



## Membership/Account Agreement For Businesses and Other Entities

This is the Agreement between you (the member) and 4Front Credit Union (hereinafter "Credit Union"), a state-chartered credit union whose principal place of business is located at 101 North Park Street, Traverse City, Michigan 49684, regarding your business accounts with the Credit Union. By establishing an account with the Credit Union through a Business Membership Application and Agreement that makes reference to this Agreement, you agree that this Agreement is a binding contract between you and the Credit Union.

This Agreement is designed to allow certain businesses and other entities as more fully described below to join Credit Union and to obtain various financial products and services offered by the Credit Union. For purposes of this Agreement, a sole proprietorship is regarded as a "business" even though it is one and the same as its owner as opposed to being a distinct entity.

You should retain a copy of this Agreement and feel free to call the Credit Union if you have any questions. This Agreement also includes certain disclosures required under the Expedited Funds Availability Act (Regulation CC), Regulation D, and Uniform Commercial Code Article 4A. Throughout this Agreement, the words "you," "your," "organization," and "business" mean the business or other entity that has signed a Business Membership Application and Agreement which makes reference to this Agreement. The words "we," "our," "us," and "Credit Union" mean the Credit Union.

### PATRIOT ACT NOTICE

#### Important Information about Procedures for Opening a New Account

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. What this means for you: When you open a new account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

### NOTICE OF ARBITRATION PROVISION

This Agreement contains an Arbitration Provision which provides that you or the Credit Union may elect to have all disputes resolved by **BINDING ARBITRATION INSTEAD OF IN COURT**.

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

You **GIVE UP YOUR RIGHT TO GO TO COURT** to assert or defend your rights under this Agreement (**EXCEPT** for matters that may be taken to **SMALL CLAIMS COURT**).

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

You are entitled to a **FAIR HEARING**, BUT the arbitration procedures are

**SIMPLER AND MORE LIMITED THAN RULES APPLICABLE IN COURT.**

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

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

### Membership Eligibility

**General.** If your business is a sole proprietorship, you may open an account for it and maintain the account as long as you qualify for membership in Credit Union. A business or other entity that is not a natural person is eligible for membership in the Credit Union if on its own it qualifies for membership and if its shareholders, partners, owners, or members are composed of persons who are within the field of membership of this Credit Union.

**Documentation.** No organization, incorporated or otherwise, shall be eligible for membership in the Credit Union without substantiating its legal existence, to the reasonable satisfaction of the Credit Union, by providing such documentation as the Credit Union may, from time to time, require, and such Resolutions as may be required by the Credit Union. We reserve the right to require that you provide, and you agree to provide, any such documentation at any time. The Credit Union reserves the right to refuse membership to an organization when such organization is not properly registered with the State of Michigan.

While the individuals who comprise an organization, incorporated or otherwise, shall not be joint owners on an account created for the organization, each of the individuals signing a Guaranty of Business or Other Entity Obligations that makes reference to the organization personally guarantees any obligation created by the organization owing to the Credit Union.

In addition to a Business Prime Share account, the Credit Union will make various types of financial products and services available to businesses and other organizations. These products and services are subject to change at any time, and you may not be eligible for all products and services offered by the Credit Union.

You understand and agree that the Credit Union may distribute funds pursuant to the terms of the most recently dated Resolutions or other authorizing document on file at the Credit Union, and the organization and all persons who make any representation to the Credit Union concerning the Resolutions or other such document forever indemnify and hold the credit union harmless for distributions made in good faith pursuant to those Resolutions or other document. You further agree that it is your responsibility to notify the Credit Union when the terms of those Resolutions or other document have been revoked, rescinded, revised, or in any way modified.

**Becoming a Member.** For an organization to become a member of the Credit Union, you (the organization) must complete a Business Account Resolutions and a Business / Membership Application and Agreement, both of which are incorporated into this Agreement by reference, and open a Business Prime Share (Savings) Account. The basic share deposit that you must always keep in your Business Prime Share Account is \$1.00. If you are opening an account for a sole proprietorship, you must complete a Business Membership Application and Agreement and Sole Proprietorship Certification and Authorization, which is incorporated into this Agreement by reference.

## Business Prime Share Account

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**Deposits Generally.** After you have established your Business Prime Share Account, you may make additional deposits into that account, or establish other types of accounts as described herein, at any time and in any amount. This account is not transferable except on the Credit Union's books and records. Your interest in a Business Prime Share Account cannot be used as collateral for a loan with another lender unless we consent in writing and the transfer is reflected in our records. We may establish minimum amounts for deposits in your Business Prime Share Account. You can make deposits in person, by mail, or by any other means established by the Credit Union.

**Withdrawing Money from Your Business Prime Share Account.** As long as you have sufficient available funds in your account, and subject to any applicable state or federal laws and regulations, money can be withdrawn from your account by any method approved by the Credit Union.

**Dividends.** Dividends are calculated by the average daily balance method and will be credited monthly. Dividends are not available to you until they have been credited to your account. Even though your account earns dividends every day, we don't actually credit them to your account until the last day of the applicable month. Dividends that are credited to your account will be added directly into your account. If you close your account before dividends are paid, you will not receive the accrued but unpaid dividends.

## Business Checking Account

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**Deposits Generally.** After you have established your Business Checking Account, you may make additional deposits into that account at any time and in any amount subject to the terms of this Agreement. The account is not transferable except on the Credit Union's books and records. Your interest in a Business Checking Account cannot be used as collateral for a loan with another lender unless we consent in writing and the transfer is reflected in our records. You can make deposits in person, by mail, or by any other method approved by the Credit Union. There is no minimum deposit for your Business Checking Account, but we may from time to time establish minimum amounts for deposits in the account.

**Minimum Balance.** You must maintain a basic membership share of \$1.00 on deposit in your Business Prime Share Account to retain a Business Checking Account. We may establish a minimum balance requirement for a Business Checking Account, and we reserve the right to adjust the minimum balance requirements from time to time. If you do not maintain any such required minimum balance, we may charge you a maintenance fee as described in the Business Account Fee Schedule.

**Transaction Limitations.** There are no transaction limitations on a Business Checking Account.

**Dividends.** Dividends are calculated using the average daily balance method and will be credited monthly. Your Checking average daily balance must be \$5,000 or greater to earn dividends. Dividends are not available to you until they have been credited to your account. Even though your account earns dividends every day, we don't actually credit them to your account until the last day of the applicable month. Dividends that are credited to your account will be added directly into your account. If you close your account before dividends are paid, you will receive the accrued but unpaid dividends on the Business Checking.

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

**Fees.** We will not be liable for refusing to pay items presented if, at any time, fees or charges leave insufficient collected funds in your account to cover the items.

You agree to pay any applicable monthly maintenance charges, plus our current service charges, for each separate activity engaged in during the month. These charges may be changed at any time and from time to time by us without advance notice. These charges are set forth in our Business Account Fee Schedule.

## No Dividend Checking Account

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**Deposits Generally.** After you have established your No Dividend Checking Account, you may make additional deposits into that account at any time and in any amount subject to the terms of this Agreement. The account is not transferable except on the Credit Union's books and records. Your interest in a No Dividend Checking Account cannot be used as collateral for a loan with another lender unless we consent in writing and the transfer is reflected in our records. You can make deposits in person, by mail, or by any other method approved by the Credit Union. There is no minimum deposit for your No Dividend Checking Account, but we may from time to time establish minimum amounts for deposits in the account.

**Minimum Balance.** You must maintain a basic membership share of \$1.00 on deposit in your Business Prime Share Account to retain a No Dividend Checking Account. We may establish a minimum balance requirement for a No Dividend Checking Account, and we reserve the right to adjust the minimum balance requirements from time to time. If you do not maintain any such required minimum balance, we may charge you a maintenance fee as described in the Business Account Fee Schedule.

**Transaction Limitations.** There are no transaction limitations on a No Dividend Checking Account.

**Dividends.** This account does not earn dividends.

**Funds Availability.** Funds from deposits you make into your No Dividend Checking Account may not always be immediately available for withdrawal. Information about our funds availability policy is provided to you in the "Funds Availability Disclosure" included further below in this Agreement.

**Fees.** We will not be liable for refusing to pay items presented if, at any time, fees or charges leave insufficient collected funds in your account to cover the items.

You agree to pay any applicable monthly maintenance charges, plus our current service charges, for each separate activity engaged in during the month. These charges may be changed at any time and from time to time by us without advance notice. These charges are set forth in our Business Account Fee Schedule.

## Terms Applicable to All Checking Accounts

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

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

**Postdated and Stale Dated Checks.** We may pay any check without regard to its date. We are not obligated to pay a check drawn on your account that is presented more than six (6) months past its date.

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

**Your Liability for Overdrafts. PLEASE REVIEW THIS INFORMATION CAREFULLY. IF YOU DO NOT UNDERSTAND ANY PROVISION IN THIS "YOUR LIABILITY FOR OVERDRAFTS" SECTION, OR IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT US AT 231.929.2000 or 800.765.0110, OR VISIT ANY BRANCH.**

## A. General.

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**1. What Does it Mean to Overdraw Your Account?** "Overdrawing" your account means that there are not sufficient available funds (as described in Section B below) in your account to pay for a transaction, resulting in a negative or "overdrawn" balance. Some transactions that can result in an overdraft in your account include, but are not limited to:

- the payment of checks, electronic fund transfers, telephone-initiated transactions, preauthorized payments under our Bill Payment Service, debit card transactions, or other withdrawal requests authorized by you;
- the return (unpaid) of items deposited by you;
- the assessment of service charges by us; or
- the deposit of items that are treated as not yet "available" according to our Funds Availability Policy.

**2. What Happens if the Credit Union Refuses to Pay the Item?** If you overdraw your account, we may return the item unpaid, commonly known as a return for "non-sufficient funds" or "NSF". It is important to understand that the Credit Union has no control over how many times an intended payee will resubmit an item to us for payment. When we return an item unpaid, we will assess you an NSF Fee each time the item is presented to us for payment. There is no limit on the number of NSF Fees we may assess against your account. NSF items are described in more detail in Section D.

**3. What Happens if the Credit Union Pays the Item?** If you overdraw your account and we pay the item, we may do so through an overdraft protection plan that we call "Overdraft Transfer".

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

The Credit Union also offers a cash reserve overdraft line of credit for qualifying members. This section describes only our Overdraft Transfer service. If you have questions regarding applying for a cash reserve overdraft line of credit, please contact the Credit Union for additional information.

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

## B. Your Available Balance.

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**1. Actual Balance Versus Available Balance.** Your checking account has two kinds of balances: the "actual" balance and the "available" balance. Both can be checked when you review your account online, at a Credit Union-owned ATM, by phone, or at a branch. It is important to understand how these two balances work so that you know how much money is available to you in your account at any given time. This section explains actual and available balances and how they work.

**2. Your "Actual Balance":** Your "actual" balance is the amount of money that is actually in your account at any given time, but not all funds included in the actual balance are considered "available" for transactions on your account. The actual balance is referred to as your "total" on your Credit Union transaction receipts. Your actual balance reflects transactions that have posted to your account, but it does not reflect transactions that have been authorized and are pending or deposits that may be on hold. While the term "actual" may sound as though the number you see is an up-to-date indication of what is in your account that you can spend, that is not always the case because any purchases, holds, fees, other charges, or deposits made on your account that have not yet posted will not appear in your actual balance. For example:

- assume you have a \$50 actual balance, but you just wrote a check for \$40. Your actual balance is \$50 but it does not reflect the outstanding check transaction, which leaves you \$10 to spend.

**3. Your "Available Balance":** Your available balance is the amount of money in your account that is available to you to use without incurring a fee. The available balance takes into account factors such as holds placed on deposits and pending transactions, like pending debit card purchases, that the Credit Union has authorized, but that have not yet posted or settled to your account. For example:

- assume you have an actual balance of \$50. If you were to use your debit card at a restaurant to buy lunch for \$20, then that merchant could ask us to pre-authorize the payment in that amount (or even a different amount). If the merchant requests preauthorization in the amount of \$20, we will place a "hold" on your account for \$20 (referred to as an "authorization hold"). Your actual balance will still be \$50 because this transaction has not yet posted, but your available balance will be \$30 because of the restaurant's \$20 preauthorization request. When the merchant submits its bill for payment (which could be days later and for a different amount than the amount of the authorization hold), we will release the authorization hold, post the transaction to your account, and your actual balance will be reduced by the amount of the posted transaction.

**4. Your Available Balance and Non-Debit Card Transactions.** For electronic funds transfers (ACH), checks, bill payments, and any other non-debit card transactions, we use your available balance at the time a transaction posts to determine whether your account is overdrawn and whether a fee will be assessed. For information on how your available balance works with respect to debit card transactions, please see Section C.

## C. Authorization Holds for Debit Card Transactions.

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**1. What is an Authorization Hold?** When you use your debit card to pay for goods or services, the merchant may seek preauthorization from us for the transaction. When we preauthorize the transaction, we commit to make the requested funds available when the transaction finally posts and as such, we generally place a temporary hold against some or all of the funds in the account linked to your debit card, based on the amount of the preauthorization request from the merchant. We refer to this temporary hold as an "authorization hold," and the amount of the authorization hold will be subtracted from your available balance as authorization requests are received by us throughout each day.

**2. How Does an Authorization Hold Affect Your Available Balance?** Until the transaction finally settles or we otherwise remove the hold (for example, we may remove the hold because it exceeds the time permitted or we determine that it is unlikely to be processed), the funds subject to the hold will not be available to you for other purposes. At some point after you sign for the transaction, it is processed by the merchant and submitted to us for payment. This can happen hours or sometimes days after you signed for it, depending on the merchant and its processing company. We have no control over when a merchant may present an item for payment. Merchant payment requests are received in real time throughout the day and are posted to your account as they are received.

**3. The Amount of an Authorization Hold May Differ From the Amount of the Actual Transaction.** The amount of an authorization hold may differ from the actual transaction amount because the actual transaction amount may not yet be known to the merchant when the authorization request is submitted. For example, this can happen in connection with transactions where your debit card is authorized before your actual transaction amount is known, such as at a restaurant (where you may choose to add a tip to the transaction amount) or a gas station. For these types of transactions, there may be no authorization hold, or the amount of the authorization hold may be different from the transaction amount. In some other cases we may not receive an authorization request from the merchant, and there will be no authorization hold reflected in your available balance. We cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for payment.

**4. Length of an Authorization Hold.** We are permitted to place an authorization hold on your account for up to three (3) business days (or for up to thirty (30) business days for certain types of debit card transactions) from the time of the authorization or until the transaction is paid from your account. However, if the transaction is not submitted for payment, we will release the authorization hold, which will increase your available balance until the transaction is submitted for payment by the merchant and finally posted to your account. If this happens, we must honor the prior authorization and will pay the transaction from your account.

In certain instances, when the amount of the authorization hold is either more or less than the amount of the actual transaction, we may maintain the authorization hold even after the purchase amount is actually paid from your account, which will decrease your available balance. However, in these instances, we will not maintain an authorization hold for longer than three (3) business days (or for up to thirty (30) business days for certain transactions).

**5. Your Available Balance and Debit Card Transactions.** Everyday debit card transactions are processed against your account at two different times: first, when the transaction is authorized, and again when the transaction actually settles to your account, usually days later. This delay between the time a particular transaction is authorized and when it actually settles to your account is solely within the control of the merchant and its processor. The Credit Union has no control with respect to the time period that elapses between the time a merchant seeks authorization and finally submits the transaction for settlement.

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

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

- **Example 1: Purchase transactions where the final amount is initially unknown.** The most common examples of a purchase transaction where the final amount is initially unknown are gas station purchases, restaurant charges, hotel and car reservations. In such cases the transaction will be communicated to the Credit Union for authorization in one amount, but when the transaction actually settles your Account it does so for a greater amount. For example, if you use your debit card to pay at the pump for a gasoline purchase, you typically must utilize your debit card before operating the pump. The Credit Union may receive an authorization request in the amount of \$15.00. At the time of the authorization request, the available balance in your account is \$30.00, so the Credit Union approves the authorization request, and the available balance in your account is reduced to \$15.00. You proceed with the transaction, and purchase gasoline totaling \$40.00. When that transaction actually settles to your Account in the amount of \$40.00 as opposed to the \$15.00 that was authorized, the available balance in your Account is not sufficient to cover the settlement of the preauthorized transaction. Accordingly, the Credit Union's payment of the preauthorized transaction results in an overdraft, and you will incur a fee .
- **Example 2: Purchase transactions where intervening items paid between authorization and settlement result in the overdrafting of your Account.** Assume the same gas station scenario as described in Example 1, except that you purchase gasoline totaling just \$15.00, so the authorized amount of the transaction is the same as the settlement amount of the transaction. However, between the day the transaction was authorized and the day the transaction settles to your account, a check you wrote posts to your account, reducing your available balance to less than \$15. When the \$15.00 gas station transaction actually settles to your account, the available balance in your account is not sufficient to cover the settlement of the preauthorized transaction, even though the settlement amount of the transaction is the same as the preauthorized amount of the transaction. Accordingly, the Credit Union's payment of the preauthorized transaction results in an overdraft, and you will incur a fee.

For debit card transactions involving merchant authorization holds, we look at the available balance at the time a transaction is authorized and again at settlement to determine whether the transaction will result in an overdraft and a fee. If your available balance is insufficient to pay the preauthorization amount requested by a merchant, we will decline the request. If your available balance is sufficient to cover a merchant's authorization request, the authorization request will be approved and an authorization hold will be placed on your account in the amount of the merchant's authorization request.

## D. Payment of Overdrafts.

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**1. The Credit Union Has No Obligation to Pay Your Overdrafts.** We are not obligated to pay any item presented for payment if your account does not contain sufficient available funds. If we pay a transaction that overdraws your account, we are not obligated to continue paying such transactions in the future. We may pay all, some, or none of your overdrafts, without notice to you. You are liable to us to repay any overdrafts on your account whether you created them or not. If you do not pay us, and we take collection action against you, you agree to pay for any costs of collection. We may close, without notice, any account with excessive overdraft activity, and report the account to a consumer reporting agency.

**2. Fees Associated with Overdrawing Your Account – Overdraft Transfer Service.** There is a fee of \$10 per day if Overdraft Transfer is used to pay an overdraft. The fee is not dependent on the number of overdrafts covered during any particular day. If Overdraft Transfer is used to cover one overdraft or multiple overdrafts in a single day, the fee is \$10 for that day.

**3. Fees Associated with Overdrawing Your Account – NSF Fees.** If we do not pay an item, we will return the item and charge you an NSF Fee each time an item is presented for payment and we return it unpaid due to an insufficient available balance. We have no control over the number of times an intended payee may resubmit the same item to us for payment. There is no limit on the total fees we can charge you for overdrafting your account.

**4. Fee Schedule.** Please refer to the Fee Schedule for a current listing of all fees associated with overdrawing your account.



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

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

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

## E. How Transactions are Posted to Your Account.

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

When processing items drawn on your account, our policy is to pay them as we receive them. We commonly receive items to be processed against your account(s) multiple times per day in what are referred to as presentment files. Each presentment file received commonly contains a large amount of a specific type of item (checks, ACH transactions, or ATM/POS transactions). It is common for each of these presentment files to contain multiple items to be processed against your particular account. When multiple items are received at the same time, the items will be paid as follows:

- Checks are paid by check number, lowest to highest, in each individual file;
- ACH items in each presentment file post credits first in the order presented, then debits in the order presented
- ATM/POS items are paid in the order they are presented.
- Transactions performed in person, such as withdrawals or checks cashed at one of our locations or a shared branch, are generally paid at the time they are performed.

The order in which items are paid is important if your account does not contain sufficient available funds to pay all of the items that are presented. If an item is presented for payment and your available balance is insufficient to pay it, we may, at our discretion, automatically transfer available funds from your designated account pursuant to the Overdraft Transfer Service, pay the item pursuant to Courtesy Pay, or return the item (NSF).

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

## F. Optional Overdraft Protection Plan-Overdraft Transfer Service.

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**1. Overdraft Transfer Service.** We offer an optional overdraft protection plan that we refer to as "Overdraft Transfer" where funds from a designated linked account are used for overdraft protection.

With this service, you authorize us to make transfers of available funds automatically from your regular savings account, plus the overdraft transfer fees, to cover overdrafts in your checking account. Overdraft Transfer is an optional feature that can be added to your eligible checking accounts upon your request. To request or terminate Overdraft Transfer (1) call us at 231.929.2000 or 800.765.0110; (2) visit any branch and speak with a Representative; or (3) mail a request to 4Front Credit Union, P.O. Box 795, Traverse City, MI 49685-0795.

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

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

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

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

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

**4. Termination of Overdraft Transfer Service.** We may terminate the Overdraft Transfer Service at any time with or without notice to you. Any owner of the checking account or any owner of a designated linked account used for overdraft protection may decline the Overdraft Transfer Service. To terminate the Overdraft Transfer Service: (1) call us at 231.929.2000 or 800.765.0110; (2) visit any branch and speak with a Representative; or (3) mail notice of your decision to decline the Overdraft Transfer Service to 4Front Credit Union, P.O. Box 795, Traverse City, MI 49685-0795. Your election to decline will be effective after we have received notice and have had a reasonable time to act on it.

**The best way to know how much money you have and avoid paying overdraft fees is to record and track all of your transactions closely. PLEASE REVIEW THIS INFORMATION CAREFULLY. IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT US AT 231.929.2000 or 800.765.011 OR VISIT ANY BRANCH.**

**Drafts; Statements.** Your cancelled checks will not be returned to you; they will become Credit Union property and be held by us (“truncated”) for you. They may also be truncated earlier in the check clearing process, such as by the bank into which the payee deposits them. This may be done either pursuant to a contractual electronic presentment process or under a federal law commonly referred to as “Check 21.” Your monthly statement will itemize your cancelled checks by number, date of clearing and the amount of the check. Any objection respecting any item shown on a periodic statement is waived unless made in writing to the Credit Union before the end of sixty (60) days after the statement is mailed. You also understand and agree that checks or copies thereof are made available to you on the date the statement is mailed, electronically posted, or the statement is otherwise made available to you, even if the checks do not accompany the statement. We will provide a physical copy of a check when you so request or as required by law. There may be a fee to obtain a copy of a check (see the Fee Schedule for a list of fees). When a copy of a check is requested, the Credit Union may provide it to you in the form of a “substitute check” as prescribed in the “Check 21” law. Upon issuance, the Credit Union will provide you with a disclosure regarding your rights regarding substitute checks and how you may make a claim for a refund for losses related to a substitute check.

**Stop Payments.** Any Authorized Signer may request a stop payment order on any check drawn on your account. To be binding, an order must be dated, signed, and describe the account and check number and the exact amount. The stop payment will be effective if the Credit Union receives the order in time for the Credit Union to act upon the order and you state the number of the account, number of the check, and its exact amount. You understand that the exact information is necessary for the Credit Union’s computer to identify the check. If you give us incorrect or incomplete information, we will not be responsible for failing to stop payment on the check. If the stop payment order is not received in time for us to act upon the order, we will not be liable to you or to any other party for payment of the check. If we re-credit your account after paying a check over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to transfer to us all of your rights against the payee or other holders of the draft, and to assist us in any legal action.

A stop payment order is effective for six (6) months and may be renewed in writing from time to time. We have no obligation to notify you when a stop payment order expires.

Fees for stop payment orders are set forth on the Business Account Fee Schedule. You generally may NOT stop payment on any certified check, teller’s check or any other check, draft, or payment guaranteed by us. Even if payment of such an item is stopped, you may remain liable to any item holder, including us. You agree to indemnify and hold the Credit Union harmless from all costs, including attorney’s fees, damages or claims related to our refusing payment of an item, including claims of any multiple party, account owner, payee, or endorser in failing to stop payment of an item as a result of incorrect information provided by you.

**Check Legends.** We will not be responsible for, and you hereby waive any losses or costs you incur as a result of, the payment by us of any check that contains any extraneous legends, for example, “void after 60 days,” unless we agree otherwise.

**Automated Processing.** You recognize that Credit Union has adopted automated collection and payment procedures that rely primarily upon information encoded on to each item in magnetic ink. In recognition of this fact you agree that in paying or processing an item, Credit Union may disregard all information on the item other than the identity of the drawee bank, the amount of the item, and any information encoded onto the item in magnetic ink according to general banking standards, whether or not that information is consistent with any other information on the item. You acknowledge that the Credit Union does not fail to exercise ordinary care in paying an item solely because its procedures do not provide for sight review of items.

**Inactive Accounts.** The Credit Union will consider your checking account inactive after six months of no check, debit card or bill pay transactions on your account (as opposed to the twelve month period applicable to other accounts) and will assess a fee to the Business Checking Account every calendar month. (See Business Account Fee Schedule).

## Business Money Market Share Account

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**Deposits Generally.** After you have established your Business Prime Share Account, you may establish a Business Money Market Share Account. This account is not transferable except on the Credit Union’s books and records. Your interest in a Business Money Market Share Account cannot be used as collateral for a loan with another lender unless we consent in writing and the transfer is reflected in our records. We may establish minimum amounts for deposits in your Business Money Market Share Account. You can make deposits in person, by mail, or by any other means established by the Credit Union.

**Minimum Balance.** You must maintain a basic membership share of \$1.00 on deposit in your Business Prime Share Account to retain a Business Money Market Share Account. There is no minimum balance requirement in your Business Money Market Share Account. We reserve the right to adjust the minimum balance requirements from time to time. If you do not maintain any such required minimum balance, we may charge you a maintenance fee as described in the Business Account Fee Schedule.

**Withdrawing Money from Your Business Money Market Share Account.** As long as you have sufficient available funds in your account, and subject to any applicable state or federal laws and regulations, money can be withdrawn from your account by any method approved by the Credit Union.

**Transaction Limitations.** There are no transaction limitations on a Business Money Market Share Account.

**Dividends.** Dividends are calculated using the average daily balance method and will be credited monthly on the last day of the month. Your Business Money Market Share Account average daily balance must be \$5,000 or greater to earn dividends. Dividends are not available to you until they have been credited to your account. Even though your account earns dividends every day, we don’t actually credit them to your account until the last day of the applicable month. Dividends that are credited to your account will be added directly into your account. If you close your account before dividends are paid, you will receive the accrued but unpaid dividends on the Business Money Market Share Account.

## Business Other Share Account

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**Deposits Generally.** After you have established your Business Prime Share Account, you may establish a Business Other Share Account. This account is not transferable except on the Credit Union’s books and records. Your interest in a Business Other Share Account cannot be used as collateral for a loan with another lender unless we consent in writing and the transfer is reflected in our records. We may establish minimum amounts for deposits in your Business Other Share Account. You can make deposits in person, by mail, or by any other means established by the Credit Union.

**Minimum Balance.** You must maintain a basic membership share of \$1.00 on deposit in your Business Prime Share Account to retain a Business Other Share Account. We may establish a minimum balance for a Business Other Share Account, and we reserve the right to adjust the minimum balance requirements from time to time. If you do not maintain any such required minimum balance, we may charge you a maintenance fee as described in the Business Account Fee Schedule.

**Withdrawing Money from Your Business Other Share Account.** As long as you have sufficient available funds in your account, and subject to any applicable state or federal laws and regulations, money can be withdrawn from your account by any method approved by the Credit Union.

**Transaction Limitations.** There are no transaction limitations on a Business Other Share Account.

**Dividends.** Dividends are calculated by the average daily balance method and will be credited monthly on the last day of the month. Dividends are not available to you until they have been credited to your account. Even though your account earns dividends every day, we don't actually credit them to your account until the last day of the applicable month. Dividends that are credited to your account will be added directly into your account. If you close your account before dividends are paid, you will not receive the accrued but unpaid dividends on the Business Other Share Account.

## Other Terms and Conditions

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**Final Credit for Deposits.** All deposits are subject to proof and verification. If you deposit a check, draft or other non-cash item, we have the right to clear it before we make the money available to you subject to applicable federal regulations. If there are fees for collecting your deposit, you promise to pay them. We may deduct them directly from your account. If we feel there is a reason, we may refuse, limit or return any deposit. We have the right to refuse to accept any deposit and we specifically reserve the right to refuse to accept checks for deposit that have more than one endorsement. We reserve the right not to pay dividends on amounts subject to garnishment, levy or other legal process and to assess a fee for processing a garnishment, levy or other legal process; and we reserve the right not to pay dividends on any deposit that is returned to us unpaid by the financial institution on which it is drawn (even if that means a reversal of credited dividends). Your account will be charged for any check or other deposited item that is returned or is uncollectible for any reason. You will not receive notice before such a charge is made. We will notify you after your account has been charged either with a separate notice or on your next periodic statement.

We may require all items presented for deposit, including items payable to cash or bearer, to be endorsed in our presence by one of your authorized representatives. We may in our sole discretion supply any missing endorsements on items deposited into your account.

All negotiable instruments presented for deposit must be in a format that can be processed and/or photographed. The Credit Union may refuse to accept any check or draft that does not meet this requirement. All endorsements placed on the reverse side of any check or draft which you deposit to your account must be placed so that they are on the left side of the item when looking at it from the front and must be placed so they do not go beyond an area located 1 and ½ inches from the left edge of the item when looking at it from the front. The Credit Union may refuse to accept any item that does not meet this requirement, and, if the Credit Union does accept it, you agree that you are completely responsible for any loss we incur which is premised on an endorsement not meeting this requirement or requirements of the Uniform Commercial Code as adopted in Michigan. "Loss" for this purpose shall include any court costs and reasonable attorneys' fees related to the loss.

Any item presented to the Credit Union that is made payable to the business or other organization must be deposited into one of your accounts in full. If you wish to obtain cash, you must do so as a separate withdrawal transaction.

**Funds Availability.** If you make a deposit into any account you have with us, that money may not be available to you right away. Refer to the "Funds Availability Disclosure" below for information regarding the availability of funds deposited into any of your accounts.

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

**Accrual of Dividends on Non-Cash Deposits.** Dividends will begin to accrue on the business day you deposit non-cash items (for example, checks) to your account.

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

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

**Signatures.** We may accept for deposit all checks, drafts, notes or other instruments signed or endorsed in writing, whether by rubber stamp or any other means. We may pay and charge your account for all checks, drafts or other items bearing your signature, or the facsimile signature(s) you designate, whenever they resemble the specimen furnished by you, regardless of by whom or by what means the actual or purported facsimile signature may have been affixed. The Credit Union shall not be responsible for any loss incurred as a result of our acting upon or executing any request, order or instruction we believe to be genuine. Furthermore, Credit Union may refuse to execute any facsimile request or order.

**Fees and Charges.** You agree to pay us charges in connection with your accounts in accordance with the Business Account Fee Schedule in effect from time to time. These fees may be changed at our discretion. We will provide advance notice of any increase in current charges, or any new charges, as required by law. We may deduct any charges from any of your accounts. We reserve the right to waive any charges in our sole discretion.

**Return of Deposits/Closed Accounts.** We may, at any time, in our sole discretion, refuse to accept any deposit, or close any or all of your accounts with us without prior notice to you. Provided, however, we may not terminate your membership in the Credit Union without satisfying applicable legal requirements. If we close an account, we will notify you and send you a check for any balance in your account after deducting all applicable charges. Any withdrawal that reduces the amount in an account to zero may automatically close that account. We are not liable for any check, draft, withdrawal or other order after an account is closed. Any drafts presented after the account has been closed will be returned unpaid. We reserve the right to advise consumer or commercial reporting agencies and other third parties of accounts closed for misuse.

**Inactive Accounts.** The Credit Union will consider your account inactive after twelve months of no deposits or withdrawals on your account and may assess a fee to the Business Prime Share Account every calendar month. (See Business Account Fee Schedule). "Deposits" for this purpose excludes dividends credited to your account by the Credit Union. Michigan Law permits the Credit Union to turn these funds over to the State after two years of no activity, and requires the Credit Union to turn these funds over to the State after three years of no activity. Before turning funds from inactive accounts over to the State of Michigan, the Credit Union will send notices as required by Michigan law advising you of your rights.

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

You should examine the periodic statement carefully and reconcile the account. If there are any discrepancies, the Credit Union should be notified immediately. You are in the best position to detect an unauthorized signature, a forged endorsement, or an alteration. You have the responsibility for any fraud loss if you fail to exercise reasonable care in examining the statement or fail to report forgeries or alterations to the Credit Union within 60 days of the mailing date of the earliest statement containing those items, unless another time period is required by state or federal law. You agree to cooperate with us in any investigation we reasonably believe is necessary in connection with an assertion by you of fraud concerning your accounts, including making a principal of the organization available for in person interviews and providing relevant information under oath. The Credit Union will not be liable if items were forged or altered such that the fraud could not be detected by a reasonable financial institution.

**Cooperation in Loss Recovery Efforts.** Except as may otherwise be required by law, you agree to fully cooperate in any effort we undertake to recover funds that were taken from your account without authorization. For example, you will sign affidavits of loss or forgery that may be required by our insurance company. You also agreed to cooperate fully in any prosecution that may be initiated by the proper authorities pursuant to us filing a complaint about unauthorized activities involving your account.

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

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

**Agreement.** This Agreement shall be effective and shall govern all of your business or other organization accounts with us. By signing a Business Membership Application and Agreement, making deposits or withdrawals, or leaving amounts on deposit, you agree to the terms of this Agreement. This Agreement shall supersede all previous agreements for such accounts.

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

**Notices.** You are responsible for notifying us of any address or name change. Whenever we are required to send you notice, the Credit Union is only required to attempt to communicate with you at the most recent address you have provided to us in writing. We will notify you of any changes in terms or rates as required by law or as required in this Agreement. All notices regarding the account will be sent to you to the address shown on your statement, or electronically if you have elected to receive notices electronically. We reserve the right not to send notice for accounts we consider inactive. Notices to us should be sent to:

**4Front Credit Union**  
PO Box 795  
Traverse City, MI 49685-0795

Any written notice you give us is effective when we receive it. Any written notice we give to you is effective when it is deposited in the U.S. Mail, postage prepaid, and addressed to you at your statement mailing address, or upon sending if you have elected to receive notices electronically.

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

You agree as set forth above to provide sufficient funds to cover any overdraft and any penalties assessed upon notice of the overdraft, and to reimburse us for any costs we incur in collecting the overdraft, including, without limitation, reasonable attorney's fees and the costs of litigation, to the extent permitted by law.

You agree to indemnify and hold us harmless from any liability loss, costs, or expenses, including reasonable attorney's fees, to the extent permitted by law, that we incur as a result of any dispute involving your account, including any loss, costs, or expenses resulting from a delay in the forward collection or return of any check you deposit caused by improper placement of endorsements or other material on the back of the check that affects the ability to endorse the items as required by federal regulations. You authorize us to deduct any such loss, costs, expenses, or attorney's fees from your account without prior notice to you.

In the event we become a party to any legal proceedings between you and any third parties or between members of your organization, you agree to indemnify us and hold us harmless from any liability for any loss, costs, or expenses, including reasonable attorney's fees, to the extent permitted by law, that we incur as a result of any such proceeding. We may exercise our right of offset to recover such amounts from your accounts. This obligation includes situations that cause us, in good faith, to seek the advice of counsel, whether or not we actually become involved in a dispute.

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

**Accounts not Transferable.** None of your accounts are transferable, except on the Credit Union's books and records, without the Credit Union's prior written consent.

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

**Offset.** If you owe us money as a borrower, guarantor, endorser, or otherwise, we have a lien on the account funds in any account in which you have an ownership interest, regardless of their source, unless prohibited by law. You agree that we may apply these funds in any order to pay off your indebtedness. By not enforcing a lien, we do not waive our right to enforce it later. In addition, you grant the Credit Union a consensual security interest in your accounts and we may use the funds from your accounts to pay any debt or amount now or hereafter owed the Credit Union, except for obligations secured by an individual's residence, unless prohibited by applicable law. We will notify you if we have exercised our right of offset. All accounts are non-assignable and nontransferable to third parties.

**Telephone Requests.** You agree that funds in any of your accounts with us can be transferred upon the telephone request of any Authorized Signer on the account. We shall not be responsible for any loss incurred as a result of our acting upon or executing any request, order or instruction we believe to be genuine. Furthermore, we may refuse to execute any telephone request or order.

**Electronic Financial Services.** You may, if you desire, obtain various additional electronic service from us. If you do so, you agree to be bound by the applicable terms and conditions set forth in this Agreement as well as any other required agreement for the use of various electronic services offered by the credit union and requested by you in connection with accounts owned by you. You understand and acknowledge that some of the services referenced below may require approval prior to the Credit Union authorizing their use. Approval for such use may require review of the Organization and Authorized Signer credit histories and standing in the Credit Union.

**Information about Your Accounts.** You authorize us to share information concerning your accounts with other entities as permitted or required by law, including affiliates of the Credit Union.

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



**Legal Process.** If any legal action is brought against your account, we may pay out funds according to the terms of the action or refuse any pay out until the dispute is resolved. Any expenses or attorney fees we incur responding to legal process may be charged against your account without notice, unless prohibited by law. In lieu of expenses other than attorneys' fees, we may charge a Legal Process Fee as set forth in our Business Account Fee Schedule. Any legal process against your account is subject to our lien and security interest.

**Taxpayer Identification Numbers and Backup Withholding.** Your failure to furnish a correct Taxpayer Identification Number (TIN) or meet other requirements may result in backup withholding. If your account is subject to backup withholding, we must withhold and pay to the Internal Revenue Service (IRS) a percentage of dividends, interest and certain other payments. If you fail to provide your TIN, we may suspend opening your account.

**Special Account Instructions.** You may request that we facilitate certain business 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 business or court order. If you ask us to follow any instructions that we believe might expose us to claims, lawsuits, expenses, liabilities, or damages, whether directly or indirectly, we may refuse to follow your instructions or may require you to indemnify us or post a bond or other protection. Account changes requested by you such as adding or closing an account or service, must be evidenced by a signed account change form and accepted by us.

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

**Termination of Account(s) and Service(s).** We, may terminate, limit or restrict, as we at our sole discretion deem appropriate, any of your account(s) or service(s), including but not limited to loan services and electronic services, or place a freeze on any sums on deposit with us at any time without notice or require you to close your account(s)/service(s). We may also require you to apply for a new account(s)/service(s) if: (1) there is a request to change the owners or authorized users; (2) there is a fraud/forgery or unauthorized use committed or reported; (3) there is a dispute as to ownership of any account or sum on deposit; (4) there are any checks that are lost or stolen; (5) there are returned unpaid items-transactions not covered by an overdraft protection plan with us or any abuse of any such plan per our assessment thereof; (6) there is any misrepresentation regarding any account(s) or service(s) or any other abuse of any of your accounts(s) or service(s); (7) the Credit Union incurs any loss or believes it may incur any loss relating to any loan(s), account(s) or service(s) you have with us; (8) if we believe you have been negligent in protecting any access devices or codes; (9) we deem it necessary to protect the Credit Union from any risks or losses, or otherwise deem it to be in the best interests of the Credit Union, our members or our employees; (10) you breach any promise under this Agreement or any other agreements with us including but not limited to any default or other delinquency with regard to any loan or other agreements; (11) if bankruptcy or any other insolvency proceeding is filed by or against you, or if we otherwise deem you to be insolvent or incapable of meeting your obligations to us; (12) you refuse or fail to cooperate as provided in this Agreement; or (13) you violate any Credit Union policy, procedure or standard or any law, regulation or rule. We, on our own accord, may place a stop payment on any check, item or transaction if we are notified or otherwise reasonably believe that any of the foregoing circumstances have occurred. If you do not accept any deposit or part of a deposit that we attempt to return after termination, then such deposit will no longer earn dividends. You may terminate your account by notifying us in writing. We have the right to require the written consent of all owners to terminate a multi-party account. We are not responsible for any draft, withdrawal, item or transaction after your account is terminated. However, if we pay any item after termination, you agree to reimburse us.

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

**Periodic Check of Ownership Arrangements.** You agree to check all records related to your account periodically (not less than once per year) to ensure that all ownership and beneficiary arrangements are set up in the way that you desire. You agree to contact the Credit Union immediately if any ownership or beneficiary arrangement is not how you wish it to be. You further agree to hold the Credit Union harmless from any claims that any ownership or beneficiary arrangement related to your account is not set up as you desire.

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

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

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

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

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

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

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

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

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

**Limitation of Liability.** Except where required by law or this Agreement specifically provides otherwise, we will not be liable for any action or inaction except for our intentional misconduct or gross negligence. Except as may be otherwise required by law, you agree that in no event shall the credit union's liability to you exceed your actual damages or the sum of \$5,000.00, whichever is less. In no event will Credit Union be liable for any indirect, special, consequential or exemplary damages, including, but not limited to, loss of anticipated profits or other economic loss in connection with or arising out of this agreement.

**Governing Law.** Except as otherwise set forth in the Resolution of Disputes by Arbitration provisions, this Agreement shall be governed by the laws, including applicable principles of contract law, and regulations of the State of Michigan (excluding its conflicts of laws principles), except as superseded by federal laws and regulations. This Agreement shall also be subject to the Credit Union's Bylaws and local clearinghouse rules. Unless prohibited by applicable law, any action brought pursuant to this Agreement against the Credit Union must be brought in the local State District Court or State Circuit Court with jurisdiction over the location of the Credit Union's principal place of business or the U.S. District Court with jurisdiction over the location of the Credit Union's principal place of business.

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

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

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

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

**4Front Credit Union**  
Attention: Risk Management Department  
PO Box 795.  
Traverse City, MI 49685

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

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

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

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

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

**Agreement to the Resolution of Disputes by Arbitration provision:**

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

**Rejection of the Resolution of Disputes by Arbitration provision:**

1. If you do not agree to be bound by this Resolution of Disputes by Arbitration provision, you must send us written notice that you reject the Resolution of Disputes by Arbitration provision within 30 days of account opening or within 30 days of receiving this notice, whichever is sooner, including the following information:

- a. Your written notice must include: your name, as listed on your account, your account number, and a statement that you reject the Resolution of Disputes by Arbitration provision, and;
- b. You must send Your written notice to us at the following address:

**4Front Credit Union**  
 Attention: Risk Management Department  
 PO Box 795  
 Traverse City, MI 49685

## Electronic Fund Transfer Services

If you have applied (by indicating as such on the Business Membership Application and Agreement or otherwise) to receive a Debit Card, or other electronic fund transfer services, you hereby request that the Credit Union provide you with electronic fund transfer services that are authorized by the individuals you have designated as Authorized Signers on the accounts established by and for your business entity at the Credit Union, and the following provisions apply.

The Credit Union offers you various electronic fund transfer services, made possible by our advanced electronic data processing system. We may also provide plastic Debit Cards (which are sometimes referred to throughout this agreement as simply "Cards") to various non-natural person members. In addition, we may provide you with a password for use in conjunction with our Online Business Banking Service. Your use of the Card and/or the Online Business Banking password, or your use of any of your accounts to conduct electronic fund transfers constitutes your acceptance of and is subject to the terms and conditions set forth in the Electronic Fund Transfer Services portion of this Agreement as well as to the other terms and conditions contained in this Agreement, to the terms and conditions applicable to any account for which an electronic fund transfer services is obtained, and to the rules and regulations of the credit union governing all or any such accounts.

Any Card and personal identification number ("Card PIN") issued for your business entity remains the property of the Credit Union and the Credit Union may terminate your right to use the Card, PINs and passwords, at any time. Upon our demand, you agree to return the Card to the Credit Union. All privileges available through the use of a Card shall terminate upon the expiration date to be determined by the Credit Union.

The terms and conditions set forth in this Electronic Fund Transfer Services portion of this Agreement are binding on you and on us as to the making of any electronic fund transfer.

Although your account(s) may be subject to electronic fund transfers, and in that regard are subject to the terms and conditions of this portion of the Agreement, you may continue to use those accounts(s) to the same extent and in the same manner that you have in the past, insofar as "over-the-counter" and other non-electronic fund transfer transactions are concerned.

**Accounts Affected.** Each of the following types of accounts in the credit union can be subject to some kind of electronic fund transfer service:

- Business Share Account (Prime, Money Market, other share)
- Business Checking Account

**Types of Electronic Fund Transfer Transactions.** At the present time, you can authorize the following types of electronic fund transfers to or from your accounts:

### Transfers TO your account(s) (credits)

- Direct deposit of various governmental payments.
- Deposits from any third party through the facilities of the National Automated Clearing House Association.
- Automatic transfers to your account(s) from another person's account with us.

### Transfers FROM your account(s) (debits)

- Except as provided below in the Excluded Transactions section, payments you have authorized be made to third parties (such as insurance premiums and utility bills), as well as other types of payments to third parties; these transfers may only be made from your Business Checking Account.
- Automatic transfers from your account(s) to make payments on another person's or business entity's loan owing to us.

### Automated Teller Machine (ATM) Transactions

- If you have a Card, along with a PIN, you can use it to make any or all of the following transactions at an Automated Teller Machine.
- Cash withdrawals from your Business Checking or Business Share accounts up to your authorized limit.
- Transfers (non-cash) from your Business Checking to your Business Share account or from your Business Regular Share Account to your Business Share Draft account (some networks may not allow all transaction types).
- Balance inquiries on your Business Share Draft or Business Regular Share accounts.

### Point of Sale Transactions

Your Card may be used to purchase goods or services from merchants who have arranged to accept a MasterCard Debit Card as a means of payment. If you have a MasterCard Debit Card, it may be used to purchase goods and services from any merchant displaying a MasterCard or MasterCard logo. These merchants are collectively referred to as "Participating Merchants" and will display a logo or other symbol that identifies them as a merchant who will accept your Card. Purchases made with your Card, including any purchases where you receive cash back, are referred to as "point of sale transactions" or "POS" transactions. A POS transaction will cause your Business Checking account to be debited for the amount of the purchase. Only Business Checking accounts may be used in connection with POS transactions performed with your Card.

**Virtual Banking.** Virtual Banking consists of Internet Banking, Online BillPay, 4FrontGo Mobile Banking.

**Internet Banking.** You may access your account(s) by computer at [www.4frontcu.com](http://www.4frontcu.com) and using your password and your account username to access these services:

- Transfer available funds between your accounts
- Check balances
- Apply for a loan and make loan payments
- Confirm cleared checks
- Review transaction history



- Calculate loan payoffs
- Sign up for electronic statements

**Online BillPay.** If you have signed up for Internet Banking and we approve your application for our online bill payment service, this service will be added to the services available for your checking account and you will be able to schedule withdrawals from your checking account to be sent to third parties. All transactions are limited to available funds in your checking account plus any available savings backup for your checking account. Your use of Online BillPay is in addition governed by a separate agreement and disclosure which will be provided to you when you sign up and are approved for the service unless it has been provided to you earlier.

**4FrontGo Mobile Banking.** You may access your account(s) from your compatible mobile device to access these services:

- Transfer available funds between your accounts
- Check balances
- Obtain rate information
- Apply for a loan
- Pay bills
- Review transaction history
- Mobile Deposit

**Other Remote Access Agreements.** In addition to our Online Banking and Bill Pay services, electronic services may be supplemented by other agreements for specific electronic services if you request such services, such as 4FrontGo Mobile Banking or other remote access banking services, or remote deposit services (Mobile Deposit).

**Limitations on Transactions.** To protect against possible losses, your card will not allow you to withdraw more than \$500.00 cash from an ATM during such a 24-hour cycle while our system is on-line -- not to exceed the available balance of the account(s) -- and \$300.00 while our system is off-line, reduced by the amount of any cash withdrawn during the "on-line" part of the cycle. Different ATMs dispense cash in differing multiples and minimum amounts depending on the brand of the machine. We reserve the right to change these limitations, and we will give you written notice of any such change at least 21 days in advance when we do.

As to transactions other than those made at an ATM, there are no limitations as to how often you can make "electronic fund transfers" described above. Nor are there generally any restrictions as to the dollar amount of any one "electronic fund transfer." We reserve the right to impose any such restrictions in the future as we deem reasonable, but we will give you at least 21 days advance written notice before doing so.

**Authorized Users.** You must designate, in accordance with the Credit Union's procedures, the persons to whom the Credit Union will issue cards and PIN/Credentials (Authorized Users). If you want to revoke or change a person's Authorized User status, you must notify the Credit Union of such revocation or change in accordance with the Credit Union's procedures. The Credit Union must have reasonable time to act on your notice before it becomes effective. You must appoint, in accordance with the Credit Union's procedures, one or more representatives who are permitted to designate new Authorized Users or revoke the authority of any existing Authorized Users. Each Authorized User will have the authority to perform all transactions covered by this Agreement, unless the Credit Union allows limitations on the authority; and you identify, in accordance with the Credit Union's procedures, the appropriate limitations applicable to that Authorized User at the time of designation or change in status. Each Authorized User may individually perform any transaction regardless of the amount (up to the available balance) or whether he/she is otherwise an authorized signer on any accounts that are accessed.

Any transaction recognized by the Credit Union as being performed by an Authorized User's card, card number and/or PIN/Credentials will be an authorized transaction. This is so even if the person using the card, card number and/or PIN/Credentials exceeds your authority; does not have your authority; has had his/her authority changed or revoked; and/or is not the same person as the Authorized User. You authorize the Credit Union to honor and you agree to be bound by any such transaction. Notwithstanding the foregoing, the Credit Union agrees that you will not be responsible for certain fraudulent use of a card, card number or PIN/Credentials, as follows:

- The fraudulent use must be by someone other than: (i) Member, (ii) the person issued the card or (iii) any of Member's employees, agents or representatives
- You must have reported to the Credit Union, in accordance with the Credit Union's procedures, that the card, card number and/or PIN/Credentials was lost or stolen or was otherwise fraudulently used
- The Credit Union must have had a reasonable time to take the steps necessary to block use of the card, card number and/or PIN/Credentials by commercially available means
- The fraudulent use must occur after you have notified the Credit Union and the Credit Union has had a reasonable time to block the use, as indicated above.
- You are still responsible for fraudulent use below applicable floor limits or which the Credit Union otherwise cannot block using commercially available means.

The Credit Union will send the cards and PIN/Credentials for each of your Authorized Users to Member. It will be your responsibility to deliver them to each Authorized User. The Credit Union reserves the right to limit the number of cards and PIN/Credentials issued. Each card will have its own PIN/Credentials. An Authorized User must use a card and/or a PIN/Credentials to access the services provided by the Credit Union hereunder. Member agrees to recover and return to the Credit Union any cards that were given to persons who cease to be Authorized Users.

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

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

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

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

**Fees and Charges.** There are certain charges for electronic funds transfer services, and you hereby agree to pay them. We may deduct such fees and charges directly from any of your accounts. From time to time, the fees and charges may be changed. We will notify you of any changes as required by applicable law. Refer to our Business Account Fee Schedule for current information as to those fees and charges.

**Minimum Balance Requirements.** You must always maintain a minimum of \$1.00 in a Business Prime Share account to be entitled to make electronic fund transfers affecting your account(s). PINs for use with Cards and/or our Online Business Banking Service will not be issued to members whose loan payments to us are delinquent or whose accounts are otherwise not in good standing.

**Evidence of Electronic Fund Transfers.** An electronic fund transfer made by you will be evidenced by a receipt provided to you at the time of any electronic fund transfer at the time you make such transfer to or from your account using an ATM or through a POS transaction. (Note - For some small POS transactions a receipt may not be provided, or may be provided only upon request.) In addition, you will get a monthly statement for each account accessible via electronic fund transfer, unless there are no such transactions for a particular month. In any case, you will get a statement at least annually. All such receipts and statements will be admissible as evidence of the withdrawal, deposit or other transaction they represent in any action in a court of law.

**Error Resolution.** If you discover an error, forgery, alteration or other unauthorized activity involving your account, you must notify us immediately, by telephone, and promptly notify the credit union in writing of the relevant facts, including a description of the transaction or error and the identity of any suspected perpetrator. You agree to maintain a current check register and to carefully and promptly review all statement and notices we send or make available to you. Your statement will be deemed to provide sufficient information about your checks and other transactions for you to determine whether there was an error or unauthorized transaction if the statements provide you with the check or transaction number, the amount and date of payment.

If you notify us orally or in writing, within 60 days after receipt of a statement, that an electronic fund transfer error affecting your account(s) has occurred, we will investigate the alleged error and report the results of the investigation to you within 10 business days.

We will have no duty to investigate any such error unless you notify us by calling us or writing us at the numbers and address below during business hours, in the event you provide us with oral notification, will we be required to investigate any such error only if you provide us with written notification of that alleged error within 14 calendar days following oral notification on a form we will provide to you for that purpose.

#### **4FRONT CREDIT UNION**

PO Box 795  
Traverse City, MI 49685  
Telephone: 800.765.0110 or 231.929.2000

Our report to you shall do either of the following:

- (a) Provisionally correct the amount in question and provide you with written notification of the correction and, if the correction is not in the exact amount of the alleged error, provide you with a written explanation of any difference between the alleged error and correction made. In the event we make a provisional correction to your account, we may charge back the corrected amount to your account 15 days after providing notification and an explanation of the charge-back to you. A provisional correction shall become final not later than 60 days after the day it is made. A provisional correction shall be accompanied by a notice explaining to you that the amount of the correction may be charged back to your account within 60 days.
- (b) Providing you with a written explanation, stating the reason we believe the statement is correct.

For purposes of this section, an electronic fund transfer error consists of:

- (a) An unauthorized electronic fund transfer;
- (b) An incorrect electronic fund transfer from or to your deposit account; or (c) The omission of an electronic fund transfer affecting your account.

An error does not include any electronic fund transfer made by a person who was furnished an access device or who was otherwise authorized to make electronic fund transfers, unless you notified us that transfers by that person were no longer authorized, nor does an error include any electronic fund transfer made with fraudulent intent by you or any person acting in concert with you. In addition, an error does not include a transfer of funds, though electronic in nature that is excluded from the definition of "electronic fund transfer" (see "Excluded Transactions" above).

When we receive a notice under subsection (1), we will not place a hold on the funds in the account which are in excess of the amount in dispute. If we close the account in which the disputed funds are held, we will provide the report to the customer required by subsection (3). This section shall not be construed or interpreted to prohibit us from placing a hold on any account as permitted by law or contract.

If the correction of an error relating to an electronic fund transaction in an account of yours results in a credit to the account, we will additionally credit the account with dividends or interest which would have been due to you if there had not been an error.

**Your Liability.** You shall not be liable for an unauthorized use of your account through an electronic fund transfer unless we can prove, without benefit of inference or presumption, that your negligence substantially contributed to the unauthorized use and that we exercised reasonable care to prevent the loss. As used in this section your negligence means only the following:

- (a) Writing the PIN on the card or other means of affording access;
- (b) Keeping the PIN with the card or other means of affording access;
- (c) Voluntarily permitting the account accessing device, including the PIN and the card, to come into the possession of a person who makes or causes to be made an unauthorized use.

If you fail to notify us of an unauthorized use within 30 days after the receipt of a statement containing an unauthorized use, you shall be liable for any subsequent unauthorized use that could have been prevented by timely notification.

You shall not be liable for further unauthorized use of your account by electronic fund transfer after you have reported that the means of access to the account has been lost or that the security of the PIN has been violated or otherwise compromised.

**Lost or Stolen Card.** You must notify the Credit Union AT ONCE if you believe or suspect that any card, card number or PIN/Credentials has been lost, stolen, misused, misplaced or improperly disclosed; money is missing from an account; a statement shows fraudulent activity; or there has been any other breach of security. To notify the Credit Union, call or write to us at:

#### **4FRONT CREDIT UNION**

PO Box 795  
Traverse City, MI 49685  
Telephone: 800.765.0110 or 231.929.2000

You agree to review promptly all statements that can be accessed by cards, and to report AT ONCE any discrepancy you find. The Credit Union assumes no responsibility to discover or audit any possible breach of security or unauthorized disclosure or use of cards, card numbers or PIN/Credentials by you, the person issued the card, or any of your employees, agents or representatives.

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

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

**Regulatory Authority.** This agreement and the electronic fund transfer services provided hereunder are governed by Michigan law. You may notify the Michigan Department of Insurance and Financial Services of any violation of law at:

**Michigan Department of Insurance and Financial Services**  
P.O. Box 30220  
Lansing, MI 48909-7720

**Illegal Use of a Card or Other EFT Service.** You understand and agree that electronic fund transfer services, including but not limited to use of a Card, may not be used for any illegal transaction. You further understand and agree that illegal use of an electronic fund transfer service will be deemed an action of default and/or breach of contract, and as a result your account and other related services may be terminated at the discretion of the Credit Union. You further agree, should illegal use occur, to waive any right to sue the Credit Union for such illegal use or any activity directly or indirectly related to it, and, additionally, to indemnify and hold the Credit Union harmless from any suits or other legal action or liability directly or indirectly resulting from such illegal use.

Internet gambling may be illegal in the jurisdiction in which a member is located, including the United States and elsewhere. Display of a payment card logo by an online merchant does not mean that Internet gambling transactions are legal in the jurisdiction in which the member is located. The Credit Union may decline to authorize any transaction the Credit Union believes poses an undue risk of illegality or unlawfulness.

**Warranty.** Except where expressly contained herein, the Credit Union makes no warranties, expressed or implied, pertaining to the use of any electronic fund transfer services.

**Business Use Only; Indemnification.** You agree that this Agreement contemplates the use of electronic fund transfer services for business purposes only, and you agree that you will not use any of the electronic fund transfer services provided under this agreement for individual personal consumer use. You agree to hold the Credit Union harmless from all damages, including incidental and consequential damages suffered by you as a result of your breach of this agreement.

**Foreign Transactions and Currency Conversion.** If you effect a transaction with your MasterCard debit card in a currency other than U.S. Dollars, MasterCard will convert the charge into a U.S. Dollar amount. The Mastercard currency conversion procedure includes use of either a government mandated exchange rate or a wholesale exchange rate selected by MasterCard. The exchange rate MasterCard uses will be a rate in effect on the day the transaction is processed. This rate may differ from the rate in effect on the date the transaction occurred or the date the transaction was posted to your account. note: foreign transactions include transactions made in the united states but with a merchant who processes the transaction in a foreign country.

## Wire Transfer Notification

### (Uniform Commercial Code Article 4A)

The following rules shall apply to all wire transfers services provided by the Credit Union:

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

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

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

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

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

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

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

## FUNDS AVAILABILITY DISCLOSURE

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This disclosure describes your ability to withdraw funds at 4Front Credit Union. It only applies to the availability of funds in transaction accounts. At the current time, the only accounts at 4Front Credit Union that are transaction accounts are checking accounts. The Credit Union reserves the right to delay the availability of funds deposited to accounts that are not transaction accounts for periods longer than those disclosed in this policy. Please ask us if you have a question about which accounts are affected by this policy.

### General Policy

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Our general policy is to make funds from your deposits made to your transaction accounts available to you on the first business day after the day that we receive your deposit. Electronic direct deposits will be available on the same business day we receive the deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written. For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit on a day we are not open or that is not a business day, we will consider that the deposit was made on the next business day we are open.

### Reservation of Right to Hold

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In some cases, we will not make all of the funds that you deposit by check available to you on the first business day after the day that we receive your deposit. Funds may not be available until the second business day after the day of your deposit. However, the first 0 (\$225) of your deposit will be available on the first business day after the day of your deposit. If we are not going to make all of the funds from your deposit available on the same business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees or if we decide to take this action after you have left the premises, we will mail you the notice by the next business day after we receive your deposit. If you will need the funds from a deposit right away, you should ask us when the funds will be available.

### Holds on Other Funds

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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.

### Longer Delays May Apply

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We may delay your ability to withdraw funds deposited by check into your account an additional number of days for these reasons:

We believe a check you deposit will not be paid

You deposit checks totaling more than (\$5,525) on any one (1) day

You deposit a check that has been returned unpaid

You have overdrawn your account repeatedly in the last six (6) months

There is an emergency, such as failure of communications or computer 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 seventh business day after the day of your deposit.

### Special Rules for New Accounts

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If you are a new member, the following special rules may 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 (\$5,525 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state, and local government checks will be available on the next business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over (\$5,525) will be available on the ninth 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 (\$5,525.00) will not be available until the second business day after the day of your deposit. Funds from all other check deposits will be available on the tenth business day after the day of your deposit.

### Deposits at Non-Proprietary ATMs

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Funds from any deposits (cash or checks) made at automated teller machines (ATMs) we do not own or operate might not be available until the fifth business day after the date of your deposit. This rule does not apply at ATMs that we own or operate. All ATMs that we own or operate are identified as our machines.

### Foreign Checks

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Checks drawn on financial institutions located outside the U.S. (foreign checks) cannot be processed the same as checks drawn on U.S. financial institutions. Foreign checks are exempt from the policies outlined in this Disclosure. Generally, the availability of funds for deposits of foreign checks will be delayed for the time it takes us to collect the funds from the financial institutions upon which it is drawn.

Questions. In case you have any questions regarding our Funds Availability Policy, please contact us at 800.765.0110.