



Last Revision: 01/14/2019

Membership and Account Agreement

This Agreement covers the rights and responsibilities of both you and South Florida Educational Federal Credit Union (Credit Union). In this Agreement, the words "you" and "yours" mean anyone who signs a Signature Card. The word "account" means any one or more share or other accounts you have with the Credit Union. The classification and form of ownership of your account is set forth on your Signature Card. By signing a Signature Card, each of you, jointly and severally, agree to the terms and conditions in this Agreement, Signature Card, Share Account Information Disclosure, Electronic Funds Transfer Disclosure, if applicable, and separate acknowledgments signed by you, the Credit Union's Bylaws (Bylaws) and Policies, and any amendments of these documents from time to time which collectively govern your Membership and Accounts.

When you sign the Signature Card, receive the Membership and Account Agreement, Share Account Information Disclosure and Electronic Funds Transfer Disclosure (if applicable), you jointly and severally enter into a binding contract with the Credit Union. This means that you should read and retain a copy of all Agreements, Disclosures and Schedules and feel free to ask any questions about them. The Accounts are governed by all the referenced disclosures as well as by state and federal laws and regulations.

1. Membership Eligibility - To be eligible for membership, you must be an individual or entity qualifying within the Credit Union's field of membership and must purchase and maintain at least one share (the "membership share") as required by the Bylaws. Membership at the Credit Union should not be considered an employment benefit. You authorize the Credit Union to check your account, credit, employment history and obtain a credit report from third parties, including credit reporting agencies, to verify your eligibility for the accounts and services you request.

2. Denial of Membership - Individuals may be denied membership based on derogatory information from the Credit Union's own records or information obtained from a reputable third party (such as a credit reporting agency). Additionally, the Credit Union will not provide account services to any person or organization that:

- a. Routinely deposits and/or withdraws in aggregate more than \$50,000 in cash per calendar month.
- b. Routinely engages in providing check cashing services to third parties or acting as a third-party processor.
- c. Utilizes their account in a manner inconsistent with the account type.
- d. Engages in the business of betting or wagering, or that knowingly accepts payments in connection with the participation of another person in unlawful Internet gambling, as defined in Regulation GG, the Unlawful Internet Gambling Enforcement Act (UIGEA).

- e. Engages in the operation of a marijuana-related business (MRB) or dispensary, or any other type of business that violates state or federal law.

3. Account Ownership - The Credit Union reserves the right to refuse some forms of ownership on any or all accounts. The Credit Union makes no representations as to the appropriateness or effect of the ownership and beneficiary designations, except that they shall determine to whom we pay the account funds.

a. **Single Party Accounts** - A single party account is an account owned by one member including any individual, association or other organization qualified for Credit Union membership. If the account is a single party account, the interest of a deceased individual owner will pass, subject to applicable law, to the decedent's estate or account beneficiary, subject to other provisions of this Agreement governing our protection for honoring transfer and withdrawal requests of a member/owner or owner's agent prior to notice of an owner's death.

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

i. Rights of Survivorship - On a multiple party account, upon death of one of the owners, that person's interest will pass to the surviving owner(s).

ii. Control of Multiple Party Account Owners - Any multiple party account owner is authorized and deemed to act for the other owner(s) and the Credit Union may accept orders and instructions regarding the account, requests for future services, and any transaction from any other account owner. Each multiple party account owner guarantees the signature of the other owners. Any account owner may withdraw all funds in the account, stop payment on items drawn on an account, transfer funds in or out of your account, or pledge to the Credit Union all or any part of the shares of any account without the consent of the other account owner(s) and the Credit Union shall have no duty in such event to notify any other account owner(s).

The Credit Union reserves the right at any time to require written consent of all account owners for a change of ownership or terminations of a multiple party account. If the Credit Union receives written notice of a dispute between account owners or receives inconsistent instructions from them, the Credit Union may suspend or terminate the account, require a court order to act or require that all account owners agree in writing to any transaction concerning the account.

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

c. **Beneficiary Designation** – By designating beneficiaries on a member account, you are establishing a Payable Upon Death Account (PUDA). Beneficiary designation is an instruction to the Credit Union that an account is payable to the owner or owners during their lifetimes, and upon the death of the last account owner, payable to any named and surviving beneficiary designated on your Signature Card. Accounts payable to more than one surviving beneficiary are owned jointly by such beneficiaries without

rights of survivorship. The amount paid to each beneficiary is governed by the percentage indicated by you on the Signature Card. Any beneficiary designation on a member account shall not apply to Individual Retirement Accounts (IRA), which shall be governed by a separate beneficiary designation. The Credit Union shall at no time have any obligation whatsoever to notify any beneficiary of the existence of any account or the vesting of the beneficiary's interest in any account, except as otherwise provided by law. The Credit Union makes no representation concerning the legal consequences or effect of any PUDA designation, and you understand that you should consult with your attorney if you have any question regarding the validity, effectiveness, or fitness of any such PUDA designation for any purpose.

d. **Trust Accounts** - A Certification of Trust is required to establish a trust account. An existing member account may not be converted into a trust account; a separate account in the name of the Trust must be established. Trustees agree to conform to the bylaws of the Credit Union and agree to the terms, conditions and fee schedules established and amended by the Credit Union from time to time. Trust Accounts shall be subject to withdrawal or receipt by any one of the Trustees and payment to any of them shall be valid and shall discharge the Credit Union from any liability for such payment. Each of the Trustees is authorized to access the accounts by any means approved by the Credit Union. Any or all of the Trustees may borrow from the Credit Union, guarantee debts of others made by the Credit Union, and pledge all or any part of the account as collateral security for a loan or loans with the Credit Union, and each warrants that such transactions are permitted under the governing Trust documents. Any Trustee may access any credit line loan established with the account through any access means made available by the Credit Union. The Trustees agree that the Credit Union is authorized to charge at any time against the account any indebtedness owing to the Credit Union by the Trust. Trustee(s) warrant that each account he or she establishes and maintains in the Credit Union is wholly consistent with the governing Trust document. The Trust and the Trustees release South Florida Educational Federal Credit Union, its officers, directors, and employees from any and all liability or claim for loss of funds resulting from any transaction initiated by or through any named Trustee or any successor Trustee (whether or not named in the Certification of Trust). The Credit Union shall not be responsible for the validity, existence or legality of the Trust nor shall it be required to validate the authority of any Trustee to transact business as set forth above. The Trustee(s) hereby agree to indemnify, defend, and hold the Credit Union harmless from any and all claims, suits, actions, damages, judgments, costs, charges and expenses, including court costs and attorneys' fees, against any and all liability, loss and damage of any nature whatsoever that the Credit Union shall or may sustain resulting from the establishment, maintenance and transaction of any business related to the Trust account(s) established pursuant to the Trust Membership Application and Agreement. The Trustee(s) agree to pay any necessary expenses, attorneys' fees or costs in the enforcement of an Indemnification and Hold Harmless Agreement. Trustee(s) agree that the Credit Union shall be notified if there is any change in the Trustee(s). Any change shall be effective as to the Credit Union only after it is received in writing by the Credit Union at its business office with reasonable time to act upon such notice. Trustee(s) agree that the Credit Union shall be notified of any change in address of any of the persons who are Trustee(s). The Credit Union shall have discretion in how it determines the identity of any person claiming to be a Trustee. Such determination shall be binding on the Trust, Grantor(s), Trustor(s), Settlor(s), Trustee(s) and any successor Trustee(s). The Credit Union may require that any or all disbursement(s) shall be made payable to any one or more of the Trustee(s).

e. **Accounts for Minors** - For any account established by or for a minor, the Credit Union reserves the right to require the minor account to be a multiple party account with an owner who has reached the

age of majority under state law who shall be jointly and severally liable to the Credit Union for any returned item, overdraft, or unpaid charges or amounts on such account. The Credit Union may make payments of refunds directly to the minor without regard to his or her minority. Unless a guardian or parent is an account owner, the guardian or parent shall not have any right to access the account. The Credit Union has no duty to inquire of the use or purpose of any transaction by the minor or any account owner.

4. Agency Designation - An agency designation is an instruction to the Credit Union that the account owner has authorized another person to make transactions as agent for the account owner regarding the accounts designated. The customary method used in appointing an agent is a Power of Attorney. An agent has no ownership interest in the account or Credit Union voting rights. The Credit Union has no duty to inquire of the use or purpose of any transaction by the agent or ensure that the acts of the agent are for your benefit. An agency designation is acceptable for designated transactions on single party accounts. As to multiple party accounts, in order for an agent to handle designated transactions, the agent must be appointed by all owners. The Credit Union has the right to review and approve any form of Power of Attorney and may restrict any withdrawals or transfers on your accounts. You agree not to hold the Credit Union responsible for any loss or damage you may incur as a result of the Credit Union following instructions given by an agent acting under a valid Power of Attorney.

5. Deposit Protection - Funds in your account(s) with the Credit Union are insured by the National Credit Union Administration (NCUA) and backed by the full faith and credit of the United States. The amount of insurance coverage you have depends on the number of accounts you have with us that are of different "ownership." An individual account is one unique form of "ownership"; a joint account, a beneficiary/trust account, and a self-directed qualified retirement account (e.g. an IRA) are examples of some of the others. Share insurance for a person's self-directed qualified retirement account is up to \$250,000. (An IRA is a self-directed qualified retirement account as is any account where the owner decides where and how to invest the balance.) Share insurance for the other ownerships is at least \$250,000 per interest of the owner.

6. Deposit of Funds Requirements - Funds may be deposited to any account, in any manner approved by the Credit Union in accordance with the requirements set forth on the Share Account Information Disclosure.

a. Endorsements - You authorize the Credit Union, in its discretion, to accept transfers, checks, drafts, and other items for deposit into any of your accounts if they are made payable to, or to the order of, any one or more owners on the account, whether or not they are endorsed by all payees. You authorize the Credit Union to supply missing endorsements of any owners if the Credit Union so chooses. If an insurance, government, or other check or draft requires an endorsement as set forth on the back of the check or draft, the Credit Union may require endorsement as set forth on the item. Endorsements must be placed in accordance with instructions on the draft or check. The Credit Union may accept drafts or checks with endorsements outside this space. However, if any such endorsement or any other marking you or any prior endorser has made on the draft or check cause any delay or error in processing the item for payment, you will be responsible for any loss incurred by the Credit Union due to the delay or error.

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

in transit, and each correspondent will only be liable for its own negligence. The Credit Union reserves the right to send any item for collection.

c. Final Payment - All items or ACH (Automated Clearing House) transfers credited to your account are provisional and subject to our receipt of final payment. If final payment is not received, the Credit Union reserves the right to charge your account for the amount of such items or ACH transfers or both and impose a return item charge on your account. If the Credit Union incurs any costs to collect any item, the Credit Union may apply such costs to your account. The Credit Union reserves the right to refuse or to return all or any item or funds transfer. The Credit Union shall have the right to charge back against your account all previously deposited items or other items endorsed by you that are returned to the Credit Union unpaid, regardless of whether the amount of the item has been available for your use. We routinely re-deposit returned items.

d. Direct Deposits - The Credit Union may offer direct deposit options allowing you to preauthorize deposits (i.e. payroll checks, Social Security or retirement checks, or other government checks) or preauthorize transfers from other accounts at the Credit Union. You must authorize any direct deposits to your accounts by a separate authorization form. If applicable, you must notify the Credit Union at least thirty (30) days prior to any direct deposit or preauthorized transfer if you wish to cancel or change the direct deposit or direct transfer option. Upon filing bankruptcy, if you fail to cancel any direct deposit authorization, you instruct your employer and the Credit Union to make and apply direct deposits in accordance with your authorization on file with the Credit Union. If the Credit Union is required to reimburse your employer or the U.S. Government for any benefit payment directly deposited into your account for any reason, you agree that the Credit Union may deduct the amount returned from any of your accounts, unless prohibited by law.

e. Crediting of Deposits - Deposits received at unstaffed facilities such as night depositories will be credited on the day funds are removed and processed by the Credit Union. Items drawn on an institution located outside the United States are handled on a collection basis only. Amounts will be credited to your account when final payment is received. You waive any notice of non-payment, dishonor, or protest regarding any items purchased or received by the Credit Union for credit to your account or for collection.

f. Transactions by Mail - You may deposit checks by mail. You should endorse the check being sent through the mail with the words "For Deposit Only" and should include your correct account number and share ID underneath to ensure the check is credited to the correct account. If you do not provide the Credit Union with instructions indicating how or where the check should be credited, we may apply it to any account or any loan balance you have with the Credit Union or we may return the check to you. Following your deposit, examine your statement carefully to ensure that we received the item. Do not send cash through the mail for deposit.

7. Account Access

a. Authorized Signature - In order to access any account, the Credit Union must have an authorized signature of yours on a Signature Card. The Credit Union is authorized to recognize your signature, but will not be liable for refusing to honor any item or instruction of yours if it believes, in good faith, that the signature on such item or instruction is not genuine. If you have authorized the use of a facsimile signature, the Credit Union may honor any draft that appears to bear your facsimile signature, even if it was made by an unauthorized person. If you give your accounts' secret access code to a third person,

you authorize the Credit Union to honor transactions initiated by the third person even if you did not specifically authorize a particular transaction.

b. Access Options - You may make withdrawals or transfers from your account in any manner which is permitted by the Credit Union (i.e. draft, automated teller machines (ATMs), Point-of-Sale transactions (POS), Online Banking, Mobile Banking, in person, by mail, automatic transfer, or telephone, as applicable.)

If the Credit Union accepts any draft that is not drawn on a form provided by the Credit Union, you will be responsible for any loss incurred by the Credit Union for handling the draft. The Credit Union may return as unpaid any draft that is not drawn on the form provided by the Credit Union. The Credit Union may also return, as unpaid, any draft showing a signature that does not match the signature on file at the Credit Union, for the account on which it is drawn.

c. Pre-Authorized Drafts - If you voluntarily give information about your deposit account (such as the Credit Union's routing number and your account number) to a party who is seeking to sell you goods or services, and you do not physically deliver a check to the party, any debit to your account initiated by the party to whom you gave the information is deemed authorized.

d. ACH & Wire Transfers - If provided by the Credit Union, you may initiate or receive credits or debits to your account via wire transfer or ACH transfer. You agree that if you receive funds by a wire or ACH transfer, the Credit Union is not required to notify you at the time the funds are received. Instead, the transfer will be shown on your periodic statement. The Credit Union may provisionally credit your account for an ACH transfer before it receives final settlement for the transfer. You agree that if the Credit Union does not receive final settlement for an ACH transfer, it may reverse the provisional credit to your account or you will refund the amount to the Credit Union. When you initiate a wire transfer, you may identify either the recipient or any financial institution by name and by account or identifying number. The Credit Union (and other institutions) may rely on the account or other identifying number as the proper identification, even if it identifies a different party or institution. Wire transfers are governed by Federal Reserve Regulation J if the transfer is cleared through the Federal Reserve. ACH transactions are governed by the rules of the National Automated Clearing House Association (NACHA).

International ACH Transactions (IAT) may be subject to review and examination due to Office of Foreign Assets Control Rules and Regulations (OFAC Rules). Settlement of IAT entries may be delayed or suspended pending the Credit Union's review. OFAC Rules may require termination of the IAT. If OFAC Rules require termination of the IAT entry, the Credit Union may be required to place an indefinite hold on the funds covered by the IAT. Any delay described in this paragraph is a permissible delay under the laws and regulations applicable to funds availability in deposit accounts. In the event an IAT is delayed or terminated, the Credit Union will provide you with any notice required by NACHA Rules, OFAC Rules, or other applicable laws and regulations.

e. Credit Union Examination - The Credit Union may disregard information on any draft or check other than the signature of the drawer, amount of the item and any magnetic encoded information referred to as the MICR line (numbers and symbols at the bottom of draft/check).

Any other instruction on the draft/check cannot be recognized by the Credit Union because of truncation and automatic processing which is necessary and allows the Credit Union to clear the greatest number of items at the lowest possible cost for all members. You agree that the Credit Union does not

fail to exercise ordinary care in paying an item solely because its procedures do not provide for sight examination of items.

8. Account Rates and Service Fees - The Credit Union's payment of earnings on your account is subject to the account rates and service fees, payment and balance requirements as set forth in the Share Account Information Disclosure. The Credit Union may apply service fees for accounts and services provided. You agree that the Credit Union may change the Share Account Information Disclosure at any time, and you will be notified of such changes as required by law.

9. Transaction Limitations

a. Withdrawal Restrictions - The Credit Union may permit a withdrawal only if you have sufficient available funds in your account to cover the full amount of the withdrawal. Share drafts or other transfer or payment orders which are drawn against insufficient funds will be subject to a service charge, set forth in the Share Account Information Disclosure. If there are sufficient funds to cover some but not all of your withdrawal orders, the Credit Union may allow those withdrawals for which there are sufficient funds in any order at the Credit Union's discretion. The Credit Union may also refuse to allow a withdrawal in other cases. For example: any dispute between the owners about the account (unless a court has ordered the Credit Union to allow the withdrawal); a legal garnishment or attachment is served; the account secures any obligation to the Credit Union; any required documentation has not been presented; or you fail to repay a Credit Union loan on time. You will be advised of the reasons for refusal if such action is taken.

b. Transfer Limitations - You may make transfers from your Share Savings Account and Share Draft Checking Account to another share account of yours or to a third party. These transfers are bound by the limitations set forth in the Account Features and Limitations section in your Share Account Information Disclosure. There is no limit on the number of transactions you may make in the following manner: (i) transfers to any loan account with the Credit Union; or (ii) transfers to another Credit Union account or withdrawals (checks mailed directly to you) when such transfer or withdrawal is initiated in person, by mail, or at an ATM.

10. Time Accounts - Any time-deposit, term share or share certificate offered by the Credit Union is subject to the terms of this Agreement and the specific terms and disclosures set forth on the Share Account Information Disclosure, Share Certificate Disclosure and Account Deposit Receipt for each account which are incorporated herein by reference.

11. Overdraft

a. Overdraft Liability - If on any day, the funds in your Share Draft Checking Account are not sufficient to cover drafts, service fees or other items posted to your account, those amounts will be handled in accordance with our overdraft procedures. The Credit Union's determination of an insufficient account balance may be made at any time between presentation and the Credit Union's midnight deadline with only one review of the account required. The Credit Union has no duty to notify you of an insufficient funds draft. Your account will be subject to a charge for the item whether paid or returned as set forth in the Share Account Information Disclosure. Except as otherwise agreed in writing, the Credit Union, by covering one or any overdraft, does not agree to cover overdrafts in the future and may discontinue covering overdrafts at any time without notice. If the Credit Union pays a draft or imposes a service fee that would otherwise overdraw your account, you agree to pay the overdrawn amount immediately. Each party to any account will be jointly and severally liable for overdrafts caused by any other party or

parties to the account. In the event that the Credit Union reasonably believes that your use of your account is abusive due to excessive checks drawn on insufficient funds, excessive activity, or otherwise, certain account privileges may be suspended .

The Credit Union reserves the right to pursue collection of previously dishonored items at any time, including giving a payor bank extra time beyond any midnight deadline limits.

b. Overdraft Transfers - If the Credit Union approves a transfer of funds from your Share Savings Account due to an overdraft, it will authorize and pay items drawn on insufficient funds in your account by transferring the necessary funds pursuant to the transfer limitations set forth in your Share Account Information Disclosure under Account Features and Limitations. The service charge for overdraft transfers, if any, is set forth on the Service Charges Schedule.

c. Courtesy Pay - The Credit Union may honor a transaction that results in an overdrawn account through the use of the Credit Union's Courtesy Pay Protection program. Under this program, the Credit Union implements a service fee to provide for the payment of a transaction that would otherwise be returned due to non-sufficient funds (NSF). The Credit Union is under no obligation to pay every overdraft. The service fee for such transfers is set forth in the Service Fee Schedule. Your account must be brought to a positive balance within 30 days in order for you to retain Courtesy Pay privileges. If your account remains negative for more than five calendar days, you will be charged a negative balance service fee. This service fee will be applied to your account each day it remains negative, for up to 10 days.

You may choose to opt-out of this service for check, ACH and Bill Pay transactions by contacting the Credit Union. For one-time debit card and ATM transactions, you must opt-in for this service in writing, by phone or through Online Banking. Only members in good standing are eligible for this service. The Credit Union may terminate this program for any member who fails to pay any negative balance amounts upon demand, who ceases to be considered a member in good standing, for excessive use, or at the Credit Union's sole discretion.

12. Postdated and Staledated Drafts - You authorize the Credit Union to accept and pay any draft without regard to the date of the draft even if the draft is presented for payment before its date. You also agree not to deposit checks, drafts, or other items before they are properly payable. The Credit Union is under no obligation to you to pay a check or draft drawn on your account which is presented more than six (6) months after its date.

13. Stop Payment Orders

a. Stop Payment Request - You may ask the Credit Union to stop payment on any draft or electronic payment you or any account owner draw upon your Share Draft Checking Account. You may request a stop payment on Online Banking, Bank-by-Phone, by fax, by mail, or in person. The stop payment will be effective if the Credit Union receives the order in time for the Credit Union to act upon the order and you state the number of the account, the number of the draft, its exact amount and the payee's name. You understand that the exact information is necessary for the Credit Union's system to stop the payment. If you give the Credit Union incorrect or incomplete information, the Credit Union will not be responsible for failing to stop payment. If the stop payment order is not received in time for the Credit Union to act upon the order, the Credit Union will not be liable to you or to any other party for failing to stop the payment. If the Credit Union re-credits your account after allowing a payment over a valid and

timely stop payment order, you agree to sign a statement describing the dispute with the payee, to transfer all of your rights against the payee or other holders of the draft to the Credit Union, and to assist the Credit Union in legal action taken against the person.

b. Duration of Order - In the event of lost or stolen checks, you may make an oral stop payment order which will lapse after fourteen (14) days unless confirmed in writing within that time. A written stop payment order will be effective for one (1) year. A written stop payment order may be renewed in writing from time to time. The Credit Union is not obligated to notify you when a stop payment order expires. If you confirm in writing your oral stop payment order, the one-year period dates from the giving of the oral order. A written stop payment order for electronic payments is effective indefinitely or as directed by you.

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

14. Credit Union Liability - If the Credit Union does not properly complete a transaction according to this Agreement, the Credit Union will be liable for your losses or damages not to exceed the amount of the transaction, except as otherwise provided by law. The Credit Union will not be liable if: (a) through no fault of the Credit Union, your account does not contain enough money to make the transaction; (b) circumstances beyond the Credit Union's control prevents the transaction; (c) your loss is caused by your negligence or the negligence of another financial institution; or (d) the money in your account is subject to legal process or other claim. The Credit Union will not be liable for consequential damages, except liability for wrongful dishonor. The Credit Union's actions will constitute the exercise of ordinary care if such actions or nonactions are consistent with applicable state law, federal reserve regulations and operating letters, clearinghouse rules, and general banking practices followed in the area served by the Credit Union. You grant the Credit Union the right, in making payments of deposited funds, to rely exclusively on the form of the account and the terms of this Agreement. Any conflict between oral representations by you or Credit Union employees and any written form will be resolved by reference to this Agreement and applicable written form.

15. Credit Union Lien and Security Interest - To the extent you owe the Credit Union money as a borrower, guarantor, endorser or otherwise, the Credit Union has a lien on any or all of the funds in any account in which you have an ownership interest, regardless of the source of the funds, unless prohibited by law. Without prior notice to you, the Credit Union may apply these funds in any order to pay off your indebtedness. If the Credit Union chooses not to enforce its lien, the Credit Union does not waive its right to enforce the lien at a later time. In addition, you grant the Credit Union a consensual security interest in your accounts and agree that the Credit Union 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. You agree to hold the Credit Union harmless from

any claim arising as a result of the Credit Union's exercise of right to repayment. All accounts are nonassignable and nontransferable to third parties.

16. Legal Process - If any legal action, such as a levy, garnishment, or attachment, is brought against your account, the Credit Union may refuse to pay out any money from your account until the dispute is resolved or may pay out funds according to the terms of the levy. If the Credit Union incurs any expenses or attorney costs in responding to a legal process, such expenses may be charged against your account without prior notice to you, unless prohibited by law. Any legal process against your account is subject to the Credit Union's lien and security interest.

17. Account Information - The Credit Union will not disclose any nonpublic personal information about you to anyone, except as permitted by law. The Credit Union will disclose information to third parties about your account or the transfers you make:

- a. As necessary to complete the transaction.
- b. To verify the existence or condition of your account to a third party in accordance with applicable law, such as a credit bureau or merchant.
- c. To comply with a government agency or court order.
- d. If you give the Credit Union your written permission.

Also upon your request, the Credit Union will inform you of the name and address of each credit-reporting agency from which the Credit Union obtains a credit report in connection with your account.

18. Notices

a. Name or Address Changes - It is your responsibility to notify the Credit Union upon a change of address or change of name. The Credit Union is only required to attempt to communicate with you at the most recent address you have provided to the Credit Union. The Credit Union may require that a notice of a change in address be provided in writing.

b. Notice of Amendments - Except as otherwise prohibited by applicable law, the terms of this Agreement are subject to change at any time. The Credit Union will notify you of any changes in terms, rates, or service fees as required by law. The Credit Union reserves the right to waive any term in this Agreement. Any such waiver shall not affect the Credit Union's right to enforce any right in the future.

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

19. Taxpayer Identification Numbers and Backup Withholding - If your account is or becomes subject to backup withholding, the Credit Union is required by law to withhold and pay to the Internal Revenue Service (IRS) a required percentage of payments of dividends. Your failure to furnish a correct taxpayer identification number (TIN) or meet other applicable requirements may result in backup withholding. If you fail to provide your TIN, the Credit Union may suspend the opening of your account until a TIN is provided.

20. Statements

a. Contents - The Credit Union provides to you a periodic statement of transactions and activity on your account during the statement period. You understand and agree that statements are made available to you on the date they are mailed to you and that only one statement is necessary for a multiple party account. For Share Draft checks, you understand and agree that, when paid, your original draft becomes property of the Credit Union and may not be returned to you, but copies may be retained for up to seven (7) years by the Credit Union or a payable through financial institution and made available upon your request in accordance with the Share Account Information Disclosure. If copies are not available, the Credit Union will provide you with a letter identifying the item and the date that the item was paid.

b. Examination - The Credit Union will mail periodic statements to you to the address as shown on the Credit Union records. You are responsible for examining each statement and reporting any irregularities to the Credit Union. The Credit Union will not be responsible for any forged, altered or unauthorized items drawn on your account if: (1) you fail to notify the Credit Union within thirty (30) days of the mailing date of the earliest statement regarding any forgery, alteration or unauthorized signature on any item described in the statement; or (2) any items are forged or altered in a manner not detectable by a reasonable person, including the unauthorized use of a facsimile signature machine. You are in the best position to detect an unauthorized item.

c. Notice to Credit Union - You agree that the Credit Union's retention of drafts does not alter or waive your responsibility to examine your statements or the time limit for notifying the Credit Union of any errors. The statement will be considered correct for all purposes and the Credit Union will not be liable for any payment made or charged to your account unless you notify the Credit Union in writing within the above time limit for notifying the Credit Union of any errors.

21. Inactive Accounts - If you have not made a withdrawal from, deposit to, or transfer involving your account for more than one (1) year, the Credit Union may classify your account as a dormant account. Unless prohibited by applicable law, the Credit Union may impose a service fee for continuing to process your dormant account as set forth on the Share Account Information Disclosure. The Credit Union will notify you, as required by law, at your last known address prior to imposing any service fees. You authorize the Credit Union to transfer funds from another account of yours to cover any applicable service fees. To the extent allowed by law, the Credit Union reserves the right to transfer the account funds to an account payable and to suspend any further account statements. If a deposit or withdrawal has not been made on the account and the Credit Union has had no other sufficient contact with you within the period specified by state law, the account will be presumed to be abandoned. Funds in abandoned accounts will be reported and remitted in accordance with state law. Once funds have been turned over to the state, the Credit Union has no further liability to you for such funds and if you choose to reclaim such funds, you must apply to the appropriate state agency

22. Special Account Instructions - You may request the Credit Union to facilitate certain trust, will or court-ordered account arrangements. However, because the Credit Union does not give legal advice, it cannot counsel you as to which account arrangement most appropriately meets the specific requirements of your trust, will, or court order. If you ask the Credit Union to follow any instructions that the Credit Union believes might expose it to claims, lawsuits, expenses, liabilities, or damages, whether directly or indirectly, the Credit Union may refuse to follow your instruction or may require you to indemnify the Credit Union or post a bond or other protection. Account changes requested by you, or

any account owner, such as adding or closing an account or service, must be evidenced by a new Signature Card and accepted by the Credit Union.

23. Suspension and Discontinuance of Services - The Credit Union may temporarily suspend or permanently discontinue account services to account holders for reasonable cause, which includes misconduct, abusive behavior, participating in or attempting fraud, engaging in high-risk or prohibited account activities, causing a financial loss to the Credit Union, and/or account or service abuse. Account services may also be suspended to prevent the Credit Union from incurring a loss. Suspension and discontinuance of services applies to all account types, including those held by employees or officials of the Credit Union. Under certain circumstances, services may be reinstated, for example, where a member has caused the Credit Union a financial loss and later reimburses the Credit Union in full. Account holders may appeal the suspension or discontinuance of services to SFEFCU's Supervisory Committee. Unless expelled from membership pursuant to the Federal Credit Union Act, members retain the right to maintain a share savings account (while earning applicable dividends) and the right to vote in annual and special meetings.

24. Termination of Account - The Credit Union may require you to close your account and establish 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 funds in the account; (4) any share drafts are lost or stolen; (5) if there are excessive returned unpaid items; (6) if there has been any misrepresentation or any other abuse of any of your accounts; or (7) if the Credit Union reasonably deems it necessary to prevent a loss to the Credit Union. You may terminate any single party account at any time by notifying the Credit Union in writing. The closing of your account requires that all outstanding indebtedness to the Credit Union be paid in full. The Credit Union reserves the right to require the consent of all multiple party account owners for termination of a multiple party account. The Credit Union is not responsible for payment of any share draft check, withdrawal, or other item after your account is terminated; however, if the Credit Union pays an item after termination, you agree to reimburse the Credit Union for the payment.

25. Termination of Membership - You may terminate (withdraw) your Credit Union membership by closing your account. In order to withdraw your membership, all outstanding indebtedness to the Credit Union must be paid in full.

26. Expulsion - A member may be expelled from the Credit Union for non-participation in the affairs of the Credit Union, which is defined as failing to maintain a membership share pursuant to the Credit Union's Bylaws.

27. Death or Incompetence of Account Owner - You agree to notify the Credit Union if any person with a right to withdraw funds from your account dies or becomes legally incompetent. The Credit Union may continue to honor all transfers, withdrawals, deposits and other transactions on the account until the Credit Union is notified of the member's death or of a court adjudication of incompetency. Once the Credit Union is notified, the Credit Union may pay drafts or honor other payments or transfer orders authorized by the deceased/incompetent member for a period of ten (10) days unless the Credit Union receives instructions from any person claiming an interest in the account to stop payment on the share draft checks or other items. You agree that the Credit Union can require that anyone who claims funds in your account after your death indemnify the Credit Union for any losses resulting from honoring that

claim. In the event you are adjudicated incompetent by a court order, all activity on your account will be by court order if the account is a single party account. This Agreement will be binding upon any heirs or legal representatives of any account owner.

28. Severability - In the event that any portion of this Agreement is held by a court to be invalid or unenforceable for any reason, the remainder of this Agreement shall not be invalid or unenforceable and will continue in full force and effect. All headings are intended for reference only and are not to be construed as part of the Agreement.

29. Enforcement - You agree to be liable to the Credit Union for any loss, cost or expense that the Credit Union incurs as a result of your failure to follow this Agreement. You authorize the Credit Union to deduct any such loss, costs or expenses from your account without prior notice to you. In the event the Credit Union brings a legal action to enforce the Agreement or collect any amount due under this Agreement, the Credit Union shall be entitled, subject to applicable law, to payment of its reasonable attorney's costs, including costs on any appeal, bankruptcy proceedings and any post-judgment collection actions. In the event a court action is initiated by you or the Credit Union, you agree to waive the right to jury trial in disputes concerning this account.

30. Governing Law - This Agreement is governed by the Bylaws of the Credit Union, federal laws and regulations, the laws, including applicable principles of contract law, and regulations of the state in which the Credit Union's main office is located, and local clearinghouse rules, as amended from time to time. To the extent permitted by applicable law, you agree that any legal action regarding this Agreement shall be brought in the county in which the Credit Union is located.

31. Unlawful Use of Financial Services - Any financial service provided by the Credit Union may be used for any transaction permitted by law. You agree that illegal use of any financial service will be deemed an action of default and/or breach of contract and such service and/or other related services may be terminated at the Credit Union's discretion. You further agree, should illegal use occur, to waive the right to sue the Credit Union for such illegal activity directly or indirectly related to it. You also agree to indemnify and hold the Credit Union harmless from any suits or other legal action or liability, directly or indirectly, resulting from such illegal use.

The Credit Union has established policies and procedures in accordance with the U.S. Unlawful Internet Gambling Act of 2006 (the Act) to prohibit the processing of payments through the Credit Union for Internet gambling transactions. Any attempt to process a payment through the Credit Union for Internet gambling is restricted by the Act and is a violation of this Membership and Account Agreement.

32. Claim of Loss - If you claim a credit or refund because of a forgery, alteration, or any other unauthorized withdrawal, you agree to cooperate with the Credit Union in the investigation of the loss, including giving us an affidavit containing whatever reasonable information the Credit Union requires concerning your account, the transaction, and the circumstances surrounding the loss. You will notify law enforcement authorities of any criminal act related to the claim of lost, missing or stolen checks, or unauthorized withdrawals. The Credit Union will have a reasonable period of time to investigate the facts and circumstances surrounding any claim of loss. Unless the Credit Union has acted in bad faith, the Credit Union will not be liable for special or consequential damages, including loss of profits or opportunity, or for attorneys' costs incurred by you. You agree that you will not waive any rights you have to recover your loss against anyone who is obligated to repay, insure, or otherwise reimburse you for your loss. You will pursue your rights or, at our option, assign them to us

so that we may pursue them. Our liability will be reduced by the amount you recover or are entitled to recover from these other sources.

33. Credit Reporting - The Credit Union may report information about your share and loan accounts to credit bureaus. Late payments, missed payments, or other defaults on your accounts may be reflected in your credit report.

34. Reopened Accounts - Should your account be closed at any time or times by withdrawal of the balance of the account, and later re-opened by you, such re-opened account shall be subject to all of the terms and conditions of this Agreement, whether or not any new Signature Card is signed.