

LABOR CREDIT UNION

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S-3220
WASHINGTON, DC 20210
202-789-2901

Labor CU Account Agreement

Please read this Account Agreement carefully and keep it for your records.

Definitions

In this agreement, the words "you", "your", "yours", or "owner(s)" mean any and all persons who signed the Application for Membership or any subsequent agreement.

The word "Member" means the individual, corporation, unincorporated association, trust, partnership, or other eligible entity designated as the Primary Applicant on the Application for Membership and any related documents. Only an individual or organization within the Credit Union's field of membership may become a Member and is eligible for voting and borrowing privileges with the Credit Union.

The words "we", "our", "us", "Credit Union", or "Labor CU" means Labor Credit Union.

The word "Account" means any one or more share or other Accounts you have with the Labor Credit Union.

The word "Agreement" means this Account Agreement, Electronic Funds Transfer Disclosure, and Wire Transfer Rules, eStatements Disclosure and Agreement, Truth-in-Savings Disclosure, Funds Availability Disclosures, Privacy Notice, Rate and Fee Schedules, and any other agreement or disclosure contained or referred to in this Agreement.

Account Agreements

The Labor Credit Union (Department of Labor Federal Credit Union) is chartered under the Federal Credit Union Act and regulated by the National Credit Union Administration. We are managed by a volunteer Board of Directors, elected from within the membership, with authority under the Credit Union's Charter and Bylaws to establish policies governing the Credit Union's operations. Member Accounts are federally insured up to at least \$250,000 by the National Credit Union Share Insurance Fund, which is administered by the National Credit Union Administration.

Your Account type(s) and ownership features are designated on your Membership Application. By signing a Membership Application, each of you agree to the terms and conditions in this Agreement and Membership Application, the Funds Availability Policy Disclosure, Truth-in-Savings Disclosure, Rate and Fee Schedule (Rate and Fee Schedules), and any Account Receipt accompanying this Agreement, and the Credit Union's Bylaws and policies, and any amendments to these documents from time to time which collectively govern your Membership and Accounts.

To join the Credit Union you must meet the membership requirements set forth in the Credit Union's Charter and Bylaws or established from time to time by the Credit Union's Board of Directors. You authorize us to check your Account, credit, employment history, and obtain reports from third parties, including credit reporting agencies, to verify your eligibility for the Accounts and services you request.

USA PATRIOT ACT - Notice

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 an Account we will ask for your name, address, telephone number, date of birth, social security number, employer's information, driver's license number or photo ID. We may also ask for the original document and make a copy of these identifying documents.

PERSONAL ACCOUNTS (Single and Joint Ownership)

A Single Account:

is an Account owned by one individual qualified for Credit Union membership ("the Member").

A Joint Account:

is an Account owned by a Member (the primary applicant on the Membership Application) and one or more joint owners, who may or may not be eligible for membership in the Credit Union. Joint ownership on an Account does not convey membership with the Credit Union.

1. All funds deposited in your Account(s), including any earnings thereon, are owned jointly and equally by all who sign the Application for Membership. However, only the individual designated as the primary member on the Application for Membership is considered a member of the Credit Union, with borrowing and voting privileges. Joint owners who are eligible in their own right may apply separately for membership and become eligible for such privileges.

2. Joint Accounts are established with the right of survivorship on the death of any owner of the Account, the deceased party's ownership in the Account passes to the surviving owner or owners. In such cases, the surviving Account owner(s) may be required to close the Account or apply to convert it to a new membership, if eligible.
3. Any Account owner is authorized and deemed to act for all owner(s) and the Credit Union may accept orders and instructions regarding funds in the Account, requests for future services, and any transaction from any Account owner. Each Account owner guarantees the signature of the other owners and agrees to hold the Credit Union harmless for acting on a request from any owner. Any Account owner may withdraw all funds in the Account, stop payment on items drawn on an Account, transfer, or pledge to the Credit Union all or any part of the shares of any other Account owner(s). The Credit Union will permit any owner to withdraw all funds in the Account, effectively closing it, and to open a new Account if that owner is either a member or eligible for membership with the Credit Union.
4. If any item deposited in your Account is returned unpaid, an Account is overdrawn, or if we do not receive final payment on any transaction, each of the Account owners is jointly and severally liable to the Credit Union for the amount of the returned item, overdraft, or unpaid amount of any charges, regardless of who created the overdraft, deposited or cashed an item or benefited from the transaction. Each joint owner is jointly and severally liable to us for all fees and charges assessed against the Account in accordance with our Fee Schedule. If any Account owner is indebted to the Credit Union, the Credit Union may enforce its right against any or all funds in the Account or other Accounts that they own, regardless of who contributed the funds to the Account(s).

Accounts for Minors

For any Account established by a minor, we reserve the right to require the minor to have a joint owner who has reached the age of majority under state law, and who shall be jointly and severally liable to us for any returned item, overdraft, or unpaid charges or amounts on such Account(s). We may make payments of funds directly to the minor without regard to his or her minority. Unless a guardian or parent is an Account owner, the guardian or parent shall not have any right to access the Account. We have no duty to inquire of the use or purpose of any transaction by the minor or any Account owner. We will not change the Account status when the minor reaches the age of majority, unless authorized in writing by all Account holders.

Uniform Transfers / Gifts to Minor Account

A Uniform Transfers/ Gift to Minor Account (UTTMA / UGMA) is an individual Account created by a custodian who deposits funds as an irrevocable gift to a minor. The minor to whom the gift is made is the beneficiary of the custodial property in the Account. The custodian has possession and control of the Account for the exclusive right and benefit of the minor and barring a court order otherwise, is the only party entitled to make deposits, withdrawals, or close the Account. We have no duty to inquire about the use or purpose of any transaction. If the custodian dies, we may suspend the Account, until we receive instructions from any person authorized by law to withdraw funds or a court order authorizing withdrawals.

Payable on Death (POD) Beneficiaries

Any non-retirement personal Account can be set up as a **POD** Account naming one or more beneficiaries to receive the proceeds of the Account upon the death of the owner(s). Only the Account owner(s) may withdraw funds from the Account during their lifetime. The **POD** beneficiary(ies) has no right or interest in the Account during the lifetime of the owner(s). Upon the death of all Account owners, the funds are passed to the **POD** beneficiary(ies), subject to any charges or other obligations that the deceased owner(s) may owe the Credit Union.

Accounts payable to more than one surviving beneficiary are owned jointly by such beneficiaries with rights of survivorship. Any POD or trust beneficiary/payee designation shall not apply to Individual Retirement Accounts (IRAs), which are governed by a separate beneficiary/payee designation. We are not obligated 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.

OTHER MEMBERSHIP ACCOUNT TYPES

1. Trust Accounts

The Credit Union may accept Accounts titled in the name of a member's established revocable or irrevocable Trust, under guidelines established by the Board of Directors. In addition to the trust Account membership application, we will review the trust certification and related documents to determine eligibility before opening the trust Account. We do not act as trustee, but only as custodian of the trust funds deposited with the Credit Union, and are under no obligation to inquire as to the powers or duties of the trustee(s).

2. Other Fiduciary Accounts

With respect to all fiduciary Accounts permitted by the Board of Directors, including but not limited to the Accounts described above, we may require such documents and authorizations as we deem necessary or appropriate to meet legal and regulatory requirements, and to satisfy the Credit Union that the person(s) requesting or directing transactions on the Account has the authority to do so. We may require such documents or authorizations at the time the Account is opened and any time thereafter.

Account Ownership Modification

You understand that your right or authority under this Agreement shall not be changed or terminated by you, except by written notice to the Credit Union and such notice shall not affect transactions made before the notice is received and accepted by the Credit Union. We may require a new Membership Application and such other documents as we deem appropriate in order to add a joint owner or beneficiary to a Personal Account or to convert an existing Account to another form (such as Revocable Trust) and we reserve the right to require every owner of any multiple-party Account to agree in writing when a change of ownership is requested. You understand that any authorized party to a multiple party Account may withdraw all funds in the Account, effectively closing it. If eligible for membership in their own right, they may deposit the withdrawn funds in a new Account with us. We are not responsible for payment of any check (draft), withdrawal, or other items after your access to your Account is terminated; however, if we pay an item after termination, you agree to reimburse the Credit Union for such payment, as well as fees and expenses, including court costs and reasonable attorney's fees.

Death / Incompetence of Account Owner

You agree to notify us promptly if any owner or authorized signer on your Account dies or is declared incompetent by a court. We may place a hold on your Account and refuse to accept deposits or permit withdrawals when an owner dies or is declared incompetent. We may hold any funds in your Account until we know the identity of the successor.

If a deposit - including salary, pension, Social Security and Supplemental Security Income (SSI) - payable to a deceased owner is credited to the Account after the date the deceased owner died, we will debit the Account for the deposit and return it to the payer.

We may, for a period of ten (10) days after learning of the death or incompetence of the owner, continue to pay items unless we receive instruction from a person claiming an interest in the Account to stop payment on the drafts or other items. We may require anyone claiming a deceased owner's Account funds to indemnify us for any losses resulting from our honoring that claim. This Agreement will be binding upon any heirs or legal representatives of any Account owners.

Account Information

When you open the Account with us, you give us information about yourself and confirm that it is correct. We are required by law and regulation to verify your identity, and may do so using the assistance of an outside service such as a credit reporting agency, in compliance with our policies and procedures under the USA PATRIOT Act and Bank Secrecy Act. Once we open an Account for you and enter your information into our records, we may rely on that information until you notify us of a change and we have had a reasonable time to act on the new information.

If an Account is established and a credit report or other verification process thereafter demonstrates derogatory credit existed at the time of your Application for Membership, or that your Application contained false information, we may, at our option, close your Account(s).

We may report information about your loan, share, or deposit Accounts to credit bureaus. Late payments, missed payments, or other defaults on your Accounts may be reflected in your credit report.

We may also release information from our records regarding your Accounts in accordance with our Privacy Policy, which is incorporated into this Agreement by reference.

General Provisions

1. Your Account(s) is subject to the Account rates and fees, payment and balance requirements as set forth in this Agreement, the Truth-in-Savings Disclosure, Rate and Fee Schedules, or any other applicable Credit Union Account agreement and disclosure document. You agree that we may change the RATES AND FEE SCHEDULES at any time, and you will be notified of such changes as required by law.
2. TAXPAYER IDENTIFICATION NUMBERS AND BACKUP WITHHOLDING. Your failure to furnish a correct Taxpayer Identification Number (TIN) or meet other requirements may result in backup withholding. If your Account is subject to backup withholding, we must withhold and pay to the Internal Revenue Service (IRS) a percentage of dividends, interest, and certain other payments. If you fail to provide your TIN, we may suspend opening your Account, or if applicable, you may request a non-dividend or non-interest bearing Account until a TIN is provided.
3. We reserve the right to require at least seven (7) days written notice before any withdrawal, transfer or Account closure can be made on dividend-bearing Accounts other than checking Accounts (certificate Accounts may be subject to longer notice requirements), in accordance with applicable law and regulations.
4. FORMS AND AUTHORIZATION. You agree that only forms, methods and procedures approved by the Credit Union may be used to authorize and initiate debit and credit entries to your Accounts. Should any such entries be made in error, you authorize us to correct such errors without prior approval by you, but you agree that we are under no obligations to do so. You agree that we may act upon any written authorization from you even though the signature or signatures appearing on any such authorization do not correspond exactly with the signatures on the Application for Membership. You agree, further, that we are not obligated to act upon any such authorization unless the signature or signatures do correspond exactly with the signatures on your Application for Membership. Any authorization which you make with us to initiate paperless debit or credit entries with regard to any of your Accounts shall remain in full force and effect until we have received written notification from you of the termination of such authorization in such time and in such manner as to provide us with a

reasonable opportunity to act on it.

5. **LIMITATION ON USE OF ACCOUNT.** Any financial service provided by the Credit Union may be used only as 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 to indemnify and hold the Credit Union harmless from any suits or other legal action or liability (including fees, expenses and reasonable attorney's fees), directly or indirectly, resulting from such illegal use or any activity directly or indirectly related to it.
6. You agree to pay our standard charges for research and copying of documents and other expenses we may incur in complying with court or administrative orders, subpoenas, summons, tax levies or other legal process, unless otherwise prohibited or limited by law. These may include, but are not limited to reasonable attorney's fees.
7. Should your Account(s) be closed at any time by withdrawal of the balance of your Account, and later re-opened by you and a new Account Agreement not issued, such re-opened Account shall be subject to all of the terms and conditions of this Agreement. We are not required to re-open Accounts that were closed for cause unless you have satisfied any requirements from that cause as stated in the policies of the Credit Union.
8. We are not liable to you if circumstances beyond our reasonable control prevent us from, or delay us in performing our obligations for a service, including acting on a payment order, processing a transaction or crediting your Account. Circumstances beyond our reasonable control include: a natural disaster, such as an earthquake or a flood; emergency conditions, such as war, riot, fire, theft, or labor dispute; legal constraint or governmental action or inaction; the breakdown or failure of our equipment for any reason, including a loss of electric power; the breakdown of any private or common carrier communication or transmission facilities; any time-sharing supplier or any mail or courier service; the potential violation of any guideline, rule or regulation of any government authority; suspension of payments by another bank; or your act, omission, negligence or fault.
9. **POWER OF ATTORNEY.** If you name a person to act as your attorney-in-fact or agent in any way with your Account, we are only obligated to deal with such person if we, in our sole judgment, approve the form of appointment and supporting documentation.
10. **CONFLICTING CLAIMS ABOUT YOUR ACCOUNT.** If another person or entity makes a claim against funds in your Account, or if we believe that a conflict exists between signers on the Account or that there is a dispute over matters such as the ownership of the Account or the authority to withdraw funds, we may take one or more of these actions without us being liable to you: continue to rely on current Application for Membership forms and other Account documents; honor the competing claim upon receipt of evidence we deem satisfactory to justify such claim; freeze all or part of the funds until the dispute is resolved to our satisfaction; close the Account and send a check for the balance in the Account, payable to you or to you and each claimant; or pay the funds into an appropriate court for resolution. We may charge your Account for any expenses and fees, including attorney's fees that we incur.
11. **FRAUD ON YOUR ACCOUNT.** If there is fraud on your account, we may require you to close your account and open a new account. If you refuse to do this, we will not be liable for any subsequent fraud that may occur on your account.

DEPOSITS

Endorsements

We may 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 one 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. If a check, draft, or item that is payable to two or more persons is ambiguous as to whether it is payable to either or both, we may process the check, draft or other item as though it is payable to either person. If an insurance, government, or other check or draft requires an endorsement as set forth on the back of the check or draft, we may require endorsement as set forth on the item. Endorsements must be made on the back of the share draft or check within 1 1/2 inches from the top edge. Any loss we incur from a delay or processing error resulting from an irregular endorsement or other markings by you or any prior endorser will be your responsibility.

Collection of Items

We act only as your agent and we are not responsible for handling items for deposit or collection beyond the exercise of ordinary care. Deposits made by mail or at unstaffed facilities are not our responsibility until we receive them. We are not liable for the negligence of any correspondent or for loss in transit, and each correspondent will only be liable for its own negligence. We may send any item for collection. Items drawn on an institution located outside the United States, if accepted, are handled on a collection basis only. You waive any notice of nonpayment, dishonor, or protest regarding items we receive for credit or collection to your Account.

Final Payment

All deposit items, including Automated Clearing House (ACH) transfers, credited to your Account are provisional until we receive final payment. If final payment is not received, we may charge your Account for the amount of such items and impose a return item charge on your Account. Any collection fees we incur may also be charged to your Account. We reserve the right to refuse or return any item or funds transfer. If we are required to reimburse the U.S. Government for any benefit payment directly deposited into your Account, we may deduct the amount returned from any of your Accounts, unless prohibited

by law.

Crediting of Deposits

Deposits made after branch closing time and deposits made on either holidays or days that are not our business days will be credited to your Account on the next business day. Refer to our Funds Availability Policy for additional details and information about when funds deposited to your Account become available to you.

Returned Items

If a check or other item you deposit or we cash is returned to us for any reason, at any time, we may debit your Account for the amount of the item, plus any interest you may have provisionally earned on the item and a fee for each returned item, in accordance with our Fee Schedule. We may debit your Account for a returned item at any time on or after the day it is returned to us by electronic or other means, or the day we receive notice that the item is being returned to us - whichever is earlier. If you have insufficient funds to cover a returned item, we may overdraw your Account. You agree to repay us immediately.

In some cases the financial institution on which the returned check or other item is drawn may send us an electronic notice of return instead of returning the item. We may act on, and you agree to be bound by, the electronic notice of return just as if the original item had been returned.

Redeposited Item / Third Party Check

We are under no obligation to accept a check for deposit that has already been deposited at a financial institution and returned, or that is endorsed over to you by another party. If we do not accept such an item for deposit, the funds may be subject to an exception hold (see our Funds Availability Policy), and you agree to hold us harmless for any loss or liability, including consequential damages, reasonable attorney's fees and expenses which may arise, whether or not the condition was caused by you.

ACCOUNT ACCESS

Authorized Signature

Your signature on the Membership Application authorizes your Account access. We will not be liable for refusing to honor any item or instruction if we believe the signature is not genuine. If you give your member/Account and/or any personal identification number (PIN) to a third party, you authorize us to honor transactions initiated by them even if you did not specifically authorize a particular transaction. If you give your member/Account and/or personal identification number (PIN) to a check vendor, you are responsible for all activities resulting from that transaction, including errors to your Account and other members' Accounts.

Access Options

You may withdraw or transfer funds from your Account(s) in any manner we permit. We may return as unpaid any draft drawn on a form we do not provide, and you are responsible for any loss we incur handling such a draft. We reserve the right to restrict Account withdrawals or transfers from your Account, provided that we shall not be liable for any damages arising from any action we take regarding either (I) withdrawals or transfers; or (II) payments or non-payments of a share draft, except for those damages which may arise solely as a result of the Credit Union's negligence.

ACH & Wire Transfers

You may initiate or receive credits or debits to your Account through wire or ACH transfer. Such transfer transactions will be shown on your periodic statement. Please refer to our Electronic Funds Transfer Service Agreement & Disclosure and Wire Transfer rules for full details.

Credit Union Examination

We may disregard information on any draft or 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.

Online Banking

It is your responsibility to keep your password(s) and any other access codes secret, to exit the browser when leaving the computer, and to keep the computer clean and free from viruses that could be used to capture password key strokes. You agree that we have no liability for losses resulting from unauthorized discovery or use of your password to access your Account. Please refer to our Electronic Funds Transfer Disclosure and online information for complete details about our Online Banking Service.

Nationwide Shared Branching Network

Shared branches are facilities where members of many different credit unions are able to perform transactions to their own credit union Account. Access through the Credit Union's participation in the national shared branching network is subject to the rules of the network, which may be different than the rules applicable to the transactions at the Credit Union. For example,

new Accounts may not be opened at a shared branch and the amount of cash available from deposits may be more limited. See our "Funds Availability Policy" for additional details.

Payment Authorization

You authorize us to pay drafts (as used herein, draft means check or share draft or other approved payment instrument) by you and charge the payments against your transaction Account, and only share drafts, checks or other methods approved by us may be used to withdraw funds from your Accounts. We are not required to pay an item presented if there are insufficient funds available in the Account to make such payment (see Overdrafts and Overdraft Protections section).

The Credit Union may at its discretion elect not to pay a draft that is more than six (6) months old, and it may pay drafts that have been post-dated when they are presented, regardless of any date or other limitation the drawer may have placed in the notation line of the check or elsewhere on the document.

Preauthorized Payments and Transfers (EFT and Non-EFT)

You will be responsible for stopping any pre-authorized debits (whether initiated by check, draft, or electronic order, instruction or similar payment instrument) by written communication to the person or entity to whom you have furnished your member/Account and/or PIN. You may ask us to stop a payment, and if applicable law requires us to do so, we may comply with your instruction; but you agree to hold us harmless and indemnify us against all fees, costs and expenses, including reasonable attorney's fees, in the event that we are unable to comply with your request, or the payee initiates or threatens to initiate an action against us. We have the right to require that you sign our form certifying under penalty of perjury that you have instructed the party initiating the transfer to stop the pre-authorized debit to your Account.

OVERDRAFT AND OVERDRAFT PROTECTION

Overdraft Liability

If on any day the current balance in your share Account is not sufficient to cover drafts, fees or other items posted to your Account, those amounts will be handled in accordance with our overdraft procedures or an overdraft protection plan you have with us. The Credit Union's determination of an insufficient Account balance may be made at any time between presentation and the Credit Union's payment of items presented, with only one review of the Account required. We do not have to notify you if your Account does not have funds to cover drafts, fees or other posted items. Whether the item is paid or returned, your Account may be subject to a charge as set forth in the Fee Schedule. Except as otherwise agreed in writing, by covering one or any overdraft, we do not agree to cover overdrafts in the future and may discontinue covering overdrafts at any time without notice.

If we pay an item in excess of your current balance or impose a fee that would otherwise overdraw your Account, you agree to pay the overdrawn amount immediately. We reserve the right to pursue collection of previously dishonored items at any time, including giving a payor bank extra time beyond any deadline limits.

Overdraft Protection Plan

If you have established an overdraft protection plan for your Account with us, we will honor drafts drawn on insufficient funds by transferring available funds from another deposit Account or loan Account, as you have specified in such plan, or as required under the Credit Union's overdraft protection policy. The fee for overdraft transfers, if any, is set forth in the Fee Schedule.

Discretionary "Overdraft Privilege" Protection for Checking Accounts

The Credit Union provides, as a courtesy to members, Overdraft Privilege on eligible checking Accounts. Overdraft Privilege is not a line of credit; it is a discretionary overdraft service that can be withdrawn at any time without prior notice. Overdraft Privilege allows you to overdraw your account up to \$1,000 for a fee in order to pay a transaction. Even if you have other forms of overdraft coverage, such as a transfer from another account or line of credit, Overdraft Privilege is still available for additional coverage if the other protection sources are exhausted and an item is presented for payment that would overdraw your Account. In such cases, the Credit Union may pay the item of items presented, allowing the account to be overdrawn, and assess an overdraft fee for each item paid, as published in our Fee Schedule. Items will not be paid if the resulting overdrawn amount, including fees, would exceed the Overdraft Privilege limit established for the Account. An overdraft fee will be imposed for overdrafts created by checks, ACH, Point-of-Sale, ATM withdrawals, in-person withdrawals, or by other electronic means.

The important distinction between "current balance," which is used to determine overdrafts, and "available balance," is discussed in detail on our website. You should familiarize yourself with these terms. It is possible for a transaction to exceed your "current balance," and thus create an overdraft, even if it does not exceed your "available balance."

Labor CU is not liable for any action we may take regarding payment or nonpayment of these items. In addition, Labor CU may discontinue Overdraft Privilege at any time without prior notice, reason or cause. Credit agencies may be notified if overdrafts are not paid as agreed.

The current checking account balance is the balance used to determine Overdraft Privilege or other overdraft services applies.

Your share draft Account is eligible for the Overdraft Privilege as long as your Account is maintained in good standing, which includes at least:

- A) You are not delinquent or in any other obligation to the Credit Union and you have not caused a previous loss to the Credit Union
- B) You are not subject to any legal or administrative order or levy.
- C) Your overdrawn balance is repaid within thirty-two (32) days.

You must give the Credit Union your consent to extend the Overdraft Privilege for ATM and everyday debit card transactions for which you will be charged a fee as published in our Fee Schedule. Overdraft Privilege is more expensive than other overdraft coverage options available with the Credit Union and is only intended to serve as additional coverage against returned items due to unexpected circumstances. Members may choose to discontinue the Overdraft Privilege at any time by notifying the Credit Union.

You cannot rely on the Credit Union to pay overdrafts on your account regardless of how frequently or what circumstances the Credit Union has paid overdrafts on your account in the past. We retain the right to refuse payment of an overdraft item, even though overdraft requests have been previously made.

Stop Payment Orders

For Stop Payment Rights on Electronic Fund Transfers, see the Electronic Funds Transfer Services Agreement and Disclosures.

Any request that any Account owner might make to stop payment on an item initiated by check, draft, or similar payment instrument will depend upon our ability to identify that particular item from the information provided. You agree to hold the Credit Union harmless from any and all loss, liability or expense incurred by you or any Account owner due to the payment by the Credit Union, for any reason, of an item, the form of which is not provided by a vendor specifically approved by us.

A stop payment order is binding upon the Credit Union only if we receive the order in reasonable time to act upon it, and it describes the item with certainty. You must provide the Account number, date, exact amount, number of the item and name of the payee. If you do not provide this information and we are unable to stop the payment as requested, we will not be liable for failing to stop the payment. If you ask us to stop payment on an item orally, a written confirmation of the stop payment order, dated, signed, and describing the item with certainty as detailed above, must be received within fourteen (14) calendar days, or the oral stop payment order will no longer be valid. Our acceptance of a stop payment order does not constitute a representation that the item has not already been presented and paid, or that there is a reasonable time to process the order before the item is presented.

A written stop payment order may take up to twenty-four (24) hours to process and will be effective for six (6) months. A written stop payment order may be renewed in writing if the renewal is delivered and accepted by the Credit Union before it expires. The Credit Union is not obligated to notify you when a stop payment order expires.

The Credit Union may charge a fee for each item or series of items for which a stop payment order is requested, including renewals, as set forth in the Fee Schedule.

If a Credit Union Official Check or other payment instrument issued by and guaranteed by the Credit Union is lost, stolen or destroyed, and has not yet been paid, you may request that payment be stopped, in which case you must file an "Affidavit" with the Credit Union explaining the conditions under which the instrument was lost, stolen or destroyed. If you wait ninety (90) days from the date of check issuance, the Credit Union, in its sole discretion, does agree to place a stop payment order on a payment guaranteed by the Credit Union, or if you want a replacement instrument more quickly, you agree to hold the Credit Union harmless, indemnify and defend the Credit Union against all fees, charges, expenses (including reasonable attorney's fees) as well as the full amount of the instrument.

You may cancel a stop payment order by mail, email or telephone. Your request to cancel the order is not effective until we have reasonable opportunity to act on it. We may require that a verbal cancellation be confirmed in writing.

Our liability for paying an item subject to a proper and timely stop payment order is limited to the actual loss suffered, up to the amount of item. You must prove the loss to our satisfaction. We are not liable to you for any special or consequential loss or damages of any kind.

Account Statements

If we provide you with a periodic Statement of Account, you will receive a statement of all transactions and Account activity on your Account during the statement period, as required by applicable law and regulation. You agree that only one statement is necessary for a multiple-party Account. You are responsible for examining each Statement of Account promptly and immediately reporting any irregularities to the Credit Union. We 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 sixty (60) 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 machine.

You agree that the Credit Union's retention of drafts does not alter or waive your responsibility to examine your statements or the time limit for notifying us of any errors. The statement will be considered correct for all purposes and we will not be liable for any payment made or charged to your Account unless you notify us in writing within the above time limit of any errors. See the Electronic Funds Transfer Services Agreement & Disclosure for other liability restrictions.

E-STATEMENTS: YOU WILL BE AUTOMATICALLY ENROLLED IN E-STATEMENTS TO RECEIVE YOUR STATEMENT OF ACCOUNT ELECTRONICALLY WHEN YOU USE OUR ONLINE BANKING SERVICE AND PROVIDE US WITH YOUR EMAIL ADDRESS TO SEND STATEMENT NOTIFICATIONS TO YOU. IF YOU PREFER TO RECEIVE YOUR STATEMENTS THROUGH REGULAR MAIL, YOU MAY OPT OUT OF E-STATEMENTS FROM WITHIN ONLINE BANKING. PLEASE REFER TO THE STATEMENT FOR FULL DETAILS.

Inactive-Dormant Accounts

If your Account falls below any applicable minimum balance, or you have not made any transactions over a period specified in the Fee Schedule during which we have been unable to contact you by regular mail, your Account may be considered as inactive or dormant, and we may charge fees as set forth on the Fee Schedule for processing your inactive Account. If we impose a fee, it will be clearly identified on your Statement of Account for the period in which it is charged. You authorize us to transfer funds from another Account of yours to cover any fees, if applicable.

Inactive or Dormant Accounts are restricted from remote access services, including Online Banking, ATMs, Shared Branches and Audio Response telephone services.

To the extent allowed by law, we reserve the right to suspend any further Account statements and payment of dividends on any Account classified as dormant. If a deposit or withdrawal has not been made on the Account and we have had no other sufficient contact with you within the period specified by state law, the Account will be presumed to be abandoned. Funds in the abandoned Accounts will be reported and remitted in accordance with state law. Once funds have been turned over to the state, we have no further liability to you for such funds and if you choose to reclaim such funds, you must apply to the appropriate state agency.

Inactive Share Draft Checking Accounts

Any share draft checking Account with a zero balance or no activity for 12 months may be closed by the Credit Union without notice, and any available funds transferred to the member's regular share savings Account, regardless of the status of any other Accounts that the member may have with the Credit Union. If a share draft checking Account is closed by the Credit Union due to inactivity, any access methods for that Account (debit cards, online bill payment service) will be closed, and any incoming items for that Account (checks, ACH items, etc.) may be returned as "Account Closed."

Notices

It is your responsibility to notify us promptly of any changes of name, address or other contact information related to your Account. We require any such notice by you to be in writing, whether delivered in person, by mail or electronically, in a form acceptable to us. We are only required to attempt to communicate with you using the most recent address or contact information that you have provided to us. We may impose a fee for mail returned due to your failure to notify us of a change of address.

Any written notice that 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; or, if you receive your Account statements electronically, when we transmit such notice to your email address shown in our records. Notice to any one Account owner is considered notice to all owners of the Account.

Termination Of Account

The Credit Union may terminate your Account, or the use of any product or service, at any time without advance notice to you (unless required by law), or may require you to close your Account if:

- 1) there are excessive returned unpaid items not covered by an overdraft protection plan;
- 2) you have caused a loss to the Credit Union;
- 3) there has been any misrepresentation or any other abuse of any of your Account(s); or
- 4) we reasonably deem it necessary to prevent a loss to the Credit Union, such as
 - a) a change in authorized signers;
 - b) forgery or fraud reported or committed involving your Account;
 - c) any Account checks are lost or stolen; or
 - d) you have too many transfers from your Account.

You agree to notify us of your intention to close your Account, and we reserve the right to request the notice in writing (including seven (7) days advance notice for any interest-bearing Account). After the Account is closed, we have no obligation to accept deposits or pay any outstanding checks or other payment instruments. You agree to hold us harmless and indemnify us for all fees and expenses, including reasonable attorney's fees, for refusing to honor any items presented against your Account after you have closed it. If you cause a loss to the Credit Union or engage in conduct that is disruptive, harassing or otherwise interferes with the delivery of service to members, the Credit Union has the right to restrict your access to services, including asking the members to expel you from membership. If we decide to restrict access to services you will still be entitled to vote in matters coming before the membership and may maintain a non-dividend bearing Account. We may also require that you conduct your business with the Credit Union by U.S. mail, telephone, Internet and/or messenger.

If your Account reaches a zero balance for any reason, we may consider your Account closed. This Agreement continues to govern matters related to your Account even after your Account closes.

If we close your Account, we may mail a check to you at the address currently shown in our records. We may either return deposits, checks and other items that we receive after your Account is closed or in the case of deposits, reopen the Account and accept the deposits,

without being liable to you.

Lien On Shares

We have a statutory lien on the funds in any Account in which you have an ownership interest, regardless of their source, unless prohibited by law. We may apply these funds if you owe us money as a borrower, guarantor, endorser or otherwise, without further notice to you, in any indebtedness or obligation owed by you or any Account owner to the Credit Union. 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 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 law.

All Accounts are non-assignable and nontransferable to third parties. We may exercise our right of setoff even if it results in an early withdrawal for a share certificate Account, and we are not liable for any items returned for insufficient funds as a result of our exercise of these rights.

Changes To Agreement

We may change this Agreement at any time. For example: we may add new terms and conditions and we may delete or amend existing terms and conditions. We generally send you advance notice of the change(s). If a proposed change is favorable to you, however, we may make the change at any time without advance notice. If you do not agree with the proposed change, you may close your Account. However, you indicate your agreement to the change if you continue to use your Account or keep it open.

Waiver And Severability

If any provision of this Agreement shall be declared invalid, unenforceable or illegal, that part will not affect the validity, enforceability or legality of any other provision. We may delay enforcing our rights under this Agreement without losing them. No delay enforcing our rights will affect your obligation to pay us fees and other amounts you owe us under the Agreement. If we waive a provision of this Agreement, the waiver applies only in the specific instance in which we decide to waive the provision and not to future situations or other provisions.

BINDING ARBITRATION AND ALL DISPUTES DECIDED INDIVIDUALLY:

Please review this paragraph with care. It affects the way in which any dispute not excluded between You and the Credit Union will be resolved. The requirement that either You or the Credit Union shall utilize binding arbitration to resolve certain disputes between us eliminates Your or the Credit Union's ability to use the court system to resolve those disputes. Arbitration is a non-judicial process where we submit our disputes to a neutral who has been trained and is experienced in resolving the issues, for a final determination. If any part of any covered dispute is nevertheless made in a court, for any reason, we mutually agree that anything to be decided by the court will be decided by the judge, acting without a jury. Any dispute between us will be decided without joining in any other parties, whether as a class action or otherwise, whether in arbitration or in court.

(a) All disputes of any kind between You and the Credit Union will be decided on an individual basis by binding arbitration, subject only to the exceptions set out in this Paragraph. The arbitration will be conducted under the Consumer Arbitration Rules published by the American Arbitration Association (AAA), as are in effect at the time the dispute is submitted. You and the Credit Union may mutually agree to vary from these rules. You or the Credit Union may start an arbitration proceeding by making a filing with the AAA, or by serving a written demand for arbitration on the other party and, if both parties consent, proceed under the AAA Consumer Arbitration Rules but without invoking the administrative functions of the AAA. If the proceeding is administered by the AAA, an arbitrator will be selected from the AAA panel of neutrals. If the proceeding is not administered by the AAA, the parties will select a neutral from the panel of neutrals maintained by the McCammon Group (unless the parties mutually agree otherwise or the McCammon Group is unavailable). The proceeding will be arbitrated before a single arbitrator.

(b) This Paragraph applies to all disputes between You and the Credit Union, including any dispute arising under or relating to this Members Membership and Account Agreement, under any loan or credit agreement between You and the Credit Union, any overdraft payment or privilege agreement, or any other dispute arising under or relating to our relationship whatsoever. However, notwithstanding the foregoing sentence, this Paragraph does not apply to (i) any exercise of a self-help, non-judicial remedy available to the Credit Union, including but not limited to repossession or the exercise of the right of set-off or any right to cross-collateralization, or (ii) any claim filed in a court of law by the Credit Union to seek payment of a loan or debt (including credit card balances, recovery of dishonored items, or negative share account balances), or for fraudulent activities; the requirements of this Paragraph do, however, apply to any counterclaims or other claims that may be asserted in any permissible legal proceeding. If the Credit Union is directed or permitted to take action affecting You by any law enforcement, judicial, or regulatory agency, including any attachment, lien, debtor interrogatory, request for information, execution, or garnishment, the Credit Union may comply with that direction without arbitrating with You prior to that compliance. This Paragraph does not apply to any post-judgment legal enforcement. This Paragraph does not apply in any circumstance or to any dispute where it would be contrary to law to require arbitration, including without limitation any circumstance where mandatory arbitration is prohibited by the Military Lending Act.

(c) Because the Credit Union is in a business that affects interstate commerce, arbitration under this Paragraph is governed by the Federal Arbitration Act, 9 U.S.C. *u*, 1-9. For any matter of substantive law that may be involved in any manner in the arbitration, or in any determination of arbitrability, the law of the District of Columbia shall govern, excluding its principles of conflicts of laws, except to the extent the substantive claim is made under the laws of the United States, in which case federal law shall govern the substantive claim.

(d) Any arbitration hearing shall be held in the District of Columbia. The parties may agree, or the arbitrator may order, that the hearing be held in another place, for the convenience of the arbitrator, the parties, or the witnesses. In appropriate cases the arbitrator shall

give due consideration to arbitration on the papers, sometimes called "desk arbitration," in which no formal hearing may be required.

(e) Any and all disputes between You and the Credit Union shall be resolved on a single-claimant basis. This means that neither You nor the Credit Union will assert or allege a claim on behalf of any other person. Neither You nor the Credit Union may bring a class action, class-based arbitration, joined or collective claims, or any other multiple-party claim, for any claim covered by this Paragraph, whether in arbitration, in court, or in any other forum. This provision does not preclude claims made jointly by or against joint owners or joint debtors on any account. This provision does apply to any court proceeding that may be brought pursuant to any exception to the arbitration requirements of this Paragraph or otherwise.

(f) If any issue or challenge is made to the arbitrability of any claim under this Paragraph, or as to the effectiveness and enforceability of all or any part of this Paragraph, that issue shall be decided by the arbitrator.

(g) If for any reason any issue or matter touching any part of this Paragraph is presented to or pending before a court, the court shall make any needful decision on its own, without a jury. The parties understand that this waives any right to a jury trial as to any claim between the parties, or any challenge to this Paragraph itself, or any other matter covered by it.

(h) The party initiating an arbitration that is administered by the AAA under the Consumer Arbitration Rules usually pays the initial filing fee, which is less than the fee for filing a lawsuit. Thereafter, all fees and expenses of the arbitration shall be allocated as provided by those Rules, whether or not the AAA is administering the proceeding. Each party shall initially bear its own costs, fees, expenses, witness fees, and attorney's fees. If the substantive law under which the claim is brought expressly permits shifting of fees, the arbitrator shall apply that law upon rendering a determination. If You prevail, the Credit Union will refund to you your initial filing fee, if any.

(i) This Paragraph shall survive the termination of any account, loan, or any relationship between us whatsoever and shall survive bankruptcy of either party. If the arbitrator determines that some certain provision of this Paragraph is unenforceable under the law, the remaining provisions shall remain in full force and effect. This Paragraph shall survive any subsequent change in any terms and conditions of any agreement between us, unless that change specifically refers to this Paragraph, expressly states that it is modifying "arbitration" or "class action waiver," and provides that this Paragraph does not apply or applies in a limited fashion. No employee or officer of the Credit Union other than the Chief Executive Officer may waive the Credit Union's rights under any part of this Paragraph (which waiver must be in a signed writing), and the failure of either party to enforce this Paragraph or any similar agreement against any other person shall not constitute a waiver of any part of this Paragraph.