in loss of data, personalization settings or other Mobile Access service interruptions. We assume no responsibility for the timeliness, deletion, misdelivery or failure to store any user data, communications or personalization settings in connection with your use of the Mobile Banking service. We assume no responsibility for the operation, security, or functionality of any wireless device or mobile network which you utilize to access the Mobile Banking service. Financial information shown on the

Mobile Banking service reflects the most recent account information available through the Mobile Banking service. You agree that we will not be liable for any delays in the content, or for any actions you take in reliance thereon. If you need current account information you agree to contact us directly.

ii. **Access to Accounts.** By enrolling in the Mobile Banking service, you certify you are an owner, joint owner or custodian on the accounts represented in your enrollment. You understand that all owners of your accounts or anyone with whom you share your Password or any access code will be an Authorized User, and that authority will be considered unlimited in amount and manner with full authority to perform all transactions relating to the stated accounts, until you notify the Credit Union, in writing of the revocation of such authority. You agree that you are and will remain fully responsible for any transactions made by such persons on your accounts except transactions that occur after the Credit Union has been notified of any revocation of authority and has had a reasonable opportunity to act upon such notice.

iii. **Relationship to Other Agreements.** You agree that when you use Mobile Banking, you will remain subject to the terms and conditions of all your existing agreements with us or any service providers of yours, including service carrier or provider (e.g., AT&T, Verizon, T-Mobile, etc.), and that this Addendum does not amend or supersede any of those agreements. You understand that those agreements may provide for fees, limitations and restrictions which might impact your use of Mobile Banking (for example, your mobile service carrier or provider may impose data usage or text message charges for your use of or interaction with Mobile Banking, including while downloading the Software, receiving or sending Mobile Banking text messages, or other use of your Wireless device when using the Software or other products and services provided by Mobile Banking), and you agree to be solely responsible for all such fees, limitations and restrictions. You agree that only your mobile service carrier or provider is responsible for its products and services. Accordingly, you agree to resolve any problems with your carrier or provider directly with your carrier or provider without involving us. You also agree that if you have any problems with Mobile Banking, you will contact us directly.

f. **Electronic Check Transactions.** You authorize us to honor any electronic check conversion transaction and re-presented check fee debit transactions you authorize (“electronic check transactions”). You agree that your authorization for an electronic check transaction occurs when you initiate such a transaction after receiving any notice regarding the merchant’s right to process the transaction. Notice may include a sign posted by the merchant at the time and place of your transaction. All terms governing electronic funds transfer services will apply to electronic check transactions except the \$50 and \$500 limits of liability for unauthorized transactions in Section 4, Member Liability. You remain responsible for notifying us of any unauthorized electronic check transaction shown on your statement.

## 2. **Service Limitations.**

### a. **ATM Activity.**

i. **Cash Withdrawals.** There is no limit on the number of cash withdrawals you may make per day. You are limited to withdrawing up to \$500 per calendar day using your debit card if there are sufficient funds in your account. If you overdraw your account, you may be charged an overdraft fee as set forth on the Rate and Fee Schedule. For ATMs not owned by the Credit Union, there may be a limit of the amount you can withdraw at an ATM in any one day. Because of the servicing schedule, there may be limited occasions when the Credit Union’s computer is unavailable and the screen will say “System Unavailable” when the machine is not in service. For purposes

of the daily limit, a day ends at midnight and Saturday and Sunday are deemed as one day.

**ii. Transfers.** You may transfer between your savings and checking accounts up to the balance in your accounts at the time of the transfer at available locations.

**iii. Deposits.** You may make deposits only at ATMs owned and operated by the Credit Union or certain ATMs marked with the Money Pass® logo, the Co-op Network® logo, and the ACCEL/Exchange logo. Because of the servicing schedule and processing time required in ATM operations, there is a delay between the time a deposit (either cash or check) is made and when it will be available for withdrawal. Deposits are subject to verification by the Credit Union. You should review the Credit Union's Funds Availability Policy to determine the availability of funds deposited at ATMs.

**b. Preauthorized Transfers.** There is no limit to the number of ACH withdrawals you may authorize from a checking account. ACH transfers are not permitted from a savings account.

**c. 24-Hour Teller.** Audio response service will be available for your convenience seven (7) days per week. This service may be interrupted for a short time each day for data processing. While there is no limit to the number of inquiries, transfers, or withdrawal requests you may make in any one day, there are certain limitations on transfers from a share or money market account. No transfer or withdrawal may exceed the available funds in your account. The Credit Union reserves the right to refuse any transaction which would draw upon insufficient funds, exceed a credit limit, or lower an account below a required balance. The Credit Union may set other limits on the amount of any transaction, and you will be notified of those limits. The Credit Union may refuse to honor any transaction for which you do not have sufficient available verified funds. There is no limit on the number of transaction requests you may make during a single phone call.

**d. VISA Check Card/POS Purchases.** There is no limit on the number of check card and point-of-purchase (POS) transactions you may make per day. No purchase may exceed the available funds in your account, unless authorized by the Credit Union. The Credit Union reserves the right to refuse any transaction which would draw upon insufficient funds, lower an account below a required balance, or otherwise require us to increase our required reserve on the account. The Credit Union may set other limits on the amount of any transaction, and you will be notified of those limits. The Credit Union may refuse to honor any transaction for which you do not have sufficient available verified funds.

Some merchants may permit you to initiate debit and bill payment transactions with your card using either the Visa network or another network shown on your card, such as the Star, and CO-OP network. The Credit Union will honor your debit transactions processed by any of these networks. Transactions processed over the Visa network do not require you to use your PIN to validate the transaction. Generally, you will sign a receipt, provide your card number (e.g. internet, mail, or telephone transactions), or swipe your card at a terminal. Also, there are certain protections and rights such as the zero liability protections in Section 4 "Member Liability," applicable only to Visa processed transactions. Transactions processed over other networks may not require you to use your PIN in order to validate a transaction. Generally, you enter your card number or swipe your card and provide or enter a PIN. However, some merchants may not require you to provide a PIN, and allow you to choose whether the transaction is processed by Visa or another network. Provisions applicable only to Visa transactions (such as Visa's zero liability protections) will not apply to non-VISA Check transactions and the liability rules for other EFTs in Section 4. "Member Liability" will apply.

**e. Online Banking Service Limitations.** The following limitations on Online Banking transactions may apply:

**i. Transfers.** You may make funds transfers to your other accounts as often as you like. You may transfer or withdraw up to the available balance in your account or up to the available credit limit on a line of credit at the time of the transfer, except as limited under this Agreement or your deposit or loan agreements. The Credit Union reserves the right to refuse any transaction that would draw upon insufficient or unavailable funds, or lower an account below a required balance. The Credit Union may set other limits on the amount of any transaction and you will be notified of those limits.

**ii. Account Information.** The account balance and transaction history information may be limited to recent account information involving your accounts. Also, the availability of funds for transfer or withdrawal may be limited due to the processing time for any ATM deposit transactions and our Funds Availability Policy.

**iii. E-Mail.** You may use the e-mail to send messages to us. If you have elected to receive information regarding Online Banking online, you agree we may send (i) notices of change in terms, and (ii) responses to billing error inquiries you e-mail to us to your e-mail address of record. If you change your e-mail address at any time, you must notify us of your new e-mail address by telephone or an e-mail instruction to our number and address as set forth in Section 5. E-mail may not, however, be used to initiate a transfer on your account or a stop payment request. The Credit Union may not immediately receive e-mail communications that you send and the Credit Union will not take action based on e-mail requests until the Credit Union actually receives your message and has a reasonable opportunity to act. If you need to contact the Credit Union immediately regarding an unauthorized transaction or stop payment request, you may call the Credit Union at the telephone number set forth in Section 5, including billing error inquiries.

**f. BillPay Bill Payment Service.** When you apply for bill payment service you must designate your checking account as the account from which payments that you authorize will be deducted. You will be given the ability to set up merchants, institutions or individuals that you would like to pay. You are not permitted to designate governmental agencies or courts. All payees must be in the United States. We reserve the right to not allow the designation of a particular merchant or institution.

You or any persons who you have authorized to use your BillPay or Online Banking service or PIN can perform the following transactions:

**i. Make Bill Payments.** Pay any designated merchant, institution or individual in accordance with this agreement, a fixed recurring amount or a variable amount from your designated checking account.

**ii. Obtain Information.** Obtain information (payee information, payment status information, etc.) about your bill payment account status.

**iii. Bill Pay Transactions.** You authorize us to process bill payments from your designated account. You may use bill pay to initiate three different types of payment transactions:

- “On Demand” payments are payments that are not recurring. The payments can be canceled or changed through bill pay up until 12:00 midnight before your Process Date (the date you have requested the payment to be deducted from your account).
- “Future” payments are payments that you initiate by setting the payment amount and due date. The payment can be canceled or changed through bill pay up until 12:00 midnight before the Process Date.

- “Recurring” payments are payments that are recurring on a fixed due date and fixed amount. Payments will continue until the selected maturity date. The payment can be canceled or changed through bill pay up until 12:00 midnight before the Process Date.

**iv. Authorized Payments.** When you transmit a bill payment instruction to us, you authorize us to transfer funds to make the bill payment transaction from your checking account(s). We will process bill payment transfer requests only to those payees you designate. The Credit Union will not process any bill payment transfer if we know the required transaction information is incomplete. In any event, the Credit Union will not be liable for any transaction that contains incorrect information that the Credit Union was not responsible for entering or knowing. If there are insufficient funds in your account to make the bill payment request, we may either refuse to make the payment or make the payment and transfer funds from any overdraft protection account you have established. The Credit Union reserves the right to refuse to process payment instructions that reasonably appear to the Credit Union to be fraudulent or erroneous.

**g. Payees.** You may not make payments to a federal, state or local government or other categories of payees we designate from time to time. When you transmit a BillPay instruction to us, you authorize us to transfer funds to make the BillPay transaction from your account. We will process BillPay requests only to those payees the Credit Union has designated in its User Instructions and such payees as you authorize.

**h. Processing Payments.** The amount of your requested bill payment will be deducted from your account on the Process Date and will be processed by us on that date or the previous business day should the processing date fall on a weekend or holiday. Therefore, you must have sufficient funds available to cover your payment by midnight on the day before the Process Date. Bill payments are delivered to the payee either electronically, which may take up to five (5) business days from the Process Date, or by check to those payees not set up to accept electronic payments, which may take up to ten (10) business days from the Process Date. It is your responsibility to schedule your bill payments in such a manner that your obligations will be paid on time. You should enter and transmit your bill payment instructions at least seven (7) to ten (10) business days before a bill is due. If you do not allow sufficient time or your account has insufficient funds, you assume full responsibility for any late payments, finance charges that may be imposed, or other actions taken by a payee as a result of a late (or unpaid) payment. If payment is scheduled with sufficient time, and the payment was not received by the payee, or was received late, BillPay service will assume responsibility. You will be notified if a payment fails, and the bill payment service will automatically attempt to retry the payment on the next business day. If the payment is successful on the next day, you will not be notified again. If the payment fails on the retry, you will be notified a second time. The Credit Union will not process any BillPay transfer if we know the required transaction information is incomplete. In any event, the Credit Union will not be liable for any transaction that contains incorrect information that the Credit Union was not responsible for providing or entering. If there are insufficient funds in your account to make the BillPay request the payment will not be processed. The Credit Union reserves the right to refuse to process payment instructions that reasonably appears to the Credit Union to be fraudulent or erroneous.

**i. Canceling or Changing Bill Payments.** Payments designated as “On Demand” transactions cannot be stopped, canceled or changed once your BillPay session has ended. You may cancel or stop payment on future and recurring bill payment instructions under certain circumstances by following the instructions provided. If you discover an error in or want to change a payment instruction (i.e., payment date or payment amount) for a bill payment that you have already scheduled for transmission through the BillPay service, you may electronically edit or cancel your payment request through the BillPay service. Your cancellation or change request must be entered and transmitted through the BillPay service by midnight of the day before the Process Date. If your request is not timely entered, you will be responsible for the payment. If

you wish to place an oral stop payment on a recurring bill payment transaction, not using the BillPay service, the Credit Union must receive your oral stop payment request at least three (3) business days before the payment is scheduled to be made. You may call the Credit Union at the number set forth below to request a stop payment. If you call, the Credit Union may require you to confirm your stop payment request in writing within fourteen (14) days after the call.

**j. Mobile Banking Service Limitations and Conditions.** When you use the Mobile Banking service to access accounts, you agree to the following limitations and conditions:

**i. Account Ownership/Accurate Information.** You represent that you are the legal owner of the accounts and other financial information which may be accessed via Mobile Banking. You represent and agree that all information you provide to us in connection with Mobile Banking is accurate, current and complete, and that you have the right to provide such information to us for the purpose of operating the Mobile Banking service. You agree to not misrepresent your identity or your account information. You agree to keep your account information up to date and accurate.

**ii. Proprietary Rights.** You may not copy, reproduce, distribute, or create derivative works from this content. Further, you agree not to reverse engineer or reverse compile any Mobile Banking technology, including, but not limited to, any Software or other mobile phone applications associated with the Mobile Banking service.

**iii. User Conduct.** You agree not to use Mobile Banking or the content or information delivered through Mobile Banking in any way that would: (a) infringe any third-party copyright, patent, trademark, trade secret, or other proprietary rights or rights of publicity or privacy, including any rights in the Software; (b) be fraudulent or involve the sale of counterfeit or stolen items, including, but not limited to, use of Mobile Access to impersonate another person or entity; (c) violate any law, statute, ordinance or regulation (including, but not limited to, those governing export control, consumer protection, unfair competition, anti-discrimination or false advertising); (d) be false, misleading or inaccurate; (e) create liability for us or our affiliates or service providers, or cause us to lose (in whole or in part) the services of any of our service providers; (f) be defamatory, trade libelous, unlawfully threatening or unlawfully harassing; (g) potentially be perceived as illegal, offensive or objectionable; (h) interfere with or disrupt computer networks connected to Mobile Banking; (i) interfere with or disrupt the use of Mobile Banking by any other user; or (k) use Mobile Banking in such a manner as to gain unauthorized entry or access to the computer systems of others.

**iv. No Commercial Use or Resale.** You agree that the Mobile Banking services are for personal use only. You agree not to resell or make commercial use of Mobile Banking.

**v. Indemnification.** Unless caused by our intentional misconduct or gross negligence, you agree to protect and fully compensate us and service providers from any and all third-party claims, liability, damages, expenses and costs (including, but not limited to, reasonable attorneys fees) caused by or arising from your improper use of the Mobile Banking software or your infringement, or infringement by any other user of your account, of any intellectual property or other right of anyone.

**vi. User Security.** You agree not to give or make available your Mobile Banking Personal Identification Number (the "PIN") or other means to access your account to any unauthorized individuals. You are responsible for all transfers or other transactions you authorize using Mobile Banking. If you permit other persons to use your Wireless device and PIN or other means to access Mobile Banking, you are responsible for any transactions they authorize. If you believe that your PIN, Wireless device or other means to access your account has been lost or stolen or that someone may attempt to use



Mobile Banking without your consent, or has transferred money without your permission, you must notify us promptly by calling (503) 588-0211.

**vii. Additional Service Limitations.** Neither we nor our service providers can always foresee or anticipate technical or other difficulties related to Mobile Banking. These difficulties may result in loss of data, personalization settings or other Mobile Banking interruptions. Neither we nor any of our service providers assume responsibility for the timeliness, deletion, misdelivery or failure to store any user data, communications or personalization settings in connection with your use of Mobile Banking. Neither we nor any of our service providers assume responsibility for the operation, security, functionality or availability of any Wireless device or mobile network which you utilize to access Mobile Banking. You agree to exercise caution when utilizing the Mobile Banking application on your Wireless device and to use good judgment and discretion when obtaining or transmitting information. Financial information shown on Mobile Banking reflects the most recent account information available through Mobile Banking, and may not be current. You agree that neither we nor our service providers will be liable for any delays in the content, or for any actions you take in reliance thereon. If you need current account information you agree to contact us directly.

**viii. Changes or Cancellation.** You may cancel your participation in Mobile Banking by calling us at (503) 588-0211. We reserve the right to change or cancel Mobile Banking at any time without notice. We may also suspend your access to Mobile Banking at any time without notice and for any reason, including but not limited to, your non-use of Mobile Banking services. You agree that we will not be liable to you or any third party for any discontinuance of Mobile Banking.

**ix. Third-Party Beneficiary.** You agree that our service providers (including any provider of Software) may rely upon your agreements and representations, set forth in this subsection j., and such service providers are, for the purposes of this subsection j., third-party beneficiaries with the power to enforce those provisions against you, as applicable.

**3. Conditions of Account/Card Use.** The use of your Account, debit card(s), and EFT service are subject to the following conditions:

**a. Ownership of Cards.** Any Card or other device that we supply to you is our property and must be returned to us, or to any person whom we authorize to act as our agent, or to any person who is authorized to honor the Card, immediately according to instructions. The Card may be repossessed at any time in our sole discretion without demand or notice. You cannot transfer your Card or Account to another person.

**b. Honoring the Card.** Neither we nor merchants authorized to honor a Card will be responsible for the failure or refusal to honor the Card or any other device we supply to you. If a merchant agrees to give you a refund or adjustment, you agree to accept a credit to your Account in lieu of a cash refund.

**c. Illegal Use or Internet Gambling.** You may not use the Card for any illegal or unlawful transaction, and we may decline to authorize any transaction that we believe poses an undue risk of illegality or unlawfulness. You agree that all transactions that you initiate by use of an electronic funds transfer including a debit card are legal in the jurisdiction where you live and/or where the transaction occurred. Internet gambling may be illegal in the jurisdiction in which you are located, including the United States. Your electronic funds transfers may only be conducted for legal transactions. Display of a payment card logo by an online merchant does not mean that internet gambling transactions are lawful in all jurisdictions in which you may be located. We have restricted all online gambling transactions by use of an electronic funds transfer or debit card.

**d. Security of PIN.** Any personal identification number (PIN) that you select is for your security purposes. The PIN is confidential and should not be disclosed to third parties or recorded. You are responsible for safekeeping your PIN. You agree not to disclose or otherwise make your PIN available to anyone not authorized to sign on your accounts. If you authorize anyone to have or use your PIN, you understand that person may use the Online Banking or Mobile Banking service to review all of your account information and make account transactions. Therefore, we are entitled to act on transaction instructions received using your PIN and you agree that the use of your PIN will have the same effect as your signature authorizing transactions. If you authorize anyone to use your PIN in any manner, that authority will be considered unlimited in amount and manner until you specifically revoke such authority by notifying the Credit Union and changing your PIN immediately. You are responsible for any transactions made by such persons until you notify us that transactions and access by that person are no longer authorized and your PIN is changed. If you fail to maintain or change the security of your PIN and the Credit Union suffers a loss, we may terminate your electronic funds transfer and account services immediately.

**4. Member Liability.** You are responsible for all transfers you authorize using any of your EFT services under this Agreement. If you permit other persons to use an EFT service, debit card or PIN you are responsible for any transactions they authorize or conduct on any of your accounts. Tell us at once if you believe anyone has used your Account, debit card or PIN and accessed your accounts without your authority or if you believe that an electronic funds transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. For VISA Check card purchase transactions, if you notify us of your lost or stolen card, you may not be liable for any losses provided you were not grossly negligent (for example, keeping your PIN with your debit card is grossly negligent) or fraudulent in handling your debit card, and you provide us with a written statement regarding your unauthorized Card claim, otherwise the following liability limits will apply. For all other EFT transactions except electronic check transactions, if you tell us of the unauthorized use of your account within two (2) business days, you can lose no more than \$50 if someone accessed your account without your permission. If you do not tell us within two (2) business days after you learn of the unauthorized use of your account or EFT service, and we can prove that we could have stopped someone from accessing your account without your permission if you had told us, you could lose as much as \$500. Also, if your statement shows EFT transfers that you did not make including made by VISA Check card, access code or other means, tell us at once. If you do not tell us within sixty (60) days after the statement was mailed to you, you may be liable for the following amounts if we can prove that we could have stopped someone from making the transfers if you had told us in time: (i) for unauthorized debit card purchase transactions—up to the limits set forth above and (ii) for all other unauthorized EFT transactions—up to the full amount of the loss. If a good reason (such as a hospital stay) kept you from telling us, we will extend the time periods.

If you believe your debit card or PIN has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call: 503-588-0211

or write:

Heritage Grove Federal Credit Union  
631 Winter Street NE  
Salem, OR 97301

**5. Business Days.** Our business days are Monday through Friday. Holidays are not included.

**6. Fees and Charges.** Your normal account charges will continue to apply as set forth on the Rate and Fee Schedule. You agree the following fees and charges may apply:

**a. EFT Fees.** There are no Credit Union charges for electronic funds transfer services except as set forth in this Agreement and the Fee Schedule. Your normal account charges will continue to apply as set forth on the Fee Schedule. There are no service charges for use of the

Mobile Banking service at this time. However, you agree to pay related account transaction fees and charges in accordance with our current fee schedule and as amended from time to time. You authorize us to automatically charge your account for all such fees incurred in connection with Mobile Banking. In the future, we may add to or enhance the features of Mobile Banking service and by using such added or enhanced features, you agree to pay any applicable fees.

**b. ATM Surcharges.** You should be aware of transaction surcharges that may be accessed by owners of an ATM or POS terminal for use of their equipment. These surcharges will be included in the transaction amount posted to your account.

**c. Currency Conversion/International Transaction Fees.** Purchases and cash advances made in foreign countries will be billed to you in U.S. dollars. The currency conversion rate for international transactions as established by VISA International, Inc. is a rate selected by VISA from the range of rates available in wholesale currency markets for the applicable transaction, which rate may vary from the rate VISA itself receives, or the rate mandated by a government or governing body in effect for the applicable Transaction. In addition, you will be charged an International Transaction Fee of 1% of the transaction amount for any card transaction made in a foreign country. This fee applies to any card transaction made at a location in a foreign country, or payable to a merchant located in a foreign country even if you initiate the transaction from within the United States.

**d. Overdraft Fees.** If you conduct an ATM or debit card transaction and you have provided an opt-in for the Overdraft Protection service or you conduct any other an electronic funds transfer and overdraw your account, you agree to pay an overdraft fee of \$29.

## 7. Right to Receive Documentation of Transfers.

**a. Periodic Statements.** Transfers, withdrawals, and purchases transacted through an ATM, POS terminal, ACH, 24-Hour Teller, or Online Banking or Mobile Banking service or with a participating merchant will be recorded on your periodic statement, provided by mail or electronically if you have requested an electronic statement. You will receive a statement monthly unless there is no transaction in a particular month. In any case, you will receive a statement at least quarterly. You may request that your statement be provided electronically.

**b. Terminal Receipt.** You will receive a receipt at the time you make a transaction using an ATM, POS terminal or with a participating VISA merchant, except some electronic terminals will not provide receipts for transactions of \$15 or less.

**c. 24-Hour Teller, Mobile Banking and Online Banking Service.** Transaction history is also available through the 24-Hour Teller, Mobile Banking and Online Banking services.

**d. Direct Deposits.** If you have arranged to have a direct deposit made to your account at least once every sixty (60) days from the same source and you do not receive a receipt (such as a pay stub), you can find out whether or not the deposit has been made by calling the phone numbers listed above. This does not apply to transactions occurring outside the United States.

**8. Account Information Disclosure.** We will maintain the confidentiality and privacy of your account information in accordance with our privacy policy as stated on our website at: [www.OurGroveCU.com](http://www.OurGroveCU.com). However, we will disclose information to third parties about your electronic funds transfers you make in the following limited circumstances:

As necessary to complete transfers;

To verify the existence of sufficient funds to cover specific transactions upon the request of a third-party merchant;

To comply with government agency or court orders;

If you give us your express permission.

**9. Credit Union Liability For Failure To Make Transfers.** If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. Our sole responsibility for an error and in no case will we be liable for any indirect, special or incidental damages. However, there are some exceptions. We will not be liable for instance:

If, through no fault of ours, you do not have enough money in your account to make the transfer or the transfer would go over the credit limit on your line of credit, if applicable.

If you used the wrong PIN or you have not properly followed any applicable computer, or Credit Union user instructions for making transfer and bill payment transactions.

If the Card has expired or is damaged and cannot be used.

If the automated teller machine (ATM) where you are making the transfer does not have enough cash or was not working properly and you knew about the problem when you started the transaction.

If your computer or mobile device fails or malfunctions or the 24-Hour Teller, Mobile Banking or Online Banking services were not properly working and such problem should have been apparent when you attempted such transaction.

If circumstances beyond our control (such as fire, flood, telecommunication outages, postal strikes, equipment or power failure) prevent making the transaction.

If the funds in your account are subject to an administrative hold, legal process or other claim.

If you have not given the Credit Union complete, correct and current instructions so the Credit Union can process a transfer or bill payment.

If there are other exceptions as established by the Credit Union.

The ATM or POS terminal may retain your card in certain instances, in which event you may contact the Credit Union about its replacement.

If, through no fault of ours, a bill payment or funds transfer transaction does not reach a particular payee due to changes in the payee address, account number or otherwise; the time you allow for payment delivery was inaccurate; or the payee failed to process a payment correctly, or in a timely manner, and a fee, penalty, or interest is assessed against you.

If the error was caused by a system beyond the Credit Union's control such as a telecommunications system, an Internet service provider, any computer virus or problems related to software not provided by Credit Union.

**10. Preauthorized Electronic Fund Transfers.**

**a. Cancellation Rights.** If you have authorized the Credit Union to originate regular electronic fund transfers from (or to) your account at the Credit Union, you or the Credit Union may cancel that request at any time up to three (3) business days before the scheduled date of the transfer. This request may be made orally or in writing at the number or address disclosed in Section 5. If you order us to cancel one of these payments three (3) business days or more

before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages only if accurate information was provided to us.

**b. Stop Payment Rights.** You may ask the Credit Union to stop payment on an ACH transaction that is debited from your checking or savings account or a recurring debit transaction from your checking account. You may request a stop payment by telephone, mail, or in person. However, the stop payment may not be in effect until your original signature is received. If you have preauthorized a third party in advance to make regular fund transfers to/from your account, you must revoke the transfer in the manner specified in your original authorization with the third party. 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 exact dollar amount, the number of the account, date and name of the third party. If you give the Credit Union incorrect or incomplete information, the Credit Union will not be responsible for failing to stop payment on the item. If the stop payment order is not received in time for the Credit Union to act upon the order, the Credit Union will not be liable to you or to any other party for payment of the item. If we credit your account after paying the item over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to transfer all of your rights against the payee or other holders of the item to the Credit Union, and to assist the Credit Union in legal action taken against the third party.

**c. Duration of Order.** You may be able to make an oral stop payment order which will lapse within fourteen (14) calendar days unless continued in writing within that time. A stop payment order on an ACH transaction will continue until the entry is returned or until you cancel the stop payment order.

**d. Liability.** The Credit Union may charge a fee for each stop payment order requested, as set forth on the Account Rate and Fee Schedule. If payment of an item is stopped, you may remain liable to any person, including the Credit Union, who is the holder of the item despite the stop payment order. You agree to indemnify and hold the Credit Union harmless from all costs, including attorney fees, damages or claims related to the Credit Union's action in refusing payment of an item, including claims of any multiple party account owner, payee, or endorsee in failing to stop payment of an item as a result of incorrect information provided by you.

**11. Termination of EFT Services.** You agree that we may terminate this Agreement and your use of your EFT services and the use of your card, if you or any authorized user of your access code breach this or any other agreement with us; or if we have reason to believe that there has been an unauthorized use of your access code or Card; or you or any other party to your account can terminate this Agreement by notifying us in writing. Termination of service will be effective the first business day following receipt of your written notice. Termination of this Agreement will not affect the rights and responsibilities of the parties under this Agreement for transactions initiated before termination.

**12. Amendment and Notices.** The Credit Union reserves the right to change the terms and conditions upon which this service is offered. The Credit Union will provide you with notice at least twenty-one (21) days before the effective date of any change, as required by law.

**13. Billing Errors.** In case of errors or questions about your electronic transfers, telephone us at the phone numbers or write us at the address set forth above as soon as you can. We must hear from you no later than sixty (60) days after we sent the first statement on which the problem appears.

Tell us your name and account number.

Describe the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.

Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within ten (10) calendar days.

We will tell you the results of our investigation within ten (10) business days after we hear from you and will correct any error promptly. For errors related to transactions occurring within thirty (30) days after the first deposit to the account (new accounts), we will tell you the results of our investigation within twenty (20) business days. If we need more time, however, we may take up to forty-five (45) calendar days to investigate your complaint or question (ninety (90) calendar days for POS transaction errors, new account transaction errors, or errors involving transactions initiated outside the United States). If we decide to do this, we will re-credit your account within ten (10) business days (five (5) business days for debit card purchase transactions) for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within ten (10) business days, we may not recredit your account. If we decide after our investigation that an error did not occur, we will deliver or mail to you an explanation of our findings within three (3) business days after the conclusion of our investigation. If you request, we will provide you copies of documents (to the extent possible without violating other members' rights to privacy) relied upon to conclude that the error did not occur.

**14. ATM Safety Notice.** The following information is a list of safety precautions regarding the use of Automated Teller Machine (ATM) and Night Deposit Facilities.

Be aware of your surroundings, particularly at night.

Consider having someone accompany you when the ATM or night deposit facility is used after dark.

If another person is uncomfortably close to you at the time of your transaction, ask the person to step back before you complete your transaction.

Refrain from displaying your cash at the ATM or night deposit facility. As soon as your transaction is completed, place your money in your purse or wallet. Count the cash later in the safety of your car or home.

If you notice anything suspicious at the ATM or night deposit facility, consider using another ATM or night deposit facility or coming back later. If you are in the middle of a transaction and you notice something suspicious, cancel the transaction, take your ATM access device or deposit envelope, and leave.

If you are followed after making a transaction, go to the nearest public area where people are located.

Do not write your personal identification number or code on your ATM card.

Report all crimes to law enforcement officials immediately.

**15. Enforcement.** You agree to be liable to the Credit Union for any liability, loss, or expense as provided in this Agreement that the Credit Union incurs as a result of any dispute involving your accounts or services. You authorize the Credit Union to deduct any such liability, loss, or expense from your account without prior notice to you. This Agreement shall be governed by and construed under the laws of the State of Oregon as applied to contracts entered into solely between residents of, and to be performed entirely in, such state. In the event either party brings a legal action to enforce the Agreement or collect any overdrawn funds on accounts accessed under this Agreement, the prevailing party shall be entitled, subject to Oregon law, to payment by the other party of its reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions, if applicable. Should any one or more provisions of this Agreement be determined illegal or unenforceable

in any relevant jurisdiction, then such provision be modified by the proper court, if possible, but only to the extent necessary to make the provision enforceable and such modification shall not affect any other provision of this Agreement.