

**Corning Federal Credit Union**  
**Business Services Account Agreement**

1. **Agreement for Services.** This Business Services Account Agreement ("Agreement"), along with the membership application and any other documents the Credit Union gives you pertaining to your account, is a contract that establishes rules which control your account with the Credit Union. Please read this carefully. By signing the membership application, you agree to (a) the terms and conditions contained in this Agreement; (b) all modifications to this Agreement which the Credit Union may make in the future; and (c) adhere to all applicable present and future federal and state laws and regulations, and the rules of any clearing house association with whom the Credit Union deals. You will receive a separate schedule of rates, qualifying balances, and fees if they are not included in this Agreement.
  
2. **Business Savings Accounts.** Business Savings Account:
  - a. You must maintain a minimum balance of \$5.00 in your Business Savings Account at all times to be a Credit Union member in good standing, to earn dividends and to receive the other benefits and services of the Credit Union.
  - b. Your Business Savings Account is eligible to earn dividends.
  - c. The Business Savings Account offers a tiered dividend structure that pays a dividend rate that is determined by the balance in the account. The dividend rate is paid on the entire balance in the account as of close of business that day. Dividends are paid monthly. The dividend rate that is earned is the rate associated with the tier the balance falls in at the end of business that day and may change at any time, as determined by the Board of Directors. The tiers and associated rates are disclosed on the rate sheet.
  - d. Dividends begin to accrue on cash and non-cash deposits on the "day of deposit" as described in the "Funds Availability" section of this Agreement. The one exception to that rule is when the end of the calendar month falls on a Saturday or Sunday. In that situation, the Credit Union will frequently "close its books" for that month at the end of the last business day but before the actual last day of the month. When that happens, deposits made, after the books are closed, will be treated for dividend calculation purposes as if the deposit occurred on the first business day of the next month.
  - e. During any month, you may not make more than six withdrawals or transfers to another Credit Union account of yours or to a third party by means of a preauthorized or automatic transfer (including overdraft protection) or telephonic or internet account access order or instruction. No more than three of the six transfers may be made by check or similar order to a third party. If you exceed the limit, you will be notified by mail. If you exceed the limit a second time, you will lose the privilege of making such transfers from your Business Savings Account.

**PLEASE NOTE:** Transfers completed in person at a Credit Union office, through an ATM or Point of Banking (POB) facility, or by a withdrawal check mailed directly and payable to you are not counted towards the limit of six/three per month.

3. **Checking Accounts.**
  - a. The Credit Union offers a Business Checking account for your Business Services Account. Business Checking Accounts are eligible to earn dividends. The amount of

the dividend will be determined in accordance with rules specified in the section of this Agreement titled "Dividends."

- b. Deposits you make are not considered funds in your account until they are available as described in the "Funds Availability" section of this Agreement. When drafts, transactions or debits you have written, initiated or authorized are presented to the Credit Union for payment, the Credit Union may pay them in any order. You are authorized to write checks, initiate check card transactions or authorize debits, only when there are enough funds in your applicable Checking Account or a combination of your checking account and overdraft protection options to cover them.
- c. You may not write post-dated checks on your account. All checks presented for payment are payable on demand. The Credit Union will not be liable to you for paying a post-dated check prior to its maturity date. You agree to tell us immediately if any checks are missing. If you write a condition on a check that restricts its payment (for example, "Void After 60 Days"), the Credit Union will not be required to note that restriction or honor it.
- d. Once a check is six months old, the Credit Union may refuse to pay it. If there is no stop payment order in effect when the check is received for payment, however, the Credit Union may elect to pay it. If the Credit Union does not pay the check, you are responsible for the amount of the payment.
- e. If you do not want the Credit Union to pay a check you have written, you can order the Credit Union to stop payment on it by notifying the Credit Union by mail or telephone. The stop payment order takes effect when it is processed in your account and is effective for six months. The Credit Union will send you a confirmation notice for all telephone stop payment orders. You may send written stop payment orders to any of our offices. Your stop payment order must be timely and must accurately describe the check by account number, amount and check number. You may stop payment on a check drawn on your account only if the Credit Union has not accepted, certified, made final payment on, or otherwise become accountable for the item, except to the extent otherwise required by law. The Credit Union must be given reasonable opportunity to act on any stop payment order before it can be considered effective. The Credit Union may take a reasonable amount of time (at least twenty-four hours) to process a stop payment order. This means that if a check is paid after a stop payment order has been given, but before the Credit Union has had a reasonable amount of time to act on it, the Credit Union will not be liable for any resulting loss to you, unless it has failed to act in good faith and with ordinary care. The Credit Union is to act in good faith and with ordinary care. The Credit Union is not obligated to notify you if it pays a check contrary to your stop payment order. If the Credit Union fails to honor a proper and timely stop payment order, the Credit Union will not be liable for more than your actual loss, which may be less than the full amount of the check. You must establish both the fact and amount of your loss before seeking reimbursement from the Credit Union. If the Credit Union suffers any loss or expense as a result of honoring your stop payment order, you agree to reimburse the Credit Union the amount of its loss or expense. There will be a service charge for every stop payment order. The amount of the fee is listed on the Fee Schedule.
- f. You authorize the Credit Union to pay any pre-authorized checks generated by a payee that you have given your Checking Account information to.

- g. If you maintain a negative balance in your Checking Account for 40 or more consecutive days, or if you otherwise abuse your Checking Account or your privileges under the Enhanced Overdraw Protection service, the Credit Union may close your Checking Account without additional notice to you.
- h. Deposits that include fifteen (15) or more checks are considered "Bulk Deposits" and subject to the Bulk Deposits funds availability schedule. Bulk Deposit amounts are not verified by the Credit Union at the time of deposit. All verification performed by the Credit Union or its agent or representative shall be considered final and conclusive.
- i. **OVERDRAW PROTECTION ON BUSINESS CHECKING ACCOUNTS**

An overdraft (also known as an overdraw) occurs when you do not have enough available funds in your Business Checking Account (Checking Account) to cover a transaction, but we pay it anyway. If an overdraft occurs, the Credit Union has several Overdraw Protection programs to assist you if you qualify, and we agree to provide them to you. The first three, Basic Overdraw Protection; Standard Overdraw Protection; and Alternative Overdraw Protection are linked to your Business Savings Account and/or your Business Visa Credit Card account and are available to cover a Check, Cu-Extra Card (Check Card), or ACH transaction (collectively an "account debit request") when there are not enough available funds in your Checking Account when the account debit request is made. The final program, Enhanced Overdraw Protection, is only available to cover Checks and ACH withdrawals using your checking account number. Below is a detailed description of each Overdraw Program, followed by a section that sets forth how the Credit Union calculates your balance to determine whether there are enough available funds in your account to pay account debit requests that are presented for payment from your Checking Account. That section is followed by a description of how transactions are posted to your account. Please note, the Credit Union pays overdrafts at its discretion and reserves the right to reject an account debit request or return an item and charge you an insufficient funds (NSF) fee in the event your Checking Account does not have enough available funds in your account to cover a transaction. You agree the Credit Union may apply funds deposited to your account(s) to your outstanding overdrafts and fees, regardless of the source, which specifically includes directly deposited government entitlements or benefits such as social security.

**1. Basic Overdraw Protection (BOP):**

BOP comes with all Checking Accounts unless you opt out of the service. If you opt out of BOP, you are also opting out of EOP. With BOP, if an account debit request is made, and there are not enough funds in your Checking Account to pay it, the Credit Union will make a transfer from your Business Savings Account (under the same member account number) to your Checking Account for the exact amount necessary to pay the account debit request. If this occurs, you will incur an Automatic Share Transfer Fee, which will also be automatically transferred from your Business Saving Account to your Checking Account. The amount of Automatic Share Transfer Fee is subject to change and is set forth in the Corning Credit Union Business Account Fee Schedule (Fee Schedule). No transfer will be made, and the account debit request will be rejected or returned for insufficient funds, if either (i) the Business Savings Account contains insufficient funds to make the transfer to pay the account debit request and still maintain at least \$5.00 in the Business Savings Account, or (ii) you have already made six transfers from your Business Savings Account to another one

or more of your accounts at the Credit Union or to a third party by preauthorized, automatic or telephone transfers during the month. However, a Check Card transaction that is authorized when there are sufficient funds in your accounts to pay the amount requested, but posted for payment when you do not have sufficient funds in your accounts to pay the amount requested, will be posted to your account and will create a negative balance in your Checking Account.

**2. Standard Overdraw Protection (SOP):**

If you have a Visa Credit Card Account (Credit Card Account) at the Credit Union, you may elect to have SOP instead of BOP or Alternative Overdraw Protection (described below). With SOP, if an account debit request is made and there are not enough funds in your Checking Account to pay it, the Credit Union will make a cash advance under your Business Visa Credit Card Agreement, Credit Agreement and Personal Guarantee (Credit Card Agreement), up to your available credit limit, and transfer that amount to your Checking Account for the exact amount necessary to pay the account debit request. There is no fee for obtaining a cash advance under your Credit Card Agreement, however Finance charges will accrue in accordance with terms of your Credit Card Agreement. If your available credit limit on your Credit Card Account is insufficient to pay the account debit request, the Credit Union will make a transfer for the remaining amount necessary to pay the account debit request from your Business Savings Account (under the same member account number) to your Checking Account. If this occurs, in addition to the Finance charges associated with the cash advance from you Credit Card Account, you will incur an Automatic Share Transfer Fee which will be automatically transferred from your Business Savings Account to your Checking Account. The amount of this fee is subject to change and is set forth in the Fee Schedule. No transfer will be made, and the account debit request will be rejected or returned for insufficient funds, if either (i) the combination of the funds in your Business Savings Account and the available balance under your Credit Card Account is insufficient to pay the account debit request and still maintain at least a \$5.00 balance in the Business Savings Account, or (ii) the transfer would involve a transfer from your Business Savings Account and you have already made six transfers from your Business Savings Account to another one or more of your accounts at the Credit Union or to a third party by preauthorized, automatic or telephone transfers during that month. However, a Check Card transaction that is authorized when there are sufficient funds in your accounts to pay the amount requested, but posted for payment when you do not have sufficient funds in your accounts to pay the amount requested, will be posted to your account and will create a negative balance in your Checking Account.

**3. Alternative Overdraw Protection (AOP):**

If you have a Credit Card Account at the Credit Union, you may elect to have AOP instead of BOP or SOP. With AOP, if an account debit request is made and there are not enough funds in your Checking Account to pay it, a transfer will be made from your Business Savings Account (under the same member account number) to your Checking Account for the exact amount necessary to pay the account debit request. If this occurs, you will incur an Automatic Share Transfer Fee which will be automatically transferred from your Business Savings Account to your Checking Account. The amount of this fee is subject to change and is set forth in the Fee Schedule. If the balance in your Business Savings Account is insufficient to pay the account debit request and maintain at least a \$5.00 balance in your Business Savings

Account, the Credit Union will then make a cash advance under your Credit Card Agreement, up to your available credit limit, and transfer that amount to your Checking Account for the remaining amount necessary to pay the account debit request. In addition to the Automatic Share Transfer Fee, Finance charges for the amount of the cash advance will accrue in accordance with terms of your Credit Card Agreement. No transfer will be made, and the account debit request will be rejected or returned for insufficient funds, if either (i) the combination of the funds in your Business Savings Account and the available balance under your Credit Card Account is insufficient to pay the account debit request and still leave at least a \$5 balance in your Business Savings Account, or (ii) the transfer would involve a transfer from your Business Savings Account and you have already made three transfers from your Business Savings Account to another one or more of your accounts at the Credit Union or to a third party by preauthorized, automatic or telephone transfers in that month. However, a Check Card transaction that is authorized when there are sufficient funds in your accounts to pay the amount requested, but posted for payment when you do not have sufficient funds in your accounts to pay the amount requested, will be posted to your account and create a negative balance in your Checking Account.

#### **4. Enhanced Overdraw Protection (EOP):**

- EOP is not available for Minor Business Accounts.
- EOP comes standard with your Checking Account unless you opt out of the service, however EOP will not begin until after your Checking Account is open at least 90 days and is in good standing.
- EOP is only available for checks and ACH withdrawals using your checking account number. The Credit Union does not authorize and pay overdrafts under EOP for ATM transactions, every day or one-time debit card transactions.
- In the event you exhaust all of the Overdraw Protection options that apply to your account, the Credit Union may, at its option, return the Check or reject ACH transactions for insufficient funds. In the alternative, the Credit Union may pay the Check or ACH transaction and put your Checking Account in a negative balance. The Credit Union pays overdrafts under EOP at our discretion, which means we do not guarantee that we will always authorize and pay any type of transaction even if we have paid such overdrafts under EOP in the past.
- You must deposit the funds to bring your Checking Account back to at least a zero balance within 3 business days. If your overdrawn Checking Account is in the negative for 30 or more consecutive days, the Credit Union may suspend your EOP until your overdrawn Checking Account is brought to at least a zero balance.
- The amount of the EOP is subject to change and is set forth in the Fee Schedule. You must pay any court costs and legal expenses (including reasonable attorneys' fees) which the Credit Union incurs in connection with collecting any overdraft or ACH transaction which it pays under EOP and is not repaid by you within the time limits specified.
- If you do not want the Credit Union to pay overdrawn share drafts and electronic debits under EOP, please contact the Credit Union and the Credit Union will discontinue EOP for you within 5 business days of receipt of your

request. All other previously elected forms of Overdraw Protection will continue to apply to your Checking Account.

**Special Rules for Check Card Transactions.** If your Checking Account does not have sufficient funds to cover a Check Card transaction (after taking into account all available sources of overdraw protection) that has previously been authorized, the Credit Union will pay the transaction and put your account into the negative the amount it advanced to cover the charge. You will not be charged a fee for each such Check Card transaction that posts to your account and creates a negative available balance.

**Balance used to determine if sufficient funds are available to cover a transaction so an overdraft does not occur**

Your checking account has two kinds of balances: the "actual" balance and the "available" balance. Both can be checked when you review your account online, at an ATM, by phone, or by visiting a branch. It is very important to understand how the two balances work so that you know how much money is in your account at any given time.

**Your actual balance** is the amount of money that is actually in your account at any given time based on transactions that have "posted" to your account but it does *not* include transactions that have been authorized and are pending. While it may seem that the actual balance is the most up-to-date display of funds available to pay items presented against your account, this is not always the case. Your "actual balance" disregards any holds that have been placed on your account, and does not reflect any purchases, holds, fees, other charges, or deposits made on your account that have not posted to your account.

**Your available balance** is the amount of money in your account that is available to pay items presented without overdrawing your account. The available balance is generally equal to the actual balance, less the amount of any holds placed on recent deposits, holds for other reasons, and holds for pending transactions (such as pending debit card purchases) that have been authorized but that have not yet posted to your account. For example, assume you have an actual balance of \$100 and an available balance of \$100. If you were to use your debit card at a restaurant to purchase dinner for \$40 (without a tip), the merchant could ask us to pre-authorize the payment. In that case, we will put a "hold" on your account for \$40. Your actual balance would still be \$100 because the transaction has not yet posted, but your available balance would be \$60 because we have been notified that there will be a \$40 charge to the restaurant. When the restaurant submits its charge for payment (which could be a few days later and could include a tip), we will post the transaction to your account and your actual balance will be reduced by the amount of the charge to the restaurant (plus any tip). The \$40 hold will be released around the same time, but not necessarily at exactly the same time.

We use your **available balance** when determining whether sufficient funds are available when transactions attempt to clear your account. If a transaction that attempts to clear your account would exceed your available balance and overdraw your account, we will determine whether to pay the transaction under BOP, SOP, AOP and (if applicable) EOP or we may return or reject the transaction for insufficient funds. The following examples illustrate how this works for each overdraw protection plan:

*For each example assume your actual balance and available balance are both \$200 and you swipe your debit card at a restaurant for \$90. A hold (for the \$90) is placed on your account so your available balance is only \$110. Your actual balance is still \$200. Before the restaurant charge is sent to us for processing, a check that you had previously written for \$150 attempts to clear through your account. Because you only have \$110 available (there is a hold on your account for the pending restaurant charge for \$90), when the \$150 check attempts to clear your account, the transaction would exceed your available balance and overdraw your account.*

*BOP Example*

From the above facts, if there are enough available funds in your Business Savings Account, the Credit Union will transfer \$40, plus the Automatic Share Transfer fee, from your Business Savings Account to your Checking account and pay the \$150 check.

*SOP Example*

From the above facts, the Credit Union will make a \$40 cash advance under your Credit Card Agreement and transfer the \$40 to your Checking Account and pay the \$150 check. If, for example, there is only \$20 in remaining credit available on your Credit Card Account, the Credit Union will first make a \$20 cash advance under your Credit Card Agreement and transfer that amount to your Checking Account. The Credit Union will then transfer \$20, plus the Automatic Share Transfer Fee, from your Business Savings Account to your Checking Account and pay the \$150 check.

*AOP Example*

From the above facts, the Credit Union will transfer \$40, plus the Automatic Share Transfer Fee, from your Business Savings Account to your Checking Account and pay the \$150 check. If, for example, there is only \$20 in available funds in your Business Savings account and the amount of the Automatic Share Transfer Fee is \$3.00, the Credit Union will transfer \$15 (\$12.00 plus the \$3.00 Automatic Share Transfer Fee) to your Checking account (as \$5.00 must remain in your Business Savings Account). The Credit Union will then make a \$27 cash advance under your Credit Card Agreement and transfer that amount to your Checking Account and pay the \$150 check.

*EOP Example*

From the above facts, if all other applicable overdraft protections programs are exhausted, the Credit Union may pay the \$150 check, and put your Checking Account in the negative -\$40 for the amount used to pay the check. The EOP fee will then be deducted from your Checking Account, further reducing your balance.

It is very important to understand that you may still overdraw your account even though the available balance appears to show that there are sufficient funds to cover a transaction that you want to make. This is because while your available balance reflects holds on deposits and pending transactions, it may not reflect all of your outstanding checks, bill payments, or other transactions that you have authorized but have not yet paid (or pre-authorized) from the account. In the examples above, the outstanding check will not reduce your available balance until it is presented to us and paid from your account.

In addition, your available balance may not reflect all of your debit card transactions. For example, debit card authorization holds will affect your available balance. A debit card authorization hold occurs when you use your debit card to conduct a Signature or "Credit" transaction (i.e., you do not enter your PIN), merchants will use electronic networks to verify your account balance and obtain authorization (usually for the amount of the purchase total) from the Credit Union prior to completing each transaction. This amount is placed on hold (an "authorization hold") and removed from your available balance immediately. The hold is released when the transaction is paid from your account if the merchant submits the transaction to us for payment within three (3) business days. If a merchant obtains our prior authorization but does not submit the debit card transaction for payment within three (3) business days of the authorization, we must release the authorization hold on the transaction. The available balance would not be reduced by the amount of this transaction from the time the hold has been released until we receive the transaction from the merchant and pay the transaction from your account. This could be up to 180 days from the time of the transaction. Debit card authorization holds only apply to debit card transactions when you sign your name or do not enter a PIN. For example, a debit card purchase made at a restaurant or with an online merchant would be treated as a Signature/Credit transaction and would be subject to an authorization hold. Debit card purchases and ATM withdrawals made using a PIN subtract the funds immediately from your account (except for when you use your PIN at a gas station). In some cases, the debit hold may not equal the amount of the final transaction as some transactions require a merchant to obtain authorization prior to the full amount of the transaction being known. Some common examples include purchases made at gas stations, restaurants, hotels or for car rentals. For example if a transaction conducted at a restaurant that is paid with a debit card as a Signature/Credit transaction where the merchant completes the transaction for the cost of the meal and then you add the tip to the transaction after the initial transaction has been authorized. A second authorization will not be completed and the debit card authorization hold amount will be for the cost of the meal, but the final amount of the debit transaction that will post to your account will be for the cost of the meal plus the tip. Another example is a Signature/Credit transaction completed at a gas station. The gas station merchant will typically request authorization for a nominal amount, say \$5, prior to the transaction being authorized, since neither you nor the gas station merchant knows the exact amount of the transaction. A second authorization will not be processed by the gas station merchant and the debit card authorization hold amount will be for \$5, but the final amount of the debit transaction will be for the actual cost of transaction.

### **How transactions are posted to your account**

There are two main types of transactions in your account—credits (deposits) of money into your account and debits (payments or withdrawals) out of your account. It is important to understand how each transaction is handled so that you know how much money you have available for use in your checking account at any given time. The information below describes how we handle credits and debits to your account and the resulting impact on your available balance. The information is a general description of how certain types of transactions are posted. We may receive multiple deposit and withdrawal transactions on your checking account in many different forms throughout each day. This means that you may be overdrawn and charged more



than one fee under BOP, SOP, AOP and if applicable, EOP if we pay multiple transactions when there aren't sufficient available funds in your account to cover each transaction as they attempt to clear your account during a given business day. We reserve the right to modify the posting schedule without prior notice to you.

***Credits (Deposits)*** - Most deposits are added to the actual balance of your account on the first business day after we receive them. Funds from your deposits are added to your available balance in accordance with our Funds Availability Policy set forth in your Business Services Account Agreement and the Mobile Check Deposit User Agreement.

***Debits (payments or withdrawals)*** - You can make several types of debit transactions from your account that are generally described below. There are many ways transactions are presented for payment by merchants and other financial institutions and we are not necessarily in control of when transactions are received and posted to your account. In addition, the order in which debit transactions are paid from your account might not be the same as the order in which you completed those transactions. For example, when you write a check to pay a merchant, the merchant might not present the check to us for payment until several days later. Debits are paid in the following order:

1. We generally pay the following debit transactions on the date and time that they occur and are posted in the order they are received: In-person checks and withdrawals conducted at a Corning Credit Union branch; Transfers initiated through Dial Accounts Direct, Online Banking, Mobile Banking, or Telephone; Return deposit items; ATM transactions; Point-Of-Sale (POS) debit card transactions (using your PIN); In-person or telephone wire transfers (Wire Transfer requests received through the mail are processed upon receipt or upon requested future date); Transfer requests, payments, or similar account withdrawals received through the mail are processed upon receipt or upon requested future date; 2. Automated Clearing House (ACH) items are posted with credits (deposits) first and then debits (withdrawals) in order of receipt from 3rd party ACH originators. If multiple batches of ACH items are received on a given business day, the debits are grouped and then posted in order from low to high.
2. Checks not presented in-person at a Corning Credit Union branch are paid from lowest to highest amount when received from our 3rd party vendor.
3. Bill Payment transactions are posted based on the date/time they are submitted by you.
4. Debit card transactions used as a credit card are posted in the order presented by merchants.
5. Pre-authorized payments or transfers between Corning Credit Union accounts are posted from lowest to highest amount

IF YOU HAVE ANY QUESTIONS CONCERNING OVERDRAFTS OR ANY OF OUR OVERDRAW PLANS, PLEASE CALL US AT 607-962-3144 or 800-677-8506.

**4. CU-Extra Card (CU-Extra Card or Check Card).**

- a. CU-Extra Cards are available to members in good standing. You must have a Checking Account to qualify for a CU-Extra Card.

- b. The CU-Extra Card can be used by an authorized signer on your account to make purchases with a signature, but can be used at ATMs, POB facilities and for POS transactions only with a PIN. When you receive your Card(s), you can select your own PIN.
- c. Your CU Extra Card can also be used to make purchases at any merchant that accepts Visa check card transactions. You may not use your CU-Extra Card to make purchases in excess of ten thousand dollars (\$10,000) (in the aggregate) in one day. Transactions completed using your CU-Extra Card and your PIN will not be counted toward this limit. The maximum Point of Sale Terminal purchase using your PIN is \$3,000 per card/per day.
- d. Payments may be made to your Credit Union loans by deposit or transfer from your Business Savings or Checking Accounts. Loan payments may not be made at ATMs.
- e. All ATM or POB withdrawals made with your CU-Extra Card using your PIN are immediately deducted from your account.
- f. The CU-Extra Card has transaction fees associated with its use. For a list of the current fees, refer to the Fee Schedule.
- g. If an authorized signer tries to use a card that has been reported lost or stolen, or if an incorrect PIN is entered at the ATM, the ATM may "capture" the card. If that happens, the Credit Union will not be liable to you for failure to complete the attempted transaction or for any damages you suffer due to the capture of the card.
- h. It may be necessary to remove an ATM from service from time to time for repair, servicing, or another reason. The Credit Union will not be liable to you for any damages you suffer because an ATM is not in service.
- i. CU-Extra Cards are not transferable and remain the property of the Credit Union. You agree to destroy or return them to us upon request.
- j. You may have up to five CU- Extra Cards for each Business Checking Account you have.
- k. You may issue a CU-Extra Card only to persons who are authorized to transact business on the account.

**The following 3 items are effective APRIL 2, 2018**

- l. If you have authorized a merchant to bill charges to your Check Card on a recurring basis, it is your responsibility to notify the merchant in the event your Check Card is replaced, your Account information (such as Check Card number or expiration date) changes, or your Account is closed. However, if your Check Card is replaced or your Account information changes, you authorize the Credit Union, without obligation on our part, to provide the updated Account information to the merchant in order to permit the merchant to bill recurring charges to your Check Card. You authorize the Credit Union to apply such recurring charges to your Check Card until you notify that Credit Union that you have revoked authorization for the charges to your Check Card.
- m. Your Check Card is automatically enrolled in an information updating service. Through this service, your updated Account information (such as Check Card number or expiration date) may be shared with participating merchants to facilitate continued recurring charges. Updates are not guaranteed before your next payment to a merchant is due. You are responsible for making direct payment until recurring charges resume. To revoke your authorization allowing the Credit Union to provide updated Account information to a merchant, please contact the Credit Union.
- n. The Credit Union may suspend preauthorized recurring charges with merchants if, for example, your Check Card is lost or stolen, you default, or the Credit Union changes

your Account for any reason. If preauthorized recurring charges are suspended, you are responsible for making direct payment for such charges until you contact the merchant to reinstate recurring charges.

5. **Foreign Transactions.** Electronic fund transfers originated in foreign countries will be billed to you in U.S. dollars. The exchange rate to dollars for transfers originated in a foreign currency will be determined in accordance with the operating regulations established by Visa International from time to time. As of the date these disclosures were published, those regulations established the conversion rate as either the rate selected by Visa from the range of rates available in wholesale currency markets, which may vary from the rate Visa itself receives, or the government-mandated rate in effect for the applicable central processing data. The currency conversion rate used on the processing date may differ from the rate that would have been used on the transaction date or statement posting date. You will be required to pay any International Service Assessment or other fee that Visa imposes on you or us in connection with the transaction, which is currently 1% of the transaction amount when the transfer is originated in a foreign currency or 0.8% of the transaction amount when the transfer is originated in US dollars.
  
6. **Business Money Market Accounts.**
  - a. The Business Money Market Account is a tiered account that pays a dividend rate that is determined by the balance in the account. The tiers and the associated rates are disclosed on the accompanying rate sheet.
  - b. Dividends begin to accrue on cash and non-cash deposits on the “day of deposit” as described in the “Funds Availability” section of this Agreement. The one exception to that rule is when the end of the calendar month falls on a Saturday or Sunday. In that situation, the Credit Union will frequently “close its books” for that month at the end of the last business day but before the actual last day of the month. When that happens, deposits made, after the books are closed, will be treated for dividend calculation purposes as if the deposit occurred on the first business day of the next month. The dividend rate on Business Money Market Accounts is applied to the entire balance in the account as of close of business that day. Dividends are paid monthly. The dividend rate that is earned is the rate associated with the tier the balance falls in at the end of business that day. Business Money Market Accounts do not earn dividends any day the balance falls below \$2500 as of end of business that day. Dividend rates are variable and are subject to change at any time.
  - c. The minimum deposit or withdrawal is \$250, unless done by allocation.
  - d. During any month, you may not make more than six withdrawals or transfers to another Credit Union account of yours or to a third party by means of a preauthorized or automatic transfer or telephonic or internet account access order or instruction. You may make unlimited in-person transactions.
  - e. You may not withdraw funds from the Business Money Market Account at an ATM, using checks, or using Overdraw Protection.
  
7. **Special Rules for Certificate Accounts (Business Certificate Accounts).**
  - a. The Business Regular Certificate Account has a \$1,000 minimum daily balance requirement to open and maintain the account, to earn dividends, and to obtain the Annual Percentage Yield disclosed. Business Jumbo Certificate Accounts have a

\$100,000.00 minimum daily balance requirement to remain open, maintain the account, and to obtain and maintain the annual percentage yield disclosed. (The Business Regular Certificate Account and the Business Jumbo Certificate Account collectively referred to as "Business Certificate Accounts").

- b. All Business Certificate Accounts pay a fixed rate of dividend that is determined when you open your account. The dividend rate for your fixed rate Business Certificate Account will be paid until the maturity date of your Business Certificate. Consult the rate sheet you received at the time you open the account for the current dividend rate and Annual Percentage Yield on your Business Certificate Account.
- c. For Business Certificate Accounts with 3-, 6- or 12-month terms, deposits will be allowed only on the date the Business Certificate Account is opened and during each renewal (maturity) period. The renewal period consists of the day the Business Certificate matures, and the 9 calendar days following the maturity date. Dividends will begin accruing on the new balance beginning on the date of deposit. For Business Certificate Accounts with 18-, 24-, 36-, 48- and 60-month terms, additional deposits may be made during the first 90 days of the original or any renewal term of the Business Certificate Account. Each additional deposit must be at least \$200. The total of the additional deposits during either the original or any renewal terms cannot exceed the amount on deposit in the Business Certificate Account on the first day of that term. The Credit Union reserves the right to withdraw this option at any time without notice to you.
- d. For Business Certificate Accounts, you have 2 options for the crediting and compounding of dividends. (1) For Transfer Certificates earned dividends will be transferred monthly to your Business Savings or Business Checking Account, as you select. The dividends will then compound at the same frequency as disclosed above for the type of account into which they are transferred. (2) For Compounding Certificate Accounts dividends remain in the certificate and are credited and compounded monthly.
- e. The disclosed Annual Percentage Yield on your Business Certificate Account will be calculated based on the assumption that you will not elect to have your dividends transferred each month to a different account and that dividends will not compound during the term of the Business Certificate Account. If your dividends are transferred each month, your actual yield may be greater than the disclosed Annual Percentage Yield due to compounding in the other account. However, the transferred dividends will not be automatically reinvested in the Business Certificate Account when it renews at The disclosed Annual Percentage Yield on your Business Compounding Certificate Account will be calculated based on the assumption that your dividends will compound and remain in the Business Certificate Account until maturity.
- f. A maturity date will be established when you open your Business Certificate Account. Please refer to the documents you received at the time you opened the account for information about the maturity date. You will be notified in writing before the maturity date of your Business Certificate Account. The Credit Union will ask you to provide instruction by mail, phone or in person about the action you wish to be taken on your account. You may renew your account, withdraw your funds, or transfer to another type of savings account. At maturity, you may close your Business Certificate Account or renew your Business Certificate Account. If you choose to renew your Business Certificate Account, the Credit Union will place the funds, plus any dividend not already paid to you or credited to another account in

accordance with your directions, in a new Business Certificate Account of the same type and for the same term as your original deposit (or the closest available type and term), at the dividend rate and annual percentage yield offered on the maturity date for Business Certificate Accounts of that type and term. If you have not instructed the Credit Union to close the Business Certificate Account by the maturity date, the Credit Union will automatically renew your Business Certificate on the maturity date. The renewal Business Certificate will be of the same type and for the same term as your original deposit (or the closest available type and term), at the dividend rate and annual percentage yield offered on the maturity date for Business Certificates of that type and term. The Credit Union will not, however, renew a Business Certificate Account after the death of a sole proprietor or the dissolution of a corporation, limited liability company, partnership or other legal entity, but, instead, the Business Certificate Account funds will be placed in the related Business Savings Account or distributed pursuant to other valid instructions. You may make additional deposits, withdrawals or change the term of the Business Certificate Account without penalty within ten (10) calendar days after the maturity date, but no dividend will be paid during this period if you do withdraw your funds. If you close the Business Certificate Account then open a new Business Certificate Account for the same term within this ten (10) day period, you will receive the rate that was offered on the original maturity date. If the Credit Union is not open for business on the day that your Business Certificate matures, any request to change the term or amount of your Business Certificate Account will be processed on the next day that the Credit Union is open for business.

- g. If funds are withdrawn from a Business Certificate Account prior to maturity of the current term of the Business Certificate Account, a substantial penalty will be imposed as follows:

**3-Month Business Transfer Certificates** - You must pay a penalty equal to 45 days simple interest on the amount withdrawn.

**3-Month Business Compounding Certificates** - You must pay a penalty equal to 45 days interest on the amount withdrawn. This penalty also applies to any dividends already credited to the certificate.

**6- and 12-Month Business Transfer Certificates** - You must pay a penalty equal to 90 days simple interest on the amount withdrawn.

**6- and 12-Month Business Compounding Certificates** - You must pay a penalty equal to 90 days interest on the amount withdrawn. This penalty also applies to any dividends already credited to the certificate.

**18- and 24-Month Business Transfer Certificates** - You must pay a penalty equal to 180 days simple interest on the amount withdrawn.

**18- and 24-Month Business Compounding Certificates** - You must pay a penalty equal to 180 days interest on the amount withdrawn. This penalty also applies to any dividends already credited to the certificate.

**36-, 48- and 60-Month Business Transfer Certificates** - You must pay a penalty equal to 360 days simple interest on the amount withdrawn.

**36-, 48- and 60-Month Business Compounding Certificates** - You must pay a penalty equal to 360 days interest on the amount withdrawn. This penalty also applies to any dividends already credited to the certificate.

The penalties may reduce the principal amount you receive from the withdrawal if funds have been on deposit less than the penalty periods or if the earned dividends have been withdrawn. If the principal amount being withdrawn together with accrued but unpaid dividends is insufficient to pay the penalty, the Credit Union may deduct the balance of the penalty from any funds remaining in your account or in any other of your accounts at the Credit Union, or, on the request of the Credit Union, you will pay the balance of the penalty directly to the Credit Union. If the withdrawal together with the penalties for early withdrawal reduces the balance of the account below the minimum balance required, you will be deemed to have asked to withdraw all funds in the Business Certificate Account, you will have to pay an early withdrawal penalty on that entire amount and the remaining principal will be deposited into your Business Savings Account.

- h. The above penalties will not be imposed if:
  - i. The withdrawal is made upon the death of a sole proprietor of the Business Certificate Account. In the event of the death of the sole proprietor, the account will be closed without penalty as of (30) days after the date of death and the proceeds transferred to the Business Savings Account within that (30) day period. Dividends will be paid to the date as of which the Business Certificate Account is closed.
  - ii. The withdrawal is made as a result of the voluntary or involuntary liquidation of the Credit Union, or is of the amount on which deposit insurance was lost after the merger of the Credit Union with another institution in which the depositor had certificates, for a period of one year from the date of the merger.
  - iii. The withdrawal is made after a sole proprietor owner is determined to be legally incompetent.
  - iv. If a withdrawal reduces the balance in a Jumbo Business Certificate Account below the minimum balance requirement of \$100,000, the Business Jumbo Certificate Account will automatically be closed. You may elect to open a new Business Regular Certificate Account with the remaining principal from the Business Jumbo Certificate Account. You will be charged a penalty on any amount that was in the Business Jumbo Certificate Account on the date it was closed but not in the regular Business Certificate Account on the date that it is opened. The initial rate on this new Business Certificate Account will be that of the Business Certificate Account of the same term as of the last maturity date or opening date of the Business Jumbo Certificate being closed.
- i. Business Certificate Accounts are NOT TRANSFERABLE and may not be used as collateral for any loan.

## **8. Deposits.**

- a. General. You may make deposits in person at the Credit Union, at designated automated teller machines (“ATM”) or point-of-banking (“POB”) locations (if such service is made available to you by the Credit Union), by electronic direct deposit, or by other means that the Credit Union may permit. The Credit Union has the right to endorse any item deposited without endorsement in order to collect the amount due

from the bank or credit union on which it was drawn. The Credit Union has the right to refuse a deposit, to limit its size or to return it.

- b. Collecting your deposit. The Credit Union will act as your agent in collecting the amount of any item which you submit to it for collection from a financial institution on which it was drawn. As your agent, the Credit Union is responsible for exercising ordinary care in the collection of your deposits, but is not responsible for losses which occur despite its exercise of ordinary care.
  - i. Uncollected deposits. If you deposit or cash a check drawn on another financial institution and the other institution returns the check to the Credit Union unpaid, the following procedures will be followed.
  - ii. Checks returned the first time.
    1. You will be charged a Return Item Fee as described on the Account/Service Fee Schedule.
    2. If the check was deposited at a POB or ATM location not owned by the Credit Union, you will be charged an additional fee equal to the amount charged the Credit Union by the POB or ATM owner.
    3. The Credit Union will redeposit the check in an attempt to collect payment on it unless the check is marked "DO NOT REDEPOSIT"; re: stop payment, account closed or refer to maker. Before the check is redeposited, the Credit Union may verify funds. If funds are not available, the Credit Union will not redeposit the check. If funds are available, the Credit Union will redeposit the check and place a hold on the check.
    4. If the check is marked "DO NOT REDEPOSIT" or a hold was placed on it when it was deposited, the Credit Union will follow the procedures listed under the following section.
  - iii. Checks returned a second time.
    1. No additional fee will be charged.
    2. The amount of the check will be taken from the account to which the deposit was made, if sufficient funds are available. If sufficient funds are not available or if the check was cashed, the amount of the check will be taken from your Business Savings Account or any other Business Account Share that you may have. This may create a negative balance in that account.
    3. The check will be returned to you unless a negative balance is created. If a negative balance is created, the Credit Union will retain the check until the account balance is brought to the required minimum.
    4. The Credit Union has the right to refuse any deposit, limit the amount that may be offered for deposit, and return all or any part of a deposit. The Credit Union shall not be responsible for the negligence or failure to act of any other bank or person for any item lost in transit.

## **9. Mobile Check Deposit**

Mobile Check Deposit offers you the convenience of depositing checks to your savings or checking account through a mobile device or desktop scanner. You can deposit one check or multiple checks at one time up to a specified deposit limit without ever having to mail a check or visit a branch. The funds deposited through Mobile Check Deposit will be made available in accordance with the terms and conditions of the Mobile Check

Deposit Agreement and the Mobile Check Deposit section of our Funds Availability policy set forth in this agreement.

To enroll for Mobile Check Deposit, you must be a member of the Credit Union in good standing, at least 18 years of age and be enrolled in our Mobile and Online Banking service. Please review full details concerning terms and conditions of use when you enroll.

- 10. Dividends.** Dividends are calculated by the Daily Balance Method (the “day in/day out” method). That method applies a daily periodic rate to the principal in your account as of the end of each day. The periodic rate is determined by dividing the dividend rate by 365 (including a leap year). Dividends begin to accrue on cash and non-cash deposits on the “day of deposit” as described in the “Funds Availability” section of this Agreement. The one exception to that rule is when the end of the calendar month falls on a Saturday or Sunday. In that situation, the Credit Union will frequently “close its books” for that month at the end of the last business day but before the actual last day of the month. When that happens, deposits made, after the books are closed, will be treated for dividend calculation purposes as if the deposit occurred on the first business day of the next month. Dividends are paid from current income and available earnings, after required transfers to reserves at the end of the dividend period. Dividend rates are declared by the Credit Union Board of Directors at its discretion based on market conditions, and are not tied to a specific index. The rates on all Credit Union Business Savings Accounts and Checking Accounts are variable and may change after the account is opened. Dividend rates and Annual Percentage Yields may change monthly for all interest bearing accounts. Dividends are credited monthly, to the interest bearing account on which they were earned. You may withdraw your dividends on or after the first business day after they were credited to your account. If your account is closed before dividends are credited, you will not receive accrued dividends.
- 11. Statements.** The Credit Union will mail you a statement of your account regularly. You will not receive a statement of accounts for a given month if you have less than \$250 aggregate in your accounts, no open loans and no activity has occurred on any account under a member account number during that month. Dividend postings are not considered activity on your account. However, you will always receive a statement of accounts each quarter, even if there has been no activity. Statements will not include cancelled checks. Cancelled checks may be obtained for a fee (which is disclosed on the Fee Schedule) at any time within sixty days after they are paid; and copies may be obtained within 7 years after the check is paid. You must notify the Credit Union of any alterations or forgeries promptly. Your statement is the Credit Union's legal record of the status of your account. If you do not dispute the accuracy of your statement within thirty days after the statement is issued, the statement will be considered correct.
- 12. Inactive Accounts and Abandoned Accounts.**

  - a. The Credit Union will charge you an inactivity fee, in the amount specified in the Fee Schedule, every three months during the period of inactivity. This inactivity fee will be assessed to any member who has combined balances of less than \$1000 in all accounts in its name and no account activity for the previous 12 months. Account activity is defined as a transaction that changes an account balance including a loan



transaction, deposit, or withdrawal. Receipt of dividends or cashing of checks does not constitute account activity. Any member who has at least one account with activity will not be charged the inactivity fee. The inactivity fee will be deducted automatically from the inactive account. If an inactive account balance falls to \$0.00 or below, it may be closed.

- b. If you make no deposits to or withdrawals from your Checking Account for three consecutive months and the balance in your account is less than \$100, the Credit Union may close your Checking Account and transfer any funds in it to your Business Savings Account.
- c. If the balance in your Checking Account is zero for at least 45 consecutive days, the Credit Union may close your Checking Account.
- d. You are subject to your state's abandoned property laws. You must make deposits to or withdrawals from your Business Savings Account, or notify to the Credit Union in writing that the account exists within the periods specified by your state's abandoned property law. If you fail to do so, the Credit Union may be forced to turn over the funds in that account to your state and the Credit Union may impose a service charge (Abandoned Property Fee). The non-refundable Abandoned Property Fee is set forth in the Fee Schedule, and will be imposed in the normal course of business.

**13. Conditions of Withdrawal.** The Credit Union reserves the right to require up to sixty (60) days prior written notice of intent to withdraw money from one of your accounts. In addition, the Credit Union may refuse to permit a withdrawal from any account for, without limitation, the following reasons: (a) if the withdrawal would consist of checks or other instruments being held and not yet available for withdrawal; (b) if there is a dispute about the account, unless a court has ordered the Credit Union to permit withdrawals; (c) if a court order prohibits the Credit Union from making such withdrawal; (d) if you owe the Credit Union money for any reason; (e) if the account is pledged as security for a debt; (f) if any document or identification required in connection with the withdrawal is not presented; (g) if the owner of the account requests the Credit Union not to permit the withdrawal; or (h) if equipment problems at the Credit Union prevent determination of the available balance.

**14. Facsimile Signatures.** Unless otherwise agreed in writing, you shall not use facsimile signatures, whether a fixed manually, mechanically, electronically or otherwise. The Credit Union will not be liable if it honors checks or drafts drawn against your account with such signatures and may refuse to honor such checks or drafts unless there is a separate agreement for use of such signatures. Customers utilizing facsimile signatures to sign checks assume full responsibility for all payments made by the Credit Union in reliance upon such facsimile signature.

**15. Stop payments - Certified or Credit Union Checks.** You may stop payment on a check drawn on your account only if the Credit Union has not accepted, made final payment or otherwise become accountable for the item, except to the extent otherwise provided by law. If the Credit Union certifies your check or withdraws funds from your account and issues a Credit Union check to the party you specify, the Credit Union becomes accountable for the item and you may not stop payment of the item. The one exception to that rule is that if at least 90 days have passed since the item was issued or certified and you sign an affidavit in the form required by the Credit Union verifying that the check

was destroyed, lost or stolen, you may order the Credit Union to stop payment on the Credit Union check. (This exception does not apply to Credit Union checks issued by a Credit Union branch in Pennsylvania.) If the Credit Union suffers any loss or expense as a result of honoring your stop payment order, you agree to reimburse the Credit Union the amount of its loss or expense.

- 16. Stop Payments – ACH Pre-Authorized Debit Requests.** If you have authorized a third party to withdraw funds from your account using a preauthorized electronic funds transfer, you can request the Credit Union to stop the preauthorized debit. This stop payment will remain in effect until you (the receiver) withdraw the stop payment order. It is the account holder's responsibility to notify the named company of the cancellation. In the event the company submitting the debit request changes its company identification number in the ACH transaction, the preauthorized debit will clear your account and you will need to submit a new ACH stop payment request with the new identification information. You will be charged the fee indicated in our fee schedule for each stop payment request.

- 17. UCC Article 4A Disclosure**  
**Disclosures Regarding Electronic "Wholesale Credit" Transactions Subject To Uniform Commercial Code Article 4A**

**Provisional Payment:** Credit given by us to you with respect to an automated clearing house credit entry is provisional until we receive final settlement for such entry through a Federal Reserve Bank. If we do not receive such final settlement, you are hereby notified and agree that we are entitled to a refund of the amount credited to you in connection with such entry, and the party making payment to you via such entry (i.e. the originator of the entry) shall not be deemed to have paid you in the amount of such entry.

**Notice of Receipt of Entry:** Under the operating rules of the National Automated Clearing House Association, which are applicable to ACH transactions involving your account, we are not required to give next day notice to you of receipt of an ACH item and we will not do so. However, we will continue to notify you of the receipt of payments in the periodic statement we provide to you.

**Choice of Law:** We may accept on your behalf payments to your account which have been transmitted through one or more Automated Clearing Houses ("ACH") and which are not subject to the Electronic Fund Transfer Act and your rights and obligations with respect to such payments shall be construed in accordance with and governed by the laws of the state of New York, unless it has otherwise specified in a separate agreement that the law of some other state shall govern.

- 18. Right to limit your Credit Union Services.** The Credit Union may suspend or limit the Credit Union services you are eligible to receive for good cause. Good cause will include, but is not necessarily limited to, unreasonably numerous requests from you for account balances and/or copies of drafts, other evidence which the Credit Union reasonably determines your inability to handle and maintain your accounts, default on any debt owed to the Credit Union or under any agreement you have with the Credit Union, a decrease in your credit worthiness, discovery of evidence that you provided false information to the Credit Union, or act in violation of the Member Conduct Policy.

If your services are limited because of abuse or you caused a loss to the Credit Union, the Credit Union may: close all of your accounts and, after exercising any rights the Credit Union has to those funds, return the remaining funds to you; or give you the option of reopening only a Business Savings Account. The Credit Union may also deny you any services at the Credit Union other than maintenance of a Business Savings Account. In addition, if your services are limited because of violation of the Member Conduct Policy (as stated in this Agreement), your agents and authorized representatives may be prohibited from coming onto Credit Union premises for any purpose whatsoever, and you may be prohibited from communicating with the Credit Union except by regular mail. The Credit Union may also take other actions it deems desirable, but the Credit Union will not take any action prohibited by law.

- 19. Service Fees.** You will pay any fees the Credit Union may charge to cover its cost of performing certain services for you. A list of current fees is provided when you open your account (the "Fee Schedule"). The Credit Union may change the fees at any time without your approval or prior notice except to the extent notice is required by law. The Credit Union may pay the fees you owe by deducting them from any of your accounts at the Credit Union.
- 20. Statutory Lien Notice.** Under the Credit Union's Bylaws and the Federal Credit Union Act (12 U.S.C. Section 1757 (11)), the Credit Union has the right to impress and enforce a statutory lien against your shares and dividends in the event of your failure to satisfy a financial obligation to the Credit Union. The Credit Union may enforce that right by applying the balance of shares and dividends in your account(s) at the time of that default in order to satisfy your obligation. The Credit Union may exercise this right without further notice to you.
- 21. Costs of Compliance and Collection.** You must reimburse the Credit Union the cost of complying with legal process (such as restraining notices, levies and executions, summons' and subpoenas) served with respect to your account. You must also reimburse the Credit Union for any expenses it incurs, including court costs and attorneys' fees, in connection with enforcing its rights, including but not limited to collecting any negative balances in your account(s).
- 22. Address Changes.** Whenever you have a change of address or telephone number, you must notify us immediately. You may be charged a monthly fee on each account for which the address is invalid.
- 23. Changes to Agreement.** The Credit Union has the right to modify this Agreement, and other conditions relating to your account, without notice to you unless prior notice is required by law or regulation.
- 24. Money Owed to the Credit Union.** If you owe the Credit Union money, the Credit Union can use funds in any account owned by you to repay your debt to the extent permitted by law. If the Credit Union uses funds in your account to repay your debts, it will not be liable to you if it dishonors Share Draft Checks or fails to authorize Check Card transaction(s) which would overdraw your account as a result. The Credit Union is

not obligated to use funds in your account before seeking repayment of your debts by other means.

**25. Transfer to Negative Accounts**

Pursuant to the Credit Union authority to receive payments on shares (12 U.S.C Section 1757(6) and its incidental powers clause (12 U.S.C. Section 1757(17), if any of your accounts become negative (including those on which you are joint ) due to fees or charges being imposed as a result of your activities (i.e., insufficient fund checks or returned ACH transfers), the Credit Union reserves the right to transfer funds from any other account you have with the Credit Union to cover all or a portion of the negative balance. If the Credit Union uses funds in an account to cover the negative balance of another account, it will not be liable to you if it dishonors Share Draft Checks or fails to authorize Check Card Transactions that overdraw your account as a result.

**26. Member Conduct Policy.** Membership in the Credit Union is a privilege. Members doing business with the Credit Union must honor this privilege by conducting themselves in an honorable and orderly manner at all times. Members must treat all Credit Union employees, vendors, fellow members, and guests with courtesy, respect, and dignity.

The purpose of this policy is not to restrict the rights or freedoms of anyone, but rather to ensure the rights and protection of the Credit Union's employees, vendors, members, and guests. The Credit Union will not tolerate members who engage in abusive and/or disorderly conduct and/or pose a direct threat to our employees, vendors, guests, and/or fellow members in any manner or by any means, whether by phone, in person and/or through electronic media. The Credit Union reserves the right to suspend, revoke, terminate, limit, and/or deny membership services to/of individuals who engage in abusive and/or disorderly conduct and/or pose a direct threat to our employees, vendors, guests, and/or fellow members. The Credit Union further reserves the right to report any and all such conduct to appropriate law enforcement authorities; to exclude/prohibit an individual who violates this policy from its premises; and to seek appropriate criminal, civil, and/or other remedies against the offender.

Prior to suspending, revoking, terminating, limiting, and/or denying membership as a result of an individual's conduct, the Credit Union will make an individualized assessment in each case to determine whether or not the particular conduct at issue was abusive, disorderly, and/or posed a direct threat to employees, vendors, guests, and/or members. Examples of conduct which may or may not, depending on the circumstances, be deemed to be abusive, disorderly, and/or pose a direct threat include, but are not limited to: actual or threatened violence against persons or property; menacing; possession of a weapon of any kind on Credit Union premises; harassment of another; the use of profanity, insulting, intimidating, threatening, offensive, and/or inappropriate language; the making of racial or ethnic slurs; engaging in offensive or inappropriate physical contact; making sexual overtures, flirtations, advances and/or propositions; the use of gestures deemed by the Credit Union to be obscene; the displaying or making of sexually suggestive objects, images, sounds, or pictures; the making of graphic or degrading comments about an individual and/or his/her appearance; the apparent use or influence of drugs and/or alcoholic substances on Credit Union premises; an attempt to coerce and/or interfere with Credit Union employees in the performance of their duties at any time; conducting and/or attempting to conduct and/or

engage in any fraudulent, dishonest, and/or deceptive activity of any kind involving Credit Union employees or Credit Union services; the taking of any steps to perpetrate a prank robbery, kidnapping, bomb threat, or similar event or activity; the making of false, vicious, and/or malicious statements; engaging in any conduct which may potentially interfere with the rights and/or privileges of Credit Union employees, vendors, members, and/or guests.

### **Right to Limit Your Credit Union Services Generally**

The Credit Union may suspend, revoke, terminate, limit, and/or deny membership services (e.g., it may suspend your use of the D.A.D. system; disable and/or require you to return to the Credit Union your Check Card, ATM and/or Visa cards; disable your Mobile and Online Banking; or close your Share Draft Checking account(s)) anytime it determines that good cause for taking such action exists. Good cause may include, but is not necessarily limited to: making unreasonably numerous requests for account balances and/or copies of drafts; irresponsible use of plastic cards, other evidence by which the Credit Union reasonably determines your inability to handle and/or maintain your accounts; default on any debt owed to the Credit Union and/or under any agreement with the Credit Union; a decrease in your credit worthiness; providing false information to the Credit Union; engaging in any act in violation of the Member Conduct Policy.

The Credit Union makes necessary reasonable modifications in policies, practices, and procedures and takes necessary steps to afford services, privileges, facilities, and accommodations, to individuals with disabilities, provided that such necessary reasonable modifications and/or steps do not result in the fundamental alteration of the Credit Union's services, privileges, facilities, and/or accommodations; do not result in an undue burden to the Credit Union; and do not pose a direct threat to the Credit Union's employees, vendors, members, or guests. This policy shall be interpreted in a manner which comports with Title III of the Americans with Disabilities Act, as well as any other applicable federal and/or state law, rule, and/or regulation.

## **27. Funds Availability.**

- a. Deposits (other than Bulk Deposits) you make in person to one of our employees, that you mail to the Credit Union or that you deliver to the Credit Union by electronic direct deposit or by wire transfer are available as follows:
  - i. Funds from any check in an amount for \$500 or less, deposits of cash, funds from electronic direct deposits to your account and wire transfers to your account will all be available to you on the same business day as the day of deposit.
  - ii. The following types of deposits when made by a check for more than \$500 will be available on the same business day as the day of your deposit:
    1. US Treasury checks that are payable to you
    2. Checks drawn on Corning Federal Credit Union
    3. State and local government checks that are payable to you
    4. Cashier's, certified and teller's checks that are payable to you; and
    5. Federal Reserve Bank checks, Federal Home Loan Bank checks and postal money orders if these items are payable to you.
  - iii. The first \$500 from the deposit of a check of any other type will be available to you on the same business day as the day of deposit and the remaining funds will be available on the second business day after the day of deposit.

- b. Deposits you place at an ATM owned or operated by the Credit Union are available as follows:
  - i. Funds from any check in an amount for \$500 or less and deposits of cash will all be available to you on the first business day after the day of deposit.
  - ii. The following types of deposits when made by a check for more than \$500 will be available on the first business day after the day of deposit:
    - 1. US Treasury checks that are payable to you
    - 2. Checks drawn on Corning Federal Credit Union
    - 3. State and local government checks that are payable to you
    - 4. Cashier's, certified and teller's checks that are payable to you; and
    - 5. Federal Reserve Bank checks, Federal Home Loan Bank checks and postal money orders if these items are payable to you.
  - iii. The first \$500 from the deposit of a check of any other type will be available to you on the first business day after the day of deposit and the remaining funds will be available on the second business day after the day of deposit.
- c. Funds from any deposits (cash or checks) made at an ATM that the Credit Union does not own or operate will not be available until the second business day after the day of your deposit. This rule does not apply to ATMs we own or operated. All ATMs we own or operate are identified as our machines.
- d. Funds from any deposits (cash or checks) made at a POB facility will not be available until the second business day after the day of your deposit.
- e. Once your deposits are available, you can withdraw the funds in cash or the Credit Union will use the funds to pay share drafts you have written or Check Card transactions.
- f. To help you determine when your deposits will be available, refer to the following:
  - i. Every day is a business day, except Saturdays, Sundays and all Federal Holidays. However, the Credit Union may be closed on days other than Saturdays, Sundays and all Federal Holidays.
  - ii. The "day of deposit" is the day the deposit is:
    - 1. Given to a Credit Union employee at a Credit Union office.
    - 2. Placed in an ATM.
    - 3. Given to a clerk at a POB facility.
    - 4. Received in actually and finally collected funds with information on the account and amount to be credited if made by electronic direct deposit.
    - 5. Delivered to the Credit Union, if mailed. However, if mail containing your deposit is delivered to the Credit Union on a day it is not open, the day of deposit will be the next business day the Credit Union is open.
    - 6. Placed in the Night Depository before 9:00 a.m. on a business day. These deposits will be treated as if they were made in person to one of our employees on that business day.
    - 7. Placed in the Night Depository after 9:00 a.m. on a business day or at any time on a non-business day. These deposits will be treated as if they were delivered to one of our employees on the first business day after the day of deposit.
- g. Bulk Deposits. "Bulk Deposits" are deposits made to a business account which include 15 or more checks. All deposits of 15 or more checks will be considered

"Bulk Deposits." Bulk Deposits you make in person to one of our employees or mailed to the Credit Union will be available on the next business day. You may elect to make bulk deposits to your business account for deposits of fewer than 15 checks by informing the Credit Union representative. In this case, the Bulk Deposit funds availability schedule will apply.

**Longer delays may apply:**

- a. On a case by case basis, the time when funds deposited by check are available for withdrawal may be extended and we will not make all of the funds you deposit by check available in accordance with the general policy. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of deposit. However, the first \$200 of your deposit will always be available no later than the first business day after the day of deposit.
- b. If we do not make all of your funds available to you under the general policy, we will usually notify you at the time you make your deposit. The Credit Union 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 place a case-by-case hold after you have left the banking center, we will mail you the notice by the next business day.
- c. If your deposit is made at a POB, an ATM, in the Night Depository or through the mail, or if the Credit Union decided to take this action after you have left the Credit Union, the notice will be mailed to you on the first business day after the day of deposit.
- d. If you need the funds from a deposit right away, you should ask when the funds will be available.
- e. In addition, funds you deposited by check may be delayed for a longer period under the following circumstances:
  - i. You deposit checks totaling more than \$5,000 on any one day.
  - ii. You deposit a check that has been returned unpaid.
  - iii. You have overdrawn your Business Account repeatedly in the last six months.
  - iv. There is an emergency, such as failure of communications/ computer equipment.
  - v. Your account is new and has been opened for less than thirty (30) days. (See Special rules for New Accounts)
  - vi. The Credit Union has reasonable cause to believe a check you deposit will not be paid, including but not limited to:
    1. Some of the information on the check or draft is not consistent with other information on the check or draft.
    2. There are erasures or other apparent alterations on the check or draft.
    3. We are unable to verify the endorsement of a joint payee.
    4. The routing number of the paying financial institution is not a current routing number.
    5. Information from the paying financial institution indicates that the check or draft may not be paid.

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 deposit.

**Special Rules for New Accounts:**

- a. If you are a new member, the following special rules will apply during the first thirty (30) days your account is open.
  - i. Funds from electronic direct deposits to your account will be available on the day we receive the deposit.
  - ii. Funds from deposits of cash, wire transfers, and the first \$5,000 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 next 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 \$5,000 will be available on the ninth business day after the day of your deposit.
  - iii. 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 \$5,000 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.

**Mobile Check Deposit Funds Availability:**

Items transmitted using Mobile Check Deposit are not subject to the funds availability requirements of Federal Reserve Board Regulation CC. In general, when an image of an item transmitted through Mobile Check Deposit is received and accepted by Corning Credit Union the date of deposit is the date Corning Credit Union tells you the item has been accepted. In general, the total funds deposited through the system (subject to any limits set by Corning Credit Union) shall be available on the date of deposit. If an item/image transmitted through Mobile Check Deposit requires further review, Corning Credit Union will notify you via an onscreen message. Items/images requiring further review are not considered accepted for deposit until you receive a message from the Credit Union indicating the item has been accepted. Those items/images requiring further review that are transmitted to Corning Credit Union by 4:00 p.m. Eastern Standard Time (EST), on a business day, will be reviewed on that business day. Items requiring further review that are transmitted after 4:00 p.m. EST on a business day, or on a non-business day, will be reviewed and on the next business day. No funds will be made available on any item that requires further review until Corning Credit Union provides you with a message indicating the funds are available.

**Depositor liability:**

You are responsible for all problem deposits, even when funds have been made available and have been withdrawn. Problem deposits include deposited checks which have been returned unpaid to us.

**Refusal of deposit:**

We continue to reserve the right to refuse any deposit. In some circumstances, items unacceptable for deposit may be processed as collection items.

**Our Funds Availability policy does not apply to the following:**

Our Funds Availability policy does not apply to funds deposited by checks to non-transaction accounts (i.e. Savings, Misc. Certificates, and Money Market accounts) nor to



foreign checks. If a hold is necessary in any of these cases, a hold can be placed until the funds are collected.

- 28. Preauthorized Transfers and Direct Deposit Posting Schedule:** All electronic deposits and withdrawals related to a direct deposit or a preauthorized payment that is received through the ACH network will be posted on the date of settlement prior to opening for business with the exception of any transaction that has been coded as an International ACH Transaction (IAT). Due to the additional processing required for an IAT entry, posting may be delayed to the end of the business day. If the funds are not available for a preauthorized transfer, and all overdraft protection options have been exhausted, then the transfer request will be returned NSF and a fee may be assessed.
- 29. Termination of Agreement.** The Credit Union may terminate this Agreement at any time without prior notification. As set forth in the Credit Union Bylaws, if you withdraw all of your shareholdings your membership in the Credit Union may be terminated. In addition, if for any reason the balance in your Share Savings falls below the par value minimum balance of \$5 and you fail to increase the balance to at least \$5 within 6 months of the reduction, you will be terminated from membership and your accounts will be closed. This includes, but is not limited to, situations where the Share Savings account falls below the par value minimum balance of \$5 due to your withdrawal of funds; absorption through fees or charges associated with the Share Savings account; the imposition of a statutory lien on the Share Savings account to satisfy another financial obligation you have with the Credit Union or if any of your account activities results in fees and charges which cause any of your accounts to become negative, and the Credit Union transfers funds from your Share Savings to cover the negative balance(s) of the other account(s). The Credit Union is not required to notify you when your Share Savings balance falls below \$5 or prior to your membership being terminated under this provision.
- 30. Transfer of Funds to Other Accounts.** Any authorized signer on your account may transfer funds to any other account that he or she owns personally, either individually or jointly
- 31. Unlawful Internet Gambling.** In accordance with the requirements of the Unlawful Internet Gambling Enforcement Act of 2006 and Regulation GG, restricted transactions are prohibited from being processed through your account or relationship with our institution. Restricted transactions are transactions in which a person accepts credits, funds transfers, funds transmitted by or through a money transmitting business, the proceeds of such transfers, and any check, draft or similar instruments that is drawn by or on behalf of another person in connection with unlawful Internet gambling. You agree that you will not cause or allow your account to be used for any manner or for any transaction that we believe poses an undue risk of illegality and we may refuse to authorize any such use or transaction. If you use the account to process a transaction that is determined to be illegal, you will be liable for the transaction. You also waive any right to take legal action against the Credit Union for your, or any authorized signer, illegal use of the account and agree to indemnify and hold the Credit Union harmless from and against any lawsuits, other legal action or liability that result directly or indirectly from such illegal use.

- 32. Prohibited Account Types.** Members engaging in any of the following activities or account types are prohibited from having an account at the Credit Union per our compliance policy:
- a. Money Services Businesses (MSB's)
    - i. Transmitting or converting money
      1. Includes: check cashing, currency exchange, money transmission, sale of money orders, Traveler's Checks, Western Union money transfers, etc.
      2. Sales of gift certificates/gift cards redeemable for cash or goods for a third party (Ex. Wegmans selling gift cards for Applebees). However, this does not include a business who sells gift certificates to its own business. (Ex. Hairstyles Inc. selling gift certificates for haircuts at their shop)
    - ii. Privately owned and operated ATM's
      1. This applies to anyone who actually owns and places ATMs in locations, and/or services them. This does not apply to anyone who has an ATM in their business that they lease or do not own themselves.
  - b. Marijuana dispensers and/or any business dealing in substances that mimic illegal drugs and/or are banned in other states or countries.
  - c. Virtual currency/bit coin transmitters
  - d. Offshore corporations, especially those in tax and/or secrecy havens and areas designated as non-cooperative (*FATF-NCCT countries*)
  - e. Foreign embassies, consulates or foreign missions
  - f. Foreign shell companies

Corning Credit Union does not allow the following business account types due to the extensive due diligence and reporting requirements and therefore the accounts listed below are also prohibited account types and cannot be opened:

- a. Businesses that engage in internet gambling
- b. Municipal Deposits for Business Accounts (*local government*)
- c. Level I Professional Service Providers (PSPs) – accounts that combine/manage multiple client funds for further disbursement. Level I PSP accounts include:
  - i. Attorney trust accounts (*IOLA/IOLTA*)
  - ii. Realtor accounts
  - iii. 401k accounts
  - iv. Investment broker accounts
  - v. Bail Bonds
- d. Hemp farming, Hemp manufacturing, Cannabidoil (CBD) and eCigarettes that contain hemp or Cannabidoil (CBD) products.

**33. Consent To Contact You At Any Telephone Number You Provide**

By providing your phone number to Corning Credit Union, you consent to being contacted at that number about all your Corning Credit Union accounts and/or loans. You agree that Corning Credit Union (or its agents and contractors) may use live voice, text messaging, artificial or prerecorded voice messages, automatic telephone dialing systems or technology and/or an “autodialer” (as defined by the Federal Communications

Commission) in connection with calls or texts made to any telephone number you provide to Corning Credit Union, even if the telephone number is a cellular/mobile telephone number for which the called party is charged. You may contact us any time to withdraw your consent.

**34. Miscellaneous.**

- a. If any provision of this Agreement is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect.
- b. As used in this Agreement, "we," "our," and "us" mean the Credit Union and the words "you" and "your" mean the account holder and anyone else with authority to deposit, withdrawal, or exercise control over the funds in the account.
- c. This Agreement shall be governed by the laws of the State of New York, without regard to conflicts of law principles.
- d. This Agreement, along with all schedules and addendums, represents the full understanding of the parties with regard to the subject matter hereof.