

ALPENA ALCONA AREA CREDIT UNION

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TERMS AND CONDITIONS OF YOUR ACCOUNT

AGREEMENT

This is the Agreement ("Agreement") between you (the member) and ALPENA ALCONA AREA CREDIT UNION ("Credit Union") regarding your accounts with the Credit Union. By establishing an account with the Credit Union, you agree that this Agreement is a binding contract between you and the Credit Union. It includes and incorporates your Electronic Funds Transfer Agreement, Truth-in-Savings Disclosure, Funds Availability Disclosure, and other documents relevant to your accounts.

You should retain a copy of the Agreement and feel free to call the Credit Union if you have any questions. By signing a Membership and Account Application, you agree to be bound by, and acknowledge receipt of, this Agreement, along with certain disclosures required under the Truth-In-Savings Act and various other laws, as well as the regulations related to those laws. The words "you" and "your" mean you as a member and any joint owners on the accounts covered by this Agreement. The words "we," "our," "us," and "Credit Union" mean Alpena Alcona Area Credit Union.

USA PATRIOT ACT NOTICE

Important Information about Procedures for Opening a New Account

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. What this means for you: When you open a new account, we will ask for 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.

NOTICE OF ARBITRATION PROVISION

This Agreement contains an Arbitration Provision which provides that you or the Credit Union may
elect

to have all disputes resolved by **BINDING ARBITRATION INSTEAD OF IN COURT.**

You should read the Arbitration Provision below carefully. It provides, among other terms:

You **GIVE UP YOUR RIGHT TO GO TO COURT** to assert or defend your rights under this
Agreement

(EXCEPT for matters that may be taken to SMALL CLAIMS COURT).

Your rights will be determined by a **NEUTRAL ARBITRATOR** and **NOT** a judge or jury.

You are entitled to a **FAIR HEARING**, BUT the arbitration procedures are
SIMPLER AND MORE LIMITED THAN RULES APPLICABLE IN COURT.

Arbitrator decisions are as enforceable as any court order and are subject to
VERY LIMITED REVIEW BY A COURT.

**YOU MAY NOT PARTICIPATE AS A CLASS REPRESENTATIVE
OR MEMBER IN ARBITRATION OR IN ANY OTHER CONSOLIDATED PROCEEDING.**

MEMBERSHIP

Membership in the Credit Union is open to any person qualifying under the Credit Union's bylaws. Our bylaws, which we may amend from time to time, establish basic rules about our credit union policies and operations which affect your account and membership. You may obtain a copy of the bylaws on request. To become a member of the Credit Union, you must complete a Membership and Account Application and open a Regular Share Account. The basic share deposit that you must always keep in your Regular Share Account to retain membership is \$5.00. You authorize us to check your account, credit and employment history and to obtain reports from third parties, including consumer (credit) reporting agencies, to verify your eligibility for the accounts and services you request as allowable by the Fair Credit Reporting Act.

You agree that any accounts opened under this Agreement shall be for consumer, family, and household use only. If we determine that any account established under this Agreement has been used in a manner inconsistent with this provision of the Agreement, we may restrict activities on any such accounts or close them. You agree to hold the Credit Union harmless from all damages, including incidental and consequential damages suffered by you as a result of your breach of this provision of the Agreement.

OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION

These rules apply to this account depending on the form of ownership and beneficiary designation, if any, specified on the account records. We reserve the right to refuse some forms of ownership on any or all of our accounts. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine to whom we pay the account funds.

- A. **Individual Account:** An account in the name of one person. Only that person may transact or present orders and instructions regarding the account.
- B. **Joint Accounts:** Except for accounts designated as Multiple Signatures Required Accounts, the following paragraph applies: If two or more parties have signed an Application and Agreement with respect to one or more accounts, you are creating, and intend to create, a "joint tenancy with rights of survivorship." That is,

you as the owners of the account agree with yourselves and the Credit Union that all sums paid in shares or other deposits (as applicable), together with all accumulations, prior to now or hereafter, less setoffs as allowed by law for any sums due the Credit Union by any party, shall be owned by all of you jointly with full right of survivorship, and shall be subject to withdrawal or receipt by any of you in whole or in part. Unless previously designated, such joint designation shall apply to all sub accounts under your member number (excluding IRA accounts which cannot be joint accounts). Payment to any of you or the survivor(s) of you, or the personal representative, administrator or assign of the last survivor of you, shall be valid and discharge the Credit Union from any liability for such payment and amount. Each signer appoints each other signer to be his or her irrevocable attorney in fact: to make deposits to the account; to endorse, for cash or deposit, any checks or other items whether payable to one of the signers alone or with others; and to receive and receipt for all funds all without obligation to us to inquire into the source or application of funds. To induce us to act hereunder, each person signing the Membership and Account Application jointly and singly agrees to hold the Credit Union harmless and indemnify us from loss, cost, and damage in all respects in connection with any of the foregoing, including court costs and attorneys' fees, except as may be limited by applicable law. Unless specifically prohibited in writing from doing so, any or all of the joint owners may pledge all or part of the shares or deposits in the account as collateral for security on a loan(s). Any owner who is a surviving owner agrees that the Credit Union to the extent allowed by law may set off any money in the account against any obligation of a deceased owner within thirty days after the Credit Union becomes aware of the deceased owner's death unless such a setoff would not have been allowed during the deceased individual's lifetime (such as would be the case with certain tax favored accounts). All owners who are surviving owners also agree that their interests in the account are subject to any security interest or pledge granted by a deceased owner, even if they individually did not consent to it. No authority or obligation of the Credit Union may be changed or terminated by one or more of the joint owners without prior written notice to the Credit Union, and no such change or termination shall affect transactions already made. Further, each joint owner is subject to the terms and disclosures of this Agreement, and hereby acknowledges receipt of the Agreement. We may refuse to authorize a withdrawal from a joint account when we have knowledge of a dispute between the joint accountholders until the matter is resolved.

If an account is designated as a Multiple Signatures Required Account, the following paragraph applies: If two or more parties have signed a Membership and Account Application you are creating, and intend to create, a "joint tenancy with rights of survivorship." That is, you as the owners of the account agree with yourselves and the Credit Union that all sums paid in shares or other deposits (as applicable), together with all accumulations, prior to now or hereafter, less setoffs as allowed by law for any sums due the Credit Union by any party, shall be owned by all of you jointly with full right of survivorship. It is agreed that at least two (2) of the joint owners must sign any request for a withdrawal and that transactions on the account may only be conducted in person at the Credit Union's office. All but not less than all of the joint owners may pledge all or part of the shares or deposits in the account as collateral for security on a loan(s). No authority or obligation of the Credit Union may be changed or terminated by one or more of the joint owners without the consent of all living joint owners and prior written notice to the Credit Union, and no such change or termination shall affect transactions already made. Further, each joint owner is subject to the terms and disclosures of this Agreement, and hereby acknowledges receipt of the Agreement.

If a deposited item in a joint account is returned unpaid, the account is overdrawn, or if the Credit Union does not receive final payment on a transaction, the owners, jointly and severally, are liable to the Credit Union for the amount of the returned item, overdraft, or unpaid amount and any charges, regardless of who initiated or benefited from the transaction. If any account owner is indebted to the Credit Union, the Credit Union may enforce its rights against any account of an owner or all funds in the joint account regardless of who contributed them.

Except as modified in this Agreement, joint accounts shall be subject to and governed by PA 41 of the Public Acts of 1968 (Michigan), as amended, being M.C.L. 490.51 et seq., and commonly known as the Credit Union Multiple-Party Accounts Act. An account owned by a person that is not a natural person (that is, an account owned by a corporation or other legal entity or by a trust) may not have joint owners.

- C. **Beneficiary Designation:** When opening an account or, if all owners agree, at any time thereafter, you may designate one or more persons as beneficiaries of the **account** under the Michigan Credit Union Beneficiary Accounts Act (Public Act 31 of 1992), being M.C.L. 490.81 et seq. Upon the death of the last surviving owner of the account, the surviving beneficiaries shall become the owners of the funds in the account. If there is more than one surviving beneficiary, the account shall be divided equally between them, and each beneficiary shall be the sole owner of that beneficiary's share. In accordance with the Credit Union Beneficiary Accounts Act, there shall be no joint ownership among beneficiaries. Any funds deposited into an account after the last surviving account owner's date of death, and prior to the closing of the account, shall be payable to the beneficiary(ies), and not to the estate of the last surviving account owner (subject to the Credit Union's right of setoff, as set forth below). The Credit Union is not obligated to notify any beneficiary/payee of the existence of any account or the vesting of the beneficiary/payee's interest in any account, except as otherwise provided by law. The interests of the beneficiary(ies) is subject to the right of the Credit Union, to the extent allowed by law, to set off any money in the account against any obligation of the deceased owner (or the last owner to die, if there was more than one) within thirty days after the Credit Union becomes aware of the deceased owner's death unless such a setoff would not have been allowed during the deceased individual's lifetime (such as would be the case with certain tax favored accounts). The Credit Union reserves the right to require documentation in order to confirm that an account has become properly payable to a beneficiary or beneficiaries. An account owned by a person that is not a natural person (that is, an account owned by a corporation or other legal entity or by a trust) may not have beneficiaries.
- D. **Authorized Signor:** The authorized signor is merely designated to conduct transactions on the owner's behalf. We undertake no obligation to monitor transactions to determine that they are on the owner's behalf.

FIDUCIARY ACCOUNTS

A. Accounts for Trusts

1. **Products and Services.** We reserve the right not to allow certain accounts to be opened as Trust Accounts. To the extent applicable and not superseded by this section, the terms and conditions governing types of accounts for individuals, as described elsewhere in this Agreement, govern accounts established for trusts.
2. **Documentation.** In order to open an account for a trust, a trustee must provide such documentation as is required by the Credit Union with regard to the trust, including, but not necessarily limited to a Certificate of Trust prepared by an attorney and/or a Certificate of Trust Existence and Authority. The Credit Union reserves the right to refuse membership to a trust when it is not drafted in accordance with and governed by the laws of the State of Michigan or for any other reason in its sole discretion.
3. **Distribution of Accounts.** If an account is opened for a trust, the trust is the party with which the Credit Union is contracting, and the trust agrees that the Credit Union may distribute funds pursuant to the terms of the most recently dated trust agreement or Certificate of Trust on file at the Credit Union, and the trust, forever indemnifies and holds the Credit Union harmless for distributions made pursuant to that trust made in good faith reliance on that trust agreement or Certificate of Trust. The trust further agrees that it is the responsibility of the trust (through its trustee) and the settlor of the trust to notify the Credit Union when a trust for which an account has been opened has been revoked, rescinded, revised, or in any way modified.

4. **Withdrawals.** All sums paid to the Credit Union on deposits (less set-offs allowed by law and/or provided by contract) shall be paid on proper withdrawal demand. Such demand must be made by the trustee(s) as indicated on the Membership Card for Trust Account. The Credit Union has no obligation to monitor the further distribution of any funds withdrawn from the account, but we reserve the right to deny any withdrawal request. Only methods approved by the Credit Union may be used to make account withdrawals.
5. **Representations of Trustee(s).** Any trustee for a trust who signs a Membership Card for Trust Account represents the following: (i) the trust is in full force and effect and it has not been revoked or amended in any manner which would cause the representations made herein to be inaccurate or incorrect; (ii) the named trustee(s) has qualified, is acting as trustee(s), and is authorized to open this account; (iii) the trustee(s) is authorized to hold, manage, deposit, withdraw, invest and reinvest funds deposited, purchase and sell certificates of deposit, and accomplish any or all other banking transactions; (iv) the trust agreement contains a hold harmless provision for any third party dealing with the trust or any trustee and that such provision applies to the Credit Union; (v) trustee(s) will send written notice of any change in trustee(s), of any amendment or modification of the trust which would cause the representations made herein to be or become inaccurate or incorrect, or of the occurrence of any event which would affect the trust's revocability, the powers of the trustee(s), or any other representations made to the Credit Union; and (vi) unless otherwise designated, any one trustee has the power to authorize withdrawals or transfers from authorized accounts, or authorize new accounts or services. The Credit Union may rely on these representations and any instructions by the trustee(s) and act in accordance therewith in any respect affecting the account before or after termination of the trust, unless and until it receives a written notice of changes to the trust, with notice of changes in trustee(s), or written notice of any events affecting the trustee(s) powers described above or in any documents required by the Credit Union.
6. **Acknowledgement of Fiduciary Responsibility.** Any trustee for a trust who signs a Membership Card for Trust Account acknowledges and understands the trustee's legal obligations as a fiduciary and as more fully set forth in the Michigan Estates and Protected Individuals Code. Such trustee further agrees to conduct all business with the Credit Union on behalf of the trust in accordance with state and federal laws as well as orders from any court of competent jurisdiction.
7. **Indemnification.** Any trustee for a trust who signs a Membership Card for Trust Account hereby jointly and severally (if more than one) agrees to hold the Credit Union and each of its officers, directors, employees, agents, and affiliates harmless and indemnify them against any claims, judgments, settlement amounts, or other liabilities or costs of defense or settlement, including attorney's fees arising out of or related to any alleged or actual improper or unsuitable actions taken at the instruction of trustee(s) in connection with account for the trust or for any distribution of trust assets to any person or entity. This indemnification is made by the trustee(s) both in the capacity as trustee and individually and shall not be limited by any other independent documentation. If a trustee provides instructions or an order to the Credit Union that the Credit Union reasonably believes might expose it to claims, suits, losses, expenses, liability, or damages, it may refuse to follow the instruction or order.

B. Account for Other Fiduciary Relationships

1. **Generally.** A separate membership account may be opened by a fiduciary for another named person if the named person involved qualifies for membership or, in the case of an estate for a deceased individual, the deceased individual was a member of the Credit Union at the time of death. For example, an account can be opened by a conservator, guardian, personal representative, representative payee, etc. These accounts are referred to collectively as "Fiduciary Accounts" and the individuals or estates for whose benefit they are opened are referred to collectively as "Protected Persons." The person opening the account will be referred to as the "Fiduciary." As Fiduciary, you understand and agree that you owe the Protected Person a legal fiduciary responsibility to care for his or its property, including funds held on deposit in this Account, and you understand and agree that funds in this type of account may not be pledged as security for any purpose.
2. **Products and Services.** We reserve the right not to allow certain accounts to be opened as Fiduciary Accounts. To the extent applicable and not superseded by this section, the terms and conditions governing those types of accounts for individuals, as described elsewhere in this Agreement, govern Fiduciary Accounts.
3. **Documentation.** In order to open a Fiduciary Account, you agree to provide such documentation as is required by the Credit Union with regard to the fiduciary relationship, including, but not necessarily limited to, Letters of Authority naming you as Conservator, Guardian, Personal Representative, etc. The Credit Union reserves the right to refuse to open a Fiduciary Account when documentation does not derive from the authority of the laws of the State of Michigan, Veterans Affairs, or Social Security Rules and Regulations.
4. **Distribution of Accounts.** If you have opened an account for a Protected Person, an Estate, or a Social Security Beneficiary, you, as Fiduciary, understand and agree that the Credit Union may distribute funds pursuant to the terms of the most recently dated Letters of Authority or other documentation on file at the Credit Union, and you, on behalf of the Protected Person, forever indemnify and hold the Credit Union harmless for distributions made in good faith reliance on those Letters of Authority or other documentation. You further agree that it is your responsibility to notify the Credit Union when your authority as a Fiduciary has been revoked, rescinded, revised, or in any way modified.
5. **Withdrawals.** All sums paid to the Credit Union on deposits (less set-offs allowed by law and/or provided by contract) shall be paid on proper withdrawal demand made by the named Fiduciary. The Credit Union has no obligation to monitor the further distribution of any funds withdrawn from the account, unless required to do so by court order. We reserve the right to deny any withdrawal request. The Credit Union shall not be liable for the misappropriation of funds resulting from a withdrawal from a Fiduciary Account.

ACCOUNTS FOR MINORS

We may require any account established by a minor to be a multiple party account with an owner who has reached the age of majority under Michigan law and who shall be jointly and severally liable to us for any returned item, overdraft, or unpaid charges or amounts on such account. Except where expressly provided otherwise, we may pay funds directly to a minor without regard to his or her minority. Unless a guardian or parent is an account owner, the guardian or parent shall not have any account access rights. We have no duty to inquire about the use or purpose of any transaction. We will not change the account status when the minor reaches the age of majority, unless authorized in writing by all account owners.

AGENCY DESIGNATION ON AN ACCOUNT

An agency designation on an account is an instruction to us that the owner authorizes another person to make transactions as agent for the account owner regarding the accounts designated. An agent has no ownership interest in the account(s) or Credit Union voting rights. The Credit Union is under no obligation to honor any

agency designation. If we do honor an agency designation, we have no duty to inquire about the use or purpose of any transaction made by the agent. The Credit Union shall not be liable for loss resulting from the misappropriation of funds withdrawn from an account by an authorized agent.

POWERS OF ATTORNEY

Unless it has contracted to the contrary, the Credit Union is under no obligation to honor a power of attorney. However, the Credit Union may choose to do so at its discretion. It will generally honor a power of attorney if the original document has been first presented to the Credit Union by the account owner (Principal) involved and the Credit Union finds it to be in satisfactory form. Exceptions to presentation by the Principal will only be made in extenuating circumstances (such as military service) and will generally either require a representation by the attorney for the Principal of the document's continuing validity or certification by appropriate medical personnel. The Credit Union must identify the attorney-in-fact pursuant to the requirements of the USA Patriot Act in all cases before the agent will be allowed to use the power of attorney. The Credit Union may impose additional requirements from time to time at its sole discretion.

GENERAL SHARE DRAFT ACCOUNT TERMS

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

- If checks are not ordered through the Credit Union, the Credit Union will assess a fee whenever problems in clearing such checks in an automated fashion arise.
- When you order checks through the Credit Union, the Credit Union will charge your account for the cost of those checks, which will vary depending on the style ordered. You may select checks from the current styles available.
- All non-cash payments received in this account will be credited subject to final payment.
- The Credit Union is under no obligation to pay a check that exceeds the balance in the account; however, the Credit Union may pay such a check in accordance with the overdraft provisions below.
- The Credit Union is under no obligation to pay a check that is over six (6) months old, but may at its option pay such a check without notice to you.
- Except for negligence, the Credit Union is not liable for any action it takes regarding the payment or non-payment of a check.
- Any electronic debit initiated by a third party against this account is deemed authorized for consumer accounts by an owner if the owner voluntarily gives the third party information about the account and the Credit Union's routing number other than through physical delivery of a fully completed check.
- You may use information from your check to initiate a one-time electronic fund transfer from your account. If you pay for something with a check you may authorize your check to be converted to an electronic fund transfer. You may also authorize merchants to electronically debit your account for returned check fees. You are considered to have authorized these electronic debits if you complete the transaction after being told (orally or by a notice posted or sent to you) that the transfer may be processed electronically or if you sign a written authorization.
- The Credit Union reserves the right to pay items drawn against the account in any order.
- All checks drawn on your Checking Account may be returned by us unpaid for any reason that checks are normally returned, such as, for example, insufficient funds, uncollected funds, or litigation.
- The use of the Checking Account is subject to other terms, conditions and requirements as the Credit Union may establish from time to time.

B. **Direct Presentment of Check by Non-Member.** If anyone presents a check drawn on your account for payment, we have the right to require such a presenter to identify him/herself to the credit union's reasonable satisfaction. If the person presenting the check is an agent for the payee rather than the actual payee, we also may require proof of the agency authority. We also reserve the right to take the time allowed by law before we inform the presenter of whether the item will be paid. If the payee of the check is someone other than (i) an account holder with the credit union, (ii) a financial institution or financial institution clearing house, or (iii) a governmental unit or entity, we also reserve the right to charge the presenter a direct presentment fee. The presenter will be informed of the fee prior to the credit union accepting the item. If the presenter refuses to pay the fee, you agree that you will not bring a wrongful dishonor claim against the credit union based on the presenter's choice to pursue dishonor remedies rather than paying the fee. If you request us to do so in writing, we will charge the fee involved against your account rather than charging it to the presenter.

C. **Funds Availability.** Funds from deposits you make into your Share Draft Account may not always be immediately available for withdrawal. Information about our funds availability policy is provided to you in the "Funds Availability" disclosure included further below in this Agreement.

D. **Payment of Checks.** The Credit Union is under no obligation to pay a check that is more than 6 months old. Except for negligence, the Credit Union is not liable for any action it takes regarding the payment or non-payment of a check. All checks drawn on your Share Draft Account may be returned by us unpaid for any reason that checks are normally returned, such as, for example, insufficient funds, uncollected funds, or litigation. We may disregard any information on any check other than the signature of the drawer, the amount, and any magnetic encoding. You agree that we do not fail to exercise ordinary care in paying an item solely because our procedures do not provide for sight examination of items.

E. **Postdated and Stale Dated Checks.** We may pay any check without regard to its date unless you notify us of a postdating. The notice must be given to us in time so that we can notify our employees and reasonably act upon it. The notice must accurately describe the check, including the exact number, date and amount. You understand that the exact information is necessary for the Credit Union's computer to identify the check. We are not responsible if you give us an incorrect or incomplete description or untimely notice. You may make an oral notice which lapses in fourteen (14) calendar days unless confirmed in writing. The Fee for a Notice of Postdating is the same as the fee for a Stop Payment Order; please refer to our Fee Schedule for the amount of the fee. A written notice is effective for six (6) months and may be renewed in writing from time to time. You agree not to deposit checks, drafts, or other items before they are properly payable. We are not obligated to pay a check drawn on your account that is presented more than six (6) months past its date.

F. **Remotely Created Checks.** A remotely created check is a check created by someone other than the person on whose account the check is drawn. A remotely created check is generally created by a third-party payee as authorized by the owner of the account on which the check is drawn. Authorization is usually made over the telephone or through online communication. The account owner does not sign a remotely created check. In place of the owner's signature, the remotely created check usually bears a statement that the owner authorized the check or bears the owner's printer or typed name. If you wish to stop payment of a remotely created check, we may require you to close your account.

- G. **Truncated Checks; Statements.** Your canceled checks (the checks drawn against your account that we honor) will not be returned to you, they will become Credit Union property and be held by us ("truncated") for you. They also may be truncated earlier in the check clearing process, such as by the bank into which the payee deposits them. This may be done either pursuant to a contractual electronic presentment process or under a federal law commonly referred to as "Check 21." Your monthly statement will itemize your canceled checks by number, date of clearing and the amount of the check. Any objection respecting any transaction shown on a periodic statement is waived unless made in writing to the Credit Union within sixty (60) days after the statement is mailed. A copy of any check will be available to you as required by law. There may be a small fee to obtain a copy of a check (see the Schedule of Service Charges for a list of service charges). When a copy of a check is requested, the Credit Union may provide it to you in the form of a "substitute check" as prescribed in the "Check 21" law. Upon issuance, the Credit Union will provide you with a disclosure regarding your rights regarding substitute checks and how you may make a claim for a refund for losses related to a substitute check.
- H. **Stop Payments.**
1. **Stop Payment Order Request.** You may request a stop payment order on any check drawn on your account. To be binding, an order must be dated, signed within 14 days, and describe the account and check number and the exact amount. The stop payment order will be effective if the Credit Union receives the order in time for the Credit Union to act upon the order and the order states the number of the account, number of the check, and its exact amount. You understand that the exact information is necessary for the Credit Union's computer to identify the check. If you give us incorrect or incomplete information, we will not be responsible for failing to stop payment on the check. If the stop payment order is not received in time for us to act upon the order, we will not be liable to you or to any other party for payment of the check. If we re-credit your account after paying a check over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to transfer to us all of your rights against the payee or other holders of the check, and to assist us in any legal action.
 2. **Duration of Order.** A stop payment order is effective for six (6) months and may be renewed in writing from time to time. We have no obligation to notify you when a stop payment order expires.
 3. **Liability.** Fees for stop payment orders are set forth on the Fee Schedule. You generally may NOT stop payment on any certified check, teller's check, or any other check or payment guaranteed by us. Even if payment of such an item is stopped, you may remain liable to any item holder, including us. You agree to indemnify and hold the Credit Union harmless from all costs, including attorney's fees, damages or claims related to (1) our refusing payment of an item, including claims of any multiple party, account owner, payee, or endorser or (2) our failing to stop payment of an item as a result of incorrect information provided by you.
- I. **Check Legends.** We will not be responsible for, and you hereby waive any losses or costs you incur as a result of, the payment by us of any check that contains any extraneous legends, for example, "void after 60 days," unless we agree otherwise.
- J. **Automated Processing.** You recognize that the Credit Union has adopted automated collection and payment procedures that rely primarily upon information encoded on to each item in magnetic ink. In recognition of this fact you agree that in paying or processing an item, the Credit Union may disregard all information on the item other than the identity of the drawee bank, the amount of the item, and any information encoded onto the item in magnetic ink according to general banking standards, whether or not that information is consistent with any other information on the item. You acknowledge that the Credit Union does not fail to exercise ordinary care in paying an item solely because its procedures do not provide for sight review of items.
- K. **Payment of Checks after Death.** The Credit Union may, after the date of your death, pay checks drawn before death unless ordered to stop payment by the Personal Representative or other appropriate person claiming an interest in the account.

YOUR LIABILITY FOR OVERDRAFTS

PLEASE REVIEW THIS INFORMATION CAREFULLY. IF YOU DO NOT UNDERSTAND ANY PROVISION IN THIS "YOUR LIABILITY FOR OVERDRAFTS" SECTION, OR IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT US AT 989-356-3577 or 800-443-3577, OR VISIT ANY BRANCH.

A. General

1. **What Does it Mean to Overdraw Your Account?** "Overdrawing" your account means that there are not sufficient available funds (as described in Section B below) in your account to pay for a transaction, resulting in a negative or "overdrawn" balance. Some transactions that can result in an overdraft in your account include, but are not limited to:
 - the payment of checks, electronic fund transfers, telephone-initiated transactions, preauthorized payments under our Bill Payment Service, debit card transactions, or other withdrawal requests authorized by you;
 - the return (unpaid) of items deposited by you;
 - the assessment of service charges by us; or
 - the deposit of items that are treated as not yet "available" according to our Funds Availability Policy.
2. **What Happens if the Credit Union Refuses to Pay the Item?** If you overdraw your account, we may return the item unpaid, commonly known as a return for "non-sufficient funds" or "NSF." It is important to understand that the Credit Union has no control over how many times an intended payee will resubmit an item to us for payment. When we return an item unpaid, we will assess you an NSF Fee each time the item is presented to us for payment. There is no limit on the number of NSF Fees we may assess against your account. NSF items are described in more detail in Section D.
3. **What Happens if the Credit Union Pays the Item?** If you overdraw your account and we pay the item, we may do so in one of two ways:
 - through standard overdraft practices that come with your account, which we call "Overdraft Privilege;" or
 - through an overdraft protection plan, which we call "Overdraft Transfer Service"

You can elect to decline either of these services at any time, which may result in your transactions being declined for non-sufficient funds if the available balance in your account is insufficient to pay for your transaction.

Note that Overdraft Privilege is **not** available for business/organizational accounts, minor accounts or for fiduciary accounts (e.g., trust, escrow, representative payee, guardianship, etc.).

The Credit Union also offers an overdraft line of credit for qualifying members. This Section describes only our Overdraft Privilege and Overdraft Transfer Services. If you have questions regarding applying for an overdraft line of credit, please contact the Credit Union for additional information.

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

B. Your Available Balance.

1. **Actual Balance Versus Available Balance.** Your Share Draft Account has two kinds of balances: the “actual” balance and the “available” balance. Both can be checked when you review your account online, at a Credit Union-owned ATM, by phone, or at a branch. It is important to understand how these two balances work so that you know how much money is available to you in your account at any given time. This section explains actual and available balances and how they work.
2. **Your “Actual Balance.”** Your “actual” balance is the amount of money that is actually in your account at any given time, but not all funds included in the actual balance are considered “available” for transactions on your account. The actual balance is also sometimes referred to as your “ledger balance.” Your actual balance reflects transactions that have posted to your account, but it does not reflect transactions that have been authorized and are pending or deposits that may be on hold. While the term “actual” may sound as though the number you see is an up-to-date indication of what is in your account that you can spend, that is not always the case because any purchases, holds, fees, other charges, or deposits made on your account that have not yet posted will not appear in your actual balance. For example:
 - Assume you have a \$50 actual balance, but you just wrote a check for \$40, then your actual balance is \$50 but it does not reflect the pending check transaction. Though your actual balance is \$50, you have already spent \$40.
3. **Your “Available Balance.”** Your available balance is the amount of money in your account that is available to you to use without incurring a fee. The available balance takes into account factors such as holds placed on deposits and pending transactions, like pending debit card purchases, that the Credit Union has *authorized*, but that have not yet *posted or settled* to your account. For example:
 - Assume you have an actual balance of \$50. If you were to use your debit card at a restaurant to buy lunch for \$20, then that merchant could ask us to pre-authorize the payment in that amount (or even a different amount). If the merchant requests preauthorization in the amount of \$20, we will place a “hold” on your account for \$20 (referred to as an “authorization hold”). Your actual balance will still be \$50 because this transaction has not yet posted, but your available balance will be \$30 because of the restaurant’s \$20 preauthorization request. When the merchant submits its bill for payment (which could be days later and for a different amount than the amount of the authorization hold), we will release the authorization hold, post the transaction to your account, and your actual balance will be reduced by the amount of the posted transaction.
4. **Your Available Balance and Non-Debit Card Transactions.** For electronic funds transfers (ACH), checks, bill payments, and any other non-debit card transactions, we use your available balance at the time a transaction posts to determine whether your account is overdrawn and whether a fee will be assessed. For information on how your available balance works with respect to debit card transactions, please see Section C.

C. Authorization Holds for Debit Card Transactions.

1. **What is an Authorization Hold?** When you use your debit card to pay for goods or services, the merchant may seek preauthorization from us for the transaction. When we preauthorize the transaction, we commit to make the requested funds available when the transaction finally posts and as such, we generally place a temporary hold against some or all of the funds in the account linked to your debit card, based on the amount of the preauthorization request from the merchant. We refer to this temporary hold as an “authorization hold,” and the amount of the authorization hold will be subtracted from your available balance as authorization requests are received by us throughout each day.
2. **How Does an Authorization Hold Affect Your Available Balance?** Until the transaction finally settles or we otherwise remove the hold (for example, we may remove the hold because it exceeds the time permitted or we determine that it is unlikely to be processed), the funds subject to the hold will not be available to you for other purposes. At some point after you sign for the transaction, it is processed by the merchant and submitted to us for payment. This can happen hours or sometimes days after you signed for it, depending on the merchant and its processing company. We have no control over when a merchant may present an item for payment. Merchant payment requests are received in real time throughout the day and are posted to your account as they are received.
3. **The Amount of an Authorization Hold May Differ from the Amount of the Actual Transaction.** The amount of an authorization hold may differ from the actual transaction amount because the actual transaction amount may not yet be known to the merchant when the authorization request is submitted. For example, this can happen in connection with transactions where your debit card is authorized before your actual transaction amount is known, such as at a restaurant (where you may choose to add a tip to the transaction amount) or a gas station. For these types of transactions, there may be no authorization hold, or the amount of the authorization hold may be different from the transaction amount. In some other cases we may not receive an authorization request from the merchant, and there will be no authorization hold reflected in your available balance. We cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for payment.
4. **Length of an Authorization Hold.** We are permitted to place an authorization hold on your account for up to three (3) business days (or for up to thirty (30) business days for certain types of debit card transactions) from the time of the authorization or until the transaction is paid from your account. However, if the transaction is not submitted for payment, we will release the authorization hold, which will increase your available balance until the transaction is submitted for payment by the merchant and finally posted to your account. If this happens, we must honor the prior authorization and will pay the transaction from your account.

5. In certain instances, when the amount of the authorization hold is either more or less than the amount of the actual transaction, we may maintain the authorization hold even after the purchase amount is actually paid from your account, which will decrease your available balance. However, in these instances, we will not maintain an authorization hold for longer than three (3) business days (or for up thirty (30) business days for certain transactions).
6. **Your Available Balance and Debit Card Transactions.** Everyday debit card transactions are processed against your account at two different times: first, when the transaction is authorized, and again when the transaction actually settles to your account, usually days later. This delay between the time a particular transaction is authorized and when it actually settles to your account is solely within the control of the merchant and its processor. The Credit Union has no control with respect to the time period that elapses between the time a merchant seeks authorization and finally submits the transaction for settlement.

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

When the Credit Union authorizes an everyday debit transaction, the amount of the transaction is subject to a preauthorization hold. This means that the amount of the transaction is subtracted from your actual balance. It is important to understand that even if you have sufficient available funds in your account at the time the transaction is authorized, it is possible that the settlement of the transaction may result in an overdraft to your account, and the incurring of a fee. The two most common scenarios are as follows:

- **Example 1: Purchase transactions where the final amount is initially unknown.** The most common examples of a purchase transaction where the final amount is initially unknown are gas station purchases, restaurant charges, hotel and car reservations. In such cases the transaction will be communicated to the Credit Union for authorization in one amount, but when the transaction actually settles to your Account it does so for a greater amount. For example, if you use your debit card to pay at the pump for a gasoline purchase, you typically must utilize your debit card before operating the pump. The Credit Union may receive an authorization request in the amount of \$15.00. At the time of the authorization request, the available balance in your account is \$30.00, so the Credit Union approves the authorization request, and the available balance in your account is reduced to \$15.00. You proceed with the transaction, and purchase gasoline totaling \$40.00. When that transaction actually settles to your Account in the amount of \$40.00 as opposed to the \$15.00 that was authorized, the available balance in your Account is not sufficient to cover the settlement of the preauthorized transaction. Accordingly, the Credit Union's payment of the preauthorized transaction results in an overdraft, and you will incur a fee (assuming you have opted into the Credit Union's payment of overdrafts for everyday debit transactions).
- **Example 2: Purchase transactions where intervening items paid between authorization and settlement result in the overdraft of your Account.** Assume the same gas station scenario as described in Example 1, except that you purchase gasoline totaling just \$15.00, so the authorized amount of the transaction is the same as the settlement amount of the transaction. However, between the day the transaction was authorized and the day the transaction settles to your account, a check you wrote in the amount of \$35.00 is presented for payment. The available balance in your account at the time of presentment is \$15.00, so the Credit Union returns the check and you incur an NSF Fee, reducing your available balance to less than \$15.00. When the \$15.00 gas station transaction actually settles to your account, the available balance in your account is not sufficient to cover the settlement of the preauthorized transaction, even though the settlement amount of the transaction is the same as the preauthorized amount of the transaction. Accordingly, the Credit Union's payment of the preauthorized transaction results in an overdraft, and you will incur a fee (assuming you have opted into the Credit Union's payment of overdrafts for everyday debit transactions).

For debit card transactions involving merchant authorization holds, we look at the available balance at the time a transaction is authorized and again at settlement to determine whether the transaction will result in an overdraft and a fee. If your available balance is insufficient to pay the preauthorization amount requested by a merchant, and you have not opted into Overdraft Privilege for payment of everyday debit transactions, we will decline the request. If your available balance is sufficient to cover a merchant's authorization request, the authorization request will be approved and an authorization hold will be placed on your account in the amount of the merchant's authorization request.

If your available balance is insufficient to cover a merchant's authorization request, and you have opted into Overdraft Privilege for everyday debit transactions, we may choose to approve the authorization request. In the instance where your available balance was insufficient to cover a merchant's authorization request at the time of authorization without causing the account to have a negative balance, and we choose to authorize the transaction using Overdraft Privilege, we will charge an Overdraft Privilege Fee on that transaction when it posts, regardless of the available balance in the account at the time of posting.

Note that transactions authorized with a merchant as recurring debit card transactions may be covered by Overdraft Privilege regardless of whether you have opted into Overdraft Privilege for the payment of everyday debit card transactions.

D. Payment of Overdrafts.

1. **The Credit Union Has No Obligation to Pay Your Overdrafts.** We are not obligated to pay any item presented for payment if your account does not contain sufficient available funds. If we pay a transaction that overdraws your account, we are not obligated to continue paying such transactions in the future. We may pay all, some, or none of your overdrafts, without notice to you. You are liable to us to repay any overdrafts on your account whether you created them or not. If you do not pay us, and we take collection action against you, you agree to pay for any costs of collection. We may close, without notice, any account with excessive overdraft activity, and report the account to a consumer reporting agency.
2. **Fees Associated with Overdrawing Your Account – Overdraft Privilege Fees.** We assess a fee each time an item is presented for payment that we either pay, resulting in an overdraft, or which we decline to pay because payment of the item would result in an overdraft had we paid it. If we pay an item in accordance with Overdraft Privilege, we will charge you an Overdraft Privilege Fee. There is no limit on the total fees we can charge you for overdrafting your account.
3. **Fees Associated with Overdrawing Your Account – Overdraft Transfer Service.** There are no fees associated with using our Overdraft Transfer Service.
4. **Fees Associated with Overdrawing Your Account – NSF Fees.** If we do not pay an item, we will return the item and charge you an NSF Fee each time an item is presented for payment and we return it unpaid due to an insufficient available balance. We have no control over the number of times an intended payee may resubmit the same item to us for payment. There is no limit on the total fees we can charge you for overdrafting your account.
5. **Fee Schedule.** Please refer to the Fee Schedule for a current listing of all fees associated with overdrawing your account.

6. **YOU ACKNOWLEDGE THAT YOU MAY STILL OVERDRAW YOUR ACCOUNT EVEN THOUGH THE AVAILABLE BALANCE APPEARS TO SHOW THERE ARE SUFFICIENT AVAILABLE FUNDS TO COVER A TRANSACTION THAT YOU WANT TO MAKE.** This is because your available balance may not reflect all of the outstanding checks, automatic bill payments that you have authorized, or other outstanding transactions that have not yet been paid from your account. For example, you may have written a check that is still outstanding because it has not been submitted for payment by the payee. That check will not be reflected in your available balance until it is presented to us and paid from your account.

In addition, your available balance may not reflect all of your debit card transactions. We have no control over when a merchant submits an item for payment. For example, if a merchant obtains our prior authorization but does not submit an everyday debit card transaction for payment within three (3) business days of authorization (or for up to thirty (30) business days for certain types of debit card transactions including, but not limited to, car rental transactions and international transactions), we are required to release the authorization hold on the transaction. Your available balance will not reflect this transaction once the hold has been released. Please refer to the section entitled "Authorization Holds for Debit Card Transactions" for information about how authorization holds affect your available balance.

Finally, your available balance may not reflect the most recent deposits to your account. Please refer to the Funds Availability Disclosure for information regarding the availability of your deposits for withdrawal.

E. How Transactions Are Posted to Your Account.

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

- **Credits.** Deposits are generally added to your account when we receive them. However, in some cases when you deposit a check, the full amount of the deposit may not be available to you at the time of deposit. Please refer to the Funds Availability Policy Disclosure for details regarding the timing and availability of funds from deposits.
- **Debits.** There are several types of debit transactions. Common debit transactions are generally described below. Keep in mind that there are many ways transactions are presented for payment by merchants, and we are not necessarily in control of when transactions are received.
- **Checks.** When you write a check, it is processed through the Federal Reserve system. We receive data files of cashed checks from the Federal Reserve each day. The checks drawn on your account are compiled from these data files and paid each day. We process the payments from low to high dollar value.
- **ACH Payments.** We receive data files every day from the Federal Reserve with Automated Clearing House (ACH) transactions. These include, for example, automatic bill payments you have authorized. ACH transactions for your account are posted throughout the day in order of receipt.
- **PIN-Based Debit Card Purchase Transactions.** These are purchase transactions using your debit card for which a merchant may require you to enter your personal identification number (PIN) at the time of sale. They are processed through a PIN debit network. These transactions are similar to ATM withdrawal transactions because the money is usually deducted from your account immediately at the time of the transaction. However, depending on the merchant, a PIN-based transaction may not be immediately presented for payment.
- **Signature-Based Debit Card Purchase Transactions.** These are purchase transactions using your debit card that are processed through a signature-based network. Rather than entering a PIN, you typically sign for the purchase; however, merchants may not require your signature for certain transactions. Merchants may seek authorization for these types of transactions. The authorization request places a hold on funds in your account when the authorization is completed. The "authorization hold" will reduce your available balance by the amount authorized but will not affect your actual balance. The transaction is subsequently processed by the merchant and submitted to us for payment. This can happen hours or sometimes days after the transaction, depending on the merchant and its payment processor. These payment requests are received in real time throughout the day and are posted to your account when they are received.
The amount of an authorization hold may differ from the actual payment because the final transaction amount may not yet be known to the merchant when you present your card for payment. For example, if you use your debit card at a restaurant, a hold will be placed in an amount equal to the bill presented to you; but when the transaction posts, it will include any tip that you may have added to the bill. This may also be the case where you present your debit card for payment at gas stations, hotels and certain other retail establishments. We cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for payment.

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

F. Overdraft Protection Plan – Overdraft Transfer Service.

1. **Overdraft Transfer Service.** We offer an overdraft protection plan that we refer to as our "Overdraft Transfer Service" where funds from a designated linked account are used for overdraft protection. We will look first to this service for overdraft protection before applying our discretionary Overdraft Privilege Overdraft Service when your account is overdrawn. The Overdraft Transfer Service may save you money on the total fees you pay us for overdraft protection.

With this service, you authorize us to make transfers of available funds automatically from your designated linked account, plus the overdraft transfer fees, to cover overdrafts in your Share Draft Account. The Overdraft Transfer Service is automatically added to your eligible Share Draft Accounts at account opening. To request changes to or to terminate the Overdraft Transfer Service: (1) call us at 989-356-3577 or 800-443-3577; (2) visit any branch and speak with a Representative; or (3) mail a request to 1100 S. Bagley Street, P.O. Box 515, Alpena, MI 49707.

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

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

2. **Limits on Overdraft Transfer Service.** We will not transfer more than the available account balance in designated linked account if the amount of the overdraft and related fee(s) exceed the available amount. If the available balance in a designated linked account is not enough to pay the full amount of the transaction(s) you have initiated on any day, we will transfer up to the available balance to pay one or more transactions. Any transactions that are not paid by the transfer will either be paid through our Overdraft Privilege Service or returned, and Overdraft Privilege Fees, and/or NSF Fees, as applicable, will be assessed.

The following example illustrates how this works if you have elected **both** Overdraft Transfer Service and Overdraft Privilege Overdraft Service:

Assume your actual and available balances in your Share Draft Account are both \$50, and your available balance in your savings account is \$10. You write a check for \$80. When the check is presented for payment, because you don't have \$80 available in your Share Draft Account or designated linked account, the item cannot be fully paid using the Overdraft Transfer Service from the designated linked account. However, if you have also elected Overdraft Privilege, we may elect to transfer the \$10 in your designated linked account and pay the remaining portion of the item using Overdraft Privilege. In such case, you will be assessed an Overdraft Privilege Fee.

However, because Overdraft Privilege is a discretionary service, we may instead elect to decline to pay the transaction. If we decline to pay the transaction, we will not transfer any funds from your designated linked account, we will decline the transaction, and we will assess you an NSF Fee **each time** the item is presented for payment. It is important to remember that we have no control over how many times an intended payee may present the same item for payment. Multiple presentments of the same item will result in multiple fees.

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

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

4. **Termination of Overdraft Transfer Service.** We may terminate the Overdraft Transfer Service at any time with or without notice to you. Any owner of the Share Draft Account or any owner of a designated linked account used for overdraft protection may terminate the Overdraft Transfer Service. To terminate the Overdraft Transfer Service: (1) call us at 989-356-3577 or 800-443-3577; (2) visit any branch and speak with a Representative; or (3) mail notice of your decision to decline the Overdraft Transfer Service to 1100 S. Bagley Street, P.O. Box 515, Alpena, MI 49707. Your election to terminate will be effective after we have received notice and have had a reasonable time to act on it.

G. Overdraft Privilege Overdraft Service

1. **Overdraft Privilege.** In accordance with our commitment to provide valued service and benefits, we may, if you qualify, at our discretion, pay overdrafts that would cause your eligible Share Draft Account to have a negative balance up to the amount of your limit, which is determined by us in our sole and absolute discretion. Overdraft Privilege is different than the Overdraft Transfer Service. Overdraft Privilege is a backup to the Overdraft Transfer Service and will only be activated if funds are not available from the Overdraft Transfer Service. Note that Overdraft Privilege is **not** available for business/organizational accounts, minor accounts, or for fiduciary accounts (e.g., trust, escrow, representative payee, guardianship, etc.).
2. **What Overdraft Transactions are Covered?** Overdraft Privilege is available for the payment of checks, preauthorized payments under our Bill Payment Service, ACH drafts, and recurring debit transactions. Overdraft Privilege is also available for everyday debit card transactions, if you opt-in, as described in the next section below.
3. **Optional Overdraft Transactions.** The following types of transactions require you to "opt in" (in other words, you must provide us with your affirmative consent) if you would like to include them in Overdraft Privilege. Choosing not to opt in may result in these transactions being declined:

ATM transactions
Everyday Debit Card transactions

We do not require you to authorize Overdraft Privilege for your ATM and everyday debit card transactions as a condition of us providing Overdraft Privilege to you for your checks, ACH transactions or other transactions. If you want the Credit Union to authorize and pay overdrafts for ATM and everyday debit card transactions through Overdraft Privilege, you must provide us with your consent by: (1) calling us at 989-356-3577 or 800-443-3577; (2) visiting any branch and speaking with a Representative; (3) mailing notice of your decision to opt in to Overdraft Privilege for ATM and everyday debit card transactions to 1100 S. Bagley Street, P.O. Box 515, Alpena, MI 49707; or (4) opting into Overdraft Privilege through online banking.

4. **Eligibility for Overdraft Privilege.** Overdraft Privilege is not a credit product. It is a feature that is automatically included with eligible Share Draft Accounts (unless you decline Overdraft Privilege entirely as described below or information we get from a consumer reporting agency does not meet Credit Union standards). Eligibility is at the sole discretion of the Credit Union and is based on you managing your Share Draft Account in a responsible manner. Overdraft Privilege may be available for Share Draft Accounts for which the primary account owner is 18 years of age or older. We reserve the right to limit Overdraft Privilege to one (1) account per household or member. We may suspend or permanently revoke Overdraft Privilege from your Share Draft Account, in our sole and absolute discretion, based on any one or more of the following criteria:

Your account has been open less than 30 days;

Your account has been overdrawn for more than 5 consecutive days during the first 30 days the account was open;

You are not making regular deposits into your Share Draft Account;

You do not bring your Share Draft Account to a positive balance for at least one full business day within a thirty (30) day period;

Your membership is not in good standing;

You are more than thirty (30) days past due or are in default in any other respect on any loan or other obligation to us;

You have an outstanding balance due on an overdraft repayment plan;

Your primary savings account does not have a positive balance;

Your Share Draft Account is subject to any legal or administrative orders or levies;

You have insufficient credit or negative credit history;

A ChexSystems or other negative indicator is present;

You are a party to a bankruptcy proceeding;

Any or all of your account(s) with us are being reviewed for improper activity or transactions;

Your Share Draft Account is classified as inactive;

You use the Service to pay items written to check cashing agencies;

You have an unresolved prior loss with us; or

We believe you are not managing your Share Draft Account in a responsible manner which may harm you or us.

5. **Overdraft Privilege is a Discretionary Privilege.** Any payment made by us under Overdraft Privilege will be made on a case-by-case basis, in our sole and absolute discretion. Overdraft Privilege does not constitute an actual or implied agreement between you and the Credit Union, nor does it constitute an actual or implied obligation of the Credit Union. Overdraft Privilege is a privilege that the Credit Union provides from time to time and which may be withdrawn or withheld by the Credit Union at any time, without prior notice, reason or cause.
6. **Notification.** If you qualify for Overdraft Privilege, we may refuse to pay an overdraft at any time, even though we may have previously paid overdrafts. We have no obligation to notify you before we pay or return any item. It is important to remember that Overdraft Privilege is a purely discretionary benefit offered by the Credit Union. If at any time we determine that your account is no longer eligible for Overdraft Privilege for any reason, we can discontinue it immediately without notice to you.
7. **How Overdraft Privilege is Administered.** If you are eligible for the Service, we will generally pay your overdraft items up to a maximum amount established by the Credit Union in its sole and absolute discretion, including fees. We are not required to notify you of any nonsufficient funds checks, ACH items, or other transactions that may have been paid or returned. We may refuse to pay any overdrafts without first notifying you even though your account is in good standing and even if we have paid previous overdrafts.
8. **When is the overdraft payment due?** The total of the overdraft (negative) balance in your Share Draft Account, including any and all fees and charges, is due and payable upon demand, and you are required to immediately deposit sufficient funds to cover the overdraft paid by us and pay the related fees.
9. **Overdraft Privilege Fees.** An Overdraft Privilege Fee will be charged to your Share Draft Account, in accordance with our Fee Schedule, for each overdraft that is authorized and paid through the Service. This means that more than one Overdraft Privilege Fee may be assessed against your Share Draft Account per day depending upon the number of overdrafts authorized and paid through Overdraft Privilege. You understand that your Overdraft Privilege Limit will be reduced by the amount of each overdraft paid by us through Overdraft Privilege and the amount of the related Overdraft Privilege Fee imposed until such amounts are repaid by you as set forth herein at which time we may replenish your Overdraft Privilege Limit by the amount of the repayment. If we choose not to pay the item/transaction under Overdraft Privilege, you are subject to a Non-Sufficient Funds (NSF) Fee in accordance with our Fee Schedule for each such item each time it is presented for payment and returned unpaid due to an insufficient available balance. Your periodic statement will itemize Overdraft Privilege Fees and NSF Fees for each cycle, as well as the year-to-date total of fees.
10. **Transfers to Cover Overdrafts.** You understand and agree that we have the right to transfer available funds to your Share Draft Account from any of your other account(s) with us (excluding IRAs, HSAs, ESAs, and certificate accounts), including account(s) upon which you are a joint owner, in an amount equal to the overdraft and related fees.
11. **Right of Setoff.** In addition to any other rights that we may have, you agree that any deposits, future deposits, or other credits to any account in which you may now or in the future may have an interest are subject to our right of setoff for any liabilities, obligations or other amounts owed to us by you (e.g., overdrafts and any related fees and charges) and such is applicable irrespective of any contribution to the account or source of funds in the account. Moreover, unless you decline Overdraft Privilege (see below), you consent and expressly agree that the application of setoff of funds in any account includes the setoff of government benefits (such as Social Security and other public benefit funds) deposited to the account from which the overdraft or related fees are paid to the maximum extent permitted by applicable state and federal law. Each person who causes an overdraft, which is paid by us, agrees to be individually and jointly obligated to repay the unpaid negative balance in accordance with the terms and conditions of Overdraft Privilege.
12. **Default.** You will be in default under the terms of Overdraft Privilege if you fail to live up to any of the terms and conditions set forth herein or you are in default on any loan obligation with us and/or a negative balance exists in any other deposit account with us on which you are an owner. If you are in default, in addition to any other rights we may have, we may temporarily suspend overdraft privileges, terminate Overdraft Privilege, or close your Share Draft Account and demand immediate payment of the entire unpaid negative balance. You also agree to pay any collection costs, attorneys' fees and court costs that we may incur as a result of your default.
13. **Termination; Suspension.** We may terminate or suspend Overdraft Privilege at any time without prior notice. In no event will any termination relieve you of your obligation to repay any negative account balance, overdraft fees, collection costs and attorneys' fees, if any. We can delay enforcing any of our rights without losing them.
14. **Your Right to Decline Overdraft Privilege. Any owner of the Share Draft Account may decline the service.** If you prefer not to have the Service, visit us in a branch, contact us at 989-356-3577 or 800-443-3577, or write to us at 1100 S. Bagley Street, P.O. Box 515, Alpena, MI 49707, and include your name, member number and a statement that you are declining the Credit Union's Overdraft Privilege Service and we will remove the Service from your

Share Draft Account. If you decline the Service, you will still be charged an NSF Fee for each item returned each time an item is presented for payment and returned unpaid due to an insufficient available balance.

15. **Other Overdraft Protection Plans.** As discussed in more detail above, we also offer the Overdraft Transfer Service which links your Share Draft Account to a designated linked account, as well as other overdraft sources and may be less expensive than Overdraft Privilege. To learn more, please ask us about these plans.

THE BEST WAY TO KNOW HOW MUCH MONEY YOU HAVE AND AVOID PAYING OVERDRAFT FEES IS TO RECORD AND TRACK ALL OF YOUR TRANSACTIONS CLOSELY. PLEASE REVIEW THIS INFORMATION CAREFULLY. IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT US AT 989-356-3577 or 800-443-3577 OR VISIT ANY BRANCH.

SHARE INSURANCE

Your savings in the Credit Union are insured up to at least \$250,000 by the National Credit Union Administration (NCUA), an agency of the Federal Government, in accordance with regulations promulgated by the NCUA. For more information regarding share insurance, please refer to the NCUA brochure entitled "Your Insured Funds," which can be found at the Credit Union office or at www.ncua.gov. Because we are not authorized to provide legal advice, we cannot counsel you as to how to structure your accounts in order to maximize your account insurance protection.

CASH WITHDRAWAL LIMITATIONS

For security reasons we may limit the amount of withdrawals that may be taken in cash from an account or by any given individual; we will establish such limits in our discretion from time to time. Please contact us if you have any questions about such limits.

FUNDS AVAILABILITY

If you make a deposit into any account you have with us, that money may not be available to you right away. Refer to the Funds Availability Disclosure below for information regarding the availability of funds deposited into a Share Draft Account. For other accounts, the funds may not be available for a longer period of time. Ask us at the time of deposit (or any time afterward) if you need to know when funds from any given deposit will be available.

NOTICE OF WITHDRAWALS

All of your accounts are subject to the Credit Union's right to require advance notice of withdrawal, as provided by law or in the Credit Union's Bylaws.

FEES

Any account may be subject to service charges in accordance with the Fee Schedule adopted by the Credit Union from time to time. You agree to pay us fees in connection with your accounts in accordance with the Fee Schedule then in effect (refer to the Fee Schedule for a current list of fees). We will provide advance notice of any increase in current charges, or any new charges, as required by law. We may deduct any fees owed from any of your accounts, except that no fee may be deducted from an IRA, HSA, or ESA unless the fee relates to the IRA, HSA, or ESA. We reserve the right to waive any fees in our sole discretion. Fees may reduce earnings on any of your accounts.

RETURN OF DEPOSITS/CLOSED ACCOUNTS

We may, at any time, in our sole discretion, refuse to accept any deposit, or close any or all of your accounts with us without prior notice to you. However, we may not terminate your membership in the Credit Union without satisfying the requirements of applicable law. If we close an account, we will notify you and send you a check for any balance in that account after deducting all applicable charges and fees. We may, in our discretion, exercise our right of setoff with regard to such amounts if we have such a right with regard to the account. Any withdrawal that reduces the amount in an account to zero (other than a Share Draft Account) may automatically close that account. We are not liable for any check, withdrawal or other payment order after an account is closed. Any checks or other payment orders presented after your account has been closed will be returned unpaid. We reserve the right to advise consumer reporting agencies and other third parties of accounts closed for misuse.

FINAL CREDIT FOR DEPOSITS

All deposits are subject to proof and verification. If you deposit a check, draft or other non-cash item, we have the right to clear it before we make the money available to you subject to applicable federal law and regulations. If there are special fees for collecting your deposit, you promise to pay them (see the Fee Schedule for a list of fees). We may deduct them directly from the account into which the deposit was made. If we feel there is a reason, we may refuse, limit or return any deposit. We have the right to refuse to accept any deposit. We specifically reserve the right to refuse to accept checks for any purpose that have more than one endorsement; However, we generally will not refuse to accept such a deposit if all of the endorsers are original payees on the check and all are owners of the account into which the deposit is being made. We reserve the right not to pay dividends on amounts subject to garnishment, levy or other legal process; and we reserve the right not to pay dividends on the amount of any deposited item that is returned to us unpaid by the financial institution on which it is drawn (even if that means a reversal of credited dividends).

FORM OF NEGOTIABLE INSTRUMENTS

All negotiable instruments presented must be in a format that can be processed and/or photographed. The Credit Union may refuse to accept any check or draft that does not meet this requirement. You agree not to deposit checks or other items before they are properly payable.

ENDORSEMENT

All endorsements placed on the reverse side of any check or draft which you deposit to your account or otherwise negotiate must be placed so that they are on the left side of the item when looking at it from the front and must be placed so they do not go beyond an area located 1 and ½ inches from the left edge of the item when looking at it from the front. The Credit Union may refuse to accept any item that does not meet this requirement, and, if the credit union does accept it, you agree that you are completely responsible for any loss we incur which is premised on an endorsement not meeting this requirement, including any court costs and reasonable attorney fees. We may accept checks for deposit into any of your accounts if they are made payable to you, or to the order of one (1) or more account owners even if they are not endorsed by all payees. You authorize us to supply missing endorsements of any owners if we choose. However, for checks with more than one payee we may at our option require the endorsement of all payees and may require that all of them be present for negotiating the check.

INACTIVE ACCOUNTS

The Credit Union will consider your account inactive after 12 months of no consistent deposits or withdrawals on your account. This excludes dividends credited to your account by the Credit Union. Michigan Law permits the Credit Union to turn these funds over to the State after two years of no activity and requires the Credit Union to turn these funds over to the State after three years of no activity. Before turning funds from inactive accounts over to the State of Michigan, the Credit Union will send notices as required by Michigan law advising you of your rights. The Credit Union may charge a fee on inactive accounts. Please refer to our Fee Schedule. The Credit Union also reserves the right to close any account for inactivity.

STATEMENT

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

You should examine each periodic statement carefully and reconcile the accounts reflected on that statement. If there are any discrepancies, you should notify us immediately. Except as expressly provided for elsewhere, you have the responsibility for any fraud loss if you fail to exercise reasonable care in examining the statement or fail to report forgeries or alterations to the Credit Union within 60 days of the mailing date of the earliest statement containing those items.

AGREEMENT

This Agreement shall be effective and shall govern all share/deposit accounts with us. By signing a Membership and Account Application, signing any application to add an account after your Regular Share Account has been established, making deposits or withdrawals, or leaving amounts on deposit, you agree to the terms of this Agreement and to all amendments to this Agreement. This Agreement shall supersede all previous agreements for such accounts.

AMENDMENT

We may change any of the items of this Agreement at any time without prior notice to you if the change is favorable to you. We may make changes that are adverse to you only if we provide you with any notice required by law or required in this Agreement. You agree that our provision of a notice to you summarizing the changes together with information on how you may obtain a complete copy of the revised Agreement constitutes sufficient notice of the change. When we change this Agreement, you may close the account if you do not agree to the changes; if you continue to use the account or keep the account open after the effective date of such change, you will be deemed to have agreed to the changes.

NOTICE OF NAME OR ADDRESS CHANGES

You are responsible for notifying us of any address or name change. Whenever we are required to send you notice, the Credit Union is only required to attempt to communicate with you at the most recent address you have provided to us in writing. The Credit Union requires all notices of change in address or name to be in writing. If you submit a name or address change to us by mail, we require that the request be notarized. You may also change your address through online banking. Mailed notices to us should be sent to:

Alpena Alcona Area Credit Union
1100 S Bagley St
PO Box 515
Alpena, MI 49707

OTHER NOTICES

All notices regarding the account will be posted in our office lobbies or will be sent to you to the address shown on your statement. In the event of joint ownership, notice by or to any one joint owner shall be deemed notice by or to all. We reserve the right not to send notice for accounts we consider inactive.

EFFECT OF NOTICE

Any written notice you give us is effective when we receive it. Any written notice we give to you is effective when it is deposited in the U.S. Mail, postage prepaid and addressed to you at your statement mailing address.

INDEMNITY

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

SEVERABILITY

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

ACCOUNTS NOT TRANSFERRABLE

None of your accounts are transferable, except on the Credit Union's books and records, without the Credit Union's prior written consent.

WAIVER

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

OFFSET

Except for debts that are secured by your principal residence, if you owe us money as a borrower, guarantor, endorser or otherwise, we have a lien on the funds in any account in which you have an ownership interest, regardless of their source, unless the account is an IRA, HSA or Coverdell Educational Savings Account, or the lien is prohibited by law. We may apply these funds in any order to pay off your indebtedness. By not enforcing a lien, we do not waive our right to enforce it later. In addition, you grant the Credit Union a consensual security interest in your accounts (except IRAs, HSAs and Coverdell Educational Savings Accounts) and we may use the funds from your accounts to pay any debt or amount now or hereafter owed the Credit Union, except for obligations secured by your residence, unless prohibited by applicable law.

TELEPHONE REQUESTS

You agree (for joint accounts, all joint owners agree jointly and severally) that funds in any of your accounts with us can be transferred upon the telephone request of any signer on the account. We may refuse to execute any telephone request or order. Telephone requests will not be accepted for Multiple Signatures Required Accounts.

INFORMATION ABOUT YOUR ACCOUNTS AND YOU

Generally, we will not disclose information to third parties about your accounts or about you without your permission. However, we may disclose information: (1) when it is necessary to complete transfers or transactions, or to send notice of dishonor or nonpayment; (2) to our accountants, attorneys or other professional advisors; (3) to Credit Union or financial institution regulators; (4) to exchange, in the regular course of business, credit information with other financial institutions or commercial enterprises, directly or through credit reporting agencies; (5) to advise third parties of accounts closed for misuse; (6) to furnish information to the appropriate law enforcement authorities when we believe we have been a victim of a crime; (7) to comply with government agency or court orders, or to furnish any information required by statute; (8) to furnish information about the existence of an account to a judgment creditor of yours who has made a written request for such information if the court rendering the judgment has jurisdiction over the Credit Union and could issue a garnishment that would be binding on the Credit Union; (9) when we are attempting to collect an obligation owed to us; or (10) as required by law. In addition, you understand and agree that we may, from time to time, request and review credit reports and other information about you prepared by consumer reporting agencies or others.

LEGAL PROCESS

If any legal action is brought involving your account, we may pay out funds according to the terms of the action or refuse any pay out until the dispute is resolved. Any expenses or attorney fees we incur responding to legal process may be charged against your account without notice, unless prohibited by law. Any legal process against your account is subject to our lien and security interest.

COSTS FOR FAILURE TO FOLLOW AGREEMENT

Except as may otherwise be required by law, you are liable to us for any losses, costs, and expenses we incur resulting from your failure to follow this Agreement. You authorize us to deduct any such losses, costs, or expenses from your account without prior notice to you. If we bring a legal proceeding to collect any amount due under or to enforce this agreement, we shall be entitled, subject to applicable law, to payment of reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post judgment collection actions.

COOPERATION IN LOSS RECOVERY EFFORTS

Except as may otherwise be prohibited by law, you agree to fully cooperate in any effort we undertake to recover funds that were taken from your account without authorization. For example, you will sign affidavits of loss or forgery that may be required by our insurance company. You also agree to cooperate fully in any prosecution that may be initiated by the proper authorities pursuant to us filing a complaint about unauthorized activities involving your account. If a loss is the result of our actions (we lose a check you deposited, for example), you agree to help us to recover the loss, but we will be responsible for all expenses involved.

STANDARD OF CARE

Except where applicable law or this Agreement provides otherwise, we will not be liable for any events not involving our intentional misconduct or gross negligence.

RESPONSIBILITY FOR YOUR TRANSACTIONS NOT INVOLVING YOUR ACCOUNT

If (i) you present a check or other item to us drawn on another financial institution for cash over the counter or for payment of any obligation owing to us or (ii) we initiate an automated clearinghouse (ACH) transfer to another financial institution for any obligation owing to us and the check, other item, or ACH transfer is returned to us unpaid for any reason not attributable to us, we may charge a returned transaction fee to any of your accounts (except accounts described in the "Offset" section as not being subject to lien or setoff rights) or, to the extent allowed by law, charge a returned transaction fee to the obligation for which payment was intended.

TAXPAYER IDENTIFICATION NUMBERS AND BACKUP WITHHOLDING

Your failure to furnish a correct Taxpayer Identification Number (TIN) or meet other Internal Revenue Code requirements may result in backup withholding. If your account is subject to backup withholding, we must withhold and pay to the Internal Revenue Service (IRS) a percentage of dividends, interest and certain other payments. If you have designated on a W-9 that you have applied for a TIN, you must provide the TIN within 60 days. Upon the expiration of the 60-day period, the Credit Union may begin withholding from your account.

SPECIAL ACCOUNT INSTRUCTIONS

You may request that we facilitate certain trust, will, or court-ordered account arrangements. However, because we do not give legal advice, we cannot counsel you as to which account arrangement most appropriately meets the specific requirements of your trust, will, or court order. If you ask us to follow any instructions that we believe might expose us to claims, lawsuits, expenses, liabilities, or damages, whether directly or indirectly, we may refuse to follow your instructions or may require you to indemnify us or post a bond or other protection.

CHANGES REQUESTED BY YOU

Account changes requested by you, such as adding or closing an account or service, must be submitted by you and accepted by us. The Credit Union reserves the right to require account changes to be submitted in writing.

TERMINATION OF ACCOUNT

Notwithstanding any other provisions in this Agreement, we may terminate your account at any time without notice to you, or we may require you to close your account and apply for a new account if: (1) there is a change in owners or authorized signers; (2) there has been a forgery or fraud reported or committed involving your account; (3) there is a dispute as to the ownership of the account or of the funds in the account; (4) any checks related to the account, whether blank or completed, are lost or stolen; (5) there are excessive overdrafts drawn on the account that are not covered by an overdraft protection plan; (6) there has been any misrepresentation or any other abuse of any of your accounts; or (7) we reasonably deem it necessary to prevent a loss to us or otherwise determine in our sole discretion that there is a reason to do so. You may terminate a single party account by giving written notice. We reserve the right to require the consent of all owners to terminate a multiple party account. An owner may give up his/her ownership rights in a multiple party account at any time by completing a document acceptable to the Credit Union in that regard; however, such removal will not relieve such an owner from any liability for which such owner had with respect to the account immediately prior to the removal. We are not responsible for payment of any check withdrawal, or other item after your account is terminated, however, if we pay an item after termination, you agree to reimburse us.

NEGATIVE INFORMATION NOTICE

We may report information about your loan, share, or deposit accounts to consumer reporting agencies. Late payments, missed payments, negative balances, and other default on your accounts may be reflected in your credit report.

PERIODIC CHECK OF OWNERSHIP ARRANGEMENTS

You agree to check all records related to your account periodically (not less than once per year) to ensure that all ownership and beneficiary arrangements are set up in the way that you desire. You agree to contact the credit union immediately if any ownership or beneficiary arrangement is not how you wish it to be. You further

agree to hold the credit union harmless from any claims that any ownership or beneficiary arrangement related to your account is not set up as you desire.

TELEPHONE MONITORING AND CALLING

From time to time you agree we may monitor and record telephone calls made or received by us or our agents regarding your account to assure the quality of our service. In order for us to service the account or to collect any amounts you may owe, and subject to applicable law, you agree that we may from time to time make calls and send text messages to you using prerecorded/artificial voice messages or through the use of an automatic dialing device at any telephone number you provide to us in connection with your account, including a mobile telephone number that could result in charges to you.

TERMINATION OF MEMBERSHIP

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

GOVERNING LAW

This Agreement shall be governed by the laws, including applicable principles of contract law, and regulations of the State of Michigan, except as superseded by federal laws and regulations. This Agreement is also subject to the Credit Union's Bylaws, and to local clearinghouse rules.

BINDING ARBITRATION AND CLASS ACTION WAIVER-RESOLUTION OF DISPUTES BY ARBITRATION

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

- A. **Agreement to Arbitrate Disputes.** Either you or we may elect, without the other's consent, to require that any dispute between us concerning your membership, your deposit accounts ("Accounts") and the services related to your membership and Accounts, including but not limited to all disputes that you may raise against us, must be resolved by binding arbitration, except for those disputes specifically excluded below.
- B. **No Class Action or Joinder of Parties.** YOU ACKNOWLEDGE THAT YOU AND WE AGREE THAT NO CLASS ACTION, CLASS-WIDE ARBITRATION, PRIVATE ATTORNEY GENERAL ACTION, OR OTHER PROCEEDING WHERE SOMEONE ACTS IN A REPRESENTATIVE CAPACITY, MAY BE PURSUED IN ANY ARBITRATION OR IN ANY COURT PROCEEDING, REGARDLESS OF WHEN THE CLAIM OR CAUSE OF ACTION AROSE OR ACCRUED, OR WHEN THE ALLEGATIONS OR FACTS UNDERLYING THE CLAIM OR CAUSE OF ACTION OCCURRED. Unless mutually agreed to by you and us, claims of two or more persons may not be joined, consolidated, or otherwise brought together in the same arbitration (unless those persons are joint account holders or beneficiaries on your account and/or related accounts, or parties to a single transaction or related transaction), whether or not the claim may have been assigned.
- C. **Disputes Covered by Arbitration. YOU ACKNOWLEDGE THAT IN ARBITRATION THERE WILL BE NO RIGHT TO A JURY TRIAL.** Any claim or dispute relating to or arising out of your Accounts or our relationship will be subject to arbitration, regardless of whether that dispute arose before or after your receipt of this notice. Disputes include claims made as part of a class action, private attorney general or other representative action, it being expressly understood and agreed to that the arbitration of such claims must proceed on an individual (non-class, non-representative) basis and the arbitrator may award relief only on an individual (non-class, non-representative) basis. Disputes also include claims relating to the enforceability or interpretation of any of these arbitration provisions. Any questions about whether disputes are subject to arbitration shall be resolved by interpreting this arbitration provision in the broadest way the law will allow it to be enforced.

All disputes are subject to arbitration, no matter what legal theory they are based on, or what remedy (damages, or injunctive or declaratory relief) they seek. Disputes include any unresolved claims concerning any services relating to your Accounts. Disputes include not only claims made directly by you, but also made by anyone connected with you or claiming through you, such as a joint account holder, account beneficiary, employee, representative, agent, predecessor or successor, heir, assignee, or trustee in bankruptcy. Disputes include not only claims that relate directly to the Credit Union, but also its affiliates, successors, assignees, officers, directors, employees, and agents, and claims for which we may be directly or indirectly liable, even if we are not properly named at the time the claim is made. Disputes include claims based on any theory of law, contract, statute, regulation, tort (including fraud or any intentional tort), or any other legal or equitable ground, and include claims asserted as counterclaims, cross-claims, third-party claims, interpleaders or otherwise; and claims made independently or with other claims. If a party initiates a proceeding in court regarding a claim or dispute which is included under this Resolution of Disputes by Arbitration provision, the other party may elect to proceed in arbitration pursuant to this Resolution of Disputes by Arbitration provision.

- D. **Disputes Excluded from Arbitration.** Disputes filed by you or by us individually in a small claims court are not subject to arbitration, so long as the disputes remain in such court and advance only an individual (non-class, non-representative) claim for relief. However, if a matter in small claims court is removed, transferred, or appealed to a non-small claims court, that claim shall be subject to this Resolution of Disputes by Arbitration provision. Our claims or disputes against you arising from your status as a borrower under any loan agreement with the Credit Union or to collect any funds you may owe us are also excluded from this Resolution of Disputes by Arbitration provision.
- E. **Commencing an Arbitration.** The arbitration must be filed with one of the following neutral arbitration forums and follow its rules and **procedures** for initiating and pursuing an arbitration: American Arbitration Association or JAMS. If you initiate the arbitration, you must notify us in writing at:

Alpena Alcona Area Credit Union
Attention: Executive Management
1100 S Bagley St
PO Box 515
Alpena, MI 49707

If we initiate the arbitration, we will notify you in writing at your last known address on file. You may obtain a copy of the arbitration rules for these forums, as well as additional information about initiating an arbitration by contacting these arbitration forums:

American Arbitration Association
1-800-778-7879 (toll-free)
www.adr.org

JAMS
1-800-352-5267 (toll-free)
www.jamsadr.com

The arbitration shall be conducted in the same city as the U.S. District Court closest to your home address, unless the parties agree to a different location in writing.

- F. **Administration of Arbitration.** The arbitration shall be decided by a single, neutral arbitrator. The arbitrator will be either a lawyer with at least ten years of experience or a retired or former judge selected in accordance with the rules of the arbitration forum. The arbitrator shall follow procedures and rules of the arbitration forum in effect on the date the arbitration is filed unless those rules and procedures are inconsistent with this arbitration provision, in which case this arbitration provision will prevail. Those provisions and rules may limit the discovery available to you or us. The arbitrator will take reasonable steps to protect customer account information and other confidential information if requested to do so by you or by us. The arbitrator shall decide the dispute in accordance with applicable substantive law consistent with the Federal Arbitration Act and applicable statutes of limitations, will honor claims of privilege recognized at law, and will be empowered to award any damages or other relief provided for under applicable law. The arbitrator will not have the power to award relief to, or against, any person who is not a party to the arbitration. An award in arbitration shall determine the rights and obligations between the named parties only, and only in respect of the claims in arbitration, and shall not have any bearing on the rights and obligations of any other person, or on the resolution of any other dispute. You or we may choose to have a hearing and be represented by counsel. The decision rendered by the arbitrator shall be in writing. At your or our request, the Arbitrator shall issue a written, reasoned decision following applicable law and relief granted must be relief that could be granted by the court under applicable law. Judgment on the arbitration award may be entered by any court of competent jurisdiction.
- G. **Costs.** The party initiating the arbitration shall pay the initial filing fee. If you file the arbitration and an award is rendered in your favor, we will reimburse you for your filing fee. If there is a hearing, we will pay the fees and costs of the arbitration for the first day of that hearing. All other fees and costs will be allocated in accordance with the rules of the arbitration forum. However, we will advance or reimburse filing and other fees if the arbitrator rules that you cannot afford to pay them or finds other good cause for requiring Us to do so, or if you ask us in writing and we determine there is good reason for doing so. Each party shall bear the expense of their respective attorneys, experts, and witnesses and other expenses, regardless of who prevails, but a party may recover any or all costs and expenses from another party if the arbitrator, applying applicable law, so determines.
- H. **Right to Resort to Provisional Remedies Preserved.** Nothing herein shall be deemed to limit or constrain our right to resort to self-help remedies, such as the right of set-off or the right to restrain funds in an account, to interplead funds in the event of a dispute, to exercise any security interest or lien we may hold in property, or to comply with legal process, or to obtain provisional remedies such as injunctive relief, attachment, or garnishment by a court having appropriate jurisdiction; provided, however, that you or we may elect to arbitrate any dispute related to such provisional remedies, except in an action by us against you that has been initiated by Us to collect funds that you may owe to us.
- I. **Arbitration Award.** The arbitrator's award shall be final and binding unless a party appeals it in writing to the arbitration forum within fifteen days of notice of the award or pursuant to the rules of the arbitration forum, whichever is later. The appeal must request a new arbitration before a panel of three neutral arbitrators selected in accordance with the rules of the same arbitration forum. The panel will consider all factual and legal issues anew, follow the same rules that apply to a proceeding using a single arbitrator, and make decisions based on the vote of the majority. Costs will be allocated in the same manner as allocated before a single arbitrator. An award by a panel is final and binding on the parties after fifteen days of notice of the award or pursuant to the rules of the arbitration forum, whichever is later. A final and binding award is subject to judicial intervention or review only to the extent allowed under the Federal Arbitration Act or other applicable law. A party may seek to have a final and binding award entered as a judgment in any court having jurisdiction.
- J. **Governing Law.** You and we agree that our relationship includes transactions involving interstate commerce and that these arbitration provisions are governed by, and enforceable under, the Federal Arbitration Act. To the extent state law is applicable, the laws of the State of Michigan shall apply.
- K. **Severability, Survival.** These arbitration provisions shall survive (a) termination or changes to your accounts or any related services; (b) the bankruptcy of any party; and (c) the transfer or assignment of your Accounts or any related services. If any portion of this Resolution of Disputes by Arbitration provision is deemed invalid or unenforceable, the remainder of this Resolution of Disputes by Arbitration provision shall remain in force. No portion of this Resolution of Disputes by Arbitration provision may be amended, severed, or waived absent a written agreement between you and us.
- L. **Applicability.** Arbitration will not apply to your Account as long as you are an active duty Service Member.
- M. **Right to Reject this Resolution of Disputes by Arbitration Provision. YOU MAY CHOOSE TO REJECT THIS RESOLUTION OF DISPUTES BY ARBITRATION PROVISION BY SENDING US WRITTEN NOTICE AS DESCRIBED BELOW:**

Agreement to the Resolution of Disputes by Arbitration provision:

1. If you agree to be bound by the above Resolution of Disputes by Arbitration provision, then no action is needed on your part.
2. If you take no action, then effective immediately your Accounts will be bound by this Resolution of Disputes by Arbitration provision.

Rejection of the Resolution of Disputes by Arbitration provision:

1. If you do not agree to be bound by this Resolution of Disputes by Arbitration provision, you must send us written notice that you reject the Resolution of Disputes by Arbitration provision within 30 days of account opening or within 30 days of receiving this notice, whichever is sooner, including the following information:
 - a. Your written notice must include: your name, as listed on your account, your account number, and a statement that you reject the Resolution of Disputes by Arbitration provision, and;
 - b. You must send your written notice to us at the following address:

Alpena Alcona Area Credit Union
Attention: Executive Management
1100 S Bagley St
PO Box 515
Alpena, MI 49707

REWARDS AND INCENTIVE PROGRAMS

From time to time, we may make rewards and incentives programs available to you in connection with one or more of your accounts. These programs will be governed by separate documents related to such programs and the credit union reserves the right to change or terminate such programs at any time.

OUR RIGHT TO PLACE HOLDS ON YOUR ACCOUNTS

If at any time we believe that your account may be subject to irregular, unauthorized, fraudulent or illegal activity, we may, in our discretion, freeze the funds in the account and in other accounts you maintain with us, without any liability to you, until such time as we are able to complete our investigation of the account and transactions. If we do freeze your account funds, we will provide notice to you as soon as reasonably possible. Notice may be made by mail or verbally or provided by other means, such as online banking or text alerts as permitted by law. We may not provide this notice to you prior to freezing the account if we believe that such notice could result in a security risk to us or to the owner of the funds in the account.

PERMITTED TIME FOR FILING A LAWSUIT/ARBITRATION

You must file any lawsuit or arbitration against us within one year after the cause of action arises, unless federal or state law or an applicable agreement provides for a shorter time. This limit is in addition to limits on notice as a condition of making a claim.

LIMITATION OF LIABILITY.

EXCEPT WHERE REQUIRED BY LAW OR THIS AGREEMENT SPECIFICALLY PROVIDES OTHERWISE, WE WILL NOT BE LIABLE FOR ANY ACTION OR INACTION EXCEPT FOR OUR INTENTIONAL MISCONDUCT OR GROSS NEGLIGENCE. EXCEPT AS MAY BE OTHERWISE REQUIRED BY LAW, YOU AGREE THAT IN NO EVENT SHALL THE CREDIT UNION'S LIABILITY TO YOU EXCEED YOUR ACTUAL DAMAGES OR THE SUM OF \$5,000.00, WHICHEVER IS LESS. IN NO EVENT WILL CREDIT UNION BE LIABLE FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF ANTICIPATED PROFITS OR OTHER ECONOMIC LOSS IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT.

USE OF RECORDING DEVICES

The Credit Union does not permit its Members, you or members of the general public to use electronic, digital or other recording devices to record in-person, telephonic or other communications or interactions of or with Credit Union personnel without the express prior consent of the Credit Union management. The Credit Union expressly revokes, rescinds and withdraws any consent or permission to such recording that might otherwise be implied by law.

MEMBER PROVIDED CONTENT

If you send the Credit Union a photograph, image, video or other content ("Content"), you are granting the Credit Union a non-exclusive, transferrable, sublicensable, royalty-free, worldwide license to use, host, publish, distribute and/or display such Content for any purpose, in any and all media now known or hereafter devised, on the Credit Union's website, in promotional or informational materials, and/or on social media, for publicity and promotional purposes without further compensation unless prohibited by law. By providing Content to the Credit Union, you represent and warrant that you have the right to grant the rights and licenses described in this section and further represent and warrant that the Content does not violate, misappropriate or infringe on the rights of any third party.

CONSENT TO FILMING AND PHOTOGRAPHY

When you enter upon Credit Union property or attend a Credit Union meeting, event or program, you enter an area where photography, audio, and/or video recording may occur. By participating in any of the foregoing activities, you consent to photography, audio recording, video recording and the release, publication, exhibition, distribution, display or reproduction of same for any and all purposes, including promotional purposes, advertising, inclusion on the Credit Union website, social media or any other purpose by the Credit Union. You release the Credit Union, its officers, directors and employees, and all other persons involved from any liability connected with the taking, recording, digitizing, display, distribution or publication and use of photos, images, video and/or sound recordings. You waive all rights you may have to any claims for payment of royalties in connection with any use, display, exhibition, streaming, webcasting, distribution or other publication of these materials regardless of the purpose of same, and further waive any right to inspect or approve any photo, video or audio recording taken by the Credit Union or the person/entity designated to do so by the Credit Union.

NON-SOLICITATION

The Credit Union prohibits the solicitation, distribution and posting of materials on or at the Credit Union's property by any member, employee. As used herein, the term "solicitation" includes canvassing, soliciting or seeking to obtain support for an elected office or Board position; seeking to obtain membership in or support for any organization; requesting contributions; posting or distributing handbills, pamphlets, petitions, or other materials of any kind; use of Credit Union resources (including without limitation bulletin boards, computers, mail, e-mail and telecommunication systems, photocopiers and telephone lists and databases); peddling or otherwise selling, purchasing or offering goods and services for sale or purchase; and distributing advertising materials, circulars or product samples, or engaging in any other conduct relating to any outside business interests or for profit or personal economic benefit. The Credit Union reserves the right, in its sole and absolute discretion, to exempt from this non-solicitation prohibition, certain non-political non-profit organizations/charities that support the mission of the Credit Union and/or that the Credit Union supports as part of charitable and community mission, as well as Credit Union-sponsored programs/events related to the Credit Union's products and services. Whether a particular group, organization or person satisfies this exception shall be determined by the Credit Union in its sole discretion.

SECTION HEADINGS

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

ELECTRONIC FUNDS TRANSFERS AGREEMENT AND DISCLOSURES

This Electronic Fund Transfers Agreement and Disclosures contains additional Agreement provisions setting forth your and our rights and responsibilities concerning the electronic funds transfer ("EFT") services offered to you by Alpena Alcona Area Credit Union. This Electronic Fund Transfers Agreement and Disclosures will be referred to herein as "EFT Disclosure." By signing an application for EFT services, signing any card we issue to you, or by using any services covered by this EFT Disclosure, you agree to the terms and conditions in this EFT Disclosure and any amendments for the EFT services offered. The terms and conditions of the account agreements relating to your accounts with us remain in effect except to the extent modified by this EFT Disclosure.

TRANSFER TYPES AND LIMITATIONS

Account access: You may use your card and/or code to:

- Withdraw cash from your share draft or share savings account(s).
- Make deposits to your share draft or share savings account(s).
- Transfer funds between your share draft and share savings account(s) whenever you request.

- Make AAACU loan payments.
- Obtain account information (i.e., balance inquiries).
- Pay for purchases at places that have agreed to accept the card and/or code.
- Pay bills directly and/or by telephone from your share draft or share savings account(s) in the amounts and on the days, you request.

Some of these services may not be available at all terminals.

Electronic check conversion: You may authorize a merchant or other payee to make a one-time electronic payment from your share draft account using information from your check to: 1) Pay for purchases or 2) Pay bills.

Limitations on frequency of transfers: For security reasons, the numbers of personal identification number or PIN-based transactions are limited to a combined total of ten (10) per day.

Limitations on dollar amounts of transfers: For security reasons, PIN-based transactions cannot exceed \$500.00 per day (\$300.00 if we are offline with our network). Additionally, signature-based transactions are limited to a three day spend limit of \$2,000.00 (\$500.00 if we are offline with our network).

CU*Talk Telephone Banking: You may access your account by telephone 24 hours a day at 800-801-9916 through our telephone banking system, you can transfer funds between qualifying accounts, make balance inquiries and obtain account information.

Online Banking Transfers - types of transfers and charges: You may access your account(s) by computer through the internet by logging onto our website at www.aaacu.com and using your credentials to:

1. Transfer available funds between your savings, checking, and loan accounts, as allowed, including loan payments.
2. Transfer available funds to accounts of other members with required information.
3. Review savings and checking actual and available account balances, transaction history and dividend information.
4. Review loan account balance, transaction history, payment dates and finance charges.
5. Initiate loan payment transfers and transfers from open-end credit loans.
6. Initiate loan applications.
7. Review available copies of cleared checks, eStatements and tax information.
8. Initiate bill payments from your checking account using the Bill Payment service, when enrolled.
9. Communicate with the Credit Union using electronic mail (e-mail).
10. Open Savings and Certificate accounts.

Mobile Banking Transfers - types of transfers and charges: You may access your account(s) through the Mobile Banking Application on your Smartphone, using your credentials to:

1. Transfer available funds between your savings, checking, and loan accounts, as allowed, including loan payments.
2. Transfer available funds to accounts of other members with required information.
3. Review savings and checking actual and available account balances, transaction history and dividend information.
4. Review loan account balance, transaction history, payment dates and finance charges.
5. Initiate requests for wires, remote deposit capture and loan applications.
6. Review available copies of cleared checks, eStatements and tax information.
7. Initiate bill payments from your checking account using the Bill Payment service, when enrolled.
8. Communicate with the Credit Union using electronic mail (e-mail).
9. Open Savings and Certificate accounts.

Remote Deposit Capture: You may deposit checks electronically through our Remote Deposit Capture Service included with Mobile Banking.

P2P: You may transfer funds from your designated credit union account to another individual's account.

A2A: You may transfer funds from your designated credit union account to an account you own at another financial institution.

Separate Agreements: Online Banking, Mobile Banking, Bill Pay, Remote Deposit Capture, P2P and A2A are offered through our third-party service providers. Separate agreements governing these services will be provided to you at the time you enroll in those services.

FEES

Refer to the separate Fee Schedule Disclosure for complete list of fees that may be assessed against your account.

ATM OPERATOR/NETWORK FEES

You may access your account(s) by ATM using your Debit Card(s) and PIN to:

1. Make deposits (not available for limited service accounts)
2. Withdraw cash up to \$500.00 per day as Debit (PIN-based transactions. You are limited to 10 PIN-based transactions per day and \$2,000 or fifteen (15) transactions (whichever comes first) in any 3-day period. For purposes of this limitation, a "day" is 6:00 am to 6:00 am. Note reduced limits may apply to limited service accounts)
3. Transfer available funds
4. Obtain balance information

Some of these services may not be available at all terminals. Different limits may apply at ATMs not owned by the Credit Union.

Note that if you use an ATM that is not operated by Alpena Alcona Area Credit Union, you may be charged a fee by the operator of the machine and/or by the automated transfer network.

You agree to pay all ATM transaction fees outlined in our Fee Schedule. You understand and agree that we will charge you a fee for each balance inquiry made at an out-of-network ATM and a separate fee for each cash withdrawal or transfer made at an out-of-network ATM, even if the balance inquiry and withdrawal or transfer are made during the same visit. We may subtract these fees from your Available Balance (as defined in the "Your Liability for Overdrafts" section of the Membership and

Account Agreement), even if the fee makes your Available Balance negative. In addition to fees charged by us related to your use of out-of-network ATMs, the owner or operator of the out-of-network ATM may also charge you one or more separate additional fees for the ATM transaction, and the out-of-network ATM owner or operator may charge you a fee for a balance inquiry even if you do not complete a fund transfer or withdrawal.

DOCUMENTATION

Terminal transfers: You can get a receipt at the time you make any transfer to or from your account using one of our automated teller machines.

Preauthorized credits: If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, the person or company making the deposit will tell you every time they send us the money. You can call us at 989-356-3577 or 800-443-3577 to find out whether or not the deposit has been made.

Periodic statements: All EFT transactions will be recorded on your periodic statement. You will receive a statement at least once every quarter. If you have an EFT transaction, you will receive a statement monthly.

PREAUTHORIZED PAYMENTS

Right to stop payment and procedure for doing so: If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here's how:

Call us at 989-356-3577 or 800-443-3577 or write us at Alpena Alcona Area Credit Union, Accounting Department, 1100 S Bagley St, PO Box 515, Alpena, MI 49707, in time for us to receive your request 3 business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call.

Notice of varying amounts: If these regular payments may vary in amount, the person you are going to pay will tell you 10 days before each payment when it will be made and how much it will be. (You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment or when the amount would fall outside certain limits you set.)

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

FINANCIAL INSTITUTION'S LIABILITY

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. 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.
- If the transfer would go over the credit limit on your overdraft line.
- If the automated teller machine where you are making the transfer does not have enough cash.
- If the terminal and/or system was not working properly and you knew about the breakdown when you started the transfer.
- If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
- There may be other exceptions stated in our agreement with you.

CONFIDENTIALITY

We will disclose information to third parties about your account or the transfers you make:

- Where it is necessary for completing transfers,
- In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant,
- In order to comply with government agency or court orders,
- If you give us your written permission, or
- As explained in the separate Privacy Policy Disclosure.

YOUR LIABILITY FOR UNAUTHORIZED TRANSFERS

Tell us AT ONCE if you believe your card and/or code has been lost or stolen or if you believe that an electronic fund transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). If you tell us within two (2) business days after you learn of the loss or theft of your card and/or code, you can lose no more than \$50.00 if someone used your card and/or code without your permission.

If you do NOT tell us within two (2) business days after you learn of the loss or theft of your card and/or code and we can prove we could have stopped someone from using your card and/or code without your permission if you had told us, you could lose as much as \$500.00.

Also, if your statement shows transfers you did not make including those made by card, code, or other means, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time. If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods.

CONTACT IN EVENT OF UNAUTHORIZED TRANSFER

If you believe your card and/or code has been lost or stolen, call: (989) 356-3577 or (800) 443-3577 or write: Alpena Alcona Area Credit Union, Accounting Department, 1100 S Bagley St, PO Box 515, Alpena, MI 49707. Lost or stolen debit or credit cards may be reported after business hours to: 800-754-4128.

You should also call the number or write to the address listed above if you believe a transfer has been made using the information from your check without your permission.

REVERSING ELECTRONIC FUNDS TRANSFERS

If an "electronic fund transfer" described in this section was a payment of \$50.00 or more for goods or services, you have the right to require us to reverse such transfer and to re-credit your account with the full amount of the transfer if (1) you tell us, within 4 calendar days after the date of the transfer, to make such a reversal, (2) you notify us that you have made a good faith attempt to resolve your dispute with the third party involved, and (3) you assure us that any returnable goods involved in the dispute will be returned.

If you do these things in writing, you **MUST** send the letter to our address as set forth at the end of this EFT Disclosure.

If you phone us, you **MUST** call at the phone number as set forth at the end of this EFT Disclosure.

If you tell us orally that you want such a transfer reversed, you **MUST** send us a letter to confirm your reversal request, your notice of attempted resolution of the dispute, and your assurance to return any returnable goods involved. You are required to get this letter back to us within fourteen (14) calendar days after the date of your oral request for reversal. We reserve the right to impose a reasonable charge for handling such reversal requests, and to increase such charges thereafter.

ERROR RESOLUTION NOTICE

In case of errors or questions about your electronic transfers, if you think your statement or receipt is wrong, or if you need more information about a transfer listed on the statement or receipt; telephone us at 989-356-3577 or 800-443-3577, write us at Alpena Alcona Area Credit Union, Accounting Department, 1100 S Bagley St, PO Box 515, Alpena, MI 49707, or e-mail us at accounting@aaacu.com as soon as you can.

We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

- Tell us your name and account number (if any).
- Describe the error or 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 you send us your complaint or question in writing within ten (10) business days.

We will determine whether an error occurred within ten (10) business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your complaint or question. If we decide to do this, we will credit your account within ten (10) business days 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 credit your account.

For errors involving new accounts, point-of-sale, or foreign-initiated transactions, we may take up to 90 days to investigate your complaint or question. For new accounts, we may take up to twenty (20) business days to credit your account for the amount you think is in error. Your account is considered a new account for the first 180 days after the first deposit is made unless each of you already has an established account with us before this account is opened.

We will tell you the results within three (3) business days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation.

BUSINESS DAYS

For purposes of these disclosures, our business days are Monday through Friday, federal holidays are excluded.

AMENDMENTS

We reserve the right to amend this EFT Disclosure in any manner and at any time. If we do so, we will give you such advance notice thereof as we deem to be reasonable under the circumstances. Where required by law, we will give you at least twenty-one (21) days advance written notice. You agree that we may amend or modify this EFT disclosure without notice if an immediate change is necessary to maintain or restore the security of our account arrangements or of any account.

TERMINATION OF ELECTRONIC FUND TRANSFER SERVICES

You may terminate any EFT service involving one or more cards under this EFT Disclosure at any time by notifying us in writing and stopping your use of your card(s) and any credentials. You may terminate this EFT Disclosure in its entirety only by terminating all electronic funds services, meaning we will no longer accept any electronic transaction including but not limited to automatic deposits. Upon termination (by either you or us), you agree to return all cards to the credit union or destroy the cards upon request of the credit union. You also agree to notify any participating merchants that the authority to make bill payment transfers has been revoked. We may also terminate this EFT Disclosure at any time by notifying you orally or in writing at your last known address on file with us. If we terminate this EFT Disclosure, we may notify any participating merchants making preauthorized debits or credits to any of your accounts that this EFT Disclosure has been terminated and that we will not accept any further preauthorized transaction instructions. We may also program our computer not to accept your card(s) or credentials for any EFT service. Whether you or the credit union terminate this EFT Disclosure, the termination will not affect your obligations under this EFT Disclosure or any electronic fund transfers made prior to termination. If this EFT disclosure is terminated the Credit Union may, to prevent any electronic transactions from occurring, close your checking account(s) and restrict all other accounts to in office transactions only.

ACCESS DEVICE REVOCATION.

Any card or other device which we supply you ("Access Device") may be revoked without notice to you in the event that any of the following conditions occur:

- Overdrafts occur as result of insufficient available funds on an account.
- Any transaction that occurs on your account(s) which results in a monetary loss to the Credit Union.
- Account delinquency with the Credit Union, including but not limited to, loans or credit cards.
- Forced closure of a share or share draft account at the Credit Union.
- Any other situation in which the Credit Union deems revocation to be in its best interest.

REGULATORY AUTHORITY

If you believe any provision of the Michigan Electronic Funds Transfer Act has been violated you should notify the Department of Insurance and Financial Services, Credit Union Division at PO Box 30220 – Lansing, MI 48909 or the National Credit Union Administration at 1775 Duke Street – Alexandria, VA 22314-3428.

AVAILABILITY TO WITHDRAW FUNDS – FUNDS AVAILABILITY POLICY

This disclosure describes your ability to withdraw funds at Alpena Alcona Area Credit Union. It only applies to the availability of funds in transaction accounts. At the current time, all of our accounts are transaction accounts except for IRAs and Certificate Accounts.

Our general policy is to make funds from your cash and check deposits available to you on the same day we receive your deposit. At that time, you can withdraw the funds in cash, and we will use the funds to pay checks you have written.

Please remember even after we have made funds available to you and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

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 closing on a business day we are open, we will consider that day to be the day of your deposit; however, if you make a deposit after closing or on a day we are not open we will consider the deposit was made on the next business day we are open.

If we cash a check for you drawn on another financial institution, we may withhold the availability of a corresponding amount of funds 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 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 not be available for withdrawal until the time periods described elsewhere in this disclosure for the type of check you deposited.

Case-by-Case Delays: In some cases depending on the type of check you deposit, we will not make all of the funds deposited by check available to you on the same day we receive your deposit; however, the first \$225 of your deposits will be made available on the first business day after the day we receive your deposit.

If we are not going to make all of the funds from your deposit available on the same day we receive your deposit, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees or if we decide to take this action after you have left the premises, we will mail you the notice no later than the day after we received your deposit.

If you will need the funds from a deposit right away, you should ask us when the funds will be available.

Safeguard Exceptions: Funds you deposit by check may be delayed for a longer period under the following circumstances:

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

ATMs We Own or Operate: Full-service ATMs (withdrawals and deposits accepted) are located at the following locations:

- 1100 S Bagley St – Alpena, MI 49707
- 1013 US 23 N – Alpena, MI 49707
- 1501 W Chisholm St – Alpena, MI 49707 (withdrawals only, located inside MyMichigan Medical Center - Alpena)
- 12285 Jerome St – Atlanta, MI 49709
- 111 S Church St – Lincoln, MI 48742
- 103 S State St – Oscoda, MI 48750
- 11610 US 23 S – Ossineke, MI 49766
- 118 W M-55 – Tawas City, MI 48763

You may only make deposits to ATMs located in the State of Michigan.

TRUTH-IN-SAVINGS DISCLOSURE

REGULAR SHARE ACCOUNT

Rate Information: The dividend rate and annual percentage yield may change at any time as determined by the credit union board of directors.

Compounding and Crediting: Dividends will be compounded every quarter. Dividends will be credited to your account every quarter.

Dividend Period: For this account type, the dividend period is quarterly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date of such period is March 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the third Monday of the last month of the dividend period. If you close your share account before dividends are paid, you will not receive the accrued dividends.

Minimum Balance: The minimum balance to open this account is the purchase of one share in the credit union (par value of share is \$5.00). Please see the bylaw requirements in the common features section for additional information. You must maintain a minimum daily balance of \$5.00 in your account each day to obtain the disclosed annual percentage yield.

Daily Balance Computation Method: Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.

Accrual of Dividends on Non-Cash Deposits: Dividends will begin to accrue on the business day you deposit noncash items (e.g., checks) to your account.

Transaction Limitations: No transaction limitations apply to this account unless otherwise stated in the common features section; however, a fee may be assessed as applicable for overdrafts created by ATM withdrawals or by other electronic means.

Fees and Charges: See separate Fee Schedule.

PREFERRED SHARE ACCOUNT

Rate Information: The dividend rate and annual percentage yield may change at any time as determined by the credit union board of directors.

Compounding and Crediting: Dividends will be compounded every quarter. Dividends will be credited to your account every quarter.

Dividend Period: For this account type, the dividend period is quarterly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date of such period is March 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the third Monday of the last month of the dividend period. If you close your share account before dividends are paid, you will not receive the accrued dividends.

Minimum Balance: No minimum balance requirements apply to this account.

Daily Balance Computation Method: Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.

Accrual of Dividends on Non-Cash Deposits: Dividends will begin to accrue on the business day you deposit noncash items (e.g., checks) to your account.

Transaction Limitations: No transaction limitations apply to this account unless otherwise stated in the common features section; however, a fee may be assessed as applicable for overdrafts created by ATM withdrawals or by other electronic means.

Fees and Charges: See separate Fee Schedule.

MONEY MARKET ACCOUNT

Tiered Rate Structure: This is a tiered rate account. The interest paid is calculated on a tiered rate structure. If the daily balance is greater than \$2,000 but less than \$100,000, the first-tier rate will be paid on the entire balance of the account. If the daily balance is \$100,000 or greater, the second-tier interest rate will be paid on the entire balance of the account.

Rate Information: The interest rate and annual percentage yield may change every month as determined by the credit union management and in accordance with market conditions.

Compounding and Crediting: Interest will be compounded every month. Interest will be credited to the account every month.

Effect of Closing an Account: If you close your account before interest is paid, you will not receive the accrued interest.

Minimum Balance Requirements: The minimum balance required to open this account is \$2,000. You must maintain a minimum daily balance of \$2,000 in your account each day to obtain the disclosed annual percentage yield.

Daily Balance Computation Method: Interest is calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.

Accrual of Interest on Non-Cash Deposits: Interest will begin to accrue on the business day you deposit noncash items (e.g., checks) to your account.

Transaction Limitations: No transaction limitations apply to this account unless otherwise stated in the common features section; however, a fee may be assessed as applicable for overdrafts created by ATM withdrawals or by other electronic means.

CLUB ACCOUNT

Rate Information: The dividend rate and annual percentage yield may change at any time as determined by the credit union board of directors.

Compounding and Crediting: Dividends will be compounded every quarter. Dividends will be credited to your account every quarter.

Dividend Period: For this account type, the dividend period is quarterly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date of such period is March 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the third Monday of the last month of the dividend period. If you close your share account before dividends are paid, you will not receive the accrued dividends.

Minimum Balance: No minimum balance requirements apply to this account.

Daily Balance Computation Method: Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.

Accrual of Dividends on Non-Cash Deposits: Dividends will begin to accrue on the business day you deposit noncash items (e.g., checks) to your account.

Transaction Limitations: No transaction limitations apply to this account unless otherwise stated in the common features section.

Vacation Club Account – Runs from June 1 through May 31 each year; however, the account may be open any time throughout the year; automatic transfer of funds to savings (or share draft if requested) on June 1 or the first business day of the month in the month of June.

Christmas Club Account – Runs from October 1 through September 30 each year; however, the account may be open any time throughout the year; automatic transfer of funds to savings (or share draft if requested) on October 1 or first business day of the month in the month of October.

IRA SHARE ACCOUNT

Rate Information: The dividend rate and annual percentage yield may change at any time as determined by the credit union board of directors.

Compounding and Crediting: Dividends will be compounded every quarter. Dividends will be credited to your account every quarter.

Dividend Period: For this account type, the dividend period is quarterly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date of such period is March 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the third Monday of the last month of the dividend period. If you close your share account before dividends are paid, you will not receive the accrued dividends.

Minimum Balance: No minimum balance requirements apply to this account.

Daily Balance Computation Method: Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.

Accrual of Dividends on Non-Cash Deposits: Dividends will begin to accrue on the business day you deposit noncash items (e.g., checks) to your account.

Transaction Limitations: You may not make any withdrawals or transfers to another credit union account of yours or to a third party by means of a preauthorized or automatic transfer, telephone order or instruction or similar order to a third party.

SHARE DRAFT ACCOUNT

Minimum Account Balance: No minimum balance requirements apply to this account.

Transaction Limitations: No transaction limitations apply to this account unless otherwise stated in the common features section; however, a fee may be assessed as applicable for overdrafts created by checks, in-person withdrawals, ATM withdrawals or by other electronic means.

Fees and Charges: See separate Fee Schedule.

FRESH START DEBIT ACCOUNT

Minimum Balance Requirements: No minimum balance requirements apply to this account.

Transaction Limitations: This account is designed for access through a debit card and online account usage. No checks will be issued for this account or accepted from an outside check printing service. Electronic account statements are required.

PIN BASED TRANSACTIONS

- You have a \$500.00 per 24-hour (6 am – 6 am) spend limit on transactions or
- You may make no more than ten (10) withdrawals within a 24-hour period (6 am – 6 am).

CREDIT BASED TRANSACTIONS

- You have a \$2,000.00 per 72-hour (6 am – 6 am) spend limit on transactions or
- You may make no more than fifteen (15) withdrawals within a 72-hour period (6 am – 6 am).

Transactions on this account are limited to the following:

Deposits:

- Direct Deposits: You may make arrangements for payroll or other direct deposits to be accepted into your fresh start debit account.
- Check/Currency Deposits: You may make check or currency deposits at any branch location, by using your debit card at any deposit accepting ATM we own or ATMs that display the CO-OP Network logo or via remote deposit capture (if qualified).

Withdrawals:

- ATM Cash Withdrawals: You may make cash withdrawals using your debit card from any ATM we own or ATMs that display the CO-OP network logo free of charge. When you use an ATM not owned by us, you may be charged a fee for the transaction or for a balance inquiry even if you do not complete a transaction.
 - You may withdraw no more than \$500.00 within a 24-hour period (6 am – 6 am). (See PIN BASED TRANSACTION limits above.)
- Debit Card Point-of-Sale Transactions: You may access your fresh start debit account to purchase goods, pay for services, and get cash from a merchant, if the merchant permits, or from a participating financial institution. (See PIN BASED TRANSACTION & CREDIT BASED TRANSACTION limits above.)
- Online Transfers: You may access your fresh start debit account online through our website at www.aaacu.com using the security requirements of our online banking platform to:
 - Transfer funds from your fresh start debit account to your share (savings) account(s).
 - Make payments from your fresh start debit account to a loan with us.
 - Make payments from your fresh start debit account to third parties with Bill Pay.
 - Get information about your account balance history.

Preauthorized Payments: You may authorize a third party to initiate electronic funds transfers from your fresh start debit account to pay certain recurring bills.

Fees and Charges: A maintenance fee will be charged on the last day of each calendar month. A fee may also be assessed as applicable for overdrafts. Please refer to our separate Fee Schedule for additional information about fees and charges.

**After 12 months of satisfactory account history, you may request to be transferred to our standard checking account. Satisfactory is defined as keeping a positive balance for 12 months.*

HEALTH SAVINGS (CHECKING) ACCOUNT

The following is a description of a Health Savings Account (HSA) at this credit union. Alpena Alcona Area Credit Union follows the standard set by the Internal Revenue Service and abides by their rules and regulations.

Rate Information: The interest rate and annual percentage yield may change every month as determined by the credit union management and in accordance with market conditions.

Compounding and Crediting: Interest will be compounded every month. Interest will be credited to your account every month.

Effect of Closing an Account: If you close your account before interest is paid, you will not receive the accrued interest.

Minimum Balance Requirements: No minimum balance requirements apply to this account.

Daily Balance Computation Method: Interest is calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.

Accrual of Interest on Non-Cash Deposits: Interest will begin to accrue on the business day you deposit noncash items (e.g., checks) to your account.

Transaction Limitations: There are no automatic transfers allowed into this checking account to cover possible overdrafts. This account is also not eligible to have an overdraft loan advanced into it. No other transaction limitations apply to this account unless otherwise stated in the common features section.

Other Features: The HSA may not be pledged, transferred or assigned. This account is not subject to any pledge that you have signed or may sign in the future.

Overdraft protection features do not apply to this account.

The use of HSA funds is the responsibility of you, the member. Alpena Alcona Area Credit Union will report all withdrawals from the account whether by check, ATM/Debit or cash to the IRS as normal distributions. If you make a mistake in taking a distribution, we may allow you to put it back into your HSA as the return of a mistaken distribution for the current or prior tax year only and you must complete a Mistaken Distribution Repayment form. A distribution may only be returned as a mistaken distribution if deposited no later than April 15 of the year following the year it was determined to be a mistaken distribution. You should complete a withdrawal form for all other transactions, such as withdrawing an excess contribution before the early withdrawal deadline. By opening the account, you agree to all the terms and conditions.

Fees and Charges: See separate Fee Schedule.

COVERDELL EDUCATIONAL SAVINGS ACCOUNT

Rate Information. A Coverdell Educational Savings Account ("ESA") may be established by a member completing a separate ESA application form and making a contribution. These accounts are a special type of accounts and may provide tax benefits to the account owner. Only the individual designated as the Member on the Application and Agreement may be an owner of an ESA. The interest rate and annual percentage yield may change every month as determined by the credit union management and in accordance with market conditions.

Compounding and Crediting: Interest will be compounded every quarter. Interest will be credited to your account every quarter.

Effect of Closing an Account: If you close your account before interest is paid, you will not receive the accrued interest.

Minimum Balance Requirements: No minimum balance requirements apply to this account. We may establish minimum amounts for deposits in these Accounts from time to time. Deposits are also subject to federal law limitations.

Daily Balance Computation Method: Interest is calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.

Accrual of Interest on Non-Cash Deposits: Interest will begin to accrue on the business day you deposit noncash items (e.g., checks) to your account.

Transaction limitations: IRS contribution limitations apply. You may make a withdrawal subject to possible penalties imposed by the Internal Revenue Service. We advise you to consult with your tax advisor prior to making a withdrawal. We reserve the right to require written notice before we allow you to withdraw from your account. You may not make any withdrawals or transfers to another Credit Union account of yours or to a third party by means of a preauthorized or automatic transfer, telephonic order or instruction, or similar order to a third party.

Relation to Other Agreements: The terms of this disclosure are intended to work in conjunction with the Coverdell Education Savings Account Custodial Account Agreement, and Disclosure Statement provided to you (the "ESA Account Agreement"). In the event of a conflict, the terms of the ESA Account Agreement will control.

Fees and Charges: See separate Fee Schedule.

CERTIFICATE ACCOUNT/IRA

Rate Information: The interest rate and annual percentage yield are fixed for the term of the certificate.

Compounding and Crediting: Interest is compounded quarterly and credited quarterly in accordance with the payment method requested when the certificate of deposit was purchased.

Minimum Balance Requirement: The minimum purchase requirement is \$500.00.

Daily Balance Computation Method: Interest is calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.

Accrual of Interest on Non-Cash Deposits: Interest will begin to accrue on the business day you deposit non-cash items (e.g., checks) to your account.

Transaction Limitations: After the certificate is purchased, no additional monies can be added until the stated maturity date. Partial withdrawals may be made throughout the term of the account; however, early withdrawal penalties will apply. This account may not be used for any electronic withdrawals or automatic transfers out of this account and into any other Alpena Alcona Area Credit Union account.

Early Withdrawal Penalty: An early withdrawal penalty will be imposed for withdrawals before maturity.

Withdrawal of Interest Prior to Maturity: The annual percentage yield is based on the assumption that interest will remain in the account until maturity; any withdrawal of interest will reduce earnings.

Automatically Renewable Account: Members who opt to automatically renew their certificate of deposit must contact the credit union on the maturity date for the new interest rate. Members have ten (10) calendar days after the maturity date to withdraw funds without penalty.

Other Features: Please refer to our separate rate sheet for information on current interest rates, annual percentage yields and time requirements. See the plan disclosure if this account is part of an IRA or other tax qualified plan.

YOUTH CERTIFICATE ACCOUNT

The credit union offers certificates for our young savers under the age of 19.

Rate Information: The interest rate and annual percentage yield are fixed for the term of the certificate.

Compounding and Crediting: Interest is compounded quarterly and credited quarterly in accordance with the payment method requested when the certificate of deposit was purchased.

Minimum Balance Requirement: The minimum purchase requirement is \$100.00.

Daily Balance Computation Method: Interest is calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.

Accrual of Interest on Non-Cash Deposits: Interest will begin to accrue on the business day you deposit non-cash items (e.g., checks) to your account.

Transaction Limitations: After the certificate is purchased, no additional monies can be added until the stated maturity date. Partial withdrawals may be made throughout the term of the account; however, early withdrawal penalties will apply. This account may not be used for any electronic withdrawals or automatic transfers out of this account and into any other Alpena Alcona Area Credit Union account.

Early Withdrawal Penalty: An early withdrawal penalty will be imposed for withdrawals before maturity.

Withdrawal of Interest Prior to Maturity: The annual percentage yield is based on the assumption that interest will remain in the account until maturity; any withdrawal of interest will reduce earnings.

Automatically Renewable Account: Members who opt to automatically renew their certificate of deposit must contact the credit union on the maturity date for the new interest rate. Members have ten (10) calendar days after the maturity date to withdraw funds without penalty.

Other Features: Please refer to our separate rate sheet for information on current interest rates, annual percentage yields and time requirements.

COMMON FEATURES

Bylaw Requirement: You must complete payment of one share in your Regular Share account as a condition of admission to membership.

Transaction Limitation: We reserve the right to, at any time, require not less than seven days' notice in writing before each withdrawal from an interest-bearing account (other than a time deposit) or from any other savings account as defined by Regulation D.

Nature of Dividends: Dividends are paid from current income and available earnings after required transfers to reserves at the end of a dividend period.

National Credit Union Share Insurance Fund: Member accounts in this credit union are federally insured by the National Credit Union Share Insurance Fund.

WIRE TRANSFER AGREEMENT AND NOTIFICATION – Uniform Commercial Code Article 4A

The following rules shall apply to all wire transfer services (including ACH services) provided by the Credit Union.

Credit Union may accept, on your behalf, payments to your account that have been submitted by Fedwire or other comparable payment system. Your rights and obligations with respect to such transfers shall be governed and construed in accordance with Federal Reserve Board Regulation J, Subpart B—Funds Transfers Through Fedwire. These regulations and state law are applicable to wire transfers involving your account.

If you give us a payment order that identifies a beneficiary (the person to whom you are wiring funds) by name and account or some other identifying number (such as a Social Security, Taxpayer I.D. or driver's license number), we may pay the beneficiary on the basis of the number provided to us by you and consider that number to be proper identification. This will be true even if the number you provided to us identifies a person different from the named beneficiary, unless otherwise provided by law or regulation.

If you give us a payment order that identifies the beneficiary's financial institution in the funds transfer by name, Routing and Transit number ("R/T") or other identifying number, we, as well as the receiving financial institution, may rely on the number provided to us by you as the proper identification. This will be true even if the number provided identifies a financial institution that is different from the named financial institution, unless otherwise provided by law or regulation. Therefore, it is in your best interest to contact the receiving institution to acquire the appropriate wire transfer instructions so that you may feel confident that your money will arrive safely. You, the member, are ultimately responsible for providing accurate information regarding funds transfers and are consequently liable for any losses or expenses should an error occur.

You may not be provided with separate notification each time we receive a wire transfer into your account. We will provide you with notification of an incoming wire transfer as part of your periodic statement. In the event we accept payments to your account through one or more Automated Clearing Houses ("ACH"), the operating rules of the National Automated Clearing House Association ("NACHA") will be applicable to ACH transactions involving your account. These rules do not require that we provide you with next day notice of receipt of an ACH item. Therefore, we will provide you with notification of the receipt of these items as part of your periodic statement.

In addition, if we are ever obligated to pay interest on the amount of the transfer, you will be paid interest on a daily basis equal to the current dividend rate that is otherwise applicable to the account from which the funds transfer should have occurred. In the event we are ever liable to you for damages due to a transfer, your damages will be limited to actual damages only. We will not be responsible for incidental or consequential damages, court costs or attorneys' fees, unless otherwise provided by law or regulation.

We may accept, on your behalf, payments to your account which have been transmitted through one or more Automated Clearing Houses and that are not subject to the Electronic Funds Transfer Act ("Regulation E"). Your rights and obligations with respect to such payments shall be governed and construed in accordance with the applicable Federal Reserve Bank Operating Circular. Whenever an ACH is used as part of a transaction, its rules will govern that part of the transaction. Where none of the above stated rules apply, the transactions contemplated by this agreement shall be governed by the laws of the State of Michigan, including Article 4A of the Michigan Uniform Commercial Code.

Credit given by us to you with respect to an ACH entry is provisional until we receive final settlement for the credit entry through a Federal Reserve Bank or other clearing entity. If we do not receive final settlement, you are hereby notified that we are entitled to a refund of the amount credited to you in connection with the credit entry. Moreover, you are hereby notified that the party making payment to you (originator) shall not be deemed to have paid you the amount of the credit entry.