



Business Account Agreement and Disclosure

This Agreement covers the rights and responsibilities concerning your accounts and the rights and responsibilities of Family First of NY Federal Credit Union. In this Agreement, the words "you," "your," and "yours" mean anyone who signs an Account Agreement Card (Account Card or any other account opening document). The words "we," "us," "our," "Family First," and "Credit Union" mean Family First of NY Federal Credit Union. The word "account" means any one or more share or other accounts you have with Family First.

Your account type(s) and ownership features are designated on your Account Card. By signing an Account Card, each of you, jointly and severally, agree to the terms and conditions in this Agreement, and Account Card, the Funds Availability Policy Disclosure, Truth-in-Savings Disclosure, Electronic Funds Transfers Agreement and Disclosure, Privacy Notice Disclosure, the credit union Bylaws, credit union policies, and any amendments made to these documents from time to time which collectively govern your membership, accounts and services.

All questions or communications to us should be sent to:

Family First of NY Federal Credit Union
2520 Browncroft Boulevard
Rochester, NY 14625

Terms and Conditions for All Business Accounts

All accounts are subject to Family First of NY Federal Credit Union's Fee and Business Fee Schedule(s) of service charges.

1. **Important Information about Procedures for Opening a New Account.** To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account.

What this means for you: When you open an account, you will be asked for your name, address, date of birth and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

You may also be required to furnish specific documents based on the type of business opening the membership.

2. **Business Membership Eligibility.** To be and remain a member of this Credit Union, your entity must qualify within Family First's field of membership, subscribe to at least one \$5.00 share as required by Family First's Bylaws, and have your business membership application approved by a Family First authorized representative.

Family First reserves the right not to accept into membership any entity or person who caused Family First or any other financial institution a loss or previously abused the privileges of Family First membership. You authorize us to check your accounts and credit history and obtain reports from third parties, including credit reporting agencies, to verify your eligibility for the accounts and services you request. Confidentiality of the information maintained by Family First will be protected as required under our Privacy Policy.

You represent and warrant that the accounts will be used for business purposes only, and will not be used for personal, family or household purposes. You further agree to implement reasonable measures to ensure that the account is used for business purposes only.

3. **Account Termination.** You may terminate your membership at the Credit Union after giving written seven (7) day notice of your intent to withdraw from membership and withdrawing all your shares from the business accounts you have ownership interest in.

Family First 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:

- a. There is a change in owners or authorized signers;
- b. There has been a forgery or fraud reported or committed involving your account;
- c. There is a dispute as to the ownership of the funds in the account;
- d. It is reported that an access device has been lost or stolen, including but not limited to the following: account checks, debit cards, credit cards, or your online banking username and password;
- e. There are excessive returned unpaid items not covered by optional overdraft protection privileges;
- f. There has been any misrepresentation or any other abuse of your accounts;
- g. You fail to satisfy any of the terms and conditions of the account or Credit Union Bylaws and policies including the member conduct policy.

Family First is not responsible for payment of any check, withdrawal, or other item once your account is terminated; however, if Family First pays a check after termination, you agree to reimburse the Credit Union for the payment. You agree to be liable to Family First for any liability, loss, or expense as provided in this Agreement that the Credit Union incurs as a result of any dispute involving your accounts or services. You

authorize Family First to deduct any such liability, loss or expense from your account without prior notice to you. In the event either party brings a legal action to enforce the Agreement or collect any overdrawn funds on accounts accessed under this Agreement, the prevailing party shall be entitled, subject to applicable law, to payment by the other party of its reasonable fees and costs, including fees on any appeal, bankruptcy proceedings and any post-judgment collection actions, if applicable.

If after you terminate your personal membership you choose to open accounts with us, you will need to prove that your business remains eligible for membership at Family First.

Accounts are not transferable or assignable by you or any Authorized Person without the expressed written approval of an authorized officer of the credit union.

4. **Inactive Accounts.** If your account falls below any applicable minimum balance and you have not made any transactions over a period specified in the Fee Schedule during which we have been unable to contact you by regular mail, we may classify your account as inactive or dormant and we may charge a service fee set forth in the Fee Schedule for processing your inactive account. If we impose a fee, we will notify you, as required by law, at your last known address. You authorize us to transfer funds from another account of yours to cover any service fees, if applicable. To the extent allowed by law, we reserve the right to transfer the account funds to an account payable and to suspend any further account statements. If a deposit or withdrawal has not been made on the account and we have had no other sufficient contact with you within the period specified by state law, the account will be presumed to be abandoned. Funds in abandoned accounts will be reported and remitted in accordance with state law. Once funds have been turned over to the state, we have no further liability to you for such funds and if you choose to reclaim such funds, you must apply to the appropriate state agency.
5. **Pledge, Right of Offset and Statutory Liens or Garnishment of Your Account(s).** We have a lien on all funds in all your accounts with us. This lien extends to funds now or hereafter deposited with us (plus dividends and any insurance benefits.) As part of this Agreement, you and any Authorized Person grant to us as security for all obligations you have or may have in the future, a right to and a lien on all funds in any account, except as prohibited by law, which you and any Authorized Person hold, either in your name, a business name or as a joint account owner at Family First. This lien secures loans, charges, overdrafts or any amount you may now or hereafter owe us. We may enforce this lien by applying your funds directly to any amount you owe us and we may exercise this right without obtaining a court judgment and as otherwise permitted by law.

Set off is the right of one who is indebted to another to reduce or eliminate the indebtedness by charging against the debt any amount which the creditor in that transaction may owe him in another transaction as borrower or guarantor. The Credit Union may use the account to pay the debt even if withdrawal results in an interest penalty or dishonor of subsequent drafts.

Any garnishment, levy or execution against the account is subject to the Credit Union's right of set off and security interest. If garnishment, levy, or execution is brought upon the account, the Credit Union may refuse to allow any withdrawals until the dispute is resolved. In such a case, the Credit Union will not be liable to the member, even if paying the money to the third party leaves insufficient funds to cover outstanding drafts. All expenses in responding to a court order are chargeable to the member.

6. **Arbitration and Class Action Waiver.** Please note that this Agreement contains a binding Arbitration and Class Action Waiver provision which affects your rights with respect to any claims or disputes by or against Family First of NY Federal Credit Union. Please closely review the Arbitration and Class Action Waiver provision within this Agreement (Section 40). You may opt out by following the specified process within the specified timeframe.
7. **Member Conduct Policy.** Family First of NY Federal Credit Union has adopted the following policy that applies to member conduct. This policy protects Family First's members, visitors, employees and property from individuals who are or may be threatening or abusive. The policy speaks to ensure that all parties' rights are protected. Unacceptable member conduct or behavior may include but is not limited to:
 - a. Abusive, vulgar or intimidating language;
 - b. Threats, intimidation or acts of violence;
 - c. Harassment of any type, including sexual harassment;
 - d. Damage to or interference with Family First's property or systems;
 - e. Unlawful acts;
 - f. Other abusive or disruptive behavior;
 - g. Abusive contact of any sort;
 - h. Injury or threatened injury to any member, visitor or employee (kicking, fighting or other harm);
 - i. Possession, sale, use or being under the influence of an unlawful or unauthorized substance while on Family First's property.

The following sanctions may be imposed against a member who has engaged in misconduct:

- a. Termination of all accounts and membership privileges. Privileges are defined as Family First of NY Federal Credit Union products, services, loans, access devices, branch service, etc.;
- b. Preclusion from any personal contact with Family First's employees including access to Credit Union premises or member service center;
- c. Any other action deemed necessary that is not expressly precluded by the Federal Credit Union Act, the National Credit Union Administration, and New York State's Workplace Violence Protection Law.

Account Ownership Rights and Responsibilities

8. The following are persons authorized ("Authorized Persons") to establish and act on behalf of the business member with respect to accounts held at the credit union:
 - a. If the business member is a sole proprietor, the business owner and any other person designated by the business owner;

- b. If the business member is a partnership, each partner or general partner in the case of a limited partnership and any person designated by the partners;
- c. If the business member is an organization or is an unincorporated organization or association, the individuals vested with the power to make decisions concerning the operation of the business member must designate the Authorized Persons to establish accounts at the credit union and transact business on such accounts on behalf of the business member.

Authorized Persons are vested with the authority to open and close accounts, obtain loans, sign notes and credit agreements, pledge, assign, mortgage or otherwise grant a security interest on behalf of the business member, and transact any business of any nature on such accounts including but not limited to the following:

- a. Depositing, withdrawing and transferring funds into, out of and between one or more accounts;
- b. Signing drafts, checks and other orders of payment or withdrawals;
- c. Issuing instructions regarding orders of payment or withdrawals;
- d. Endorsing any check, draft, share certificate and other instrument or order for payment owned or held by the business member;
- e. Receiving information of any nature about the account.

Authorized Persons may execute additional agreements and documents we require to access, transact business on and otherwise exercise authority over your accounts.

We have no obligation to inquire as to the use of any funds or the purpose of any transaction made on your account by an Authorized Person and are not responsible for any unauthorized transaction by an Authorized Person.

We will not be liable for refusing to honor any item or instruction if we believe the signature is not genuine. It is your responsibility to provide us with specimen signatures of all Authorized Persons and to inform us immediately in writing of any changes.

You and any Authorized Persons agree to the terms of this Agreement and the Fee and Business Banking Fee Schedule(s). You authorize us to deduct these charges directly from the account balance as accrued. You will pay any additional charges for services you request which are not covered by this Agreement.

You and any Authorized Persons agree to be jointly and severally liable for any account shortage resulting from charges or overdrafts, whether caused by you or another with access to this account. This liability is due immediately, and can be deducted directly from the account balance whenever sufficient funds are available. You have no right to defer payment of this liability and you are liable regardless of whether you signed the item or benefited from the charge or overdraft. This includes liability for our costs to collect the deficit including, to the extent permitted by law, our reasonable attorney's fees.

Any financial service provided by Family First may be used for any transaction permitted by law. You agree that illegal use of any financial service will be deemed an action of default and breach of the terms and conditions of this Agreement and will cause such service and other related services to be terminated by the credit union. You further agree, should illegal use occur, to waive any right to sue Family First for such illegal use or any activity directly or indirectly related to it. Additionally, you agree to indemnify and hold Family First harmless from any suits or other legal action or liability, directly or indirectly, resulting from such illegal use. Even if you use your accounts for an illegal use, you agree to be responsible for all amounts and charges incurred in connection with the illegal use.

Your failure to furnish a correct Taxpayer Identification Number (TIN) or meet other requirements may result in backup withholding. If your account is subject to backup withholding, we must withhold and pay to the Internal Revenue Service a percentage of dividends, interest and certain other payments. If you fail to provide your correct TIN, we (i) reserve the right to suspend opening your account; or (ii) reserve the right to close your account and return the balance to you, less any applicable service fees.

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

This Agreement will be binding upon any heirs or legal representatives of any Account Owner that is an individual or organized as a sole proprietorship.

You agree to reimburse Family First for any loss caused by the use of any of your accounts, including but not limited to, late charges and collections fees, including court costs and reasonable attorney's fees. You authorize Family First to deduct any such costs from any share account you have with the credit union.

General Terms for All Business Accounts

9. **Withdrawals.** You may make withdrawals or transfers from your account in any manner which is permitted by the credit union (such as check, ATM, in person, by mail, by telephone and automatic transfer, as applicable). Anyone who signs in the space designated for Signature on the Account Agreement Card may withdraw or transfer all or any part of the account balance at any time. Each of you authorizes the other person signing the Account Agreement Card to endorse any item payable to you or your order for deposit to your account or any other transaction with us (until we receive written notice to the contrary.) We reserve the right to refuse any withdrawal or transfer request which is attempted by any method not specifically permitted or which exceeds frequency limitation or violates any minimum or maximum dollar limitation. We will use the date a transaction is completed by us (as opposed to the date you initiate it) to apply any frequency limitation. Withdrawals will first be made from collected funds and we may refuse any withdrawal request against uncollected funds. The Credit Union usually allows funds to be withdrawn at any time without previous notice, but reserves the right to demand 60 days written notice of withdrawal from any account (except a checking account).

We may refuse any withdrawal or transfer request which you attempt on forms not approved by us, by any method we do not specifically permit, which is greater in number than the frequency permitted, or which is for an amount greater or less than any withdrawal limitations. Even if we honor a nonconforming request, we may treat continued abuse of stated limitations (if any) as your act of closing the account. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply the frequency limitations. The fact that we may honor withdrawal requests that overdraw the available account balance does not obligate us to do so later. See the Funds Availability Policy section of this Agreement for information about when you can withdraw funds you deposit.

10. **Withdrawal Restrictions.** We reserve the right to restrict withdrawals or transfers from your account and shall not be liable for any restrictive action we take regarding (i) withdrawals or transfers; or (ii) payments or non-payments of a share draft, except for those damages which may arise solely as a result of the credit union's failure to exercise ordinary care.

We permit withdrawals only if your account has sufficient available funds to cover the full amount of the withdrawal. Drafts or other transfers or payment orders which are drawn against insufficient funds may be subject to a service charge as set forth in our Business Banking Rate Sheets and Business Banking Fee Schedule. If there are sufficient funds to cover some, but not all, of your withdrawal, we may allow those withdrawals for which there are sufficient funds.

We may limit or refuse a withdrawal in some situations, and will advise you accordingly; for example: (i) a dispute involving the account (unless a court has ordered the credit union to allow the withdrawal); (ii) a legal garnishment or attachment is served; (iii) the account secures any obligation to us; (iv) required documentation has not been presented; (v) you fail to repay a credit union loan on time; (vi) if (non-corporate account) a depositor is deceased or (corporate account) the corporation is in bankruptcy proceedings or has been dissolved and the required disposition of the account has not been made; (vii) someone with authority to do so requests us not to permit the withdrawal; or (viii) there are other circumstances which do not permit us to make the withdrawal. We also reserve the right to refuse any withdrawal which is attempted by any method not specifically permitted by us. We may require you to give written notice of seven days to 60 days before any intended withdrawals.

You may withdraw or transfer funds from your account in any manner we permit (e.g. in person or by ATM, Point of Sale device, automatic transfer, ACH, Business Internet Banking, other available electronic means, mail or telephone). Transfer of funds from one of your accounts into another account with us if otherwise arranged for or permitted, may be made by the same persons and under the same conditions generally applicable to withdrawals made in writing.

11. **Overdrafts and Overdraft Protection.** We are under no obligation to pay an item which exceeds the collected balance in your account. If however, we do pay such an item, you are still responsible for the overdraft and we may charge a fee set forth in the Fee Schedule. Refer to the Courtesy Pay disclosure for more information.
- a. **Standard Overdraft Services.** This service allows us to authorize payment for the following types of transactions regardless of whether your share or deposit account has sufficient funds:
 - i. Share drafts/checks and other transactions made using your checking account, except as otherwise described below;
 - ii. Automatic bill payments;
 - iii. ACH transactions.
 - b. **Overdraft Protection/Courtesy Pay.** If, the authorized owner(s) writes a check that would exceed the collected balance, the Credit Union may:
 - i. Treat such checks as a request for an advance from your Line of Credit loan account if you have one (in multiples of \$100) sufficient to pay such checks;
 - ii. Transfer shares from any other regular share account from which the authorized owner(s) is then eligible to withdraw shares;
 - iii. Charge a fee for each transfer, as disclosed in the Fee Schedule.

12. **Deposits.** Any noncash item deposited to your account (including items drawn "on us") will be given provisional credit only until collection of the item is final. We are not responsible for transactions initiated by mail or an outside depository until we actually record them. All transactions received after our "daily cutoff time" on a business day we are open, or received on a day on which we are not open for business, will be treated and recorded as if initiated on the next business day that we are open. Family First may charge back any item to your account at any time before final payment. If after final payment, someone makes a claim that an item was altered, forged, unauthorized or should not have been paid for some other reason, we may hold the funds until a final determination has been made as to ownership of the funds. Any fees we incur may be charged to your account. We are not responsible for transactions by mail or outside depository until we actually record them. If you make a deposit on a day we are closed or on a day we are open but after our business hours, we will consider that the deposit was made on the next business day we are open. We reserve the right to refuse or return any item or funds transfer.

We may redeposit items taken for deposit, cash or other value, or we may return the item to you and charge your account. If your account does not contain sufficient funds to reimburse us for the amount of the item, you must repay us for the amount we are unable to collect from your account. If we choose to redeposit an item, we are not required to notify you that the item was returned unpaid. We may charge your account and/or seek recovery directly from you.

- a. **Endorsements.** You authorize the Credit Union, in its discretion, to accept transfers, checks and other items for deposit into any of your accounts, whether or not they are endorsed by all payees. You authorize the Credit Union to supply missing endorsements if the Credit Union chooses to supply such endorsements. The Credit Union reserves the right to verify all endorsements on third party checks presented for deposit either in person or by comparison with the member signature on file. If a check or other item that is payable to two (2) 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. We may require insurance, government and certain other checks to be endorsed as set forth on the back of the check, and/or the Credit Union may require endorsement as set forth on the check. Endorsements must be placed in the space on the back of the check between the top edge and 1-1/2 inches from the top edge. The Credit Union may accept checks with endorsements outside this space. However, if any such endorsement or other markings you or any prior

endorser make on the check cause any delay or error in processing the item for payment, you will be responsible for any loss incurred by the Credit Union due to the delay or error.

- b. **Collection of Items.** We act only as your agent and we are not responsible for handling items for deposit or collection beyond the exercise of ordinary care. We are not liable for the loss of an item in transit or the negligence of any correspondent. 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. We reserve the right to pursue collection of previously dishonored items at any time, including giving a payor financial institution extra time beyond any midnight deadline limits.
 - c. **Restrictive Legends.** Some checks and drafts contain restrictive legends or similar limitations on the front of the item. Examples of restrictive legends include "two signatures required," "void after 60 days," or "not valid over \$500." We are not liable for payment of any check or draft contrary to a restrictive legend or other limitation contained in or on the item unless we have specifically agreed in writing to the restriction or limitation.
 - d. **Final Payment/Settlement.** All checks, drafts, automated clearinghouse (ACH) transfers or other items credited to your account are provisional until we receive final payment. If final payment is not received, we may charge your account for the amount of such items and impose a returned item fee on your account. Any collection fees we incur may be charged to your account. We reserve the right to refuse or return any item or fund transfer.
 - e. **Crediting of Deposits.** Deposits will be credited to your account on the day we consider them received as stated in our Funds Availability Policy Disclosure. Deposits made on Sundays and Credit Union holidays will be credited to your account on the next business day. Deposits received at unstaffed facilities, such as night depositories or drop boxes, will be credited on the day funds are removed and processed by the Credit Union and are subject to adjustment based on our verification of the items deposited. Items drawn from an institution located outside the United States are handled on a collection basis only. Amounts will be credited to your account when we receive final payment. You waive any notice of nonpayment, dishonor, or protest regarding any items purchased or received by the Credit Union for credit to your account or for collection.
 - f. **Checks Presented for Payment.** We may refuse to accept any check or draft drawn on your account that is presented for payment in person. Such refusal shall not constitute a wrongful dishonor of the check or draft, and we shall have no liability for refusing payment. You agree that we may charge a fee to any person or entity presenting a check drawn on your account for cashing.
13. **Transfers.** Shares may be transferred from one member to another, only by written instrument, in such form as the Credit Union may prescribe. You may make or order fund transfers to or from your account. We will debit your account for the amount of a fund transfer from your account and will charge your account for any fees related to the transfer.
- a. **Limitation of Liability.** Unless we agree otherwise in writing, we reserve the right to refuse to execute any payment order to transfer funds to or from your account. We are not obligated to execute any payment order to transfer funds out of your account if the amount of the requested transfer plus applicable fees exceeds the available balance in your account. We are not liable for errors, delays, interruptions or transmission failures caused by third parties or circumstances beyond our control including mechanical, electronic or equipment failure. In addition, we will not be liable for consequential, special, punitive or indirect loss or damage you may incur in connection with fund transfers to or from your account.
 - b. **No Notice Required.** We will not provide you with notice when fund transfers are credited to your account. You will receive notice of such credits on your account statements. You may contact us to determine whether a payment has been received.
 - c. **Interest Payments.** If we fail to properly execute a payment order and such action results in a delay in payment to you, we will pay you dividends or interest, whichever applies to your account, for the period of delay as required by applicable law. You agree that the dividend or interest rate paid to you will be based on the lowest nominal dividend or interest rate we were paying on any account during that period.
 - d. **Payment Order Processing and Cut-off Times.** Payment orders we accept will be executed within a reasonable time of receipt. Unless we have agreed otherwise in writing, a payment order may not necessarily be executed on the date it is received or on a particular date you specify. Cut-off times may apply to the receipt, execution and processing of fund transfers, payment orders, cancellations, and amendments. Fund transfers, payment orders, cancellations, and amendments received after a cut-off time may be treated as having been received on the next fund transfer business day. Information about any cut-off times is available upon request. From time to time, we may need to temporarily suspend processing of a transaction for greater scrutiny or verification in accordance with applicable law. This action may affect settlement or availability of the transaction.
 - e. **Identifying Information.** If your payment order identifies the recipient and any financial institution by name and account or other identifying number, the Credit Union and any other financial institutions facilitating the transfer may rely strictly on the account or other identifying number, even if the number identifies a different person or financial institution.
 - f. **Amendments and Cancellations of Payment Orders.** Any account owner may amend or cancel a payment order regardless of whether that person initiated the order. We may refuse requests to amend or cancel a payment order that we believe will expose the Credit Union to liability or loss. Any request to amend or cancel a payment order that we accept will be processed within a reasonable time after it is received. You agree to hold us harmless from and indemnify us for all losses and expenses resulting from any actual or attempted amendment or cancellation of a payment order.
 - g. **Security Procedures.** We may require you to follow a security procedure to execute, amend or cancel a payment order so that we may verify the authenticity of the order, amendment or cancellation. You agree that the security procedure established by separate agreement between you and the Credit Union is commercially reasonable. If you refuse to follow a commercially reasonable security

procedure that we offer, you agree to be bound by any payment order, whether authorized or not, that is issued in your name and accepted by us in good faith in accordance with the security procedure you choose.

- h. **Duty to Report Unauthorized or Erroneous Fund Transfers.** You must exercise ordinary care to identify and report unauthorized or erroneous fund transfers on your account. You agree that you will review your account(s) and periodic statement(s). You further agree you will notify us of any unauthorized or erroneous transfers within the time frames described in the "Statements" section of this Agreement.
- i. **Recording Telephone Requests.** You agree that we may record payment order, amendment and cancellation requests as permitted by applicable law.

14. **Direct Deposits.** You must authorize direct deposits and pre-authorized transfers by filling out a separate document. You must notify us at least 30 days in advance to cancel or change a direct deposit or pre-authorized transfer. Upon a bankruptcy filing, unless you cancel a direct deposit or pre-authorized transfer, we will continue making direct deposits in accordance with your authorization on file with us. If, in connection with a direct deposit plan, we deposit any amount in an account which should have been returned to the Federal Government or another party via the Automated Clearing House (ACH) for any reason, you authorize us to deduct the amount of our liability from your account without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of our liability.

If you voluntarily give information about your account (such as the credit union's routing number or your account number) to a third party, Family First presumes that you have authorized the receipt of that information to initiate debits to your account, even if a particular transaction may not be authorized. Family First will honor such debits until you take the actions required by law to stop them.

15. **Account Access**

- a. **Authorized Signature.** Your signature on the Account Card, 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 or draft 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. If you give your account number or account information to a third person, you authorize us to honor transactions initiated by the third person even if you did not specifically authorize a particular transaction.
- b. **Access Options.** You may withdraw or transfer funds from your accounts in any manner we permit (i.e. ATM, 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 handling such a check. We have the right to review and approve any form of power of attorney and may restrict account withdrawals or transfers. We are under no obligation to honor any power of attorney and may refuse to accept a power of attorney for reasonable cause. You agree that we may require any attorney-in-fact to sign an acknowledgment affidavit stating that the power of attorney is in full force and effective.
- c. **Credit Union Examinations.** We may disregard information on any check or draft 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.

16. **Current Balance and Available Balance.** Checking account has two kinds of balances: the "Current Balance" and the "Available Balance". Many of the transactions that affect these balances are beyond the Credit Union's control as they are requirements of the payment networks that your transactions are processed through via the merchants with whom you choose to do business. The method in which you use your debit card, PIN Based or Signature-based, may also affect the amount and length of any authorization hold. Also, we may place holds on various deposits as explained in the Funds Availability Policy. As a result, your account records may show a difference in your Current Balance and Available Balance. You can check your Current Balance and Available Balance at an ATM, by phone, online, or at a branch. To determine whether a transaction will exceed the available balance in your account (resulting in an overdraft), for VISA Debit Transactions, The Summit reviews the available balance at the time the transaction is authorized on your account (not when the transaction posts). See section 12(e) below for an example and additional information."

- a. **PIN Based Debit Card Transactions.** These are transactions where you use your debit card and enter your PIN number at the time of the sale. We pay these transactions as they are transmitted to us. Most are transmitted immediately; others may be delayed for one or more days.
- b. **Signature-Based Debit Card Transactions.** These are transactions where you make a purchase with your debit card and you do not enter your PIN but you are instead asked to sign for (or otherwise conduct) the purchase. In these situations, the merchant may seek prior authorization for the transaction. When that happens, a temporary hold may be placed against the available funds in your account. We refer to this temporary hold as an "authorization hold", and the amount of the authorization hold will be subtracted from your Available Balance. Authorizations are deducted from your Available Balance (but not your Current Balance) as they are received by the Credit Union throughout each day. At some point, after you conduct the transaction, it is processed by the merchant and submitted to the Credit Union for posting to your account. This may happen sometimes hours or days after you conduct the transaction depending on the merchant and its processing company. These payment requests are presented in real time throughout the day and are posted to your account as they are received. Please note, the amount of the authorization hold may differ from the actual payment because the final transaction amount may not yet be known to the merchant when the authorization request is submitted."
- c. **Current Balance.** The Current Balance is the total amount of funds in your account(s). It reflects payment transactions that have been "posted" to your account, but not payment transactions that have been authorized and are pending. It may also reflect the full amount of all deposits, even though some portion of a deposit may be on hold and may not be available to you. Thus, while the term "Current" may sound as though the number you see is an up-to-date display of what is in your account that you can spend, that is not always the case. Any holds (including authorization holds) for purchase transactions, payments and fees that have not yet been posted will not appear in your Current Balance.

- d. **Available Balance.** The Available Balance takes into account items such as holds placed on deposits and pending transactions (such as signature-based debit card purchases) that the Credit Union has authorized but that have not yet posted to your account. The Available Balance may not reflect all your outstanding checks and automatic bill payments that you have authorized, or other outstanding transactions that have not been paid from your account. In addition, your Available Balance may not reflect all your debit card transactions. You should only make transactions against the Available Balance, as these are the only funds you may access for transactions.

It is very important to understand that you may still overdraw your account even though the available balance appears to show there are sufficient funds to cover a transaction that you want to make. This is because your available balance may not reflect all the outstanding checks and bill payments that you have authorized, or other outstanding transactions that have not been authorized or paid from your account. In the example above, the outstanding check will not be reflected in your available balance until it is presented to The Summit and posted to your account.

In addition, your available balance may not reflect all of your debit card transactions. For example, if a merchant obtains the Credit Union's prior authorization but does not submit the 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), the Credit Union must release the authorization hold on the transaction. If the authorization hold is released, then your available balance will not reflect this pending transaction until it is presented to Family First for payment and posted to your account. Debit card transactions can be recurring or nonrecurring. Recurring transactions are where you use your debit card to set up a recurring monthly or periodic payment, such as a gym membership or insurance payment. Nonrecurring transactions are one-time or everyday transactions that are authorized each time you use your debit card. Using your debit card at a restaurant or a grocery store are examples of one-time or everyday (nonrecurring) debit card transactions.

17. **Remotely Created Checks.** For purposes of this paragraph, "account" means a transaction account, credit account, or any other account on which checks (share draft) may be drawn. A remotely created check is a check created by someone other than the person on whose account the check is drawn. A remotely created check is generally created by a third party payee as authorized by the owner of the account on which the check is drawn. Authorization is usually made over the telephone or through online communication. The owner of the account does not sign a remotely created check. In place of the owner's signature, the remotely created check usually bears a statement that the owner authorized the check or bears the owner's printed or typed name. If you authorize a third party to draw a remotely created check against your account, you may not later revoke your authorization. It is your responsibility to resolve any authorization issues directly with the third party. We are not required to credit your account and may charge against your account any remotely created check for which the third party has proof of your authorization.
18. **Business Account Fees.** The Credit Union has the right to charge fees in connection with its services. These fees may change from time to time. The current Business Account Fee Schedule is available and the member will receive written notice of any changes as required by law.

We may impose a fee as set forth in the Fee and Business Banking Fee Schedule(s) or in this Agreement if an account has no activity initiated for a specified period of time. If your account is inactive for the period of time defined by New York State law, Family First is required to turn over the funds in the account to the appropriate state department. Once funds have been sent to the state, we have no further liability to you for such funds.

19. **Credit Union Liability.** If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you and the instructions you transmit, we will be liable for your actual losses or damages not to exceed the amount of the transaction, except as otherwise provided by law. However, Family First will not be liable: (1) if, through no fault of ours, the available balance in your account is insufficient to complete a transaction, your account is closed or the transaction amount would exceed your credit limit on your line of credit; (2) if your computer fails, malfunctions or Family First's Online Banking Service was not properly working and such problem should have been apparent when you attempted such a transaction; (3) if circumstances beyond our control (such as fire, flood, telecommunication outages, postal strikes, equipment or power failure) prevent making the transaction; (4) if the funds in your account are subject to legal process or other claim; (5) if your account is frozen; (6) if the error was caused by a system beyond Family First's control such as your internet service provider; (7) if you have not given Family First's complete, correct and current instructions so Family First can make a transfer or issue a check; or (8) if there are other exceptions as established by Family First. Additionally, we will not be liable for consequential damages, except liability for wrongful dishonor. We will not be responsible for any loss or damages suffered by you as a result of systems or software used by you to interface with our systems or software in order to initiate or process transactions, whether such transactions are initiated or processed directly with our systems or through a third-party service provider. 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 regarding what you and our employees say or write will be resolved by reference to this Agreement.

Each of you agrees, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the charges that we may impose. Today you received a copy of the Fee Schedule which itemizes all charges and is part of this agreement. You authorize us to deduct these charges directly from the account balance as incurred. You also agree to pay additional reasonable charges we may impose for services you request which are not contemplated by this agreement or your account. Each of you also agrees to be jointly and severally liable for any account deficit (resulting, for example, from charges imposed, overdrafts, or items cashed or deposited that are returned unpaid) whether caused by you or another authorized to withdraw from your account, together with the costs we incur to collect the deficit including, to the extent permitted by law, our reasonable attorney's fees. In addition the member waives the right to a jury trial in disputes concerning their accounts with the Credit Union.

20. **Stop Payment Order Request.** Any account owner may request a stop payment order on a check drawn on the owner's account. To be binding, the order must accurately describe the check or draft, including the exact account number, check or draft number, and amount of the check or draft. If we receive incorrect or incomplete information, we will not be responsible for failing to stop payment on the check or draft. In addition, we must receive sufficient advance notice of the stop payment order to allow us a reasonable opportunity to act on it. If we 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 all of your rights against the payee or other holders of the check or draft and assist us in any legal action.

Stop payment order for preauthorized debit transactions from your account are governed by Regulation E. Please refer to the Electronic Fund Transfers Agreement and Disclosure for rules regarding stop payments on preauthorized debit transactions.

- a. **Duration of Order.** You may make an oral stop payment order which is valid for 14 calendar days. In order to have this timeframe extended, you must confirm an oral stop payment in writing no later than 14 calendar days after the order has been accepted by us. If you do not confirm the order in writing within that time, it will cease to be effective.

A written stop payment orders, including an oral stop payment confirmed in writing, for member checks are effective for six (6) months and may be renewed for additional six (6) month periods by requesting that the stop payment order be renewed within a period during which the stop payment order is effective. Your request for renewal will be accepted if Family First receives the request within a reasonable period of time to extend the stop payment order before it expires. We are not required to notify you when a stop payment order expires.

- b. **Fees and Liability.** Fees for stop payment orders are set forth in the Fee Schedule. Although payment of an item may be stopped, you may remain liable to any item holder, including us. You agree to indemnify and hold the Credit Union harmless from all costs, including attorney's fees and all damages or claims related to our refusal to pay an item, as well as claims of any joint account owner or of any payee or endorsee for failing to stop payment of an item as a result of incorrect information provided by you.
- c. **Stop Payment Official Check.** Payment on any official check or any other check, or payment guaranteed by us may be stopped only according to the provisions of Section 4-403 of the Uniform Commercial Code as enacted by the state of New York. For more information regarding the process to stop payment on an official check, please contact us at 585-586-8225.

21. Notices

- a. **Name or Address Changes.** You are responsible for notifying us of any address or name change. The credit union is only required to attempt to communicate with you at the most recent address you have provided to us. We may require all name and address changes to be provided in writing. If we attempt to locate you, we may impose a service fee as set forth in the Truth-in-Savings Disclosure or Fee Schedule.
- b. **Notice of Amendments.** Except as prohibited by applicable law, we may change the terms of this Agreement. We will notify you, in a manner we deem appropriate under the circumstances, 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 notice you give to the Credit Union is effective when it is actually received by the Credit Union. Any written notice the Credit Union gives to you is effective when it is deposited in the U.S. Mail, postage prepaid and addressed to you at your statement mailing address. Written notice the Credit Union gives to you is also effective if provided to an electronic address you have provided to us. Notice to any one account owner is considered notice to all owners of the account.
- d. **Electronic Notices.** If you have agreed to receive notices electronically, we may send you notices electronically and discontinue mailing paper notices to you until you notify us that you wish to reinstate receiving paper notices.

22. Statements

- a. **Contents.** The Credit Union provides a statement for your account. You will receive a periodic statement of all transactions and activity on your account during the statement period. We may provide a periodic statement with information on all or some of your accounts. If a periodic statement is provided, you agree that only one statement is necessary for a joint account. For checking accounts, you understand that when paid, your original check (or any substitute check) becomes property of the Credit Union and may not be returned to you. If you request us to provide you with an original check or sufficient copy, you agree that we may provide an electronic image of the original check or sufficient copy.
- b. **Examination.** You are responsible for promptly examining each statement upon receiving it and reporting any irregularities to us. If you fail to report any irregularities such as forged, altered, unauthorized, unsigned or otherwise fraudulent items drawn on your account, erroneous payments or transactions or other discrepancies reflected on your statement within sixty (60) days of the mailing date of the statement (or the notification date for electronically provided statements), we will not be responsible for your loss. We also will not be liable for any items that are forged or altered in a manner not detectable by a reasonable person, including the unauthorized use of a facsimile signature machine.
- c. **Notice to Credit Union.** You agree that the Credit Union's retention of drafts does not alter or waive your responsibility to examine your statements or the time limit for notifying us of any errors. The statement will be considered correct for all purposes and we will not be liable for any payment made or charge to your account unless you notify us in writing within the above time limit for notifying us of any errors. If you fail to receive a periodic statement, you agree to notify us within fourteen (14) days of the time you regularly receive a statement.

If we mail you a statement, we will send it to the last known address shown in our records. If you have requested to receive your statement electronically, we will send the statement or notice of statement availability to the last e-mail address shown in our records.

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

Other Terms and Conditions

23. This Agreement is governed by the Bylaws of Family First of NY FCU, federal laws and regulations, the laws and regulations of the State of

New York and local clearinghouse rules, as amended from time to time. Any disputes regarding this Agreement shall be subject to the jurisdiction of the court of the county in which Family First is located.

24. In the event that any section of this Agreement or any portion thereof is held by a court to be invalid or unenforceable for any reason, the other paragraphs and portions of this Agreement shall not be invalid or unenforceable and will continue in full force and effect.
25. 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.
26. You agree that you are not engaged in unlawful Internet gambling or any other illegal activity. You agree that you will not use any of your accounts, access devices, or services for unlawful Internet gambling or other illegal activities. We may terminate your account relationship if you engage in unlawful Internet gambling or other illegal activities. You represent that you are not engaged in a marijuana business or money service business. You agree that you will not use any of your accounts, access devices, or services for a marijuana business or money service business. The Credit Union may decline to accept, process, or pay any transaction that we believe to be illegal or unenforceable (regarding your obligation to pay us or otherwise) under applicable law, or which is otherwise limited or prohibited, including but not limited to any transaction involving or relating to any gambling activity. You further agree to indemnify and hold us harmless from any suits, liability, damages, or adverse action of any kind that results directly or indirectly from your illegal use of your account and/or access devices.
27. You agree that we may withhold taxes from any dividends or interest earned on your account as required by federal, state or local law or regulations. Your failure to furnish a correct Taxpayer Identification Number (TIN) or meet other requirements may result in backup withholding. If your account is subject to backup withholding, we must withhold and pay to the Internal Revenue Service a percentage of dividends, interest, and certain other payments. If you fail to provide your TIN within a reasonable time we may close your account and return the balance to you, less any applicable service fees.
28. We may report information about your loan or share accounts to credit bureaus. Late payments, missed payments, or other defaults on your accounts may be reflected in your credit report.
29. Upon request, we will give you the name and address of each consumer reporting 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; (4) such disclosure is consistent with our Privacy Notice; or (5) you give us written permission.
30. **Consent to Call and Text**

By signing or otherwise authenticating a membership application, you agree we and/or our third-party providers, including debt collectors, may contact you by telephone or text message at any telephone number associated with your account, including wireless telephone numbers (i.e. cell phone numbers) which could result in charges to you, in order to service your account or collect any amounts owed to us, excluding any contacts for advertising and telemarketing purposes as prescribed by law. You further agree methods of contact may include the use of pre-recorded or artificial voice messages, and/or the use of an automatic dialing device. You may withdraw the consent to be contacted on your wireless telephone number(s) at any time. You may do so by any reasonable method. If you have provided a wireless telephone number(s) on or in connection with any account, you represent and agree you are the wireless subscriber or customary user with respect to the wireless telephone number(s) provided and have the authority to give this consent. Furthermore, you agree to notify us of any change to the wireless telephone number(s) which you have provided to us.

To help mitigate harm to you and your account, we may contact you on any telephone number associated with your account using an auto dialer to deliver any messages about suspected or actual fraud on your account, data security breaches, identity theft or any other messages that we deem necessary to service your account. These contacts will not contain any telemarketing, cross-marketing, solicitation, advertising, or debt collection message of any kind. The contacts will be concise and limited in frequency as required by law. You will have an opportunity to opt out of such communications at the time of delivery.

In the regular course of our business, we may monitor and record phone conversations made or received by our employees. You agree that we will have such right with respect to all phone conversations between you and our employees, whether initiated by you or any of our employees. We monitor and record conversations and communications for quality control, fraud prevention, and training purposes. For payment authorizations you provide by telephone, we may require you to confirm such instructions in writing.

31. **Arbitration and Class Action Waiver**

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

RIGHT TO GO TO COURT TO ASSERT OR DEFEND YOUR RIGHTS UNDER THIS ACCOUNT AGREEMENT (EXCEPT FOR CLAIMS BROUGHT INDIVIDUALLY WITHIN SMALL CLAIMS COURT JURISDICTION, SO LONG AS THE CLAIM REMAINS IN SMALL CLAIMS COURT). This Arbitration Agreement shall be interpreted and enforced in accordance with the Federal Arbitration Act set forth in Title 9 of the U.S. Code to the fullest extent possible, notwithstanding any state law to the contrary, regardless of the origin or nature of the Claims at issue. This Arbitration Agreement does not prevent you from submitting any issue relating to your accounts for review or consideration by a federal, state, or local governmental agency or entity, nor does it prevent such agency or entity from seeking relief on your behalf. This Arbitration Agreement shall not apply to claims that are initiated in or transferred to small claims court.

Selection of Arbitrator. The Claims shall be resolved by a single arbitrator. The arbitrator shall be selected in accordance with the Rules, and must have experience in the types of financial transactions at issue in the Claims. In the event of a conflict between the Rules and this Arbitration Agreement, this Arbitration Agreement shall supersede the conflicting Rules only to the extent of the inconsistency. If AAA is unavailable to resolve the Claims, and if you and we do not agree on a substitute forum, then you can select the forum for the resolution of the Claims.

Effective Date. This Arbitration Agreement is effective upon the 31st day after we provide it to you ('Effective Date'), unless you opt-out in accordance with the requirements of the RIGHT TO OPT-OUT provision below. If you receive your statements by mail, then the Arbitration Agreement was provided to you when it was mailed. If you receive your statements electronically, then it was provided to you when you were sent the notice electronically.

Arbitration Proceedings. The arbitration shall be conducted within 50 miles of your residence at the time the arbitration is commenced. Any claims and defenses that can be asserted in court can be asserted in the arbitration. The Arbitrator shall be entitled to award the same remedies that a court can award, including any kind of injunctive relief that could be awarded by a court. Discovery shall be available for non-privileged information to the fullest extent permitted under the Rules. The Arbitrator's award can be entered as a judgment in court. Except as provided in applicable statutes, the arbitrator's award is not subject to review by the court and it cannot be appealed. The credit union shall pay for any filing, administration, and arbitrator fees imposed on you by the AAA. However, you will be responsible for your own attorneys' fees, unless you prevail on your Claim in the arbitration, in which case, we will pay your attorneys' fees. Conversely, if the credit union prevails, then you will not be required to pay its attorneys' fees and costs. Nothing contained in this Arbitration Agreement shall prevent either you or the credit union from applying to any court of competent jurisdiction for emergency provisional relief, such as a temporary restraining order, a temporary protective order, an attachment or any other pre-judgment remedies.

Any determination as to whether this Arbitration Agreement is valid or enforceable in part or in its entirety will be made solely by the arbitrator, including without limitation any issues relating to whether a Claim is subject to arbitration; provided, however, the enforceability of the Class Action Waiver set forth below shall be determined by the Court.

Class Action Waiver. ANY ARBITRATION OF A CLAIM WILL BE ON AN INDIVIDUAL BASIS. YOU UNDERSTAND AND AGREE THAT YOU ARE WAIVING THE RIGHT TO PARTICIPATE AS A CLASS REPRESENTATIVE OR CLASS MEMBER IN A CLASS ACTION LAWSUIT.

Severability. In the event the Class Action Waiver in this Arbitration Agreement is found to be unenforceable for any reason, the remainder of this Arbitration Agreement shall also be unenforceable. If any provision in this Arbitration Agreement, other than the Class Action Waiver, is found to be unenforceable, the remaining provisions shall remain fully enforceable.

Right To Opt-Out. You may opt out of this arbitration and the class action waiver provision by sending a written request to us at Family First of NY Federal Credit Union, Attn: operations manager, 2520 Browncroft Blvd, Rochester, NY 14625. Your written notice must include your name, address, account number, and indicate your choice to opt out of this arbitration and class action waiver provision. Notice must be received within sixty (60) days after this agreement was first delivered or otherwise made available to you. If you fail to opt out within this sixty (60) day period, you will be deemed to have provided your consent to the resolution of claims or disputes through binding arbitration. Opting out of arbitration will not terminate or effect any other rights you or 2222 we have under this agreement. If you opt out, you must opt out of all terms of this arbitration and class action waiver provision. You may not opt out of only certain terms.