



This Business Membership and Account Agreement (“Agreement”) covers the rights and responsibilities concerning accounts held by a business or organization account owner (“Account Owner”) and the credit union providing this Agreement. In this Agreement, the words “you,” “your” and “yours” mean the Account Owner as well as each person signing a Business Account Application or other account opening document, or for which membership and/or service requests are otherwise approved. The words “we,” “us,” and “our” mean Horizon Federal Credit Union (“Credit Union”). The word “account” means any one or more accounts you have with the Credit Union.

The classification and form of ownership of your accounts are designated on your Business Account Application. By signing a Business Account Application or authenticating your request, or by adding, changing or continuing to use your accounts and services, you agree to the terms and conditions in this Agreement, the Business Account Application, any Funds Availability Policy Disclosure, rate sheet, fee schedule, Account Receipt or other disclosure we provide to you, the Credit Union Bylaws or Code of Regulations (Bylaws), Credit Union policies, and any amendments we make to these documents from time to time, all of which collectively govern your membership, accounts and services. You also agree that your accounts and services are governed by applicable present and future federal and state laws, local banking customs and clearinghouse rules.

**THIS AGREEMENT CONTAINS AN ARBITRATION AND WAIVER OF CLASS ACTION PROVISION. IT IS IMPORTANT THAT YOU READ THIS PROVISION CAREFULLY AND FOLLOW THE PROCESS TO OPT-OUT IF YOU WISH TO DO SO, BEFORE CONSENTING TO THIS AGREEMENT.**

## MEMBERSHIP AND ACCOUNTS

**1. Membership Eligibility.** To be eligible for membership in the Credit Union you must be an individual or entity qualifying within the Credit Union’s field of membership and must satisfy the membership qualifications as required by the Credit Union’s Bylaws. You authorize us to check your account, credit and employment history, and obtain a credit report from third parties, including credit reporting agencies, to verify your eligibility for the accounts and services you request or the Credit Union offers from time to time.

**2. Account Ownership.** Commercial Accounts will only be opened by the Credit Union if any documentation we may request and that is subsequently presented by you to the Credit Union is in a manner acceptable to our policies. Your account with the Credit Union is held individually in the name of the Account Owner. The ownership status and titling of your Account is determined by the legal structure of the business establishing such Account and will fall into one of the following categories. It is your responsibility to determine and understand any legal effects related to this type of Account.

**a. Sole Proprietorship Accounts:** A sole proprietorship is a business in which one person owns all the assets, owes all the liabilities, and operates in their own personal capacity.

**b. Partnership Accounts:** A partnership is a voluntary association of two or more persons who jointly own and carry on a business for profit.

**c. Limited Partnership Accounts:** A limited partnership exists if the partnership consists of one or more persons who control the business and are personally liable for the partnership’s debts (general partners), and one or more persons who contribute capital and share profits but who cannot manage that business and are liable only for the amount of their contribution (limited partners).

**d. Limited Liability Partnership (LLP) Accounts:** A limited liability partnership exists when a partner is not liable for a negligent act committed by another partner or by an employee not under the partner’s supervision.

**e. Limited Liability Company (LLC) Accounts:** A limited liability company is a company statutorily authorized in certain states that is characterized by limited liability, management by members or managers, and limitation on ownership transfers.

**f. Corporation Accounts:** A corporation is an entity (usually a business) having authority under the law to act independently and distinct from the shareholders who own it and having rights to issue stock and exist indefinitely.

**g. Non-Profit Corporation Accounts:** A non-profit corporation is a corporation that does not issue shares of stock as evidence of ownership but instead is owned by its members in accordance with a charter or agreement.

**h. Unincorporated Non-Profit Association Accounts:** An unincorporated non-profit association is a gathering of people for a common purpose that is not a legal entity separate from the persons who compose it.

**i. PAC (Political Action Committee) Accounts:** A political action committee (PAC) is an organization that is directly or indirectly established, financed, maintained, or controlled by a candidate or an individual, primarily for the purpose of accepting contributions or making expenditures, that pools campaign contributions from members and donates those funds to campaigns for or against candidates for a public office, ballot initiatives, or legislation.

If your Account is established as a sole proprietorship Account, you warrant that you are the sole owner of your business and understand that such Accounts will only be opened by the Credit Union if the documentation presented by you to the Credit Union is in a manner acceptable to our underwriting policies. You shall take all action necessary so that in the event of your death, your estate shall release and indemnify the Credit Union for any payment made at the direction of an authorized signer of your Account provided the Credit Union has not received actual notice of your death prior to such payment being made. If you are doing business under an assumed name, you represent that you have properly filed all required paperwork as set out in the laws for the state in which you are organized to do business. It is your responsibility to determine and understand any legal effects related to this type of Account.

**3. Payment of Accounts.** Except payees named on any check or other item drawn on your Account, such Account may only be paid to you and not any director, shareholder, partner or authorized signer as may be applicable.

**4. Accounts of Businesses and Organizations.** Accounts held in the name of a business, organization or association member are subject to the same terms set forth in this Agreement and the following additional rules. The Credit Union reserves the right to require the member to provide a Business Account Application and an Authorization Designation Form informing the Credit Union who is authorized to act on its behalf and in what capacity with regard to transacting business on all products, now and in the future. You agree to notify the Credit Union of any change in authority. The Credit Union may rely on the written authorization until such time as the Credit Union is informed of changes in writing and has had a reasonable time to act upon such notice. The Credit Union may require that third-party checks payable to an organization may not be cashed, but must be deposited to a business account. The Credit Union shall have no notice of any breach of fiduciary duties arising from a transaction by any agent of the account owner, unless the Credit Union has actual notice of any wrongdoing.

### 5. Account Access

**a. Authorized Signature.** In order to access any account, the Credit Union must have an authorized signature of yours on a Business Account Application. 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 check that appears to bear your facsimile signature even if it was made by an unauthorized person. If you give your account number to a third person, you authorize us to honor transactions initiated by the third person even if you did not specifically authorize a particular transaction. Regarding Dual signature checks, the Credit Union will not be responsible for examining the checks presented for payment for the required authorized drawer signatures and will not be liable for checks lacking the necessary signatures. The business understands the dual signature feature is strictly for the business’ internal control procedures.

**b. Access Options.** You may make withdrawals or transfers from your account in any manner which is permitted by the Credit Union (i.e., check, automated teller machines (ATMs), point of sale device, debit card, in person, by mail, automatic transfer, audio response, online banking or telephone). If the Credit Union accepts any check 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 check. The Credit Union may return as unpaid any

check that is not drawn in any form provided by the Credit Union. We have the right to review and approve any form of power of attorney and may restrict account withdrawals or transfers. We are under no obligation to honor any power of attorney.

**6. Deposit Requirements.** You may make deposits to your Account using any method available from us. Such methods may include deposits made in person, by mail, electronic means, remote deposit capture, and any other means that may become available. We have the right to refuse to accept any check or instrument for deposit at our sole discretion. If you deposit an item and it is returned unpaid, we will debit your Account for the amount of the item and charge you a fee. You will be liable to us for the amount of any item you deposit which is returned unpaid, and in addition, will be responsible for any of our costs and expenses incurred in the collection of such returned item from you, including reasonable attorneys' fees. Subject to our Funds Availability Policy, you may not be able to withdraw funds from your Account until we have received final settlement for any items deposited. If you make a deposit on a Saturday, Sunday, or a holiday, or after our predetermined cut-off hour on business days, the deposit will be credited to your Account as of the next business day.

**a. Endorsements.** You authorize the Credit Union in its discretion, to accept transfers, checks, 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, whether or not they are endorsed by all payees. You authorize the Credit Union to supply missing endorsements if the Credit Union chooses to supply such endorsements. If a check 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 or item as though it is payable to either person. If an insurance, government, or other check requires an endorsement as set forth on the back of the check, we may require endorsement as set forth on the item. Endorsements must be made on the back of the check within 1½ inches from the top edge, although we may accept endorsements outside this space. However, 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.

**b. Collection of Items.** In processing items you have deposited for collection, we are only your agent and assume no responsibility beyond the exercise of ordinary care. Any item deposited is subject to final settlement in cash or credit. We may use any method we feel is appropriate to collect items, which may include use of a Federal Reserve Bank. We are not responsible for the acts of any third party we use for the collection of items including responsibility for lost items. If we use a local clearinghouse in the collection of items, you authorize us to do so and to act in accordance with any applicable rules and regulations. We may permit you to withdraw funds from your Account before final settlement has been made, however, if final settlement is not made, we have the right to charge your Account or otherwise require you to repay such funds. In processing items presented for payment on your Account, we will pay such items each business day based solely on an order of our choosing. This means that the transactions may not be processed in the order in which they occurred and that you could incur multiple fees in a single day should there be insufficient funds to pay all items presented that day.

**c. Restrictive Legends.** Some checks and drafts contain restrictive legends or similar limitations on the front of the item. Examples of restrictive legends include "two signatures required," "void after 60 days," and "not valid over \$500.00." We are not liable for payment of any check or draft contrary to a restrictive legend or other limitation contained in or on the item unless we have specifically agreed in writing to the restriction or limitation.

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

**e. Direct Deposits.** The Credit Union may offer direct deposit options allowing you to preauthorize deposits or preauthorize transfers from other accounts at the Credit Union. You must authorize any direct deposits to your accounts by a separate authorization form. If applicable, you must notify the Credit Union at least thirty (30) days prior to any direct deposit or preauthorized transfer if you wish to cancel or change the direct deposit or direct transfer option. Upon a filing of a bankruptcy, if you fail to cancel any

direct deposit authorization, you instruct your employer and the Credit Union to make and apply direct deposits in accordance with your authorization on file with the Credit Union. If the Credit Union is required to reimburse the U.S. Government for any benefit payment directly deposited into your account for any reason, you agree the Credit Union may deduct the amount returned from any of your accounts, unless prohibited by law.

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

**7. Fund Transfers.** Funds transfers we permit that are subject to Article 4A of the Uniform Commercial Code, including Automated Clearinghouse (ACH) credit transactions and wire transfers, will be subject to such provisions of the Uniform Commercial Code as enacted by the state where the main office of the Credit Union is located, except as otherwise provided in this Agreement. ACH transfers are subject to rules of the National Automated Clearinghouse Association (NACHA). If we execute requests for funds transfers by Fedwire, such transfers are subject to the Federal Reserve Board's Regulation J.

**a. Authorization for Transfers/Debiting of Accounts.** Any Authorized Person is authorized to make or order funds transfers to or from your account. We will debit your account for the amount of a funds transfer and will charge your account for any fees related to the transfer.

**b. Right to Refuse to Make Transfers/Limitation of Liability.** Unless we agree otherwise in writing, we reserve the right to refuse to execute any payment order to transfer funds to or from your account. We are not obligated to execute any payment order to transfer funds out of your account if the amount of the requested transfer plus applicable fees exceeds the available funds in your account. We are not liable for errors, delays, interruptions or transmission failures caused by third parties or circumstances beyond our control, including mechanical, electronic or equipment failure. In addition, we will not be liable for consequential, special, punitive or indirect loss or damage you may incur in connection with funds transfers to or from your account.

**c. No Notice Required.** We will not provide you with notice when funds transfers are credited to your account. You will receive notice of such credits on your account statements. You may contact us to determine whether a payment has been received.

**d. Interest Payments.** If we fail to properly execute a payment order and such action results in a delay in payment to you, applicable law requires that we pay you interest for the period of delay. Based on your account type, we will pay you such interest in the form of dividend or interest payments, whichever applies. You agree that the dividend or interest rate paid to you will be based on the lowest nominal dividend or interest rate we were paying on any account during that period.

**e. Provisional Credit for ACH Transactions.** We may provisionally credit your account for an ACH transfer before we receive final settlement. If we do not receive final settlement, we may reverse the provisional credit or require you to refund us the amount provisionally credited to your account, and the party originating the transfer will not be considered to have paid you.

**f. Payment Order Processing and Cut-off Times.** Payment orders we accept will be executed within a reasonable time of receipt. Unless we have agreed otherwise in writing, a payment order may not necessarily be executed on the date it is received or on a particular date you specify. Cut-off times may apply to the receipt, execution and processing of funds transfers, payment orders, cancellations, and amendments. Funds transfers, payment orders, cancellations, and amendments received after a cut-off time may be treated as having been received on the next funds transfer business day. Information about any cut-off times is available upon request. From time to time, we may need to temporarily suspend processing of a transaction for greater scrutiny of verification in accordance with applicable law. This action may affect settlement or availability of the transaction.

**g. Identifying Information.** If your payment order identifies the recipient and any financial institution by name and account or other identifying number, the Credit Union and any other financial institutions facilitating the transfer may rely strictly on the account or other identifying number, even if the number identifies a different person or financial institution.

**h. Amendments and Cancellations of Payment Orders.** Any Authorized Person may amend or cancel a payment order regardless of whether that person initiated the order. We may refuse requests to amend or cancel a payment order that we believe will expose the Credit Union to liability or loss. Any request to amend or cancel a payment order that we accept will be processed within a reasonable time after it is received. You agree to hold us harmless from and indemnify us for all losses and expenses resulting from any actual or attempted amendment or cancellation of a payment order.

**i. Security Procedures.** We may require you to follow a security procedure to execute, amend or cancel a payment order so that we may verify the authenticity of the order, amendment or cancellation. You agree that the security procedure established by separate agreement between you and the Credit Union is commercially reasonable. If you refuse to follow a commercially reasonable security procedure that we offer, you agree to be bound by any payment order, whether authorized or not, that is issued in your name and accepted by us in good faith in accordance with the security procedure you choose.

**j. Duty to Report Unauthorized or Erroneous Funds Transfers.** You must exercise ordinary care to identify and report unauthorized or erroneous funds transfers on your account. You agree that you will review your account(s) and periodic statement(s). You further agree you will notify us of any unauthorized or erroneous transfers within the time frames described in the "Statements" section of this Agreement.

**8. Account Rates and Fees.** We pay account earnings and assess fees against your account as set forth in our business account rate sheet and fee schedule. We may change our business account rate sheet and fee schedule at any time and will notify you as required by law.

#### **9. Transaction Limitations**

We reserve the right to restrict withdrawals or transfers from your account and shall not be liable for any restrictive action we take regarding withdrawals, transfers, or the payment or non-payment of checks and drafts, except those damages which may arise solely as a result of the Credit Union's negligence.

**a. Withdrawal Restrictions.** We permit withdrawals only if your account has sufficient available funds to cover the full amount of the withdrawal or you have an established overdraft protection plan. Checks or other transfers or payment orders which are drawn against insufficient funds may be subject to a service charge as set forth in our business account rate sheet(s) and fee schedule(s). If there are sufficient funds to cover some, but not all, of your withdrawal, we may allow those withdrawals for which there are sufficient funds.

We may limit or refuse a withdrawal in some situations, and will advise you accordingly; for example: (1) a dispute arises between Account Owners (unless a court has ordered the Credit Union to allow the withdrawal); (2) a legal garnishment or attachment is served; (3) the account secures any obligation to us; (4) required documentation has not been presented; (5) you fail to repay a Credit Union loan on time; (6) if (non-corporate account) a depositor is deceased or (corporate account) the corporation is in bankruptcy proceedings or has been dissolved and the required disposition of the account has not been made; (7) someone with authority to do so requests us not to permit the withdrawal; or (8) there are other circumstances which do not permit us to make the withdrawal. We also reserve the right to refuse any withdrawal which is attempted by any method not specifically permitted by us. The Credit Union reserves the right to require members to give notice in writing of any intended withdrawals from any account (except share draft/checking accounts) of no less than seven (7) days and up to sixty (60) days, as required by law, before such withdrawal.

**b. Transfer Limitations.** For accounts subject to transfer limitations, you may not make more than six withdrawals and transfers to another Credit Union account of yours or to a third party during any month by means of a preauthorized, automatic or internet transfer, by telephonic order or instruction, or by check, draft, debit card, if applicable, or similar order. A preauthorized transfer includes any arrangement with us to pay a third party from your account upon oral or written orders, including orders received via ACH. When a transfer exceeds these limitations, we may refuse or reverse it, assess fees against your account, suspend your account, or close your account and transfer the balance to an account without such transfer limitations. There is no limit on the number of transfers you may make to a Credit Union loan account or on the number of withdrawals you may make if the withdrawal is made in person, by mail, messenger or at an ATM. There is also no limit on the number of telephone requests for withdrawals in the form of a check or draft which is then mailed directly to you, although we may impose a fee for such services.

#### **11. Overdrafts and Dishonored Items**

**a. Insufficient Funds/Overdrafts.** If, on any day, the available balance in your account is not sufficient to pay the full amount of a check, draft, transaction or other item that is presented for payment from the account, we may return the item or honor it in accordance with our overdraft policies or any overdraft service you have established with us.

We are not required to pay any item that exceeds the available balance in your account. Items drawn on your account may be paid in any order we choose. The available balance for your account is determined according to our funds availability policy and reflects pending transactions you have authorized but have not yet posted to your account. We may determine whether the available balance in your account is sufficient to pay an item at any time between presentation of the item and our midnight deadline, with only one review of the account required. We are not required to notify you if your account does not have sufficient available funds to pay the item. Your account may be subject to a fee as disclosed in our business account fee schedule for each item presented against an insufficient available balance, regardless of whether we return or honor the item.

If you have established an overdraft service with us that links your share or deposit account with other Credit Union accounts of yours, you authorize us to transfer funds from those accounts to cover the amount of any items that exceed the available balance in your account as well as the amount of any fee assessed for the transfer. Such transfers may be made from another share or deposit account, an overdraft line-of-credit account, or other account you so designate. If we, at our discretion and as a courtesy to you, honor items that exceed the available balance in your account, the account will be overdrawn and you agree to repay the overdrawn amount, plus any fee assessed by us, in accordance with the requirements established in any other agreement with us that governs this overdraft protection service. By exercising our discretionary right to honor such items, we do not agree to honor them in the future.

**b. Dishonored Items.** We may redeposit an item taken for deposit, cash or other value, or we may return the item to you and charge your account. If your account does not contain sufficient available funds to reimburse us for the amount of the item, you must repay us for the amount we are unable to collect from your account. If we choose to redeposit an item, we are not required to notify you that the item was returned unpaid. We may charge your account and/or seek recovery directly from you for any item that is returned due to your breach of warranty under the Uniform Commercial Code as adopted in the state where our main office is located.

**12. How Transactions are Posted to Your Account.** There are two types of transactions that affect your account: credits (deposits of money into your account) and debits (payments out of your account). It is important to understand how each is applied to your account so that you know how much money you have and how much is available to you at any given time. This section explains generally how and when we post transactions to your account.

**Credits.** Deposits are generally added to your account when we receive them. However, in some cases when you deposit a check or draft, the full amount of the deposit may not be available to you at the time of deposit. Please refer to the Funds Availability Policy Disclosure for details regarding the timing and availability of funds from deposits.

**Debits.** There are several types of debit transactions. Common debit transactions are generally described below. Keep in mind that there are many ways transactions are presented for payment by merchants, and we are not necessarily in control of when transactions are received.

**a. Drafts.** When you write a draft, it is processed through the Federal Reserve System. We receive data files of cashed drafts from the Federal Reserve each day. The drafts drawn on your account are compiled from these data files and paid each day. We process the payments in the order contained in the data file.

**b. ACH Payments.** We receive data files every day from the Federal Reserve with Automated Clearing House (ACH) transactions. These include, for example, automatic bill payments you have authorized. ACH transactions for your account are posted throughout the day.

**c. PIN-Based Debit Card Purchase Transactions.** These are purchase transactions using your debit card for which a merchant may require you to enter your personal identification number (PIN) at the time of sale. They are processed through a PIN debit network. These transactions are similar to ATM withdrawal transactions because the money is usually deducted from your account immediately at the time of the transaction. However, depending on the merchant, a PIN-based transaction may not be immediately presented for payment.

- d. Signature-Based Debit Card Purchase Transactions.** These are purchase transactions using your debit card that are processed through a signature-based network. Rather than entering a PIN, you typically sign for the purchase; however, merchants may not require your signature for certain transactions. Merchants may seek authorization for these types of transactions. The authorization request places a hold on funds in your account when the authorization is completed. The "authorization hold" will reduce your available balance by the amount authorized but will not affect your actual balance. The transaction is subsequently processed by the merchant and submitted to us for payment. This can happen hours or sometimes days after the transaction, depending on the merchant and its payment processor. These payment requests are received in real time throughout the day and are posted to your account when they are received.

The amount of an authorization hold may differ from the actual payment because the final transaction amount may not yet be known to the merchant when you present your card for payment. For example, if you use your debit card at a restaurant, a hold will be placed in an amount equal to the bill presented to you; but when the transaction posts, it will include any tip that you may have added to the bill. This may also be the case where you present your debit card for payment at gas stations, hotels and certain other retail establishments. We cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for payment.

This is a general description of certain types of transactions. These practices may change, and we reserve the right to pay items in any order we choose as permitted by law.

**13. Understanding Your Account Balance.** Your share draft account has two kinds of balances: the actual balance and the available balance.

- 1. Actual Balance** – Your actual balance reflects the full amount of all deposits to your account as well as payment transactions that have been posted to your account. It does not reflect drafts you have written and are still outstanding or transactions that have been authorized but are still pending.
- 2. Available Balance** – Your available balance is your actual balance less: (1) holds placed on deposits; (2) holds on debit card or other transactions that have been authorized but are not yet posted; and (3) any other holds, such as holds related to pledges of account funds, minimum balance requirements, or to comply with court orders.

We use your available balance to determine whether there are sufficient funds in your account to pay items, including checks and drafts, as well as ACH, debit card and other electronic transactions. Pending transactions and holds placed on your account may reduce your available balance and may cause your account to become overdrawn regardless of your actual balance. You should assume that any item which would overdraw your account based on your available balance may create an overdraft and fees charged on your account. You may check your available balance via online banking, mobile banking (if available), at one of our ATMs, by visiting a Credit Union branch or calling us at the number shown in this Agreement.

**14. Returned Item/Non-Sufficient Funds (NSF) Fees.** The Credit Union may return a check or debit transaction (e.g., ACH payments) submitted for payment against your share or share draft account if the amount of the check or debit exceeds the available balance in your share or share draft account. Each time we return a check or debit for insufficient funds, we will assess NSF fees in the amount shown on the Credit Union's current Schedule of Fees and Charges for each returned check or debit item. If the merchant that submitted the initial check or debit submits the same item again, after it is rejected the first time, then we may reject it again and charge another NSF fee resulting in another NSF fee for the same item.

**The Credit Union has no control over the number of times a merchant may resubmit the same check or debit transaction to us for payment and you will be charged multiple NSF fees in connection with a single check or debit transaction that has been returned for insufficient funds multiple times. There is no limit on the total NSF fees we can charge you for each item presented.**

**15. Minimizing Fees.** The best way to know the amount of available balance you have and to avoid paying overdraft or returned item fees is to record and track all of your transactions closely, including pre-authorization commitments, outstanding checks, ACH debits, internet bill payments, online and mobile banking transfers, restrictions on deposits (or returned deposits) and any other items that may reduce your available balance.

**16. Checks or Drafts Presented for Payment in Person.** We may refuse to accept any check or draft drawn on your account that is presented for payment in person. Such refusal shall not constitute a wrongful dishonor of the check or

draft, and we shall have no liability for refusing payment. If we agree to cash a check or draft that is presented for payment in person, we may require the presenter to pay a fee. Any applicable fees for cashing checks or drafts are stated in our business account fee schedule.

**17. Postdated and Stale Dated Checks.** You agree not to draw or issue any check that is postdated. If you do draw or issue a check that is payable on a future date, we shall have no liability if we pay it before its payment date. You agree not to deposit checks or other items before they are properly payable. We are under no obligation to pay a check drawn on your account that is presented more than six (6) months after the date it was written. If, however, the check is paid, the Credit Union shall have no liability for such payment.

**18. Foreign Currency.** All checks or drafts drawn on your account shall be payable in currency of the United States. You agree not to draw a check or draft that is payable in any foreign currency. If you give us an order to pay a check or draft in a foreign currency, we have the right to return the check or draft unpaid. However, if we pay the check or draft, we will not be responsible for the currency conversion or any fees assessed for collection, and you will be bound by our determination of the currency conversion rate, the data used and the manner in which we make the conversion.

#### **19. Stop Payment Orders.**

**a. Stop Payment Order Request.** Any Authorized Person may request a stop payment order on any check or draft drawn on your account. To be binding, the order must accurately describe the check or draft, including the exact account number, check or draft number, and amount of the check or draft. This exact information is necessary for the Credit Union to identify the check or draft. If we receive incorrect or incomplete information, we will not be responsible for failing to stop payment on the check or draft. In addition, we must receive sufficient advance notice of the stop payment order to allow us a reasonable opportunity to act on it. If we recredit your account after paying a check or draft over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to transfer to us all of your rights against the payee or other holders of the check or draft, and to assist us in any legal action.

You may not stop payment on any certified check, cashier's check, teller's check or any other check, draft or payment guaranteed by us.

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

**c. Liability.** Fees for stop payment orders are set forth on our business account fee schedule. Although payment of an item may be stopped, you may remain liable to any item holder, including us. You have the burden of establishing the fact and amount of loss resulting from the payment of an item contrary to a binding stop payment order. You agree to indemnify and hold the Credit Union harmless from all costs, including attorney's fees and all damages or claims related to our refusal to pay an item, as well as claims of the Account Owner or of any payee or indorsee for failing to stop payment of an item as a result of incorrect information provided by you.

**20. Credit Union's Liability for Errors.** If the Credit Union does not properly complete a transaction according to this Agreement, the Credit Union will be liable for your losses or damages not to exceed the amount of the transaction, except as otherwise provided by law. The Credit Union will not be liable if: (1) through no fault of the Credit Union, your account does not contain enough money to make the transaction; (2) circumstances beyond the Credit Union's control prevents the transaction; (3) your loss is caused by your negligence or the negligence of another financial institution; or (4) the money in your account is subject to legal process or other claim. The Credit Union will not be liable for consequential damages except liability for wrongful dishonor. The Credit Union's actions will constitute the exercise of ordinary care if such actions or non-actions are consistent with applicable state law, Federal Reserve Regulations and operating letters, clearing house rules, and general banking practices followed in the area serviced by the Credit Union. You grant the Credit Union the right, in making payments of deposited funds, to rely exclusively on the form of the account and the terms of this Account 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.

**21. Unauthorized Use Of Check Or Draft Writing And Facsimile Signature Equipment.** You are responsible for maintaining the security of all facsimile signatures, check or draft writing equipment and supplies. You must promptly notify us in writing of the loss or theft of any checks or drafts or the unauthorized use of facsimile signature equipment, as well as the circumstances surrounding the loss, theft or unauthorized use. We are not liable for any unauthorized use of a facsimile signature.

**22. Credit Union Lien and Security Interest.** Unless prohibited by law, you pledge and grant as security for this Agreement all shares and dividends and all deposits and interest, if any, in all accounts you have with us now and in the future, and all other security you have or may pledge for other obligations you may have with us now or in the future (except, in all cases, property that is your principal residence). If you pledge a specific dollar amount in your account for a loan, we will freeze the funds in your account(s) to the extent of the outstanding balance of the loan or, if greater, the amount of the pledge if the loan is a revolving loan. Otherwise, funds in your pledged account(s) may be withdrawn unless you are in default. Federal or state law, depending upon whether we have a federal or state charter, gives us a lien on all shares and dividends and all deposits and interest, if any, in accounts you have with us now and in the future. Except as limited by state or federal law, the statutory lien gives us the right to apply the balance of all your accounts to any obligation on which you are in default. After you are in default, we may exercise our statutory lien rights without further notice to you.

**Your pledge and our statutory lien rights will allow us to apply the funds in your account to what you owe when you are in default, except as limited by state or federal law.** If we do not apply the funds in your account(s) to satisfy your obligation, we may place an administrative freeze on your account(s) in order to protect our statutory lien rights and may apply the funds in your account(s) to the amount you owe us at a later time. The statutory lien and your pledge do not apply to any Individual Retirement Account or any other account that would lose special tax treatment under state or federal law if given as security. By not enforcing our right to apply funds in your account to your obligations that are in default, we do not waive our right to enforce these rights at a later time.

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

**24. Account Information.** Upon your request, the Credit Union will inform you of the name and address of each credit reporting agency from which the Credit Union obtains a credit report in connection with your account. The Credit Union agrees not to disclose information to third parties about your account regarding any transaction or balances except when: (1) it is necessary to complete the transaction; (2) the third party seeks to verify the existence or condition of your account in accordance with the Fair Credit Reporting Act or other applicable laws and regulations; (3) such disclosure is in compliance with the law, government agencies or court orders; or (4) you give us your express permission.

**25. Transfer of Account.** All accounts are non-assignable and nontransferable to third parties except by us.

**26. 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 required to attempt to communicate with you only at the most recent address you have provided to the Credit Union. The Credit Union will accept notices of a name or address change and any other notice from you only if provided in writing to the Credit Union.

**b. Notice of Amendments.** Except as otherwise prohibited by applicable law, the terms of this Agreement are subject to change at any time. The Credit Union will notify you of any changes in account terms, rates, or fees as required by law. Changes in account ownership, such as adding or removing a joint owner, must be evidenced in writing. No joint owner may remove another joint owner from the account without the consent of all owners. The Credit Union reserves the right to waive any term in this Agreement. Any such waiver shall not affect the Credit Union's right to enforce any right in the future.

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

**d. Electronic Notices.** If you have agreed to receive notices electronically we may send you notices electronically and discontinue mailing paper notices to you until you notify us that you wish to reinstate receiving paper notices.

**27. Taxpayer Identification Numbers (TIN) and Backup Withholding.** You agree that we may withhold taxes from any dividends or interest earned on your account as required by federal, state or local law or regulations. 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 a percentage of dividends, interest, and certain other payments. If you fail to provide your TIN within a reasonable time we will close your account and return the balance to you, less any applicable service fees.

**28. Statements.**

**a. Contents.** If the Credit Union provides a statement for your account, you will receive a periodic statement of transactions and activity on your account during the statement period as required by applicable law. For share draft accounts, you understand and agree that your original draft, when paid, becomes property of the Credit Union and may not be returned to you, but copies may be retained by us or payable through financial institutions and made available upon your request.

**b. Examination.** You are responsible for promptly examining each statement upon receiving it and reporting any irregularities to us. If you fail to report any irregularities such as forged, altered, unauthorized, unsigned, or otherwise fraudulent items drawn on your account, erroneous payments or transactions, or other discrepancies reflected on your statement within a reasonable time of receiving your statement, we will not be responsible for your loss. In addition, we will not be responsible for any such items, payments, transactions, or other discrepancies reflected in your statement if you fail to notify us within thirty-three (33) days of the mailing date of the statement. We also will not be liable for any items that are forged or altered in a manner not detectable by a reasonable person, including the unauthorized use of a facsimile signature machine.

**c. Notice to Credit Union.** You agree that the Credit Union's retention of checks or 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 charge to your account unless you notify us in writing within the above time limit for notifying us of any errors.

If timely notice is given, we reserve the right to make a final reasonable determination regarding whether and in what amount any adjustment shall be made. If you fail to receive a periodic statement, you agree to notify us within 14 days of the time you regularly receive a statement.

**d. Address.** If we mail you a statement, we will send it to the last known address shown in our records. If you have requested that we send your statement electronically, we will send it to the last e-mail address shown in our records.

**29. Inactive Accounts.** As allowed by applicable law, we may classify your account as inactive or dormant and assess a fee if you have not made any transactions in your account over a specified period of time. The period of inactivity, the fee for servicing an inactive or dormant account, and the minimum balance required to avoid the service fee, if any, are set forth in our Business Rate and Fee Schedule. You authorize us to transfer funds from another account of yours to cover any service fees, if applicable. To the extent allowed by law, we reserve the right to transfer all funds in an inactive or dormant account to an account payable or reserve account and to suspend any further account statements. 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 then be presumed to be abandoned. Funds in abandoned accounts will be reported and remitted to the State in accordance with State law ("Escheatment"). Once funds have been turned over to the state, we have no further liability to you for such funds. If you choose to reclaim such funds, you must apply to the appropriate state agency.

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

**31. Termination of Account.** We may terminate your account without notice to you or may require you to close your account and apply for a new account if: (1) there is a change in owners or authorized signers; (2) there has been a forgery or fraud reported or committed involving your account; (3) there is a dispute as to the ownership of the account or of the funds in the account; (4) any checks are lost or stolen; (5) there are excessive returned unpaid items not covered by an overdraft protection plan; (6) there has been any misrepresentation or any other abuse of any of your accounts; or (7) we responsibly deem it necessary to prevent a loss to us. You may terminate a single party account by giving written notice. We reserve the right to require the consent of all owners to terminate a

multiple party account. We are not responsible for payment of any check, withdrawal, or other item after your account is terminated, however, if we pay an item after termination, you agree to reimburse us. The decision to maintain or close an account shall be made by the Credit Union's management under standards and guidelines approved by its board of directors.

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

**33. Death of Account Owner.** If the account is in the name of an individual person or a business that is organized as a sole proprietorship, we may continue to honor all transfer orders, withdrawals, deposits and other transactions on an account until we are notified of the Account Owner's death. Once we are notified of an Account Owner's death, we may pay checks or honor other payments or transfer orders authorized by the Account Owner for a period of ten (10) days after that date unless we receive instructions from any person claiming an interest in the account to stop payment on the checks or other items. We may require anyone claiming a deceased Account 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 Owner that is an individual or organized as a sole proprietorship.

**34. Waiver of Rights.** We reserve the right to waive the enforcement of any provision of this Agreement with respect to any transaction or series of transactions. A waiver of our rights at any time shall not be deemed to be a waiver of any other rights or a waiver of the same rights at a future time.

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

**36. Enforcement.** You are liable to us for any loss, cost or expense we incur resulting from your failure to follow this Agreement. You authorize us to deduct any such loss, cost or expenses from your account and any amount due under or to enforce this Agreement. We shall be entitled, subject to applicable law, to payment of reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post judgment collection actions.

**37. Fraudulent Account Activity.** In the event of ANY fraudulent activity in connection with your account or the unauthorized obtaining of account information, you hereby agree to notify the Credit Union immediately upon receipt of notice of any such event(s) and to complete all necessary paperwork, including but not limited to, police reports, affidavits, disclosures, etc., in connection with any such occurrence. You also agree to assist Credit Union personnel in obtaining and giving information on potential suspects and to provide any and all needed documents, e-mails or correspondences to assist in the investigation of any and all fraud-related issues pertaining to your membership.

**38. Waiver of Trial by Jury and Agreement as to Location of Legal Proceedings.** As permitted by applicable law, you agree that any legal action regarding this Agreement shall be brought in the county of the Credit Union office where you opened your account. You and we agree to waive any right to trial by jury in any legal proceeding or lawsuit involving the account.

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

**40. Unlawful Internet Gambling and Other Illegal Activities.** You agree that you are not engaged in unlawful internet gambling or any other illegal activity. You agree that you will not use any of your accounts, access devices or services for unlawful internet gambling or other illegal activities. We may terminate your account relationship if you engage in unlawful internet gambling or other illegal activities.

**41. Monitoring And Recording Communications.** We may monitor and record communications between you and us, including telephone conversations, electronic messages, electronic records, or other data transmissions that affect your accounts or other products and services. Except as otherwise provided by applicable law, you agree we may monitor and record such communications without your approval or further notice to you.

**42. Indemnity.** You agree to indemnify and hold harmless the Credit Union and their successors and assigns, from any claim, action, liability, loss, damage or suit, arising out of any action or inaction on our part in connection with these Agreements and Disclosures and/or your failure to abide by its terms. In the event of any claim made by or against us, we shall provide you with reasonable and timely notice of such claim, and thereafter you shall at your own expense promptly defend, indemnify, protect and hold harmless the Credit Union against said claim or any loss or liability thereunder. In the event you fail to defend and/or indemnify and hold us harmless, then in such instance we shall have full rights to defend, pay or settle said claim on your behalf without notice to you and with full right of recourse against you for all fees, costs, expenses and payments made or agreed to be paid to discharge said claim. You further agree to pay all reasonable attorneys' fees necessary to enforce such provision. Such indemnity shall be unlimited in amount and duration and be binding upon and inure to the benefit of all parties, their successors, assigns and personal representatives.

**43. Electronic check conversion and similar transactions.** An electronic check conversion transaction is a transaction where a check or similar item is converted into an electronic fund transfer as defined in the Electronic Fund Transfers regulation. In these types of transactions the check or similar item is either removed from circulation (truncated) or given back to you. As a result, we have no opportunity to review the check to examine the signatures on the item. You agree that we have not failed to exercise ordinary care as to these or any items as to which we have no opportunity to examine the signatures.

**44. Remotely Created Checks.** For purposes of this paragraph, "account" means a transaction account, credit account, and any other account on which checks may be drawn. A remotely created check is a check created by someone other than the person on whose account the check is drawn. A remotely created check is generally created by a third party payee as authorized by the owner of the account on which the check is drawn. Authorization is made over the telephone or through online communication. The owner of the account does not sign a remotely created check. In place of the owner's signature, the remotely created check usually bears a statement that the owner authorized the check or bears the owner's printed or typed name. If you authorize a third party to draw a remotely created check against your account, you may not later revoke your authorization. It is your responsibility to resolve any authorization issues directly with the third party. We are not required to credit your account, and may charge against your account any remotely created check for which the third party has proof of your authorization.

**45. Governing Law.** This Agreement is governed by the following, as amended from time to time: the Credit Union's bylaws; local clearinghouse and other payment system rules; federal laws and regulations, including applicable principles of contract law; and the laws and regulations of the state of Pennsylvania.

## ARBITRATION AND WAIVER OF CLASS ACTION

You and the Credit Union agree that we shall attempt to informally settle any and all disputes arising out of, affecting, or relating to your accounts or the products or services the Credit Union has provided, will provide or has offered to provide to you, and/or any aspect of your relationship with the Credit Union (hereafter referred to as the "Claims"). If that cannot be done, then you agree that any and all Claims that are threatened, made, filed or initiated after the Effective Date (defined below) of this Arbitration and Waiver of Class Action provision ("Arbitration Agreement"), even if the Claims arise out of, affect or relate to conduct that occurred prior to the Effective Date, shall, at the election of either you or us, be resolved by binding arbitration administered by the American Arbitration Association ("AAA") in accordance with its applicable rules and procedures for consumer disputes ("Rules"), whether such Claims are in contract, tort, statute, or otherwise. The Rules can be obtained on the AAA website free of charge at [www.adr.org](http://www.adr.org); or a copy of the Rules can be obtained at any Credit Union branch upon request. Either you or we may elect to resolve a particular Claim through arbitration, even if one of us has already initiated litigation in court related to the Claim by: (a) making written demand for arbitration upon the other party, (b) initiating arbitration against the other party, or (c) filing a motion to compel arbitration in court. **AS A RESULT, IF EITHER YOU OR WE ELECT TO RESOLVE A PARTICULAR CLAIM THROUGH ARBITRATION, YOU WILL GIVE UP YOUR RIGHT TO GO TO COURT TO ASSERT OR DEFEND YOUR RIGHTS UNDER THIS AGREEMENT (EXCEPT FOR CLAIMS BROUGHT INDIVIDUALLY WITHIN SMALL CLAIMS COURT JURISDICTION, SO LONG AS THE CLAIM REMAINS IN SMALL CLAIMS COURT).**

This Arbitration Agreement shall be interpreted and enforced in accordance with the Federal Arbitration Act set forth in Title 9 of the U.S. Code to the fullest extent possible, notwithstanding any state law to the contrary, regardless of the origin or nature of the Claims at issue. This Arbitration Agreement does not prevent you from submitting any issue relating to your accounts for review or consideration by a federal, state, or local governmental agency or entity, nor does it prevent such agency or entity from seeking relief on your behalf.

1. **Selection of Arbitrator.** The Claims shall be resolved by a single arbitrator. The arbitrator shall be selected in accordance with the Rules and must have experience in the types of financial transactions at issue in the Claims. In the event of a conflict between the Rules and this Arbitration Agreement, this Arbitration Agreement shall supersede the conflicting Rules only to the extent of the inconsistency. If the AAA is unavailable to resolve the Claims, and if you and we do not agree on a substitute forum, then you can select the forum for the resolution of the Claims.
2. **Effective Date.** This Arbitration Agreement is effective upon receipt ("Effective Date"), unless you opt-out in accordance with the requirements of the Right to Opt-Out.
3. **Right to Opt-Out.** You have the right to opt-out of this Arbitration Agreement if you tell us within 30 days of the opening of your account or the mailing of this notice, whichever is sooner. To opt-out, send us written notice that you reject the Arbitration Agreement, including your name and address as listed on your account, account number, a statement that you reject the Arbitration Agreement, and live signature to the following address:  
  

Horizon Federal Credit Union  
 330 Pine Street, Suite 400  
 Williamsport, PA 17701
4. **Claims Arising Prior to Effective Date.** THIS ARBITRATION AGREEMENT APPLIES TO ALL CLAIMS THAT ARE FILED OR INITIATED AFTER THE EFFECTIVE DATE, EVEN IF THE CLAIM ARISES OUT OF, AFFECTS, OR RELATES TO CONDUCT THAT OCCURRED PRIOR TO THE EFFECTIVE DATE. If a Claim is filed or initiated prior to the Effective Date, this Arbitration Agreement will not apply to such Claim.
5. **Arbitration Proceedings.** If any party elects arbitration as a means to resolve any such controversy or claim, such arbitration shall be administered by the American Arbitration Association in accordance with its Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Claims shall be heard by a single arbitrator. The arbitration shall be governed by the laws of the state in which our principal office is located, and arbitration shall take place in the area in which our principal office is located. Time is of the essence for any arbitration described above. Arbitration hearings shall take place within 90 days of the request for arbitration, and awards shall be rendered within 60 days of the conclusion of the arbitration proceedings. Arbitrator(s) shall agree to these limits prior to accepting appointment. The arbitrators will have no authority to award punitive or other damages not measured by the prevailing party's actual damages, except as may be required by statute. The arbitrator(s) shall award to the prevailing party, if any, as determined by the arbitrators, all of their costs and fees. "Costs and fees" mean all reasonable pre-award expenses of the arbitration, including the arbitrators' fees, administrative

fees, travel expenses, out-of-pocket expenses such as copying and telephone, court costs, witness fees, and attorneys' fees. Except as may be required by law, neither a party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both parties.

6. **Class Action Waiver.** YOU HEREBY WAIVE YOUR RIGHT TO ASSERT ANY CLAIMS AS PART OF A CLASS ACTION AND ACKNOWLEDGE THAT NO CLASS ACTION, CLASS-WIDE ARBITRATION, PRIVATE ATTORNEY GENERAL ACTION, OR OTHER PROCEEDING WHERE SOMEONE ACTS IN A REPRESENTATIVE CAPACITY, MAY BE PURSUED IN ANY ARBITRATION OR IN ANY COURT PROCEEDING, REGARDLESS OF WHEN THE CLAIM OR CAUSE OF ACTION AROSE OR ACCRUED, OR WHEN THE ALLEGATIONS OR FACTS UNDERLYING THE CLAIM OR CAUSE OF ACTION OCCURRED. YOU HEREBY WAIVE YOUR RIGHT TO A JURY TRIAL FOR THE RESOLUTION OF ANY AND ALL DISPUTES.
7. **Severability.** In the event that the Class Action Waiver in this Arbitration Agreement is found to be unenforceable for any reason, the remainder of this Arbitration Agreement shall also be unenforceable. If any provision in this Arbitration Agreement, other than the Class Action Waiver, is found to be unenforceable, the remaining provisions will remain fully enforceable.
8. **Survival.** This Arbitration Agreement will survive termination of the Agreement.
9. **Amendment/Termination.** We reserve the right to amend or terminate this Arbitration Agreement, provided that we notify you in writing at least thirty (30) days prior to such amendment or termination taking effect. Notwithstanding anything in the Agreement to the contrary, any amendment or termination of this Arbitration Agreement shall not apply to Claims that arise out of, affect or relate to conduct that occurred prior to the effective date of such amendment or termination.
10. **Applicability.** The requirement of arbitration will not apply to your Account as long as you are an active duty member of the U.S. Armed Services. Otherwise, this Arbitration Agreement will apply without limitation, regardless of whether 1) your Account is closed; 2) you pay us in full any outstanding debt you owe; or 3) you file for bankruptcy.
11. **Governing Law.** You agree that our relationship includes transactions involving interstate commerce and that these arbitration provisions are governed by, and enforceable under, the Federal Arbitration Act. To the extent state law is applicable, the laws of the Commonwealth of Pennsylvania shall apply.

FOR MORE DETAILS or if you have questions, you may call us at (570) 326-3636 or visit any branch. If you have questions about AAA procedures, you should check AAA's website, [www.adr.org](http://www.adr.org), OR call AAA at (800) 778-7879.

## SAVINGS AND CHECKING ACCOUNT DISCLOSURES

THE FOLLOWING DISCLOSURES CONTAIN THE TERMS AND CONDITIONS OF ACCOUNTS THAT YOU MAY HAVE WITH US. WHEREVER USED, "APY" MEANS ANNUAL PERCENTAGE YIELD.

Except as specifically described herein, the following disclosures apply to all accounts (All accounts described in this Disclosure are share accounts).

### COMMON FEATURES FOR ALL ACCOUNTS

1. **MEMBERSHIP.** As a condition of membership, you must purchase and maintain the minimum required share(s) as set forth below.
  - ❖ Par Value of One (1) Share.....\$5.00
  - ❖ Number of Shares Required.....One (1)
2. **MEMBER IN GOOD STANDING.** The Account services described herein are available to those members or joint owners/borrowers on accounts that are in good standing with the Credit Union. We reserve the right to suspend services to a member who is not in good standing, which includes members that have:
  - ❖ A delinquent loan.
  - ❖ A primary share account balance below the minimum required to open.
  - ❖ An unresolved returned draft.
  - ❖ Any unpaid and uncollected credit union fees.
  - ❖ A negative balance on an account.
  - ❖ Caused a financial loss to the Credit Union.

3. **ACCRUAL OF DIVIDENDS.** For all earning accounts, dividends will begin to accrue on noncash deposits (e.g., checks) on the business day you make the deposit to your account.
4. **ANNUAL PERCENTAGE YIELD.** The APY is a percentage rate that reflects the total amount of dividends to be paid on an account based on the dividend rate and frequency of compounding for an annual period.
5. **MINIMUM BALANCE INFORMATION.** To open any account, you must deposit or already have on deposit the minimum required share(s) in a share account. For all Accounts, there may be a minimum daily balance required to earn the APY disclosed for the dividend period. If the minimum average daily balance requirement is not met, you will not earn the APY. The minimum balance requirements applicable to each account are disclosed in the Business Rate Addendum and Schedule of Fees and Charges.
6. **BALANCE COMPUTATION METHOD.** For all accounts, the balance computation method is disclosed in the Business Rate Addendum and Schedule of Fees and Charges.
7. **DIVIDEND COMPOUNDING AND CREDITING.** The compounding and crediting frequency of dividends is disclosed in the Business Rate

Addendum and Schedule of Fees and Charges. If you close your account before accrued dividends are credited, accrued dividends will not be credited to you.

- 8. DIVIDEND PERIOD.** The dividend period is the period of time at the end of which an account earns dividend credit. The dividend period begins on the first calendar day of the period and ends on the last calendar day of the period. The dividend period applicable to each account is disclosed in the Business Rate Addendum and Schedule of Fees and Charges.
- 9. FEES FOR OVERDRAWING ACCOUNTS AND NON-SUFFICIENT FUNDS ("NSF").** Fees for overdrawing your account may be imposed on each draft, item, ATM transaction and one-time debit card transaction (if member has consented to overdraft protection plan for ATM and one-time debit card transactions), preauthorized automatic debit, telephone initiated withdrawal or any other electronic withdrawal or transfer transaction that is drawn on an insufficient available account balance. The entire balance in your account may not be available for withdrawal, transfer or paying a draft or item. Fees for overdrawing your account may be imposed for each overdraft, regardless of whether we pay or return the item or transaction. If we have approved an overdraft protection limit for your account, such fees may reduce your approved limit. Please refer to the Fee Schedule for current fee information. Refer to the Funds Availability Policy Disclosure for information regarding the availability of funds in your account.

If an item is returned because the available balance in your account is not sufficient to cover the item and the item is presented for payment again, we may charge an NSF Fee each time we return the item because it exceeds the available balance in your account. If, on representation of the item, the available balance in your account is sufficient to cover the item we may pay the item, and, if payment causes an overdraft, an Overdraft Fee may be charged.

For ATM and one-time debit card transactions, you must consent to the Credit Union's overdraft protection plan in order for the transaction amount to be covered under the plan. Without your consent, the Credit Union may not authorize and pay an overdraft resulting from these types of transactions. Services and fees for overdrafts are shown in the document the Credit Union uses to capture the member's opt-in choice for overdraft protection and the Business Rate Addendum and Schedule of Fees and Charges.

- 10. NATURE OF DIVIDENDS.** Dividends are paid from current income and available earnings, after required transfers to reserves at the end of a dividend period.
- 11. TRANSACTION LIMITATIONS.** For all accounts (except share draft/checking accounts) the Credit Union reserves the right to require a member intending to make a withdrawal to give written notice of such intent not less than seven days and up to 60 days before any such withdrawal.

#### Business Membership Savings, Business Savings, Business Money Market and Business Venture Checking Accounts

- 1. Tiered Variable Rate Information.** If your average daily balance for a particular balance range is met, the dividend rate and APY for that balance range will apply to the full balance of your account. The dividend rate and APY may change at any time as determined by the Credit Union's Board of Directors without any limitations, and without notice to you. The dividend rates and APYs are disclosed in the Business Rate Addendum and Schedule of Fees and Charges.

## FUNDS AVAILABILITY POLICY DISCLOSURE

### THIS DISCLOSURE DESCRIBES YOUR ABILITY TO WITHDRAW FUNDS FROM YOUR ACCOUNTS AT THE CREDIT UNION, EXCEPT FOR CHECKS DRAWN ON FOREIGN BANKS IN FOREIGN COUNTRIES.

- 1. Your Ability To Withdraw Funds.** Our policy is to delay the availability of funds from your cash and check deposits. During the delay, you may not withdraw the funds in cash and we will not use the funds to pay checks that you have written.

**Determining the Availability of a Deposit.** The length of the delay is counted in business days from the day of your deposit. Every day is a business day except Saturdays, Sundays, and federal holidays. If you make a deposit before closing on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after closing or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

The length of the delay varies depending on the type of deposit and is explained below.

#### Same-Day Availability

Funds from the following deposits are available on the day we receive the deposit:

- ❖ Electronic direct deposits to your Account.

Funds from the following deposits are also available on the business day we receive your deposit:

- ❖ U.S. Treasury checks that are payable to you.
- ❖ Wire transfers.
- ❖ Checks drawn on us.

If you make the deposit in person to one of our employees, funds from the following deposits are also available on the business day we receive your deposit:

- ❖ Cash.
- ❖ State and local government checks that are payable to you.
- ❖ Cashier's, certified, and teller's checks that are payable to you.
- ❖ Federal Reserve Bank checks, Federal Home Loan Bank checks, and postal money orders, if these items are payable to you.

If you do not make your deposit in person to one of our employees (for example, if you mail the deposit), funds from these deposits will be available on the 2nd business day after the day we receive your deposit.

#### Other Check Deposits

The first \$275.00 of other check deposits will be available on the business day we receive the deposit. The remaining funds will be available on the 2nd business day after the day of your deposit. For example, if you deposit a check of \$700.00 on a Monday, \$275.00 of the deposit is available on Monday. The remaining \$425.00 is available on Wednesday.

- 2. Longer Delays May Apply.** Funds you deposit by check may be delayed for a longer period under the following circumstances:

- ❖ We believe a check you deposit will not be paid.
- ❖ You deposit checks totaling more than \$6,725.00 on any one day.
- ❖ You redeposit a check that has been returned unpaid.
- ❖ You have overdrawn your account repeatedly in the last six months.
- ❖ There is an emergency, such as failure of computer or communication equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the 7th business day following the day of your deposit. In any case, we reserve the right to refuse an item for deposit or encashment.

- 3. Holds on Other Funds.** If we cash a check for you that is drawn on another financial institution, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it. If we accept for deposit a check that is drawn on another financial institution, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this Disclosure for the type of check that you deposited.
- 4. Special Rules for New Accounts.** If you are a new member, the following special rules will apply during the first 30 days your Account is open. Funds from electronic direct deposits to your Account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first 6,725.00 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available on the 1st business day after the day of your deposit if the

deposit meets certain conditions. For example, the checks must be payable to you. The excess over 6,725.00 will be available on the 9th business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first 6,725.00 will not be available until the 2nd business day after the day of your deposit. Funds from all other check deposits will be available on the 9th business day after the day of your deposit.

5. **Deposits at Automated Teller Machines (ATM).** Funds from any deposits (cash or checks) made at ATMs we own or operate will be available for withdrawal as described herein. All ATMs that we own or operate are identified as our machines.

Funds from any deposits (cash or checks) made at ATMs we do not own or operate will not be available until the fifth business day after the date of your deposit.

6. **Check Endorsements.** Federal law requires all check endorsements to be in the first 1-1/2 inches of the trailing edge of the back of the check. The trailing edge is opposite the left side of the face of the check, the side of the check just behind our address. You will be responsible for any costs incurred by us due to delays in returning checks deposited into your Account that do not comply with the endorsement standards.

## ELECTRONIC FUNDS TRANSFER AGREEMENT

### THIS IS YOUR ELECTRONIC SERVICES AGREEMENT AND DISCLOSURE. IT INCLUDES NECESSARY DISCLOSURE STATEMENTS AND ANY SPECIAL INSTRUCTIONS REGARDING TYPES AND LIMITATIONS OF SERVICES.

Electronic Funds transfers are electronically initiated transfers of money from your accounts through the electronic funds transfer services described below. By signing an application for EFT services, each of you, jointly and severally, agree to the terms and conditions in this Agreement and any amendments for the EFT services offered.

1. **EFT SERVICES.** If approved, you may conduct any one or more of the EFT services offered by the Credit Union and you agree to: (a) abide by our rules and regulations as amended related to the use of your Card, PIN and/or other Account access device; (b) that we may follow all instructions given to ATMs; (c) not to use your Card for illegal transactions including, but not limited to, advances made for the purpose of gambling and/or wagering where such practices are in violation of applicable state and/or federal law; and (d) that each withdrawal by you or by any authorized user of your Card or PIN may be charged to your savings or checking Account, as appropriate, and will be treated as though it were a share withdrawal except that: (1) we may charge withdrawals to your savings Account in any order we determine; and (2) we cannot honor stop payment requests on ATM and POS withdrawals.

We may, but are under no obligation to do so, process an Electronic Fund Transfer that exceeds the balance in your savings and/or checking Account. In the event that any such transfer occurs, you agree to immediately pay us the overdrawn amount and to the extent permitted by law, any associated fees and charges. For security reasons there are limits on the number of transactions that may be processed each day.

- a. **DEBIT CARD (CARD).** If approved, you may use your Card and personal identification number (PIN) to access your account. You may use your Card to purchase goods and services from participating merchants. However, you may not use your Card to initiate any type of gambling transaction. If you wish to pay for goods or services over the Internet, you may be required to provide Card number security information before you will be permitted to complete the transaction. Funds to cover your Card purchases will be deducted from your share/savings and share draft/checking account. You understand that your Card and any PIN or access code are not transferable.

For one-time Debit Card transactions, you must consent to the Credit Union's overdraft protection plan in order for the transaction amount to be covered under the plan. Without your consent, the Credit Union may not authorize and pay an overdraft resulting from these types of transactions. Services and fees for overdrafts are shown in the document the Credit Union uses to capture the member's opt-in choice for overdraft protection and the Schedule of Fees and Charges.

For other types of transactions, if the balance in your account is not sufficient to pay the transaction amount, the Credit Union may pay the amount and treat the transaction as a request to transfer funds from other deposit accounts or approved overdraft protection accounts that you have established with the Credit Union. If you initiate a transaction that overdraws your account, you agree to make immediate payment of any overdrafts together with any service charges to the Credit Union. In the event of repeated overdrafts, the Credit Union may terminate all services under this Agreement.

You may use your Card and personal identification number (PIN) at Automated Teller Machines (ATMs), in any of our network of ATMs and such other machines or facilities as the Credit Union may designate.

At the present time, you may use your Debit Card to:

- ❖ Make deposits to your accounts.
- ❖ Withdraw funds from your accounts, up to your available balance.

- ❖ Transfer funds from your accounts, up to your available balance.
- ❖ Make advances from your line of credit accounts.
- ❖ Obtain balance information for your share/savings and share draft/checking accounts.
- ❖ Make point-of-sale (POS) transactions with your Card and personal identification number (PIN) to purchase goods or services at merchants that accept the Card.
- ❖ Order goods or services online, by mail or telephone from places that accept the Card.

The following limitations on Debit Card transactions may apply:

- ❖ There is no limit to the number of cash withdrawals you may make in any one day from an ATM machine.
- ❖ You may withdraw funds from an ATM machine up to your available balance.
- ❖ There is no limit on the number of POS transactions you may make in any one day.
- ❖ You may make purchases up to your available balance.

**Card Information Updates and Authorizations.** If you have authorized a merchant to bill charges to your Card on a recurring basis, you authorize us to apply such recurring charges to the Card until you notify us that you have revoked authorization for the charges to your Card. It is your responsibility to notify the merchant in the event your Card is replaced, your Card information (such as Card number and expiration date) changes, or the account associated with your Card is closed.

As a service to our members, the Credit Union provides an information updating service. Through this service, updated Card information (such as Card number and expiration date) may be shared with participating merchants to facilitate continued recurring charges. Your Card is automatically enrolled in this service, and if your Card is replaced or Card information changes, you authorize us, without obligation on our part, to provide the updated Card information to the merchant in order to permit the merchant to bill recurring charges to the Card. Updates are not guaranteed before your next payment to a merchant is due, and in the event your Card is replaced or your card information changes, you understand and agree that you are responsible for making direct payment until recurring charges resume. To revoke your authorization allowing us to provide updated Card information to a merchant, please contact us.

**INTERNET ACCOUNT ACCESS SYSTEM (ONLINE BANKING).** You may use Online Banking in conjunction with your Access Code, an internet connection and a personal computer.

At the present time, you may use Online Banking to:

- ❖ Withdraw funds from your accounts, up to your available balance, by requesting a check be mailed to the address we have on file.
- ❖ Transfer funds from your accounts, up to your available balance.
- ❖ Make payments on Credit Union loans.
- ❖ Make advances from your line of credit accounts with the exception of accounts owned by minors.

- ❖ make inquiries on your Credit Union deposit and loan balances, deposits, withdrawals and transactional information.
- ❖ Access the Bill Payment system.
- ❖ Access the Remote Deposit system.

Your accounts can be accessed under Online Banking via electronic device. Online Banking will be available for your convenience 24 hours per day. This service may be interrupted for a short time each day for data processing. If you attempt to use the system and receive a message that "the system is not available," please try again later when service is restored. We reserve the right to refuse any transaction which would draw upon insufficient funds, exceed a credit limit, lower an account below a required balance, or otherwise require us to increase our required reserve on the account. All checks are payable to you as a primary member and will be mailed to your address on record. We may set other limits on the amount of any transaction, and you will be notified of those limits. We may refuse to honor any transaction for which you do not have sufficient available verified funds. The service will discontinue if no transaction is entered after numerous unsuccessful attempts to enter a transaction and there may be limits on the duration of each access.

The following limitations on Online Banking transactions may apply:

- ❖ There is no limit to the number of inquiries, transfers or withdrawal requests you may make in any one (1) day.

**b. ELECTRONIC BILL PAYMENT SYSTEM (BILL PAYMENT).** You may access our Bill Payment system in conjunction with Your Access Code, an internet connection and a personal computer.

In order to use Bill Payment for such transactions, you must have a linked Account with us. By completing a Bill Payment transaction, you authorize us to post any such payments to your linked Account. Payments will be made by check or electronic transfer and will be sent to the payee on the business day you designate it to be sent. Requests for payments to be sent on the same day as the date of your request must be received by us not later than the cut-off time for the current business day in order for it to be sent that business day. If you schedule a payment to be paid before closing on a business day that we are open, we will consider that day to be the day of your request. However, if you schedule a payment to be paid after closing or on a day we are not open, we will consider that the request was made on the next business day we are open. The Credit Union cannot guarantee the time any payment will reach any of your payees and accepts no liability for any service fees or late charges levied against you. Payments requested to be sent on dates that do not exist in a given month (e.g. February 30th or April 31st), or fall on Saturdays, Sundays, federal reserve and other Credit Union observed holidays will also be sent on the next business day.

At the present time, you may use Bill Payment to:

- ❖ Authorize the Credit Union to issue payments on your behalf.
- ❖ Check the status of payments previously authorized through the Bill Payment system.

The following limitations on Bill Pay transactions may apply:

- ❖ There is no limit on the number of bill payments per day.

**c. MOBILE INTERNET ACCOUNT ACCESS SYSTEM (MOBILE BANKING).** You may use Mobile Banking in conjunction with your Access Code, an internet connection and internet enabled mobile computing device (e.g. smartphone or tablet).

At the present time, you may use Mobile Banking to:

- ❖ Withdraw available funds from your share/savings and share draft/checking accounts.
- ❖ Withdraw funds from your accounts, up to your available balance, by requesting a check be mailed to the address we have on file.
- ❖ Transfer funds from your accounts, up to your available balance.
- ❖ Make payments on Credit Union loans.
- ❖ Make advances from your line of credit accounts with the exception of accounts owned by minors.
- ❖ Make inquiries on your Credit Union deposit and loan balances, deposits, withdrawals and transactional information.
- ❖ Access the Bill Payment system.
- ❖ Access the Remote Deposit system.

Your accounts can be accessed via mobile device or other approved access device(s). Mobile Banking will be available for your convenience

24 hours per day. This service may be interrupted for a short time each day for data processing. If you attempt to use the system and receive a message that "the system is not available," please try again later when service is restored. We reserve the right to refuse any transaction which would draw upon insufficient funds, exceed a credit limit, lower an account below a required balance, or otherwise require us to increase our required reserve on the account. All checks are payable to you as a primary member and will be mailed to your address of record. We may set other limits on the amount of any transaction, and you will be notified of those limits. We may refuse to honor any transaction for which you do not have sufficient available verified funds. The service will discontinue if no transaction is entered after numerous unsuccessful attempts to enter a transaction and there may be limits on the duration of each access.

The following limitations on Mobile Banking transactions may apply:

- ❖ There is no limit to the number of inquiries, transfers, or withdrawal requests you may make in any one (1) day.

**d. REMOTE DEPOSIT SYSTEM.** Using Online Banking or Mobile Banking you can access our remote deposit system in order to initiate the deposit of checks into your share/savings and share draft/checking Account(s) you have with us. You understand and agree that the remote deposit of items into your deposit Accounts with us through use of the remote deposit system are not subject to the Electronic Fund Transfer Act (15 U.S.C. § 1693 et seq.) or Regulation E (12 CFR 1005.1 et seq.). The remote deposit of items is governed solely by the terms and conditions set forth in the Credit Union's separate remote deposit capture agreement provided to you separately.

**e. PREAUTHORIZED EFTS.**

- i. **Direct Deposit.** Upon instruction of: (A) your employer, (B) the Treasury Department, or (C) other financial institutions, the Credit Union will accept direct deposits of your paycheck or federal recurring payments, such as Social Security, to your share/savings and/or share draft/checking accounts.
- ii. **Preauthorized Debits.** Upon instruction, we will pay certain recurring transactions from your share/savings and/or share draft/checking accounts by authorizing a merchant or other payee to make a one-time electronic payment from your checking Account using routing and account information from your check ("E-Check") to: (a) pay for purchases; or (b) pay bills.
- iii. **Stop Payment Rights.** If you have arranged in advance to make electronic fund transfers out of your account(s) for money you owe others, you may stop payment on preauthorized transfers from your account. You must notify us orally or in writing at any time up to three (3) business days before the scheduled date of the transfer. We may require written confirmation of the stop payment order to be made within 14 days of any oral notification. If we do not receive written confirmation, the oral stop payment order shall cease to be binding 14 days after it has been made. A stop payment request for preauthorized Electronic Fund Transfers will apply to all subsequent transfers, unless you withdraw the request.
- iv. **Stop Payments of ACH/Electronic Check Items Affecting Non-Consumer Accounts.** The stop payment order will remain in effect until the earlier of: (A) the withdrawal of the stop payment order by the Receiver; (B) the return of the debit entry; or (C) six months from the date of the stop payment order, unless it is renewed in writing.
- v. **Notice of Varying Amounts.** If these regular payments may vary in amount, the person you are going to pay is required to tell you ten (10) days before each payment, when it will be made and how much it will be. You may choose instead to get this notice only when the payment differs by more than a certain amount from the previous payment or when the amount would fall outside certain limits that you set.
- vi. **Liability for Failure to Stop Payment of Preauthorized Transfers.** If you order us to stop payment of a preauthorized transfer three (3) business days or more before the transfer is scheduled and we do not do so, we will be liable for your losses or damages.

**f. ELECTRONIC CHECK CONVERSION/ELECTRONIC RETURNED CHECK FEES.** If you pay for something with a draft, you may authorize your draft to be converted to an electronic fund transfer. You may also

authorize merchants to electronically debit your account for returned check fees. You are considered to have authorized these electronic funds transfers if you complete the transaction after being told (orally or by a notice posted or sent to you) that the transfer may be processed electronically or if you sign a written authorization.

## 2. CONDITIONS OF EFT SERVICES

- a. **Ownership of Cards.** Any Card or other device which we supply to you is our property and must be returned to us, or to any person whom we authorize to act as our agent, or to any person who is authorized to honor the Card, immediately according to instructions. The Card may be cancelled at any time at our sole discretion without demand or notice. You cannot transfer your Card or account to another person.
- b. **Honoring the Card.** Neither we nor merchants authorized to honor the Card will be responsible for the failure or refusal to honor the Card or any other device we supply to you. If a merchant agrees to give you a refund or adjustment, you agree to accept a credit to your account in lieu of a cash refund.
- c. **Foreign Transactions.** For transactions initiated in foreign currencies, the exchange rate between the transaction currency and the billing currency (U.S. dollars) will be: (i) a rate selected by the Card issuer from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate the Card issuer itself receives; or (ii) the government mandated rate in effect for the applicable central processing date. In each instance you will be charged 8/10th of 1.00% calculated on the final settlement amount for transactions that are initiated in foreign countries, and if your transaction is also initiated in a foreign currency you will be charged an additional 2/10th of 1.00% calculated on the final converted settlement amount.

A foreign transaction is any transaction that you complete, or a merchant completes on your Card outside of the United States with no regard to the physical location of your Card or your knowledge of where the merchant may process the transaction. This includes, but not limited to, ordering goods or services online or any other mobile device within the United States to a merchant located outside the United States with the exception of U.S. military bases and U.S. territories.

- d. **Security of Access Code.** You may use one (1) or more access codes with your electronic fund transfers. The access codes issued to you are for your security purposes. Any access codes issued to you are confidential and should not be disclosed to third parties or recorded on or with the Card. You are responsible for safekeeping your access codes. You agree not to disclose or otherwise make your access codes available to anyone not authorized to sign on your accounts. If you authorize anyone to use your access codes, that authority shall continue until you specifically revoke such authority by notifying the Credit Union. You understand that any joint owner you authorize to use an access code may withdraw or transfer funds from any of your accounts. If you fail to maintain the security of these access codes and the Credit Union suffers a loss, we may terminate your EFT services immediately.
- e. **Joint Accounts.** If any of your accounts accessed under this Agreement are joint accounts, all joint owners, including any authorized users, shall be bound by this Agreement and, alone and together, shall be responsible for all EFT transactions to or from any share/savings and share draft/checking or loan accounts as provided in this Agreement. Each joint account owner, without the consent of any other account owner, may, and hereby is authorized by every other joint account owner to, make any transaction permitted under this Agreement. Each joint account owner is authorized to act for the other account owners, and the Credit Union may accept orders and instructions regarding any EFT transaction on any account from any joint account owner.

3. **Fees and Charges.** There are certain charges for electronic funds transfer services. From time to time, the charges may be changed. We will notify you of any changes as required by applicable law.

If you use an ATM not operated by us, you may be charged a fee by the ATM operator and by any national, regional, or local network used in processing the transaction (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer). The ATM surcharge will be debited from your account if you elect to complete the transaction or continue with the balance inquiry.

**Refer to the separate Business Rate Addendum and Schedule of Fees and Charges for current fees.**

4. **Third Party Accounts.** If you link any of your accounts or services to a third-party app or payment service (including, but not limited to, ApplePay, PayPal, Zelle or Venmo) you understand and agree that these are not Credit Union services; and any transactions you make will be subject to your agreements with the app or service provider. You understand that these apps and services do not provide the same protections from fraud or other misapplication of funds as traditional direct banking services. If we transfer any funds as directed by you or anyone you authorize to the app or third-party service provider, such transfer(s) shall in all respects be an authorized transaction and we will have no further obligation or liability if the app or provider then transfers the funds to a fraudster or the funds are otherwise misapplied. Further, you understand that funds transferred to/via a third-party App may not be federally or otherwise insured; and you assume all risks should your funds become unavailable for any reason.

5. **Liability For Unauthorized Use.** If you believe your Card, Access Code or PIN have been lost or stolen or if you believe that an electronic fund transfer has been made without your permission using information from your check. You could lose all of the money in your Account (plus your maximum overdraft line of credit, if applicable).

You must contact us at once by calling:

**(570) 326-3636** (calling us is the best way of keeping your possible losses down)

or write to:

**Horizon Federal Credit Union  
330 Pine Street, Suite 400  
Williamsport, PA 17701**

## 6. RIGHT TO RECEIVE DOCUMENTATION

- a. **Periodic Statements.** Transfers and withdrawals made through any ATM or POS terminal, Debit Card transactions, Telephone Teller transactions, preauthorized EFTs, electronic/PC transactions or Bill payments will be recorded on your periodic statement. You will receive a statement monthly unless there is no transaction in a particular month. In any case, you will receive a statement at least quarterly and/or annually.
- b. **Terminal Receipt.** You have the option to receive a receipt at the time you make any transaction (except inquiries) involving your account using an ATM, POS terminal, or Debit Card transaction with a participating merchant. A receipt may not be provided for certain small value transactions at POS terminals or with participating merchants.
- c. **Direct Deposit.** If you have arranged to have a direct deposit made to your account at least once every 60 days from the same source and you do not receive a receipt (such as a pay stub), you can find out whether or not the deposit has been made by calling **(570) 326-3636**. This does not apply to transactions occurring outside the United States.

7. **ACCOUNT INFORMATION DISCLOSURE.** We may disclose information to third parties about your account or the transfers you make:

- ❖ As necessary to complete transfers.
- ❖ To verify the existence of sufficient funds to cover specific transactions upon the request of a third party, such as a credit bureau or merchant.
- ❖ If your account is eligible for emergency cash and/or emergency card replacement services, and you request such services, you agree that we may provide personal information about you and your account that is necessary to provide you with the requested services(s).
- ❖ To comply with government agency or court orders; or
- ❖ If you give us your written permission.

8. **CREDIT UNION LIABILITY FOR FAILURE TO MAKE TRANSFERS.** If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we may be liable for your losses or damages. However, we will not be liable for direct or consequential damages in the following events:

- ❖ If, through no fault of ours, there is not enough money in your accounts to complete the transaction, if any funds in your accounts necessary to complete the transaction are held as uncollected funds pursuant to our Funds Availability Policy, or if the transaction involves a loan request exceeding your credit limit.
- ❖ If you used your Card or access code in an incorrect manner.
- ❖ If the ATM where you are making the transfer does not have enough cash.
- ❖ If the ATM was not working properly and you knew about the problem when you started the transaction.

- ❖ If circumstances beyond our control (such as fire, flood, or power failure) prevent the transaction.
- ❖ If the money in your account is subject to legal process or other claim.
- ❖ If funds in your account are pledged as collateral or frozen because of a delinquent loan.
- ❖ If the error was caused by a system of any participating ATM network.
- ❖ If the electronic transfer is not completed as a result of your willful or negligent use of your Card, access code, or any EFT facility for making such transfers.
- ❖ If the telephone or computer equipment you use to conduct Telephone Teller, online/PC, or mobile banking transactions is not working properly and you know or should have known about the breakdown when you started the transaction.
- ❖ If you have bill payment services, we can only confirm the amount, the participating merchant, and date of the bill payment transfer made by the Credit Union. For any other error or question you have involving the billing statement of the participating merchant, you must contact the merchant directly. We are not responsible for investigating such errors.
- ❖ Any other exceptions as established by the Card issuer or the Credit Union.

**9. NOTICES.** All notices from us will be effective when we have mailed them or delivered them to the appropriate address in the Credit Union's records. If you have agreed to receive notices electronically, we may send you notices to the appropriate email address in the Credit Union's records. Notices from you will be effective when received by the Credit Union at the address specified in this Agreement. We reserve the right to change the terms and conditions upon which this service is offered. We will mail notice to you at least 21 days before the effective date of any change. Use of EFT services are subject to existing regulations governing the Credit Union account and any future changes to those regulations.

**10. SAFETY PRECAUTIONS.** The following information is a list of safety precautions regarding the use of ATMs and Night Deposit Facilities.

- ❖ Be aware of your surroundings, particularly at night.
- ❖ Consider having someone accompany you when the ATM or night deposit facility is used after dark.
- ❖ If another person is uncomfortably close to you at the time of your transaction, ask the person to step back before you complete your transaction.
- ❖ Refrain from displaying your cash at the ATM or night deposit facility. As soon as your transaction is completed, place your money in your purse or wallet. Count the cash later in the safety of your car or home.
- ❖ If you notice anything suspicious at the ATM or night deposit facility, consider using another ATM or night deposit facility or coming back later. If you are in the middle of a transaction and you notice something suspicious, cancel the transaction, take your Card or deposit envelope, and leave.
- ❖ If you are followed after making a transaction, go to the nearest public area where people are located.
- ❖ Do not write your personal identification number or code on your ATM Card.
- ❖ Report all crimes to law enforcement officials immediately.
- ❖ Close the entry door of any ATM facility equipped with a door.

**11. BILLING ERRORS.** In case of errors or questions about electronic funds transfers from your share/savings and share draft/checking accounts, telephone us at the following number or send us a written notice to the following address as soon as you can. We must hear from you no later than sixty (60) days after we sent the FIRST statement on which the problem appears. Call us at:

(570) 326-3636

or write to:

**Horizon Federal Credit Union  
330 Pine Street, Suite 400  
Williamsport, PA 17701**

- ❖ Tell us your name and account number.
- ❖ Tell us the dollar amount of the suspected error.
- ❖ Describe the electronic transfer you are unsure about and explain as clearly as you can why you believe the Credit Union has made an error or why you need more information.

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

We will determine whether an error has occurred within ten (10)\* business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45\*\* days to investigate your complaint or question. If we decide to do this, we will credit your account within ten (10)\*\* business days for the amount you think is in error so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within ten (10) business days, we may not credit your account.

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

\* If you give notice of an error occurring within 30 days after you make the first deposit to your account, we may take up to 20 business days instead of ten (10) business days to investigate the error.

\*\* If you give notice of an error occurring within 30 days after you make the first deposit to your account, notice of an error involving a point-of-sale (POS) transaction, or notice of an error involving a transaction initiated outside the U.S., its possessions and territories, we may take up to 90 days instead of 45 days to investigate the error. Additionally, for errors occurring within 30 days after you make the first deposit to your account, we may take up to 20 business days instead of ten (10) business days to credit your account.

**12. TERMINATION OF EFT SERVICES.** You may terminate this Agreement or any EFT service under this Agreement at any time by notifying us in writing and stopping your use of your Card and any access code. You must return all Cards to the Credit Union. You also agree to notify any participating merchants that authority to make bill payment transfers has been revoked. We may also terminate this Agreement at any time by notifying you orally or in writing. If we terminate this Agreement, we may notify any participating merchants making preauthorized debits or credits to any of your accounts that this Agreement has been terminated and that we will not accept any further preauthorized transaction instructions. We may also program our computer not to accept your Card or access code for any EFT service. Whether you or the Credit Union terminates this Agreement, the termination shall not affect your obligations under this Agreement for any EFT made prior to termination.

**13. CHANGE IN TERMS.** We may change the terms and charges for the services shown in this Agreement and may amend this Agreement from time to time. You will be notified of such changes as required by applicable law.

**14. BUSINESS DAYS.** Our business days are Monday through Friday, excluding Federal holidays.

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

**16. GOVERNING LAW.** This Agreement is governed by the Credit Union's bylaws, federal laws and regulations, the laws and regulations of the Commonwealth of Pennsylvania, and local clearinghouse rules, as amended from time to time. Any disputes regarding this Agreement shall be subject to the jurisdiction of the court of the county in which the Credit Union's main office is located.