

Account Agreement and Disclosures



MEMBERSHIP AND ACCOUNT AGREEMENT

This Agreement covers your and our rights and responsibilities concerning accounts Security Credit Union (SCU) offers. In this Agreement, the words "you" and "yours" mean anyone who signs an Application for Membership. The words "we," "us," and "our" mean Security Credit Union. The word "account" means any one or more share or other accounts you have with Security. Your account type(s) and ownership features are designated on your Application for Membership. By signing an Application for Membership, each of you, jointly and severally, agree to the terms and conditions in this Account Agreement and Disclosures Booklet, the Application for Membership, the Funds Availability Disclosure, the Truth-in-Savings Disclosure, Fee Schedule and Security's Bylaws and Policies, and any amendments to these documents from time to time which collectively govern your Membership and Accounts.

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.

1. MEMBERSHIP ELIGIBILITY.

To join Security Credit Union you must meet the membership requirements including the purchase and maintenance of at least one share ("membership share") as set forth in Security Credit Union's Bylaws and maintain a \$5 minimum balance. You authorize us to check your account, credit, and employment history, and obtain information from third parties, including consumer reporting agencies and credit reporting agencies, to obtain copies of your credit report to verify your eligibility for the accounts and services you request.

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. Therefore, when you open an account with Security Credit Union, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We will also ask to see your driver's license or other identifying information.

2. ACCOUNTS.

2a. INDIVIDUAL PARTY ACCOUNTS.

An individual party account is an account owned by one member (individual) qualified for Security Credit Union membership. If the account owner dies, the interest in account ownership passes subject to applicable law or agreement and subject to other provisions of this agreement governing our protection for honoring transfer and withdrawal requests of an owner or owner's agent and pledges of the account to secure a debt.

2b. JOINT OWNER ACCOUNTS.

An account owned by two or more parties is a jointly owned account.

a) Rights of survivorship. A joint account includes rights of survivorship. This means when one owner dies, all sums in the account will pass to the surviving owner(s). A surviving

owner's interest is subject to the Security Credit Union statutory lien for the deceased owner's obligations, and to any security interest or pledge granted by a deceased owner, even if a surviving owner did not consent to it.

- b) Control of jointly owned accounts. Any owner is authorized to and deemed to act for any other owner(s) and may instruct us regarding transactions and other account matters. Each owner guarantees the signature of any other owner(s). Any owner may withdraw all of the funds in the account, request stop payment(s) on items, transfer, or pledge to us all or any part of the shares without the consent of the other owner(s). We have no duty to notify any owner(s) about any transaction. We reserve the right to require written consent of all owners for any change to or termination of an account. If we receive written notice of a dispute between owners or inconsistent instructions from them, we may suspend or terminate the account and require a court order or written consent from all owners to act.
- c) Joint owner accounts and owner liability. If a deposited item in a jointly owned account is returned unpaid, an account is overdrawn, or if we do not receive final payment on a transaction, the owners, jointly and severally, are liable to us for the amount of the returned item, overdraft, or unpaid amount and any charges, regardless of who initiated or benefited from the transaction. If any account owner is indebted to us, we may enforce our rights against any account of an owner or all funds in the jointly owned account regardless of who contributed them.

2c. BENEFICIARY DESIGNATED ACCOUNTS (PAYABLE ON DEATH ACCOUNT).

A Payable on Death (POD) Account is established in order to designate any surviving POD beneficiary/payee of a single or multiple party account, excluding Individual Retirement Accounts (IRAs). If more than one POD or beneficiary/payee is named, the ownership of account benefits passes to all such beneficiaries/payees, without rights of survivorship. If percentages are not indicated for each beneficiary, accounts payable to more than one surviving beneficiary are owned equally by such beneficiaries without rights of survivorship. Designation of a beneficiary/payee for IRAs requires a separate form and does not apply to POD designations. We are not required to inform the beneficiary/payee of the establishment of any such account or his or her vesting interest in any account, unless required by law. If no person designated as a POD beneficiary/payee is living at the time of the death of the last surviving owner, the account shall be considered part of the owner's estate.

2d. YOUTH CHECKING

Security Credit Union's standard checking accounts are available to members age 18 or over. Members between the ages of 11-17 may open a Youth Checking account that includes the minor's parent or legal guardian as a joint account owner. Security Credit Union Youth Checking accounts are full service checking accounts.

2e. TRUST, ESTATE & OTHER FIDUCIARY ACCOUNTS.

Fiduciary accounts may be opened with Security Credit Union by authorized representatives. In order to open these fiduciary accounts, you must keep a minimum of \$5 on deposit in the savings account and you agree to provide such documentation as is required by Security Credit Union. Some account limitations apply.

As Trustee/Representative/Fiduciary you represent that you are authorized to hold, manage, deposit, withdraw and invest funds on behalf of the Trust/Estate/Protected Person. You also agree to send written notice of any changes to the Trust/Estate/Conservator/Guardian/etc. which would cause the representations specified below to be or become inaccurate or incorrect. The Credit Union may rely on the below representations until we receive written notice affecting the powers of the Trustee/Personal Representative/Conservator/Guardian/etc.

- a) Trust Accounts: A Trust account is established in the name of a Trust created by the grantor(s) outside of Security Credit Union. The trustee(s) of the Trust has (have) access to the funds in the account. To establish an account in the name of a Trust, the grantor(s) or trustee(s) must provide a properly executed Certificate of Trust Existence and provide the credit union with a hold harmless provision. Security Credit Union reserves the right to refuse membership to a Trust when it is not drafted in accordance with and governed by the laws of the State of Michigan.

A Trust is eligible for membership provided:

- Any of the settlors or initial trustees of the Trust are eligible for membership
- If none of the settlors are alive at the time of account application, one or more beneficiaries are individually eligible members

Trustee(s) represent the following:

- The Trust is in full force and effect and it has not been revoked or amended in any manner which would cause the representations made herein to be inaccurate or incorrect
- The named Trustee(s) has qualified, is acting as Trustee(s), and is authorized to open this account and complete other documents for the receipt of financial services from the Credit Union
- The Trust document contains a hold harmless provision for any third party dealing with the Trust or any Trustee and that such provision applies to Credit Union
- Any one Trustee has the power to authorize withdrawals or transfers from authorized accounts, or authorize new accounts or services. The Credit Union may rely on these representations and any instructions by the Trustee(s) and act in accordance therewith in any respect affecting the account before or after termination of the Trust, unless and until it receives a written notice of changes to the Trust, with notice of changes in Trustee(s), or written notice of any events affecting the Trustee(s) powers described above or in any documents required by the Credit Union.

As Trustee(s), you acknowledge and understand your legal obligations as a fiduciary and as more fully set forth in the Michigan Estates and Protected Individuals Code. You further agree to conduct all business with the Credit Union on behalf of the Trust in accordance with state and federal laws as well as orders from any court of competent jurisdiction.

Trustee(s) hereby jointly and severally (if more than one) hold the Credit Union and each of its officers, directors, employees, agents, and affiliates harmless and indemnify them against any claims, judgments, settlement amounts, or other liabilities or costs of defense or settlement, including attorneys' fees arising out of or related to any alleged or actual improper or unsuitable actions taken at the instruction of Trustee(s) in connection with the account for the Trust or for any distribution of Trust assets to any person or entity. This indemnification is made by the Trustee(s) both in the capacity as Trustee and individually, and shall not be limited by any other independent documentation. If a Trustee provides instructions or an order to the Credit Union that the Credit Union reasonably believes might expose it to claims, suits, losses, expenses, liability, or damages, it may refuse to follow the instruction or order.

- b) Estate Accounts: The Credit Union reserves the right to refuse membership to an Estate when it is subject to a will not drafted in accordance with and governed by the laws of the State of Michigan, or is subject to an out-of-state probate proceeding. To establish an account in the name of an Estate, the personal representative(s) must provide a death certificate, properly executed Letters of Authority and any other required information required by the Credit Union.

An Estate is eligible for membership provided:

- That the Estate is subject to the jurisdiction of the State of Michigan or will be distributed in accordance with Michigan law
- The person opening the account has been appointed and accepted, or filed, a Statement of Acceptance of the position of Personal Representative of the Estate
- The Personal Representative of the Estate qualifies for membership

The Personal Representative represents the following:

- The Letters of Authority presented are in full force and effect and have not been revoked or amended in any manner which would cause the representations made herein to be inaccurate or incorrect
- The named Personal Representative has qualified, is acting as Personal Representative, and is authorized to open this account and complete other documents for the receipt of financial services from the Credit Union

As Personal Representative, you acknowledge and understand your legal obligations as a fiduciary and as more fully set forth in the Michigan Estates and Protected Individuals Code. You further agree to conduct all business with the Credit Union on behalf of the Estate in accordance with state and federal laws as well as orders from any court of competent jurisdiction.

- c) Other Fiduciary Accounts: Individuals may open a separate membership account as a Fiduciary for another named Person or Estate. For example, an account can be opened by a Conservator, Guardian, Representative Payee, etc. These accounts are referred to

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collectively as "Fiduciary Accounts", and the individuals or estates for whose benefit they are opened are referred to collectively as "Protected Persons." The individual opening the account will be referred to as the "Fiduciary." The Fiduciary Account will qualify for membership provided the Protected Person is eligible for membership. In order to open a Fiduciary Account, you agree to provide Letters of Authority naming you as Conservator, Guardian, or Representative Payee. The Credit Union reserves the right to refuse to open a Fiduciary Account when such documentation does not derive from the authority of the laws of the State of Michigan or Social Security Administration Rules and Regulations.

If you are a Conservator, you represent the following:

- The Letters of Conservatorship presented are in full force and effect and have not been revoked or amended in any manner which would cause the representations made herein to be inaccurate or incorrect
- The named Conservator has qualified, is acting as Conservator, and is authorized to open this account and complete other documents for the receipt of financial services from the Credit Union

If you are a Guardian, you represent the following:

- No Conservator has been appointed with regard to the Protected Person
- The Letters of Guardianship presented are in full force and effect and have not been revoked or amended in any manner which would cause the representations made herein to be inaccurate or incorrect
- The named Guardian has qualified, is acting as Guardian, and is authorized to open this account and complete other documents for the receipt of financial services from the Credit Union

If you are a Representative Payee, you represent the following:

- The authority granted to you by the Social Security Administration to act as Representative Payee is in full force and effect and has not been revoked or amended in any manner which would cause the representations made herein to be inaccurate or incorrect
- The named Representative Payee has qualified, is acting as Representative Payee, and is authorized to open this account and complete other documents for the receipt of financial services from the Credit Union

The Credit Union may rely on these representations and any instructions by the Fiduciary and act in accordance therewith in any respect affecting the account before or after termination of the fiduciary authority, unless and until it receives a written notice of changes to the Letters of Conservatorship, Letters of Guardianship, or Award Letter, or written notice of any events affecting the fiduciary's powers described above or in any documents required by the Credit Union.

You further agree to conduct all business with the Credit Union on behalf of the Protected Person in accordance with state and federal laws as well as orders from any court of competent jurisdiction or the Social Security Administration Rules and Regulations. You understand and agree that funds in this Account may not be pledged as security for any purpose.

Fiduciary hereby holds the Credit Union and each of its officers, directors, employees, agents, and affiliates harmless and personally indemnifies them against any claims, judgments, settlement amounts, or other liabilities or costs of defense or settlement, including attorneys' fees arising out of or related to any alleged or actual improper or unsuitable actions taken at the instruction of Fiduciary in connection with the Fiduciary Account or for any distribution of assets from this account to any person or entity. This indemnification is made by the Fiduciary both in his or her capacity as such and individually, and shall not be limited by any other independent documentation. If a fiduciary provides instructions or an order to the Credit Union that the Credit Union reasonably believes might expose it to claims, suits, losses, expenses, liability, or damages, it may refuse to follow the instruction or order.

2f. BUSINESS ACCOUNTS.

A business account (hereinafter "Business Account" or "Account") is an account opened by a non-natural person entity. To open a Business Account, the entity must qualify for membership in its own right or if its shareholders, partners, owners or members are composed for the most part of persons who are within the field of membership of this Credit Union. Business Checking Accounts are intended for business/commercial purposes and cannot be used for personal, family or household uses. You must open a Business Membership Savings Account to open any subsequent accounts. You must maintain the Business Membership Savings Account in good standing to avoid closure of that account and any subsequent accounts.

Each Authorized Signer on a Business Account must be at least eighteen (18) years of age. Each Authorized Signer on a Business Account is duly authorized to act with respect to the Account(s) and we are authorized to act on all matters relating to the Account(s) upon the order of any one of the Authorized Signers until we receive written instructions to the contrary from an authorized representative (as defined on the Business Membership Application). You certify that any signatures appearing on the Business Membership Application are the genuine signatures of said authorized persons. You agree that any instruction to permit withdrawal only upon the

signature of two or more Authorized Signers or agents is for your internal use and benefit only and will not be binding on us. You agree that we shall not be liable for any lack of signatures so long as the instructions contain the signature of or have been authorized by at least one Authorized Signer. Any payment made from your Account in good faith and reliance on the terms and conditions of this Agreement and the Business Membership Application shall be valid and discharge us from liability. Without limiting the foregoing, we may honor checks drawn against your Account by Authorized Signers, even if the checks are made payable to them, to cash, or for deposit to their personal accounts. We have no duty to investigate or question withdrawals or the application of funds. You agree to notify us immediately of the death or court-declared incompetence of any Authorized Signer on your Account. We may freeze your Account and refuse to accept deposits when an Authorized Signer dies or is declared incompetent. You understand and agree that access to and ownership of an Account is determined by the most recent Resolution and Business Membership Application we have on file. If there is a change to a sole proprietor, partner, member, or office of the business, a new Business Membership Application must be filled out for each account affected. If a non-owner Authorized Signer is changing, you must complete a Business Membership Application. Changes to the membership information will be made by you in writing or by another secured method approved by us. You understand and agree that we may terminate account products at our option without written notice to you. We may also suspend offering account products from time to time at our discretion without notice to you.

2g. ACCOUNTS FOR MINORS & COVERDELL EDUCATION SAVINGS ACCOUNT (ESA).

We require any account established by a minor to be a jointly owned account with an owner who is either the minor's parent, grandparent, or legal guardian, has reached the age of majority under state law and who shall be jointly and severally liable to us for any returned item, overdraft, or unpaid charges or amounts on such account. We may pay funds directly to the minor without regard to his or her minority. Unless the minor's parent, grandparent, or legal guardian is an account owner, this individual shall not have any account access rights. We have no duty to inquire about the use or purpose of any transaction. The Coverdell ESA may only be opened on an account already established in the name of the minor and only one parent may be named as the Responsible Individual on the account which may change to the child at the age of majority if this was chosen when the account was established. There is no joint owner on a Coverdell ESA.

3. AGENCY DESIGNATION ON AN ACCOUNT.

An agency designation on an account is an instruction to us that the owner authorizes another person to make transactions as agent for the account owner regarding the accounts designated. An agent has no ownership interest in the account(s) or Security Credit Union voting rights. We have no duty to inquire about the use or purpose of any transaction made by the agent.

4. DEPOSIT OF FUNDS REQUIREMENTS.

Funds may be deposited to any account, in any manner approved by Security Credit Union in accordance with the requirements set forth on the Current Rate Sheet and Fee Schedule.

- Endorsements.** We may accept transfers, checks, and other items for deposit into any of your accounts if they are made payable to, or to the order of, one or more account owners even if they are not endorsed by all payees. You authorize us to accept checks missing endorsements of any owners if we choose. If a check or item that is payable to two or more persons is ambiguous as to whether it is payable to either or both, we may process the check or item as though it is payable to either person. Checks payable to a deceased member will not be accepted. If an insurance, government, or other check requires an endorsement as set forth on the back of the check, we may require endorsement as set forth on the item. Endorsements must be made on the back of the check within 1-1/2 inches from the top edge, although we may accept endorsements outside this space. However, any loss we incur from a delay or processing error resulting from an irregular endorsement or other markings by you or any prior endorser will be your responsibility.
- Collection of Items.** We act only as your agent and we are not responsible for handling items for deposit or collection beyond the exercise of ordinary care. Deposits made by mail or at unstaffed facilities are not our responsibility until we receive them. We are not liable for the negligence of any correspondent or for loss in transit, and each correspondent will only be liable for its own negligence. We may send any item for collection. Items drawn on an institution located outside the United States are handled on a collection basis only. You waive any notice of nonpayment, dishonor, or protest regarding items we purchase or receive for credit or collection to your account.
- Final Payment.** All items or Automated Clearing House (ACH) transfers credited to your account are provisional until we receive final payment. If final payment is not received, we may charge your account for the amount of such items or ACH transfers and impose a return item charge on your account as set forth in the Fee Schedule. Any collection fees we incur may be charged to your account. We reserve the right to refuse or return any item or funds transfer.
- Direct Deposits.** We may offer preauthorized deposits (e.g., payroll checks, Social Security or retirement checks, or other government checks) or preauthorized transfers from other accounts. You must authorize each direct deposit or preauthorized transfer by filling out a separate form. You must notify us at least 30 days in advance to cancel or change a direct deposit or transfer option. Upon a bankruptcy filing, unless you cancel an authorization, we will continue making direct deposits in accordance with your

authorization on file with us. If we are required to reimburse the U.S. Government for any benefit payment directly deposited into your account, we may deduct the amount returned from any of your accounts, unless prohibited by law.

- Crediting of Deposits.** Deposits made after the deposit cutoff time and deposits made on either holidays or days that are not our business days will be credited to your account on the next business day.

5. ACCOUNT ACCESS.

- Authorized Signature.** Your written or electronic signature on the Application for Membership authorizes your account access. We will not be liable for refusing to honor any item or instruction if we believe the signature is not genuine. If you have authorized the use of a facsimile signature, we may honor any check that appears to bear your facsimile signature even if it was made by an unauthorized person. You authorize us to honor transactions initiated by a third person to whom you have given your account number even if you do not authorize a particular transaction.
- Access Options.** You may withdraw or transfer available funds from your account(s) in any manner we permit (e.g., at an automated teller machine, through online or mobile banking, in person, by mail, automatic transfer, or telephone, as applicable). We may return as unpaid any check drawn on a form we do not provide, and you are responsible for any loss we incur in handling such a check.
- Powers of Attorney.** The Credit Union may allow a third person acting as your attorney-in-fact to make transactions regarding your account(s), pursuant to a Power of Attorney, but has no obligation to do so. You agree that we have no obligation to verify the scope, authenticity, and validity of any Power of Attorney presented to us. If we accept the Power of Attorney, the Credit Union has no duty to inquire as to the use or purpose of any transaction(s) by your attorney-in-fact, and may restrict or refuse account access, withdrawals and transfers. Further, you agree to reimburse the Credit Union for all costs and expenses, including attorneys' fees, we incur and agree to indemnify us for any loss or other expense we incur from our acceptance of your Power of Attorney.
- ACH & Wire Transfers.** If we provide the service, you may initiate or receive credits or debits to your account through wire or ACH transfer. You agree that if you receive funds by a wire or ACH transfer, we are not required to notify you at the time the funds are received. Instead, the transfer will be shown on your periodic statement. When you initiate a wire transfer, you may identify either the recipient or any financial institution by name and by account or identifying number. Security Credit Union (and other institutions) may rely on the account or other identifying number as the proper identification even if it identifies a different party or institution. (See the Wire Transfer Request Agreement and Disclosure section for more information.)
- Credit Union Examination.** We may disregard information on any check, other than the signature of the drawer, the amount and any magnetic encoding. You agree we do not fail to exercise ordinary care in paying an item solely because our procedures do not provide for sight examination of items.
- Limitation of Access.** We may limit services and/or access to your accounts, including through Online Banking and Mobile Banking, if your account is not in good standing, you are delinquent on a loan, or your account has a negative available balance. We may also limit services and/or access to your accounts for abusive or harassing behavior toward Security Credit Union employees.

6. ACCOUNT RATES AND FEES.

We pay account earnings and assess fees against your account as set forth in the Fee Schedule. We may change the Fee Schedule at any time and will notify you as required by law.

7. TRANSACTION LIMITATIONS.

- Withdrawal Restrictions.** We permit withdrawals only if your account has sufficient available funds to cover the full amount of the withdrawal or you have an established overdraft protection plan. Checks or other transfer or payment orders which are drawn against insufficient available funds may be subject to a service charge as set forth in the Fee Schedule. If there are sufficient available funds to cover some, but not all, of your withdrawal, we may allow those withdrawals for which there are sufficient available funds in any order at our discretion. We may refuse to allow a withdrawal in some situations, and will advise you accordingly, for example: (1) a dispute between account owners (unless a court has ordered Security Credit Union to allow the withdrawal); (2) a legal garnishment or attachment is served; (3) the account secures any obligation to us; (4) required documentation has not been presented; (5) you fail to repay a Security Credit Union loan on time.

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- b) **Transfer Limitations (Regulation D).** For all types of savings accounts that are eligible for preauthorized, automatic, telephonic, electronic or audio response transfers, you may make up to six such transfers to an account at another financial institution or to a third party during any calendar month. A preauthorized transfer includes any arrangement with us to pay a third party from your account upon oral or written orders including orders received through the automated clearing house (ACH). You may make unlimited transfers at an ATM, in person at a Security Branch, through the mail or to any Security Credit Union loan. However, we may refuse or reverse a transfer that exceeds these limitations and may assess fees against, suspend or close your account.

8. 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 (810) 235-2322, OR VISIT ANY BRANCH.

a. General

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

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

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

3. What Happens if the Credit Union Pays the Item? If you overdraw your account and we pay the item, we may do so in one of two ways:

- through standard overdraft practices that come with your account, which we call "Courtesy Pay"; or
- through an overdraft protection plan, which we call "Overdraft Transfer Service"

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

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

b. Your Available Balance

1. Actual Balance Versus Available Balance. Your 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 also sometimes referred to as your "ledger balance". Your actual balance reflects transactions that have posted to your account, but it does not reflect transactions that have been authorized and are pending or deposits that may be on hold. While the term "actual" may sound as though the number you see is an up-to-date indication of what is in your account that you can spend, that is not always the case because any purchases, holds, fees, other charges, or deposits made on your account that have not yet posted will not appear in your actual balance. For example:

- assume you have a \$50 actual balance, but you just wrote a check for \$40, then your actual balance is \$50 but it does not reflect the pending check transaction. Though your actual balance is \$50, you have already spent \$40.

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

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

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

c. Authorization Holds for Debit Card Transactions.

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

2. How Does an Authorization Hold Affect Your Available Balance? Until the transaction finally settles or we otherwise remove the hold (for example, we may remove the hold because it exceeds the time permitted or we determine that it is unlikely to be processed), the funds subject to the hold will not be available to you for other purposes. At some point after you sign for the transaction, it is processed by the merchant and submitted to us for payment. This can happen hours or sometimes days after you signed for it, depending on the merchant and its processing company. We have

no control over when a merchant may present an item for payment. Merchant payment requests are received in real time throughout the day and are posted to your account as they are received.

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

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

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

If your available balance is insufficient to pay the preauthorization amount requested by a merchant, and you have not opted into the Courtesy Pay Overdraft Service for payment of everyday debit transactions, we will decline the request.

If your available balance is insufficient to pay the preauthorization amount requested by a merchant, and you have opted into Courtesy Pay for payment of everyday debit transactions, we may choose to approve the request. If we approve the request under Courtesy Pay, an authorization hold will be placed on your account in the amount of the merchant's authorization request. However, we will not charge you a Courtesy Pay Fee unless your available balance is insufficient to pay the preauthorization amount when the transaction posts/settles to your account. If your available balance is sufficient to pay the transaction at the time it posts to your account, you will not incur a Courtesy Pay Overdraft Fee, even though your available balance was insufficient at the time the transaction was authorized.

The only time you will incur a Courtesy Pay Fee with respect to an everyday debit card transaction is if you (1) have opted into Courtesy Pay for everyday debit transactions and (2) your available balance is insufficient to cover the transaction at both the authorization and the settlement of that transaction.

Note that transactions authorized with a merchant as recurring debit card transactions may be covered by Courtesy Pay regardless of whether you have opted in to Courtesy Pay for the payment of everyday debit card transactions.

The following examples illustrate how this works if you have opted into Courtesy Pay with respect to everyday debit transactions:

Example A: Assume your actual and available balances are both \$50, and you use your debit card at a restaurant for \$20. If the restaurant requests preauthorization in the amount of \$20, an authorization hold is placed on \$20 in your account, so your available balance is only \$30. Your actual balance

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would remain \$50. Before the restaurant charge is sent to us for payment, a check that you wrote for \$40 posts to your account. Because your available balance is only \$30 (due to the authorization hold of \$20), your account will be overdrawn by \$10, even though your actual balance is \$50. In this case, if we pay the \$40 check under Courtesy Pay, we will charge you a Courtesy Pay Fee as disclosed in our Fee Schedule, which will be deducted from your account, further increasing the overdrawn amount. When the restaurant charge is finally submitted to us for payment, we will release the authorization hold and pay the transaction amount (which may be \$20 or even a different amount, for example, if you added a tip) to the restaurant. Because the amount of the restaurant charge was authorized when the available balance in the account was sufficient to cover the transaction, we will not charge you a Courtesy Pay Fee.

Example B: Assume your actual and available balances are both \$5, and you use your debit card at a store for \$25. If the store requests preauthorization in the amount of \$25, an authorization hold is placed on your account for \$25 using Courtesy Pay, resulting in a negative available balance of -\$20. When the \$25 debit transaction posts/settles to your account, the available balance in your account is still -\$20. We will release the authorization hold and pay the transaction amount. Because the amount of the charge was authorized when the available balance was insufficient to cover the transaction, and the available balance was still insufficient to cover the transaction at settlement, we will charge you a Courtesy Pay Fee.

Example C: Assume your actual and available balances are both \$5, and you use your debit card at a store for \$25. If the store requests preauthorization in the amount of \$25, an authorization hold is placed on your account for \$25 using Courtesy Pay, resulting in a negative available balance of -\$20. You deposit \$100 into your account, bringing your available balance to \$75.00 (the \$100 deposit less the \$25 authorization hold for the preauthorized debit transaction). When the \$25 debit transaction posts/settles to your account, the available balance in your account is sufficient to cover the transaction. We will release the authorization hold and pay the transaction amount. Because the transaction settled/posted to your account at a time when the available balance was sufficient to cover the transaction, we will not charge you a Courtesy Pay Fee.

d. Payment of Overdrafts

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

2. Fees Associated with Overdrawing Your Account – Courtesy Pay Fees. We assess a fee each time an item is presented for payment that we either pay, resulting in an overdraft, or which we decline pay because payment of the item would result in an overdraft had we paid it. If we pay an item in accordance with Courtesy Pay, we will charge you a Courtesy Pay Fee. There is no limit on the total fees we can charge you for overdrafting your account.

3. Fees Associated with Overdrawing Your Account – Overdraft Transfer Service. There are fees associated with using our Overdraft Transfer Service. These fees may be less expensive than Courtesy Pay Fees or NSF Fees. If we pay an item in accordance with our Overdraft Transfer Service, we will charge you an Overdraft Transfer Fee. If you have elected both the Overdraft Transfer Service and Courtesy

Pay, there are circumstances wherein you will be charged both an Overdraft Transfer Fee and a Courtesy Pay Fee. These circumstances are discussed in greater detail in Section F. There is no limit to the total fees we can charge you for overdrafting your account.

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

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

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

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

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

e. How Transactions Are Posted to Your Account

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

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 presentation files. Each presentation 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 presentation 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 in the order received;
- ACH items in each presentation file post credits first in the order presented, then debits in the order presented (we typically receive up to four ACH presentation files per day)
- 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. Overdraft Transfer Service

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

With this service, you authorize us to make transfers of available funds automatically from your regular savings account, plus the overdraft transfer fees, to cover overdrafts in your checking account. The Overdraft Transfer Service is an optional feature that can be added to your eligible checking accounts upon your request. To request or terminate the Overdraft Transfer Service: (1) call us at (810) 235-2322; (2) visit any branch and speak with a Representative; or (3) mail a request to Security Credit Union, P.O. Box 5255, Grand Blanc, MI 48480-5255.

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

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

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

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

However, because Courtesy Pay is a discretionary service, we may instead elect to decline to pay the transaction. If we decline to pay the transaction, we will not transfer any funds from your linked savings account, and we will decline the transaction, and we will assess you an NSF Fee each time the item is presented for payment. It is important to remember that we have no control over how many times an

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intended payee may present the same item for payment. Multiple presentments of the same item will result in multiple fees.

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

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

4. Termination of Overdraft Transfer Service. We may terminate the Overdraft Transfer Service at any time with or without notice to you. Any owner of the checking account or any owner of a linked regular savings account used for overdraft protection may decline the Overdraft Transfer Service. To terminate the Overdraft Transfer Service: (1) call us at (810) 235-2322; (2) visit any branch and speak with a Representative; or (3) mail notice of your decision to decline the Overdraft Transfer Service to Security Credit Union, P.O. Box 5255, Grand Blanc, MI 48480-5255. Your election to decline will be effective after we have received notice and have had a reasonable time to act on it.

g. Courtesy Pay Overdraft Service

1. Courtesy Pay. In accordance with our commitment to provide valued service and benefits, we may, if you qualify, at our discretion, pay overdrafts that would cause your eligible checking account to have a negative balance up to the amount of your limit, which is determined by us in our sole and absolute discretion. Courtesy Pay is different than the Overdraft Transfer Service. Courtesy Pay is a backup to the Overdraft Transfer Service and will only be activated if funds are not available from the Overdraft Transfer Service.

2. What Overdraft Transactions are Covered? Courtesy Pay is available for the payment of checks, preauthorized payments under our Bill Payment Service, ACH drafts, and recurring debit transactions. Courtesy Pay is also available for everyday debit card transactions, if you opt-in, as described in the next section below.

3. Optional Overdraft Transactions. The following types of transactions require you to "opt in" (in other words, you must provide us with your affirmative consent) if you would like to include them in Courtesy Pay. Choosing not to opt in may result in these transactions being declined:

- ATM transactions
- Everyday Debit Card transactions

We do not require you to authorize Courtesy Pay for your ATM and everyday debit card transactions (Debit Card Courtesy Pay) as a condition of us providing Courtesy Pay to you for your checks, ACH transactions or other transactions. If you want the Credit Union to authorize and pay overdrafts for ATM and everyday debit card transactions through Courtesy Pay, you must provide us with your consent by: (1) calling us at (810) 235-2322; (2) visiting any branch and speaking with a Representative; or (3) mailing notice of your decision to opt in to Courtesy Pay for ATM and everyday debit card transactions to Security Credit Union, P.O. Box 5255, Grand Blanc, MI 48480-5255.

4. Eligibility for Courtesy Pay. Courtesy Pay is not a credit product. It is a feature that is automatically included with eligible checking accounts (unless you decline Courtesy Pay entirely as described below or information we get from a consumer reporting agency does not meet Credit Union standards). Eligibility is at the sole discretion of the Credit Union and is based on you managing your checking account in a responsible manner. Courtesy Pay may be available for checking accounts for which the primary checking account owner is 18 years of age or older. We reserve the right to limit Courtesy Pay to one (1) account per household or member. We may suspend or

permanently revoke Courtesy Pay from your checking account, in our sole and absolute discretion, based on any one or more of the following criteria:

- You are not making regular deposits into your checking account;
- You do not bring your checking account to a positive balance for at least one full business day within a thirty (30) day period;
- Your membership is not in good standing;
- You are more than thirty (30) days past due or are in default in any other respect on any loan or other obligation to us;
- You have an outstanding balance due on an overdraft repayment plan;
- Your primary savings account does not have a positive balance;
- Your checking account is subject to any legal or administrative orders or levies;
- You have insufficient credit or negative credit history;
- You are a party to a bankruptcy proceeding;
- Any or all of your account(s) with us are being reviewed for improper activity or transactions;
- Your checking account is classified as inactive;
- You use the Service to pay items written to check cashing agencies;
- You have an unresolved prior loss with us; or
- We believe you are not managing your checking account in a responsible manner which may harm you or us.

5. Courtesy Pay is a Discretionary Privilege. Any payment made by us under Courtesy Pay will be made on a case-by-case basis, in our sole and absolute discretion. Courtesy Pay does not constitute an actual or implied agreement between you and the Credit Union, nor does it constitute an actual or implied obligation of the Credit Union. Courtesy Pay is a privilege that the Credit Union provides from time to time and which may be withdrawn or withheld by the Credit Union at any time, without prior notice, reason or cause.

6. Notification. If you qualify for Courtesy Pay, we will notify you that Courtesy Pay has been added to your account. However, we may refuse to pay an overdraft at any time, even though we may have previously paid overdrafts. We have no obligation to notify you before we pay or return any item. It is important to remember that Courtesy Pay is a purely discretionary benefit offered by the Credit Union. If at any time we determine that your account is no longer eligible for Courtesy Pay for any reason, we can discontinue it immediately without notice to you.

7. How Courtesy Pay is Administered. If you are eligible for the Service, we will generally pay your overdraft items up to a maximum amount established by the Credit Union in its sole and absolute discretion, including fees. We are not required to notify you of any nonsufficient funds checks, ACH items, or other transactions that may have been paid or returned. We may refuse to pay any overdrafts without first notifying you even though your account is in good standing and even if we have paid previous overdrafts.

8. When is the overdraft payment due? The total of the overdraft (negative) balance in your checking account, including any and all fees and charges, is due and payable upon demand, and you are required to immediately deposit sufficient funds to cover the overdraft paid by us and pay the related fees.

9. Courtesy Pay Fees. A Courtesy Pay Fee will be charged to your checking account, in accordance with our Fee Schedule, for each overdraft that is authorized and paid through the Service. This means that more than one Courtesy Pay Fee may be assessed against your checking account per day depending upon the number of overdrafts authorized and paid through Courtesy Pay. You understand that your Courtesy Pay Limit will be reduced by the amount of each overdraft paid by us through Courtesy Pay and the amount of the related Courtesy Pay Fee imposed until such

amounts are repaid by you as set forth herein at which time we may replenish your Courtesy Pay Limit by the amount of the repayment. If we choose not to pay the item/transaction under Courtesy Pay, you are subject to a Non-Sufficient Funds (NSF) Fee in accordance with our Fee Schedule for each such item each time it is presented for payment and returned unpaid due to an insufficient available balance. Your periodic statement will itemize Courtesy Pay Fees and NSF Fees for each cycle, as well as the year-to-date total of fees.

10. Transfers to Cover Overdrafts. You understand and agree that we have the right to transfer available funds to your checking account from any of your other account(s) with us (excluding IRAs and certificate accounts), including account(s) upon which you are a joint owner, in an amount equal to the overdraft and related fees.

11. Right of Setoff. In addition to any other rights that we may have, you agree that any deposits, future deposits, or other credits to any account in which you may now or in the future may have an interest are subject to our right of setoff for any liabilities, obligations or other amounts owed to us by you (e.g. overdrafts and any related fees and charges) and such is applicable irrespective of any contribution to the account or source of funds in the account. Moreover, unless you decline Courtesy Pay (see below), you consent and expressly agree that the application of setoff of funds in any account includes the setoff of government benefits (such as Social Security and other public benefit funds) deposited to the account from which the overdraft or related fees are paid to the maximum extent permitted by applicable state and federal law. Each person who causes an overdraft, which is paid by us, agrees to be individually and jointly obligated to repay the unpaid negative balance in accordance with the terms and conditions of Courtesy Pay.

12. Default. You will be in default under the terms of Courtesy Pay if you fail to live up to any of the terms and conditions set forth herein or you are in default on any loan obligation with us and/or a negative balance exists in any other deposit account with us on which you are an owner. If you are in default, in addition to any other rights we may have, we may temporarily suspend overdraft privileges, terminate Courtesy Pay, or close your checking account and demand immediate payment of the entire unpaid negative balance. You also agree to pay any collection costs, attorneys' fees and court costs that we may incur as a result of your default.

13. Termination; Suspension. We may terminate or suspend Courtesy Pay at any time without prior notice. In no event will any termination relieve you of your obligation to repay any negative account balance, overdraft fees, collection costs and attorneys' fees, if any. We can delay enforcing any of our rights without losing them.

14. Your Right to Decline Courtesy Pay. Any owner of the checking account may decline the service. If you prefer not to have the Service, visit us in a branch, contact us at (810) 235-2322, or write to us at Security Credit Union, P.O. Box 5255, Grand Blanc, MI 48480-5255, and include your name, member number and a statement that you are declining the Credit Union's Courtesy Pay Service and we will remove the Service from your checking account. If you decline the Service, you will still be charged an NSF Fee for each item returned each time an item is presented for payment and returned unpaid due to an insufficient available balance.

15. Optional Overdraft Protection Plans. As discussed in more detail above, we also offer the optional Overdraft Transfer Service which links your checking account to a savings account, as well as other overdraft sources and may be less expensive than Courtesy Pay. To learn more, please ask us about these plans.

THE BEST WAY TO KNOW HOW MUCH MONEY YOU HAVE AND AVOID PAYING OVERDRAFT FEES IS TO RECORD AND TRACK ALL OF YOUR TRANSACTIONS CLOSELY. PLEASE REVIEW THIS INFORMATION CAREFULLY. IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT US AT (810) 235-2322 OR VISIT ANY BRANCH.

9. POSTDATED AND STALEDATED CHECKS.

We may pay any check without regard to its date. You agree not to deposit checks or other items before they are properly payable. We are not obligated to pay any check drawn on your account which is presented more than six months past its date.

10. STOP PAYMENT ORDERS.

a) Stop Payment Order Request. You may request a stop payment order on any check drawn on your account. To be binding, an order may be authorized in person or by contacting us via phone at (810) 235-2322 or toll free at (800) 373-2333. Stop payment requests, presented in writing, must be dated, signed, and

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describe the account and check number and the exact amount. The stop payment will be effective if Security Credit Union receives the order in time for Security Credit Union to act upon the order and you state the account, check number and exact amount. You understand that the exact information is necessary for Security Credit Union's computer system to identify the check. If you give us incorrect, untimely or incomplete information, we will not be responsible for failing to stop payment on the check. If the stop payment order is not received in time for us to act upon the order, we will not be liable to you or to any other party for payment of the check. If we re-credit your account after paying a check over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to transfer to us all of your rights against the payee or other holders of the check and to assist us in any legal action.

- b) **Duration of Order.** You may make an oral stop payment order which will lapse within 14 calendar days unless confirmed in writing within that time. Stop payments that are confirmed in writing are effective for six months and may be renewed in writing from time to time. We do not have to notify you when a stop payment order expires. Should the payment be presented during the six-month period from the date of the call, we will return the payment and the stop will no longer be valid.
- c) **Liability.** Fees for stop payment orders are set forth in the Fee Schedule. You may not stop payment on any certified check, cashier's check, teller's check, or any other check or payment guaranteed by Security Credit Union. Although payment of an item may be stopped, you may remain liable to any item holder, including Security Credit Union. You agree to indemnify and hold Security 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 endorsee in failing to stop payment of an item as a result of incorrect information provided by you.

11. CHECK 21 AND SUBSTITUTE CHECKS.

What is a substitute check?

To make check processing faster, federal law permits banks to replace original checks with "substitute checks." These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states: "This is a legal copy of your check. You can use it the same way you would use the original check." You may use a substitute check as proof of payment just like the original check.

Some or all of the checks that you receive back from us may be substitute checks. This notice describes rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have the rights under other law with respect to those transactions.

Your rights regarding substitute checks.

In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, returned check fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to interest on the amount of your refund if your account is an interest-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

If you use this procedure, you may receive up to \$2,500 of your refund (plus interest if your account earns interest) within ten business days after we received your claim and the remainder of your refund (plus interest if your account earns interest) not later than 45 calendar days after we received your claim.

We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

How to make a claim for a refund?

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us at (810) 235-2322, or toll free at (800) 373-2333. You must contact us within 40 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check

in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include:

- A description of why you have suffered a loss (for example, you think that the amount withdrawn was incorrect);
- An estimate of the amount of your loss;
- An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss; and
- A copy of the substitute check and/or the following information to help us identify the substitute check: check number, payee's name, amount of the check.

12. SECURITY LIABILITY.

If we do not properly complete a transaction according to this Agreement, we will be liable for your losses or damages not to exceed the amount of the transaction, except as otherwise provided by law. We will not be liable if: (1) your account contains insufficient available funds for the transaction; (2) circumstances beyond our control prevent the transaction; (3) your loss is caused by you or another financial institution's negligence; or (4) your account funds are subject to legal process or other claim. We will not be liable for consequential damages, except liability for wrongful dishonor. We exercise ordinary care if our actions or non-actions are consistent with applicable state law, Federal Reserve regulations and operating letters, Clearinghouse rules, and general banking practices followed in the area we serve. You grant us the right, in making payments of deposited funds, to rely exclusively on the form of the account and the terms of this Agreement. Any conflict between what you or our employees may say or write will be resolved by reference to this Agreement.

13. SECURITY LIEN AND SECURITY INTEREST.

If you owe us money as a borrower, guarantor, endorser or otherwise, we have a statutory lien on the account funds in any account in which you have an ownership interest, regardless of their source, unless prohibited by law. We may apply these funds, without further notice to you, 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 Security Credit Union a consensual security interest in all of your Security accounts and obligations secured by property for the purpose of paying any debt or amount now or hereafter owed Security Credit Union unless prohibited by applicable law. Such a security interest may be used to pay for any debt or amount owed to Security Credit Union for an obligation secured by your primary residence, but your primary residence shall only be security to the obligation(s) which it secures. All accounts are non-assignable and non-transferable to third parties.

14. 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 payout until the dispute is resolved. Any expenses or attorney fees we incur responding to legal process may be charged against your account without notice, unless prohibited by law. Any legal process against your account is subject to our lien and security interest.

15. ACCOUNT INFORMATION.

Upon request, we will give you the name and address of each agency from which we obtain a credit report regarding your account. We agree not to disclose account information to third parties except when: (1) it is necessary to complete a transaction; (2) the third party seeks to verify the existence or condition of your account in accordance with applicable law; (3) such disclosure complies with the law or a government agency or court order; or (4) you give us written permission.

16. NOTICES.

- a) **Name or Address Changes.** You are responsible for notifying us of any address or name change. Security Credit Union is only required to attempt to communicate with you at the most recent address you have provided to us. We accept a change in address provided it is made in writing. If you fail to provide us with your new address, we may update your address using information provided by the United States Postal Service and/or impose a Returned Mail fee as set forth in the Fee Schedule.
- b) **Notice of Amendments.** Except as prohibited by applicable law, we may change the terms of this Agreement. We will notify you of any changes in terms, rates, or fees as required by law. We reserve the right to waive any term in this Agreement. Any such waiver shall not affect our right to future enforcement.

- c) **Effect of Notice.** Any written or electronic 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. Any electronic notice we give to you is effective when it is sent. Notice to any account owner is considered notice to all account owners.

17. 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.

18. STATEMENTS.

- a) **Contents.** If we provide a periodic statement for your account, you will receive a periodic statement of transactions and activity on your account during the statement period as required by applicable law. If a periodic statement is provided, you agree that only one statement is necessary for a multiple party account. For savings or checking accounts, you understand and agree that your original check, when paid, becomes property of Security Credit Union and may not be returned to you, but copies may be retained by us or payable through financial institutions and made available upon your request. You understand and agree that statements are made available to you on the date they are mailed to you. You also understand and agree that checks or copies thereof are made available to you on the date the statement is mailed to you, even if the checks do not accompany the statement.
- b) **Examination.** You are responsible for examining each statement and reporting any irregularities to us. We will not be responsible for any forged, altered, unauthorized or unsigned items drawn on your account if: (1) you fail to notify us within 60 days of the mailing date of the earliest statement regarding any forgery, alteration or unauthorized signature on any item described in the statement; or (2) any items are forged or altered in a manner not detectable by a reasonable person, including the unauthorized use of a facsimile signature machine.
- c) **Notice to Security Credit Union.** You agree that Security's Credit Union retention of checks does not alter or waive your responsibility to examine your statements or the time limit for notifying us of any errors. The statement will be considered correct for all purposes and we will not be liable for any payment made or charge to your account unless you notify us in writing within the above time limit for notifying us of any errors. If you fail to receive a periodic statement you agree to notify us within 14 days of the time you regularly receive a statement.

19. INACTIVE ACCOUNTS.

- a) **Inactive Accounts.** If your Security Credit Union account has had no withdrawals or deposits, other than credited dividends, for 12 months, it will be considered "inactive" and charged an Inactivity Fee, as set forth in the Fee Schedule. To avoid the fee, you must perform at least one of the following actions:
- Make a deposit or withdrawal, of any kind, from the account
 - Writing checks
 - Using a MasterCard Debit Card at an ATM, for a Point-of-Sale (POS) transaction or making a signature-based purchase
 - Contact Security Credit Union to discuss your savings needs
- If you do not perform one of these actions, we will assess you the Inactivity Fee. Inactive account status does not apply to members who have open Security Credit Union loans, or who have other active Security Credit Union accounts such as checking, an IRA or a Certificate, etc. It also does not apply to savings accounts where the primary account owner is under age 18 or to those accounts that have been open for less than one year.

20. DORMANT ACCOUNTS.

If you reside in the state of Michigan and have had no activity on your account(s) within a three year period, (i.e., primary savings, club accounts, and/or checking account) other than dividends posting to the account(s) (if applicable), then your account(s) is(are) considered to be dormant and/or abandoned. The account will be assessed a dormant account fee, as set forth in the Fee Schedule, and closed. You authorize us to transfer funds from another Security Credit Union account of yours to cover any fees, if applicable. To the extent allowed by law, we reserve the right to transfer the account funds to an account payable and to suspend any further account statements. The funds in your account will then be escheated to the state of Michigan. Once funds have been turned over to the state, we have no further liability to you for such funds and if you choose to reclaim such funds, you must apply to the appropriate state agency. Escheat periods vary by state.

(Continued on next page)

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21. SPECIAL ACCOUNT INSTRUCTIONS.

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

22. TERMINATION OF ACCOUNT.

In addition to the other provisions in this agreement, we may terminate your account at any time without notice to you or may require you to close your account and apply for a new account if: (1) there is a change in owners or authorized signers; (2) there has been a forgery or fraud reported or committed involving your account; (3) there is a dispute as to the ownership of the account or of the funds in the account; (4) any checks are lost or stolen; (5) there are excessive returned unpaid items not covered by an overdraft protection plan; (6) there has been any misrepresentation or any other abuse of any of your accounts; or (7) we reasonably deem it necessary to prevent a loss to us. You may terminate a single party account by giving written notice. We reserve the right to require the consent of all account owners to terminate a multiple party account. We are not responsible for payment of any check, withdrawal, or other item after your account is terminated, however, if we pay an item after termination, you agree to reimburse us.

23. TERMINATION OF MEMBERSHIP.

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

24. DEATH OF ACCOUNT OWNER.

We may continue to honor all transfer orders, withdrawals, deposits and other transactions on an account until we are notified of a member's death. Once we are notified of a member's death, we may pay checks or honor other payments or transfer orders authorized by the deceased member for a period of ten days after that date unless we receive instructions from any person claiming an interest in the account to stop payment on the checks or other items. We may require anyone claiming a deceased owner's account funds to indemnify us for any losses resulting from our honoring that claim. This Agreement will be binding upon any heirs or legal representatives of any account owner. All dividend payments to an account may cease to accrue effective the date of death of the primary owner, and any dividend payments made after the date of death of the primary owner may be reversed from the account upon Security Credit Union's receipt of notice of the death of the primary owner.

25. SEVERABILITY.

If a court holds any portion of this Agreement to be invalid or unenforceable, the remainder of this Agreement shall not be invalid or unenforceable and will continue in full force and effect. All headings are intended for reference only and are not to be construed as part of the Agreement.

26. ENFORCEMENT.

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

27. GOVERNING LAW.

This Agreement is governed by Security Credit Union's bylaws, federal laws and regulations, the laws, including applicable principles of contract law and regulations in the State of Michigan, and local clearinghouse rules, as amended from time to time. As permitted by applicable law, you agree that any legal action regarding this Agreement shall be brought in the county in which Security Credit Union is located.

28. COMMUNICATION.

Any conflict between what you or our employees may say or write will be resolved by reference to this Agreement. All written and oral communication will be in English. If any non-English documents are presented to you or if any conversations are had with you in a language other than English, it is as a courtesy and does not obligate us to present any future documents or conduct future business with you in any language other than English except as otherwise required by law. We may monitor and record any telephone

conversation with you at any time without further notice to you, as allowed by law. The decision to record any conversation shall be solely at our discretion and we shall have no liability for doing so or failing to do so. You agree that should your accounts or loans become delinquent or have a negative available balance, Security Credit Union or its agents may contact you using any methods as allowed by law including but not limited to telephone calls to any number that we obtain or you provided; online chat via Online Banking; email, text, SMS, or other electronic forms of communication, such as pre-recorded or artificial voice calls or messages. You also agree that you shall be solely responsible for any fees charged by your internet or cellular provider that you incurred through such contact.

29. 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.

30. 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. IN NO EVENT WILL THE 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.

31. 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:

**Security Credit Union
P.O. Box 5255
Grand Blanc, MI 48480**

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

(Continued on next page)

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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:

**Security Credit Union
P.O. Box 5255
Grand Blanc, MI 48440**

FUNDS AVAILABILITY DISCLOSURE

This disclosure is provided in compliance with the Expedited Funds Availability Act and Federal Reserve Regulation CC. Funds availability rules set forth specific time frames which determine when funds deposited may actually be withdrawn and/or used to pay checks that members have written with Security Credit Union (SCU). It only applies to the availability of funds in transaction accounts. Security 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 here. Please ask us if you have a question about which accounts are affected by this disclosure.

1. GENERAL DISCLOSURE.

Our goal is to make funds from your deposits available to you on the same business day that we receive your deposit. Once deposits are available, you can withdraw the funds 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 before close of business, on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after close of business, or at a deposit box, we will treat the deposit as made on the next business day we are open.

In most instances, deposits of government checks and low risk items and the first \$225 of personal and business checks and third party checks (provided the payee and the presenter of the check are both Security Credit Union members or a non-member endorser is present with identification) will be available for withdrawal on the day we receive the deposit. Government checks and low risk items include: on-us checks, certified checks, cashier's checks, teller's checks, Federal Reserve Bank checks, Federal Home Loan Bank checks, government checks (federal, state, and local), United States Postal Service money orders and Select Employer Groups (SEG) payroll checks. Payroll checks from Select Employer Groups (SEGs) received via direct deposit, mailed in or presented directly to Security Credit Union will be available immediately in most instances.

For Security Credit Union members who meet certain criteria and guidelines, in some instances and upon our discretion, additional funds from the item(s) you deposit may become available to you more quickly than listed. Decision criteria is risk based, linked to account history, determined by Security Credit Union using internal and confidential information, and is subject to change at any time without notice. At a minimum, you will receive funds availability as listed herein.

Your tellers and employees at Security Credit Union are required to follow strict procedures regarding the acceptance of any check. We require proper identification,

proper endorsements and signature verification. This is for our members' protection; please be patient and courteous. Security Credit Union reserves the right to refuse deposits which cannot be accepted within our availability guidelines. Any items which are presented for deposit over the counter will be refused at that time; for mail deposits you will be notified by certified mail and the deposit(s) returned.

2. RESERVATION OF RIGHT TO HOLD.

In some cases, we will not make all of the funds that you deposit by check available to you on the same business day that we receive your deposit. The length of the delay is counted in business days starting from the day of deposit. Every day except Saturday, Sunday or a Federal Holiday is considered a business day for availability purposes. For availability purposes, any deposit made on a day Security Credit Union is open for business is the day of deposit. If a deposit is made on a day that we are not open, the day of deposit is the next day that we are open for business. For payments and deposits received in the mail, the day an item is received is the day of deposit.

Funds may not be available for withdrawal until the seventh business day after the day of your deposit (see Sections 3 through 7 of the Funds Availability Disclosure). The first \$225 of your deposit, however, may be available for withdrawal on the same business day of your deposit. If we are not going to make all of the funds from your deposit available for withdrawal 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 for withdrawal. If your deposit is not made directly to one of our employees, or if we 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 for withdrawal.

3. LONGER DELAYS MAY APPLY.

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

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

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available for withdrawal. Deposits from \$2,500.01 to \$5,525 will generally be available for withdrawal no later than the second business day after the day of your deposit. Deposits over \$5,525 will generally be available for withdrawal no later than the seventh business day after the day of your deposit.

4. SPECIAL RULES FOR NEW ACCOUNTS.

If you are a new member, the following special rules will apply during the first 30 days your account is open:

- In most instances, funds from deposits of government checks and low risk items payable to the member(s) on the account will be available for withdrawal on the day we receive the deposit.
- Funds from the deposit of personal and certain business checks will be available for withdrawal on the seventh business day after the day of deposit.
- Security Credit Union does not accept third party checks for deposit into new accounts.
- Your ability to utilize certain features of our online banking, mobile banking, automated phone banking, etc., may be limited.

5. SPECIAL RULES FOR ABUSED ACCOUNTS.

If you are a member whose account has had frequent overdrafts in the last six months, have deposited checks that were returned unpaid, if your account would have overdrafted had certain checks written on the account been paid, or if your account has suffered abusive, fraudulent, or suspicious activity, the following special rules will apply:

- In most instances, funds from deposits of government checks and low risk items payable to the member(s) on the account will be available for withdrawal on the day we receive the deposit.
- Funds from the deposit of personal and business checks will be available for withdrawal on the seventh business day after we receive the deposit.
- Security does not accept third party checks for deposit into abused accounts.

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6. DEPOSITS AT ATMS.

Funds from deposits made at ATMs will generally be made available by the second business day following the deposit. Because the same rules apply, Sections 3, 4 and 5 of the Funds Availability Disclosure should be used when depositing items into an ATM. It is each member's responsibility to know these rules of availability to prevent checks from being returned or loan payments not being made on a timely basis.

7. NIGHT DEPOSITORIES.

Funds deposited to a night depository, lock box, or similar facility are considered deposited on the day on which the deposit is removed from such facility and is available for processing by the credit union. Deposits received on weekends or federal holidays will be considered received on our next business day. Deposits received after our cutoff time will be considered received on our next business day; cutoff times may vary and are posted at each location. Our counts of money will be conclusive. We may impose additional requirements for certain deposits (e.g. very large cash deposits).

8. HOLDS ON OTHER FUNDS.

If we accept a check for deposit 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 deposit.

9. FOREIGN CHECKS.

Checks drawn on a Canadian Bank which states "payable in U.S. Dollars" will be accepted for deposit under the same availability rules set forth for all checks. For those Canadian checks which are not payable in U.S. dollars, different rules apply.

All other checks drawn on financial institutions located outside the U.S. (foreign checks) cannot be processed in the same way 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 they are drawn.

Additional information may be obtained from any of our offices, or by telephoning (810) 235-2322, or toll free at (800) 373-2333. You may also write us using the following address: Security Credit Union, P.O. Box 5255, Grand Blanc, Michigan 48480-5255. Attention: Funds Availability.

ELECTRONIC SERVICES DISCLOSURE

Security Credit Union makes available to members various Electronic Fund Transfers services, made possible by our advanced electronic data processing system. Some of these transfers are made by use of a plastic Security ATM Card (Hereinafter referred to as ATM Card). Other transfers may be made by use of Automated Telephone Banking or transactions processed through the use of a personal computer.

We will provide a secret personal identification number (called a "PIN") to a member to be used with the ATM Card, Debit Card, Automated Telephone Banking, or personal computer use. Your ATM Card along with the PIN may be used in any Security Credit Union ATM or any ATM displaying Co-Op Network, Accel Exchange, or MasterCard Network Logos. Networks may be added or deleted from time to time without notice.

In addition, Security Credit Union makes available to members who qualify, a Security Debit Card which may be used at merchants displaying a MasterCard Logo. "Cards" – refers to both the Security Debit Card and Security ATM Card and is used in this contract when a particular provision relates to both cards.

The terms and conditions of this agreement govern the issuing of PINs, use of the cards and PINs, and making of such electronic transactions in the following cases:

- If you use a PIN together with the Card or Automated Telephone Banking to make transactions.
- If you use a PIN and password to conduct business through the use of a personal computer.
- If you use your Security Debit Card to purchase goods at a merchant displaying a MasterCard Logo.
- In all cases, your making transactions constitutes your acceptance of the terms and conditions of this agreement.

- Until the PIN is issued, (cards are validated), the Card may not be used to make ATM or Automated Telephone Banking transactions.
- If you do not want to use the Card, destroy it immediately by cutting it in half.

The terms "You" and "Yours" includes the plural in cases where two or more persons have an interest in a single account effected by this Electronic Fund Transfer Service Agreement.

1. ACCOUNT AGREEMENTS

The terms and conditions of any agreement relating to your accounts with us will remain in effect except to the extent modified by this agreement.

Each of the following types of accounts at Security Credit Union can be subject to some kind of Electronic Fund Transfer Service: Regular Shares, Share Draft Checking, Christmas Savings Accounts, Special Savings Account, Daily IRA Share Accounts, Insured Daily Investment Accounts (IDI). The types of accounts referred to in this disclosure are sometimes referred to as "Accounts."

2. RIGHT TO TERMINATE

You may terminate this agreement at any time. You may notify us in writing or in person and we will take the necessary steps to make your account or accounts in the Credit Union no longer accessible through the ATM, Automated Telephone Banking, personal computer, and Security Debit Card. The cards must be returned to us.

3. IMPROPER USE/MALFUNCTION

We will make electronic fund transfers you initiate at the ATM, Automated Telephone Banking, or personal computer, but we are not responsible to you for any loss or damages you sustain if you operate an ATM or Automated Telephone Banking, personal computer, or Security Debit Card improperly or if it malfunctions through causes beyond our control.

4. FEES

Security Credit Union will charge you, in accordance with the applicable Rate and Fee Schedule, for each ATM overdraft transfer and for each withdrawal, deposit, inquiry or transfer you process at an ATM which is not owned by Security Credit Union. These fees are for electronic fund transfers or the right to make them. Other fees and charges may also apply to your account as set forth in the applicable Rate and Fee Schedule. The Rate and Fee Schedule referred to was provided to you when you opened your account and may have been amended since that time. A Rate and Fee Schedule currently applicable to your account is available at any Security Credit Union office. The applicable Rate and Fee Schedule is incorporated into this Disclosure by reference. Fees are subject to change with prior notification. If you use an automated teller machine that is not operated by us, you may be charged a fee by the operator of the machine and/or by an automated transfer network. Other fees may apply for foreign transactions.

5. ELECTRONIC FUND TRANSFER SERVICES

At the present time, you can authorize the following types of Electronic Fund transfers to or from your account at Security Credit Union including the following:

- a) Transfer to Your Account(s) Including the Following: Deposits of payroll deductions and net paychecks from any employer who has agreed to work with us, Direct Deposit of various governmental benefits such as Social Security pensions, deposits from any third party through the facilities of the Michigan Automated Clearing House Association, automatic transfers to your account(s) from the account of other parties, and transfers to your account(s) from your other asset or loan accounts.

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

Under the operating rules of the National Automated Clearing House Association, which are applicable to ACH transactions involving your account, we are not required to give next day notice to you of receipt of an ACH item and we will not do so. However, we will continue to notify you of the receipt of payments in the periodic statements we provide to you.

- b) Transfer from Your Account(s) Including the Following: Automatic deductions from your account for car insurance premiums, disability insurance, payments of your house mortgage payments, insurance premiums and utility bills, as well as other types of payments to third parties through transfers from your account(s) to the account of others and to make loan payments at the credit union. We may accept deposits to your account which have been transmitted through the one or more Automated Clearing House (ACH), and which are not subject to the Electronic Fund Transfer Act, and your rights and obligations with respect to such payments shall be construed in accordance with and governed by the laws of the state of Michigan and the operating rules of the National Automated Clearing House Association, which are applicable to ACH transactions involving your account.
- c) Automated Telephone Banking Program Transaction: You may make withdrawals from your accounts with the Credit Union, as well as transfers to or from certain accounts with the Credit Union.
- d) Automated Teller Machine (ATM) Transaction: If you have an ATM Card you may make withdrawals from your account with the credit union as well as transfers to or from accounts with the credit union. You may use your ATM Card at any Security Credit Union ATM machine, or any ATM displaying CIRRUS, Co-Op Network, Accel Exchange, PLUS or MasterCard Network Logos and to make deposits to the accounts, to make cash withdrawals from your accounts, and to transfer funds from your accounts.
- e) MasterCard Debit Card: If you have a Security Debit Card, you may use it to purchase goods or services at places that accept MasterCard cards. Payment may only be made from funds in your checking account. Access to other accounts is not permitted for point of sale transactions.
- f) Online Banking: If you are signed up for Online Banking you can transfer available funds to and from your accounts at the Credit Union, request a disbursement via check, pay bills via Bill Payment, as well as transfer available funds to another institution. We may make additional types of Electronic Fund Transfer Services available in the future. We may also discontinue one or more, or all, of our electronic fund transfer services.

6. ELECTRONIC STATEMENTS

If you elect to receive your monthly or quarterly statement electronically through the use of a personal computer, and will no longer receive a paper-based statement on a monthly or quarterly basis, you understand and agree to furnish your email address to the Credit Union as part of this agreement. If you change your email address you agree to change your email address with the Credit Union as a requirement to receive your electronic statement. If you do not change your email address or notify the Credit Union of any new email address, you understand that you may not receive your monthly or quarterly statement notification.

If you have elected to receive your monthly or quarterly statement electronically you understand and agree to install Adobe Acrobat on your computer in order to access and read your electronic statement.

You understand and agree that the security of the PIN and password used to access electronic statements is your responsibility and further agree to notify the Credit Union immediately if your PIN becomes compromised or known to unauthorized individuals.

7. PREAUTHORIZED CREDITS

If you have arranged to have direct deposits made to your account, you may access your account online via Online Banking, Automated Telephone Banking or you can call us at (810) 235-2322 to find out whether or not the deposit has been made.

8. PREAUTHORIZED PAYMENTS

RIGHT TO STOP PAYMENT AND PROCEDURE FOR DOING SO. If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here's how – call us at (810) 235-2322, or write us at P.O. Box 5255, Grand Blanc, Michigan 48480-5255, in time for us to receive your request three business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and deliver it to us within 14 days after you call. We will charge you a fee for each stop payment order you give in the amount set forth in the applicable Rate and Fee Schedule.

NOTICE OF VARYING AMOUNTS. If these regular payments may vary in amount, the person you are going to pay will tell you, 10 days before each payment, where it will be made and how much it will be. If you choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when

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the amount would fall outside certain limits that you set, you will only receive notice when the payment exceeds these amounts.

LIABILITY FOR FAILURE TO STOP PAYMENT OF PREAUTHORIZED TRANSFER. If you order us to stop one of these payments three business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

9. DEBITS OR WITHDRAWALS

All uses of the Cards, Automated Telephone Banking or personal computer and PIN are subject to verification by Security Credit Union prior to entry on actual records and considered as though your signature. Withdrawals and cash advances will be posted as of the actual business day they occur.

10. CREDITING OF DEPOSITS AND PAYMENTS

Deposits made in an ATM, whether cash, check, draft, or money order, are subject to verification and the posting of such deposits and payments to share accounts or loan accounts may be delayed until they can be collected from the ATM, verified, and entered into our accounting system. Further delay may occur if the transaction is made immediately prior to a Saturday, Sunday, or holiday on which we are closed. If you place a check, draft, or money order in the ATM as a deposit or payment, it is subject to collection in accordance with our Regulation CC and our published check hold policy.

11. RESPONSIBILITY FOR OVERDRAFT

If an overdraft occurs, the overdraft amount is due and payable the moment you are notified of it and you agree to pay the amount to us, plus any and all legal expenses incurred by us in our efforts to collect the overdraft. The amount of the overdraft may be subject to overdraft charges and/or transfer charges. You also authorize us, in such a case, to apply from any other shares you may have in the Credit Union such amount as may be necessary to pay such overdraft amount plus any applicable transfer charges. If the overdraft is created in your checking account, a transfer will be made from your other share account(s) in the Credit Union to cover the overdraft, in accordance with your checking account agreement with us.

12. LIMITATION OF CARD USE

For security reasons, there are limitations on the frequency and dollar amount of the transaction which you make using your Security ATM Card or Security Debit Card. For details on these limitations please call (810) 235-2322. You have the right to require us to program our system so that no more than \$50.00 cash can be obtained by use of your ATM Card during a single day.

13. CARD OWNERSHIP

The Cards and PIN remain the property of Security Credit Union and will be surrendered upon request.

14. OUR RIGHT TO TERMINATE

The Cards and all privileges may be canceled or limited at any time without notice should the Credit Union receive information indicating you are unwilling or unable to perform under the agreement, under the terms of any account that could be utilized with the Card, or any regulations and statutes applicable. The Credit Union can discontinue access to accounts without notice and will not be liable for transactions that cannot be honored.

15. TRANSACTION RECEIPTS

- a) You can receive a transaction receipt at the time you make any transfer to or from or between your accounts using an ATM or Point of Sale terminal.
- b) If you have arranged to have direct deposit (which are Electronic Fund Transfers as described above) made into your accounts at least once every 60 days from the same person or company. In most cases, the person or company making the deposit will tell you every time they send us money, but if the person or company does not give us such notice you can call us at (810) 235-2322 to find out whether the deposit was made.
- c) You will get a statement for each account for each month in which an Electronic Fund Transfer, as described above, occurs. But you will get such a statement quarterly even if such transfer does occur during the particular quarter if the account is still active. Any statement we send you on an account which is subject to Electronic Fund Transfers as previously described and transaction receipts you receive from an ATM are admissible evidence.

16. PERIODIC STATEMENTS

You will be provided with a statement which will include, among other things, a brief description of all electronic funds transfers made to or from your account by means of an ATM, Automated Telephone Banking, personal computer and Security Debit Card sufficient to enable you to identify each such transaction and relate it to a receipt furnished to you relating to that transfer. This statement will be provided each month a transaction occurs, or quarterly, whichever is more frequent.

17. RULE OF EVIDENCE

Transaction receipts and periodic statements we furnish to you as provided in the last five paragraphs are admissible as evidence.

18. AMENDMENTS

We reserve the right to amend this agreement in whole or in part in any manner and at any time, except as may be prohibited by law. We will notify you of such amendments in advance.

19. LOST OR STOLEN CARDS OR PIN

If you believe that your Security Debit Card, Security ATM Card, Automated Telephone Banking or Online Banking password has been lost or stolen, or that someone has transferred or may transfer money from your account without your permission, call the Credit Union at: (810) 235-2322. You should also write us at Security Credit Union, P.O. Box 5255, Grand Blanc, Michigan 48480-5255. You may cancel your ATM or Debit Card immediately through the Voice Response Unit by calling (800) 472-3272.

20. LIABILITY FOR UNAUTHORIZED USE

Tell us **AT ONCE** if you believe your ATM Card, Security Debit Card, Online Banking password, or Automated Telephone Banking password has been lost or stolen. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). If you tell us within 2 business days, you can lose no more than \$50.00 if someone used your ATM Card, Debit Card, Online Banking or Automated Telephone Banking password without your permission. If you do NOT tell us within 2 business days after you learn of the loss or theft of your ATM Card, Debit Card, Online Banking or Automated Telephone Banking password, and we can prove we could have stopped someone from using your ATM Card, Debit Card, Online Banking or Automated Telephone Banking password without your permission if you had told us, you could lose as much as \$500. Also, if your statement shows transfers that you did not make, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time.

- a) Special Liability Protection Rules for Security Debit Card: Unless you have failed to use reasonable care to safeguard your Security Debit Card from risk of loss or theft, or you have reported two or more incidents of unauthorized use to us in the 12 months immediately preceding any report of unauthorized use, or your account is not in good standing, you will not be liable for any unauthorized transactions made with your lost or stolen Security Debit Card, when used for point-of-sale transactions (excluding PIN based transactions). If your card was lost because you failed to use reasonable care to safeguard the card from the risk of loss or theft, or if you have reported two or more incidents of unauthorized use to us in the 12 months immediately preceding any report of unauthorized use, or if your account is not in good standing, these special rules do not apply, and your liability for the unauthorized use of your Security Debit Card is addressed above.

21. IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR TRANSACTIONS

Call Security Credit Union at the telephone number or write to the address appearing on your Periodic Statement or at the end of this Agreement as soon as you can if you believe your Periodic Statement or receipt is wrong, or if you need more information about a transaction listed on the Periodic Statement or receipt in order to assert an error. Security Credit Union must hear from you no later than 60 days after it sent you the FIRST Periodic Statement on which the problem or error appeared. You must do all of the following:

- Give Security Credit Union your name and the account number of your account involved (if any).
- Describe the error or the transaction you are not sure about and explain as clearly as you can why you believe it is an error or why you need the information.
- Give Security Credit Union the dollar amount of the suspected error.

If you give Security Credit Union oral notice, you will be required to send in your complaint or question in writing within 10 business days. If Security Credit Union does not receive your complaint or question in writing within 10 business days (20 days for point of sale or foreign transaction), it might not credit your account during its investigation. Security Credit Union will investigate the matter and tell you the results of its investigation within 10 business days after it hears from you and will correct any error promptly. If Security Credit Union needs more time, however, it may take up to 45 days (90 days for point of sale or foreign transaction) to investigate your complaint or question. If Security Credit Union decides to do this, it will credit your account within 10 business days for the amount which you think is in error, so that you will have the use of the money during the time it takes Security Credit Union to complete its investigation. If the alleged error has occurred within 30 days after the first deposit to the account was made, Security Credit Union will have 20 days instead of 10 days to investigate and tell you the results and/or to credit your account, as described in this paragraph, and/or 90 days instead of 45 days to investigate your complaint or question. The 90 day time period also replaces the 45 day period if the notice of error involves an electronic fund transfer that was not initiated within the United States or resulted from a point of sale debit card transaction.

If Security Credit Union determines that there was no error, it will send you a written explanation within 3 business days after it completes its investigation. You may ask for copies of the documents Security Credit Union used in its investigation.

22. AGREEMENT TO SAFEGUARD PINS

You agree to use reasonable care to protect any PIN or access device that can be used to initiate EFTs. By way of example, you agree:

1. That you will not write your PIN on your Card or leave your Online Banking password stored on your computer.
2. That you will not keep your PIN with your Card or leave your Online Banking password stored near your computer.
3. That you will not voluntarily give your Card and PIN, or your Online Banking password to someone who does not have your permission to access your accounts

You agree that notwithstanding any rights and duties described elsewhere in this agreement, your failure to use reasonable care to protect any PIN or access device is grounds for termination of your EFT privileges.

23. DISPUTES REGARDING POINT OF SALE TRANSACTIONS

Security Credit Union will reverse an EFT transfer resulting from a point of sale transaction at a participating Merchant and re-credit your account for the full amount of the transfer if all of the following occur:

- a) You provide notice to Security Credit Union of having made a good faith attempt to seek redress and make an assurance to Security Credit Union of the return to the participating Merchant of related goods in dispute, where returnable goods are involved.
- b) The amount of the transaction is \$50 or more.
- c) Within 4 calendar days following the transaction, Security Credit Union receives from you during Security Credit Union's normal business hours a written or oral request for the reversal. You must also verify any oral reversal order, notice and assurance in writing within 14 calendar days following oral notification, on a form to be provided by Security Credit Union for that purpose. If written verification is not furnished, Security Credit Union will reinstate the original debits and credits involved in the transaction. Security Credit Union's lien impression rights apply with regard to any overdraft which occurs due to these transactions.

24. LIABILITY FOR FAILURE TO COMPLETE EFT TRANSFERS

If Security Credit Union does not properly complete an EFT transfer to or from your account on time or in the correct amount in accordance with the terms of this Agreement, it will be liable for your losses or damages. However, there are some exceptions. Security Credit Union will not be liable, for instance:

- If, through no fault of Security Credit Union, you do not have sufficient available funds in your account to make the transfer or if your funds are subject to legal process or other legal encumbrance.
- If Security Credit Union has terminated this Agreement or the transaction would exceed your established credit line.
- If the ATM or any part of the system supporting the operation of the ATM was not working properly and you know of the breakdown when you began the transaction or at some time during the processing of the transaction.
- If the ATM where you attempted to make the transaction did not have enough cash to allow the transaction.

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- When your Card or PIN has been reported lost or stolen or Security Credit Union has reason to believe that a transaction has not been properly authorized.
- When, despite reasonable precautions taken by Security Credit Union, an act of God or other circumstances beyond its control, interferes with or prevents the transaction.
- When Security Credit Union receives inaccurate or incomplete information needed to complete a transaction.
- If any necessary authorizations for completing the EFT transfer have been revoked by an operation of law.
- In the case of preauthorized transfers, Security Credit Union will not be liable where there was a breakdown of the system which would normally handle the transfer at the time that the transfer should have occurred.
- There may be other exceptions provided by applicable law.

25. DISCLOSURE OF INFORMATION TO THIRD PARTIES

In the ordinary course of business, we will only disclose the information concerning your "account" or Electronic Fund Transfers as described above effecting your accounts (1) as provided by law, or (2) with your permission and written consent, or (3) to furnish credit information under the Federal Fair Credit Reporting Act, or (4) if necessary, to verify your complete Electronic Fund Transfers, or (5) to verify the existence of your account (as an appearance), or (6) if the information relates to improper use of your accounts, or (7) to comply with government agencies or court orders.

26. REFUSAL TO HONOR CARD

Security Credit Union is not liable for the refusal or inability of any electronic terminal, person or vendor to honor your ATM Card or your Security Debit Card or to complete a withdrawal from your account or from the retention of your Card. The Credit Union is also not responsible for the refusal of any merchant, or financial institution, to honor the ATM Card or Security Debit Card or for the retention of either card.

27. FOREIGN TRANSACTIONS

If you effect transactions with your Security Debit Card or Security ATM Card in a currency other than US dollars, MasterCard International Inc., will convert the charge into a US dollar amount. MasterCard International uses a currency conversion procedure, which is disclosed to institutions that issue MasterCard. Currently the currency conversions rate used by MasterCard International to determine the transaction amount in US dollars for such transactions is generally either a government mandated rate or wholesale rate, determined by MasterCard International for the processing cycle in which the transaction is processed, increased by an adjustment factor established from time to time by MasterCard International. The currency conversion rate used by MasterCard International on the processing date may differ from the rate that would have been used on the purchase date or the cardholder statement posting date. You may also be charged a 1% conversion fee.

28. ILLEGAL TRANSACTIONS

Your Security Debit Card may not be used for online gambling or other illegal transactions. The Credit Union, in its discretion, may refuse to honor any transaction to your account for online gambling or illegal transactions.

29. CREDIT REPORTS

Your signature(s) on the Application for Membership acknowledges your receipt of the attached Electronic Fund Transfer Agreement and Disclosure. I (We) have read all the terms and conditions which accompany this application. Furthermore, we agree that Security Credit Union may obtain a credit report prior to or anytime during which we hold an ATM Card or Security Debit Card with the Credit Union.

30. ELECTRONIC COMMUNICATIONS

If this Electronic Services and Electronic Fund Transfer Disclosure has been provided to you through electronic communication, by initiating the first transaction subject to this Disclosure, you are certifying and acknowledging that you agreed with Security Credit Union to accept this Disclosure electronically instead of in writing and that this Disclosure was accepted by you in a format that allowed you to see the text on equipment such as a personal computer monitor.

31. REGULATORY AGENCY

This agreement and the EFT services provided hereunder are governed in part by federal and Michigan law. If you believe we may have violated the federal Electronic Fund Transfers Act or its implementing regulation, Regulation E, you may contact:

Federal Trade Commission
Electronic Fund Transfers
Washington, DC 29580

If you believe that we may have violated the Michigan Electronic Funds Transfers Act (Michigan Public Act No. 322 of 1978), you may contact:

State of Michigan
Department of Licensing and Regulatory Affairs
Office of Financial and Insurance Regulation
P.O. Box 30224
Lansing, Michigan 48909

32. BUSINESS DAYS

Our "business days" are as follows: Monday through Friday 9:00 a.m. to 5:00 p.m. with the exception of Federal Holidays.

REMOTE DEPOSIT SERVICES AGREEMENT

Security Credit Union (SCU) Remote Deposit is designed to allow you to make deposits of checks ("original checks") to your accounts from any location by scanning or photographing the original checks and delivering the digital images and associated deposit information ("images") to us or our processor with your Mobile phone, tablet, and/or iPad.

To apply for SCU Remote Deposit, fill out the Electronic Services, Remote Deposit Capture and Electronic Funds Transfer Application. The Credit Union reserves the right to determine if you qualify for the service before it is made available to you. Your use of the SCU Remote Deposit service indicates your agreement that the member and joint owners, jointly and severally, agree to the terms and conditions in this Agreement and any amendments we may make.

This agreement is the contract which covers your and our rights and responsibilities concerning SCU Remote Deposit services offered to you by Security Credit Union. The words "we", "us", "our" and "Credit Union" mean Security Credit Union. The word "account" means any one or more deposit accounts you have with us. The word "member" means any natural person, business, organization, or other legal entity that is a member of Security Credit Union and who or which obtains the SCU Remote Deposit services.

1. MOBILE DEPOSITS REMOTE DEPOSIT PROCESS

Member will scan checks or drafts ("items") with a mobile phone, tablet or iPad device creating an electronic image, and Member will transmit an electronic file of such electronic images that we will then deposit to Member's account. The Credit Union shall perform an image quality assessment of scanned items and shall convert items meeting the required standards in a format determined by the Credit Union, in its sole discretion. The Credit Union reserves the right to select the clearing agents through which the Credit Union clears items. Member agrees, on behalf of himself and all joint owners, to be bound by any clearinghouse agreements, operating circulars and image exchange agreements to which the Credit Union is a party.

2. FUNDS AVAILABILITY

Funds from deposited items will be available according to the Credit Union's Funds Availability Disclosure, as amended from time to time. For purposes of determining the availability of funds, checks deposited via SCU Remote Deposit are considered received by the Credit Union when the SCU Remote Deposit system expressly indicates that the check images are received by the Credit Union. Member agrees that the scanning and transmitting of checks does not constitute receipt by Credit Union. For the purpose of establishing funds availability, the Member's deposits via SCU Remote Deposit are deemed to be received by the Credit Union at the time the system indicates a successful transaction is completed. Acknowledgment of receipt or delivery does not constitute an acknowledgment by the Credit Union that the transmission of items does not contain error(s).

3. DEPOSIT ACCEPTANCE

Member agrees that the Credit Union may at any time, in its sole discretion refuse to accept deposits of items from Member via SCU Remote Deposit. In the event that the SCU Remote Deposit services are interrupted or are otherwise unavailable, Member may, at his or her option, deposit checks in person at a Credit Union branch or via night drop or mail or other contractually acceptable method.

4. MEMBER ACCOUNT

Member will designate a Credit Union savings or checking account as the settlement account to be used for the purposes of settling, in aggregate, the financial transactions requested in connection with the SCU Remote Deposit service. The Credit Union shall provide Member with details of the specific transactions, reported similarly as other transactions may be done, that were a result of access to the service. Member shall be responsible for auditing and balancing of any settlement account.

5. DEVICE REQUIREMENTS

Please refer to the Credit Union's website at www.securitycu.org for current device requirements. Those requirements are incorporated into this agreement by reference.

6. DEPOSIT ITEM REQUIREMENTS

Member agrees to scan and deposit only checks drawn on financial institutions within the United States. Each image must provide all information on the front and back of the original check at the time presented to Member by the drawer, including, but not limited to, information about the drawer and the paying bank that is preprinted on the original check, MICR information, check number, amount, date, signature(s), any required identification written on the front of the original check and any endorsements applied to the back of the original check. The image quality must meet the standards established by the American National Standards Institute, the Board of Governors of the Federal Reserve, and any other regulatory agency, clearing house or association. Endorsements must be made on the back of the share draft or check within 1½ inches from the top edge, although we may accept endorsements outside this space. Your endorsement must include **"FOR MOBILE DEPOSIT TO SECURITY CU" followed by your signature and account number**. Any loss we incur from a delay or processing error resulting from an irregular endorsement or other markings by you will be your responsibility. A check payable to two payees must be endorsed by both payees. If the check is payable to you or your joint owner, either of you can endorse it. If the check is made payable to you and your joint owner, both of you must endorse the check.

7. REMOTE DEPOSIT PROHIBITIONS

Member shall not present, or attempt to present, or allow others, either directly or indirectly, to present or attempt to present, for deposit by any means any of the following items:

- Checks payable to any person or entity other than you (i.e., payable to another party and then endorsed to you).
- Checks payable to you and another party who is not a joint owner on the account.
- Checks that contain evidence of alteration, or that you know or suspect, or should know or suspect, are fraudulent or otherwise not authorized by the owner of the account on which the check is drawn.
- Checks already presented for deposit via SCU Remote Deposit or by other means.

In the event that the Member, or any third party, presents or attempts to present a deposit in violation of this agreement, Member agrees to defend, indemnify, and hold the Credit Union and its agents harmless from and against all liability, damage and loss arising out of any claims, suites, or demands brought by third parties with respect to any such check. Member agrees that the aggregate amount of any items which are deposited more than once will be debited from Member's account, and to the extent available funds in Member's account are insufficient to cover such amount, any balance shall be debited by the Credit Union from any other deposit accounts with the Credit Union in its sole discretion.

8. RECEIPT OF DEPOSIT

All images processed for deposit through SCU Remote Deposit will be treated as "deposits" under your current Membership and Account Agreement with us and will be subject to all terms of the Membership and Account Agreement. When we receive an image, we will confirm receipt via email to you, if you supply an email address. We shall not be deemed to have received the image for deposit until we have confirmed receipt to you. Confirmation does not mean that the image contains no errors. We are not responsible for any image that we do not receive.

Following receipt, we may process the image by preparing a "substitute check" or clearing the item as an image.

We reserve the right, at our sole and absolute discretion, to reject any image for Remote deposit into your account. We will notify you of rejected images.

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9. ORIGINAL CHECK RETENTION AND DESTRUCTION

Member shall retain the original of all imaged items that have been deposited via SCU Remote Deposit for a reasonable period of time in order to verify settlement and credit or to balance periodic statements, but in no event beyond (90) days from the date processed. Member's electronic transmission is subject to proof and verification. Upon our request from time to time, you will deliver to us within a required timeframe, the requested original check in your possession. If not provided in a timely manner, such amount will be reversed from your account. Promptly after such period expires, you must destroy the original check by first marking it "VOID" and then destroying it by cross-cut shredding or another commercially acceptable means of destruction. *After destruction of an original check, the image will be the sole evidence of the original check.*

You agree that you will never re-present the original check. You understand that you are responsible if anyone is asked to make a payment based on an original check that has already been paid.

10. RETURNED DEPOSITS

Any credit to your account for checks deposited using SCU Remote Deposit is provisional. If original checks deposited through SCU Remote Deposit are dishonored, rejected or otherwise returned unpaid by the drawee bank, or are rejected or returned by a clearing agent or collecting bank, for any reason, including, but not limited to, issues relating to the quality of the image, you agree that an original check will not be returned to you, but that we may charge back the amount of the original check and provide you with an image of the original check, a paper reproduction of the original check or a substitute check. You will reimburse us for all loss, cost, damage or expense caused by or relating to the processing of the returned item and will be responsible for a returned item fee as set forth in the Membership and Account Agreement. Without our approval, you shall not attempt to deposit or otherwise negotiate an original check if it has been charged back to you.

We may debit any of your accounts to obtain payment for any item that has been rejected or returned, for any adjustment related to such item or for any warranty claim related to such item, whether or not the rejection, return, adjustment or warranty claim was made timely.

11. ACCOUNT RECONCILIATION AND REPORTING ERRORS

Member agrees to verify and reconcile any out-of-balance condition, errors, omissions, or interruptions in, or delay or unavailability of, the SCU Remote Deposit as promptly as possible. The Credit Union will provide notice of receipt of deposits to Member's Account on the periodic statement for any such Account. Member is responsible for detecting and reporting to the Credit Union any discrepancy between the Member's records and the records the Credit Union provides to the Member. If the Member does not detect and notify the Credit Union of such a discrepancy within 60 days of the Member's receipt of any terminal printout, mailed report or periodic statement (each a "report"), whichever is received first, then such transactions shall be considered correct, and the Member shall be precluded from asserting such error or discrepancy against the Credit Union. If notified within such period, the Credit Union shall correct and resubmit all erroneous files, reports, and other data at the Credit Union's then standard charges, or at no charge, if the erroneous report or other data directly resulted from the Credit Union's error. Failure of the Member to notify the Credit Union of any error, omission, or other discrepancy within the time period listed above shall relieve the Credit Union of any liability for such error, omission, or discrepancy. Upon request, the Member agrees to provide copies of imaged documents (or original documents, if available) to facilitate investigations related to unusual transactions or poor quality transmissions, or to resolve disputes.

12. MEMBER WARRANTIES

Member makes the following warranties and representations with respect to each image:

- Each image is a true and accurate rendition of the front and back of the original check, without any alteration, and the drawer of the check has no defense against payment of the check.
- The amount, payee(s), signature(s), and endorsement(s) on the image and on the original check are legible, genuine, and accurate.
- Member will not deposit or otherwise endorse to a third party the original check and no person will receive a transfer, presentment, or return of, or otherwise be charged for, the original check or a paper or electronic representation of the original check such that the person will be asked to make payment based on an item that has already been paid.
- There are no other duplicate images of the original check.

- The original check was authorized by the drawer in the amount stated on the original check and to the payee(s) stated on the original check.
- Member is authorized to enforce and obtain payment of the original check.
- Member has possession of the original check and no party will submit the original check for payment.
- With respect to each image, you make to us all representations and warranties that we make or are deemed to make to any party pursuant to law, regulation or clearinghouse rule. You also agree that files and images transmitted to us will contain no viruses or any other disabling features that may have an adverse impact on our network, data, or related systems.

13. COMPLIANCE WITH LAW

You will use SCU Remote Deposit for lawful purposes and in compliance with all applicable laws, rules and regulations. You warrant that you will only transmit acceptable items for deposit and have handled the original items in accordance with applicable laws, rules and regulations including those of the National Automated Clearing House for ACH transactions.

14. SCU REMOTE DEPOSIT UNAVAILABILITY

Member understands that service availability is at all times conditioned upon the corresponding operation and availability of those computer services and systems used in communicating Member's instructions and requests to the Credit Union and the Credit Union's response. The Credit Union shall not be liable or have any responsibility of any kind for any loss or damage thereby incurred or suffered by Member in the event of any failure or interruption of such services or any part thereof, resulting from the act or omission of any third party, or from any other cause not reasonably within the control of the Credit Union. In the event that SCU Remote Deposit is unavailable, you may deposit original checks at our branches or through our ATMs or by mailing the original check(s) to our main office: P.O. Box 5255, Grand Blanc, MI 48840-5255.

15. SCU REMOTE DEPOSIT SECURITY

You will complete each deposit promptly. If you are unable to complete your deposit promptly, you will ensure that your mobile phone, tablet or iPad device remains securely in your possession until the deposit has been completed. It is your responsibility to establish and maintain procedures to safeguard against unauthorized deposits. You will notify us immediately by telephone at 810-235-2322 or Toll Free 800-373-2333 or with written confirmation at the address above if you learn of any loss or theft of original checks. During the period that the Member maintains the original checks, the Member understands and agrees that he or she must use a high degree of care to protect these original checks against security risks. These risks include, without limitation, (i) theft or reproduction of the original checks (including by employees) for purposes of presentment for deposit of these original checks (i.e., after the original checks have already been presented for deposit via the SCU Remote Deposit service) and (ii) unauthorized use of information derived from the original checks. When Member destroys, and disposes of, the original checks pursuant to the requirements of this Agreement, Member understands and agrees that it must use a high degree of care when selecting and implementing destruction and disposal procedures. Among other things, these procedures must be designed to ensure that the original checks are not accessed by unauthorized persons during the destruction and disposal process and, once destroyed, the original checks are no longer readable or capable of being reconstructed (e.g., through the use of competent shredding equipment.) You will ensure the safety and integrity of original checks from the time of receipt until the time of destruction. If warranted in our reasonable judgment, we may audit and monitor you, and you agree to cooperate with us to permit such monitoring, to confirm that you have satisfied your obligations under this Agreement.

16. YOUR RESPONSIBILITY

You are solely responsible for the quality, completeness, accuracy, validity and integrity of each image. You are solely responsible if you, intentionally or unintentionally, submit fraudulent, incorrect or illegible images to us or if SCU Remote Deposit is used, by authorized or unauthorized persons, to submit fraudulent, unauthorized, inaccurate, incorrect or otherwise improper or unusable images to us. In addition, you agree that you will not modify, change, alter, translate, create derivative works from, reverse engineer, disassemble or decompile the technology or service, copy or reproduce all or any part of the technology or service; or interfere, or attempt to interfere, with the technology or service. We and our technology partners, inclusive of, but not limited to, CO-OP Financial Services, retain all rights, title and interests in and to the services, software and development made available to you.

17. FINANCIAL INFORMATION

Credit Union may from time to time request information from Member in order to evaluate a continuation of service to be provided by Credit Union under this agreement. Member agrees to provide the requested financial information immediately upon request by the Credit Union, in the form required by the Credit Union. Member authorizes the Credit Union to investigate or reinvestigate at any time any information provided by the Member in connection with this agreement or service and to request reports from credit bureaus and reporting agencies for such purpose. If Member refuses to provide the requested financial information or if the member concludes, in its sole discretion, that the credit risk of Member is unacceptable the Credit Union may terminate service according to the provisions hereof.

18. MODIFICATION OF SERVICES

Credit Union reserves the right to modify SCU Remote Deposit from time to time without making prior notice to Member, provided, however, that Credit Union will give Member at least thirty (30) days notice prior to making any modifications to the SCU Remote Deposit service that would materially alter its functionality, when required by applicable law or regulation to do so.

19. TERMINATION

Either party may terminate this Agreement upon written notice to the other party. Notwithstanding any such termination, this Agreement shall remain effective in respect of any transaction occurring prior to such termination. Upon any termination of this Agreement, (i) Member will immediately cease using the service, and (ii) Member shall promptly remit all unpaid monies due under this Agreement. In addition, Credit Union may immediately suspend or terminate Member's access to the service in the event that the Credit Union reasonably determines such suspension or termination is necessary in order to protect the service or the Credit Union from harm or compromise of integrity, security, reputation, or operation.

20. ACCOUNTHOLDER'S INDEMNIFICATION OBLIGATION

Except as otherwise expressly provided by law, you agree to indemnify us and hold us harmless against any and all claims, actions, damages, liabilities, costs, and expenses, including reasonable attorneys' fees and expenses arising from your use of the Services and/or breach of this Agreement. You understand and agree that this paragraph shall survive the termination of this Agreement.

In addition, except as otherwise expressly provided by law, you agree to indemnify our technology partners, including but not limited to CO-OP Financial Services and hold them, their affiliates, officers, employees and agents harmless from and against any third party claims, suits, proceedings, actions or demands, including claims of another financial institution, business entity or governmental authority, and all losses, liabilities, damages, fines, penalties, costs and expenses, including court costs and reasonable attorney fees and expenses, arising from such claims, to the extent such claim is related to the Credit Union or your use of the services, unless such claim directly results from an action or omission made by CO-OP Financial Services in bad faith. You understand and agree that this paragraph shall survive the termination of this Agreement.

DISCLAIMER OF WARRANTIES. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED BY LAW, YOU AGREE THAT YOUR USE OF ANY REMOTE BANKING SERVICE AND ALL INFORMATION AND CONTENT (INCLUDING THAT OF THIRD PARTIES) IS AT YOUR RISK AND IS PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS. WE DISCLAIM ALL WARRANTIES OF ANY KIND AS TO THE USE OF ANY REMOTE BANKING SERVICE, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT. WE MAKE NO WARRANTY THAT ANY REMOTE BANKING SERVICE WILL MEET YOUR REQUIREMENTS OR WILL BE UNINTERRUPTED, TIMELY, SECURE, OR ERROR-FREE. WE MAKE NO WARRANTY THAT THE RESULTS THAT MAY BE OBTAINED WILL BE ACCURATE OR RELIABLE OR THAT ANY ERRORS IN ANY REMOTE BANKING SERVICE OR TECHNOLOGY WILL BE CORRECTED.

LIMITATION OF LIABILITY. YOU AGREE THAT WE WILL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING, BUT NOT LIMITED TO, DAMAGES FOR LOSS OF PROFITS, GOODWILL, USE, DATA OR OTHER LOSSES INCURRED BY YOU OR ANY THIRD PARTY ARISING FROM OR RELATED TO THE USE OF, INABILITY TO USE, OR THE TERMINATION OF THE USE OF ANY REMOTE BANKING SERVICE, REGARDLESS OF THE FORM OF ACTION OR CLAIM (WHETHER CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE), EVEN IF WE HAVE BEEN INFORMED OF THE POSSIBILITY THEREOF, EXCEPT AS OTHERWISE REQUIRED BY LAW.

(Continued on next page)

WIRE TRANSFER REQUEST AGREEMENT AND DISCLOSURE

You authorize Security Credit Union to transfer funds via wire transfer, in accordance with wire transfer fees as listed on the Fee Schedule, and to debit your account for both the wire transfer fee and the amount of the wire transfer. Security Credit Union is not liable for failure to act or delay in acting on a wire transfer request because of legal constraints, member negligence, interruption of communication facilities, equipment failure, emergency conditions, violations of any guidelines, rules or regulations of any government authority, or other circumstances beyond Security Credit Union's control. Security Credit Union is not liable for consequential, special or exemplary damages or losses of any kind. In most instances, wire transfer requests cannot be cancelled. Efforts to act on requests for cancellations will be made, but Security Credit Union is not liable if for any reason, the wire transfer request is not amended or cancelled. You agree to reimburse Security Credit Union for any costs, losses, or damages that are incurred in connection with requests to amend or cancel a wire transfer request. If warranted, a refund of money from a cancellation of the wire transfer will take place once Security Credit Union determines that the recipient has not received the funds and the funds are returned to Security. The refund may not be equal to the amount of the original wire transfer due to charges that may be imposed by other financial institutions. Domestic wire transfer requests received prior to 4pm Eastern Time (ET) will be transmitted that same business day. Domestic wire transfer requests received after 4pm ET will be transmitted on the next business day. International wire transfer requests received prior to 4:00pm ET will be transmitted that same business day. International wire transfer requests received after 4:00pm ET will be transmitted on the next business day. A Bank Identifier Code (BIC), also known as a SWIFT code, is required for all international wire transfers. In some instances, an International Bank Account Number (IBAN) may be required in addition to the BIC or SWIFT code. The recipient(s) of the wire transfer must be identified and physical addresses provided for both the recipient(s) and the recipient's financial institution.

Security and the receiving financial institution may process the wire transfer request based only on the account number(s) and other information listed. Security is not responsible for incorrect recipient information conveyed and/or listed on the wire transfer request. You agree to hold Security Credit Union harmless if the recipient information you convey to us is incorrect or incomplete. Wire transfer requests are subject to Security's Funds Availability Policy and if applicable, we reserve the right to verify funds before wiring them. Your rights and obligations regarding wire transfers may be covered by Regulation J of the U.S. Federal Reserve Board and/or Article 4A of the Uniform Commercial Code. If security procedures are not successful, the wire transfer request may be cancelled by Security Credit Union. If this is the case, you will be notified by phone and/or U.S. mail within two business days. When sending wire transfers to a foreign country, Security Credit Union will send the funds in U.S. dollars. They may be converted into the appropriate foreign currency by the financial institution that transmits Security Credit Union's wire transfers or the recipient's financial institution. If a wire transfer is not received by the recipient and its whereabouts need to be traced, you may be charged an account research fee (as listed in the Fee Schedule) if it was not Security Credit Union's error. It is your responsibility to monitor your account and statements for any errors or discrepancies regarding wire transfers. If you discover an error or discrepancy, you must contact Security Credit Union within 60 days of receiving your account statement to initiate an investigation.

TRUTH-IN-SAVINGS DISCLOSURE

The rates and terms applicable to your account at Security are provided in this Truth-In-Savings Disclosure. Security Credit Union may offer other rates for these accounts from time to time. Except as specifically described, the following disclosures apply to all of the accounts. All accounts described in this Truth-In-Savings Disclosure are share accounts. The Truth-in-Savings Act allows for the change in terms of share accounts as long as 30 day advance notice is given.

I. RATE INFORMATION.

The Annual Percentage Yield is a percentage rate that reflects the total amount of dividends to be paid on an account based on the dividend rate and frequency of compounding for an annual period. For all Savings accounts, Checking accounts, Traditional IRA, Roth IRA and Coverdell Education Savings accounts, the Dividend Rate and Annual Percentage Yield may change weekly as determined by Security Credit Union. For Certificate accounts (share and IRA), the Dividend Rate and Annual Percentage Yield may change weekly as determined by Security Credit Union. The Dividend Rates and Annual Percentage Yields are the rates and yield as of the last dividend declaration date. Current rates are published on our website, www.securitycu.org, and at Security Credit Union branch locations.

2. NATURE OF DIVIDENDS.

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

3. DIVIDEND COMPOUNDING AND CREDITING.

The compounding and crediting frequency of dividends and dividend period applicable to each account are stated below. The Dividend Period is the period of time at the end of which an account earns dividend credit. The Dividend Period begins on the first calendar day of the period and ends on the last calendar day of the period.

4. ACCRUAL OF DIVIDENDS.

For all accounts, dividends will begin to accrue on deposits on the business day you make the deposit to your account.

5. BALANCE INFORMATION.

To open any account you must deposit or already have on deposit at least the par value of one full share in any account. The par value of one share is \$5. Some accounts may have additional minimum opening deposit requirements. The minimum balance requirements applicable to each account are stated in the Truth-In-Savings Disclosure Chart. For some accounts, there is a minimum Actual Daily Balance required to earn the Annual Percentage Yield disclosed for the dividend period. If the minimum daily balance is not met, you will not earn the Annual Percentage Yield.

6. ACCOUNT TRANSACTION LIMITATIONS.

For all types of savings accounts, that are eligible for preauthorized, automatic, telephonic, electronic or audio response transfers, there is no limit to transfers to an account at another financial institution or to a third party during any calendar month. For Checking accounts, no transaction limitations apply; however, Overdraft Protection transfers may be returned if you have reached your monthly limit. (See Section 8, Overdrafts, of the Membership and Account Agreement for more information.)

7. FEE INFORMATION.

Certain fees may be assessed against your accounts. Refer to the Fee Schedule for the amount of any fee that may be imposed in connection with your account.

PRIVACY NOTICE

Security Credit Union, your member-owned financial institution, is committed to providing a safe place to save and borrow money at very competitive rates. Security Credit Union is equally committed to protecting members' privacy and you can be confident that financial privacy is a priority of Security Credit Union. Security Credit Union gives all members this Privacy Notice to explain how Security Credit Union collects, uses and safeguards its members' personal financial information.

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some, but not all sharing. Federal law also requires us to tell you how we collect, share and protect your personal information. Please read this notice carefully to understand what we do.

Member Information Collected. Security Credit Union collects nonpublic personal member information from the following sources:

- Social Security number and income information
- Member account transactions and payment history with Security Credit Union or other financial institutions; and
- Information from credit reporting agencies and credit score.

When you are no longer our member, we may continue to share you information as described in this notice.

Member Information Disclosed. Security Credit Union may disclose all of the information collected, as described above, to companies that perform marketing services on behalf of Security Credit Union or to other financial institutions with whom Security Credit Union has joint marketing agreements. At no time does Security Credit Union sell or share information with companies not included in providing services directly or assisting us in providing services to our members. To protect our members' privacy, Security Credit Union only conducts business with organizations that agree to maintain strong confidentiality protections and limits the use of information Security Credit Union provides. Security Credit Union may also disclose nonpublic personal information about its members under other circumstances as permitted or required by law. These disclosures typically include:

- Information to maintain or service a member's account;
- Conduct the operations of Security;

- Follow member instructions as authorized; or
- Protect the security of Security financial records.

If a member decides to terminate his/her membership or become an inactive member, Security will adhere to the privacy policies and practices as described in this notice

How Security Credit Union Protects Its Members' Information. Security Credit Union restricts access to nonpublic personal information about its members to Security Credit Union employees who have a specific business purpose in utilizing member data. Security Credit Union employees are trained in the importance of confidentiality and member privacy by maintaining physical, electronic, and procedural safeguards that comply with federal regulations and leading industry practices to safeguard members' nonpublic personal information.

What Members Can Do To Help Protect Their Privacy. While Security is committed to protecting the privacy of its members, you can help safeguard personal information by following these simple guidelines:

- Upon receipt of your MasterCard Debit Card and/or Convenience Card, verify the information on the front and sign the back panel immediately.
- Report a lost or stolen card(s) immediately to Security at (810) 235-2322, or toll free at (800) 373-2333. After business hours, please call our Voice Response Unit at (800) 472-3272.
- Protect your card(s) at all times by carrying only the ones you intend to use. Store all other cards in a safe place.
- Be aware of your surroundings when approaching an ATM. Make sure no one can oversee you enter your PIN by shielding the keypad with your hand or body.
- Memorize your PIN and keep it confidential. Do not write it on the card or keep it in your wallet.
- Make sure the merchant returns your card and check it to make sure it's your card.

Security Credit Union Account Agreement and Disclosures - Page 14

- Keep your ATM transaction and check card receipts. Log them into your check register. Destroy the carbons if present.
- Never give your card information over the phone unless you initiate the call.
- Never pre-sign your checks.
- Balance your checkbook each month and report any unauthorized transactions immediately.
- Treat all of your financial information as confidential and proprietary
- If you have any questions concerning this policy, please visit a Security Credit Union Branch or contact the Communication Center at (810) 235-2322.

We are our members' trusted, secure financial cooperative dedicated to providing exceptional value, service and convenience.

Security Credit Union is owned and operated by its members. Membership is a lifetime benefit and is available to persons who live, work, worship or attend school in, or businesses or other legal entities located in Genesee, Lapeer, Livingston, Macomb, Oakland, Saginaw, Sanilac, Shiawassee, Washtenaw and Wayne Counties, Michigan and persons who are donors to the Salvation Army of Genesee County.

Security Credit Union is chartered in the state of Michigan and is supervised by the Michigan Department of Insurance and Financial Services. Security Credit Union is federally insured by the National Credit Union Administration.

This credit union is federally insured by the National Credit Union Administration.



P.O. Box 5255
Grand Blanc, MI 48480-5255

(810) 235-2322
(800) 373-2333
www.securitycu.org



(Rev 4/20)

TRUTH-IN-SAVINGS DISCLOSURE CHART								
Account Type	Dividends			Balance Requirements			Account Limitations	
	Dividends Compounded	Dividends Credited	Dividend Period	Minimum Opening Deposit	Minimum Balance to Avoid a Service Fee	Minimum Balance to Earn the Stated APY	Balance Method	See Section 6 of Truth-in-Savings Disclosure
Share Savings Account	Quarterly	Quarterly	Quarterly (calendar)	\$5.00	-	\$5.00	Actual Daily Balance	Account transfer limitations apply.
Club Accounts (i.e. Christmas, Escrow, etc.)	Quarterly	Quarterly	Quarterly (calendar)	\$0.00	-	\$0.00	Actual Daily Balance	Account transfer limitations apply.
Premium Checking	Monthly	Monthly	Monthly (calendar)	\$10,000	\$10,000	\$10,000	Actual Daily Balance	-
Bold Checking	Monthly	Monthly	Monthly (calendar)	\$500	\$500	\$500	Actual Daily Balance	-
Opportunity Checking	Monthly	Monthly	Monthly (calendar)	\$0.00	\$0	\$0	Actual Daily Balance	-
Checking Account	Quarterly	Quarterly	Quarterly (calendar)	\$0.00	-	\$0.00	Actual Daily Balance	-
Money Market	Monthly	Monthly	Monthly (calendar)	\$2,500.00	-	\$2,500.00	Actual Daily Balance	Account transfer limitations apply.
Regular Certificates (Share, IRA, ESA) 12 to 60 months	Quarterly	Quarterly	Monthly (calendar)	\$500.00	-	\$500.00	Actual Daily Balance	Account transfer limitations apply.
Save to Win Certificates (12 Months)	Quarterly	Quarterly	Monthly (calendar)	\$25.00	-	\$25.00	Actual Daily Balance	Account transfer limitations apply.
IRA Share Savings	Monthly	Monthly	Monthly (calendar)	\$0.00	-	\$0.00	Actual Daily Balance	Account transfer limitations apply.