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AGREEMENTS AND DISCLOSURES

THESE AGREEMENTS AND DISCLOSURES CONTAIN IMPORTANT MEMBERSHIP INFORMATION, NECESSARY TRUTH-IN-SAVINGS ACCOUNT DISCLOSURES, ELECTRONIC SERVICES AGREEMENT AND DISCLOSURES, AND FUNDS AVAILABILITY POLICY. PLEASE BE CERTAIN TO READ THESE AGREEMENTS AND DISCLOSURES CAREFULLY AND NOTIFY US AT ONCE IF ANY PARTS ARE UNCLEAR.

IMPORTANT INFORMATION ABOUT PROCEDURE[S] 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, We will ask You 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.

Throughout these Agreements and Disclosures, the references to "We," "Us," "Our" and "Credit Union" mean BREAKWATER FEDERAL CREDIT UNION. The words "You" and "Your" mean each person applying for and/or using any of the services described herein. "Account" means any account or accounts established for You as set forth in these Agreements and Disclosures. The word "Card" means any BFCU Mastercard Debit Card issued to You by Us and any duplicates or renewals We may issue. Our Audio Response System is hereinafter referred to as "iTalk," Our Personal Computer Account Access System is hereinafter referred to as "Online Banking," Our Mobile Internet Access System is hereinafter referred to as "Mobile Banking," and "E-Check" means any check which You authorize the payee to process electronically. For joint accounts, read singular pronouns in the plural.

BREAKWATER FEDERAL CREDIT UNION MEMBERSHIP

To apply for membership with Breakwater Federal Credit Union You must complete, sign and return an application for membership.

Your signature on Your application for membership informs the Credit Union that You would like to join the Credit Union and that You agree to conform to the Credit Union's Bylaws and Amendments.

Credit Union membership is granted to applicants within Breakwater Federal Credit Union's common bond as outlined in the Credit Union's Charter.

Eligibility also includes spouses of persons who died while within the field of membership; Credit Union employees; persons retired as pensioners or annuitants from organizations within the Credit Union's common bond; and organizations of

such persons. By signing Your application for membership, You acknowledge receipt of these Agreements and Disclosures, including the terms and conditions which apply to Your Accounts.

FAMILY MEMBERSHIP

Credit Union members in good standing and whose status is currently within the Credit Union's common bond (as outlined therein) may sponsor immediate family members and possibly other members of Your household for Credit Union membership. Eligible family members may include for instance: father, mother, brother, sister, son, daughter, grandmother, grandfather and spouse (which may include anyone living in Your residence that You maintain a single economic unit with).

ACCOUNT AGREEMENT

YOU AGREE AND ACKNOWLEDGE THAT THIS AGREEMENT CONTROLS YOUR ACCOUNT(S) WITH BREAKWATER FEDERAL CREDIT UNION, TOGETHER WITH ANY OTHER RELATED DOCUMENT SUCH AS OUR FUNDS AVAILABILITY POLICY AND ELECTRONIC SERVICES AGREEMENT AND/OR AGREEMENTS AND DISCLOSURES, ALL OF WHICH, TO THE EXTENT APPLICABLE, ARE INCORPORATED INTO THIS AGREEMENT BY REFERENCE.

ACCOUNT OWNERSHIP

JOINT ACCOUNTS. If Your Account is owned jointly, then all funds on deposit are owned by any of the joint Owners with the right of survivorship. The joint Owners of the Accounts hereby agree with each other and with Us that all sums, whenever paid into the Accounts by any or all of the joint Owners to the credit of the joint Owners with all accumulations thereon, are and shall be owned by them jointly, with the right of survivorship, and be subject to the withdrawal or receipt of any of them, and payment to any of them or the survivor or survivors, valid and discharge Us from any liability for such payment. You authorize Us to recognize any of the signatures subscribed in Your application for membership for the payment of funds or the transaction of any business for the Accounts. We can release or pay any amount on deposit in Your Account to any Owner. We can honor checks, withdrawals, orders or requests from any Owner. All Owners are liable to Us for any overdrafts that may occur on Your Account, regardless of whether or not a benefit occurred and checks cashed against any Account are subject to collectability from such Account if returned unpaid. Any Owner may provide Us written notice to freeze funds on deposit and We may, at Our option, honor such written request. If We do, then the Account will remain frozen until We receive subsequent written notice signed by all Owners of the Account as to a disposition of funds on deposit. Any or all of the joint owners may pledge all or any part of the shares in the Accounts as collateral security to a loan or loans and any funds on deposit may be utilized to satisfy any debt or garnishment of any Owner of the Account. The right or authority of the Credit Union under these Agreements and Disclosures shall not be changed or terminated by said owners or any of them except by written notice to Us, which shall not affect transactions made prior to such notice. It is the responsibility of joint account Owners to determine any legal effects of opening and maintaining a joint account.

CUSTODIAL ACCOUNTS. Any custodial Account is subject to the Michigan Uniform Transfers to Minors Act and it is Your responsibility to determine any

legal effects related to this type of Account. You understand and agree that the gift of money to the minor named at the time You open such Account includes all dividends thereon and any future additions thereto, is irrevocable and is made in accordance with and is to include all provisions of the Michigan Uniform Transfers to Minors Act, as it is now or hereafter amended. The age of delivery to custodian FBO minor shall be upon the age 18, unless otherwise specified by the custodian.

TRUST ACCOUNTS. Trust Accounts will only be opened by the Credit Union if the Trust documentation presented by You to the Credit Union is in a manner acceptable to Our underwriting policies. It is Your responsibility to determine and understand any legal effects related to this type of Account. We require all Trust Accounts to name a beneficiary. You agree that all sums, whenever paid to the Trust Account, shall be held by the Trustee(s) in trust for the beneficiary(ies) named, subject to the right of the Trustee(s) to revoke the same in whole or in part by, and to the extent of, the withdrawal of sums from the Account. Upon the death of the Trustee (or if more than one, upon the death of the last surviving Trustee), the balance remaining in the Account shall be distributed by the Credit Union to the beneficiary or, if there is more than one beneficiary, then to the beneficiaries then living in equal shares unless otherwise designated in the Trust documentation. Where more than one Trustee appears on the Account, withdrawals and the pledge of shares against loans may be made by any Trustee acting alone (unless two signatures are required). Shares paid in by the Trustees shall be owned equally. Upon the death of one Trustee, all rights in and to the Account shall belong to any surviving Trustee. In the event of conflicting demands for funds under the Account, the Credit Union may require the signatures of each of the Trustees. For Revocable and Living Trust Accounts, the individual establishing the Trust (the "Settlor") must be a member of the Credit Union and any withdrawal of Trust Account funds will be deemed a revocation of the Trust to the extent of any such withdrawal unless otherwise provided for in the Trust documentation. If the Account Designation shows a payable-on-death status, any Beneficiary has rights

ACCOUNT AGREEMENT (continued)

to the Account: (a) if the Beneficiary is a natural person, only if the Beneficiary is alive and only if the Settlor is deceased; (b) if the Beneficiary is a charity or other non-profit organization, only if the charity or non-profit organization is in operation as a validly constituted, registered and/or licensed entity under applicable state law, and only if the Settlor is deceased. If the Beneficiary dies (in the case of a natural person), or is no longer in operation as a validly constituted, registered and/or licensed entity under applicable state law (in the case of a charity or non-profit organization), the Trust is terminated. The Settlor may change the Beneficiary at any time by providing Us adequate proof of such change in a manner acceptable to the Credit Union. If at any time, the Trustee is deemed incompetent by a court of legal jurisdiction or is unable or unwilling to serve, the Trust documentation shall determine the successor Trustee.

AUTHORIZED SIGNERS. If You establish Your Account with authorized signers, or You subsequently appoint any authorized signers, You understand and agree the transactions may not be processed in the order in which they occurred that the Credit Union will not at any time be liable for the actions of such authorized signers and/or be obligated to ensure that their actions are in accordance with any instructions You have provided to them. Any appointment of an authorized signer, together with any subsequent revocation or change must be in writing and in a form acceptable to Us. It is Your responsibility to determine any legal effects related to Your appointing any authorized signers on Your Account.

PAYABLE-ON-DEATH STATUS. If the Account Designation shows a payable-on-death status, any Beneficiary has rights to the Account: (a) if the Beneficiary is a natural person, only if the Beneficiary is alive and only if You and any joint Owners are deceased; (b) if the Beneficiary is a charity or other non-profit organization, only if the charity or non-profit organization is in operation as a validly constituted, registered and/or licensed entity under applicable state law, and You and any joint Owners are deceased. Upon Your death and the death of any joint Owners, the funds on deposit will be paid to the beneficiary(ies) of record in equal shares unless You designated otherwise. If, however, none of the payable-on-death beneficiaries You named is alive (or in operation as a validly constituted, registered and/or licensed entity under applicable state law in the case of a charity or non-profit organization) at Your death, the funds will be paid to the party or parties as required by applicable law. It is the responsibility of all Account Owners to determine any legal effects of opening and maintaining an Account with payable-on-death status.

FIDUCIARY ACCOUNTS. If Your Account is established as a fiduciary Account, You warrant that You are authorized to open a fiduciary Account and understand that such Accounts will only be opened by the Credit Union if the documentation presented by You to the Credit Union is in a manner acceptable to Our underwriting policies. In no event will the Credit Union be liable for the actions of the fiduciary and/or obligated to ensure that the fiduciary's actions are in accordance with any instructions that have been provided to them. It is Your responsibility to determine and understand any legal effects related to this type of Account.

ARBITRATION. Any controversy or claim arising out of or relating to these Agreements and Disclosures, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Arbitration Rules and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. All parties hereby waive and give up all rights to a jury trial or class action relief.

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

POWER OF ATTORNEY. If You name a person to act as Your attorney-in-fact or agent in any way with Your Account, We are only obligated to deal with such person if We, in Our sole judgment, approve of the form of appointment and the supporting documentation.

DEPOSIT OF ITEMS. You may make deposits to Your Account using any method available from Us. Such methods may include deposits made in person, by mail, electronic means, remote deposit capture, and any other means that may become available. We have the right to refuse to accept any check or instrument for deposit at Our sole discretion. If You deposit an item and it is returned unpaid, We will

debit Your Account for the amount of the item and charge You a fee. You will be liable to Us for the amount of any item You deposit which is returned unpaid, and in addition, will be responsible for any of Our costs and expenses incurred in the collection of such returned item from You, including reasonable attorneys' fees. Subject to Our Funds Availability Policy, You may not be able to withdraw funds from Your Account until We have received final settlement for any items deposited. If You make a deposit on a Saturday, Sunday, or a holiday, or after Our predetermined cut-off hour on business days, the deposit will be credited to Your Account as of the next business day.

COLLECTION AND PROCESSING OF ITEMS. In processing items You have deposited for collection, We are only Your agent and assume no responsibility beyond the exercise of ordinary care. Any item deposited is subject to final settlement in cash or credit. We may use any method We feel is appropriate to collect items, which may include use of a Federal Reserve Bank. We are not responsible for the acts of any third party We use for the collection of items, including responsibility for lost items. If We use a local clearinghouse in the collection of items, You authorize Us to do so and to act in accordance with any applicable rules and regulations. We may permit You to withdraw funds from Your Account before final settlement has been made. However, if final settlement is not made, We have the right to charge Your Account or otherwise require You to repay such funds. In processing items presented for payment on Your Account, We will pay such items each business day based solely on the amount of the check presented for payment (with the lowest dollar amount paid first, the next highest dollar amount will be paid second, so forth and so on), subject to the available funds in that Account. All of which means that the transactions may not be processed in the order in which they occurred and that You could incur multiple fees in a single day should there be insufficient funds to pay all items presented that day.

OVERDRAFT PROTECTION. To the extent permitted by law, You authorize Us to transfer funds from other Accounts You may have with Us in necessary multiples (or in such increments as We may from time to time determine) to Your Account to cover any overdraft. If You have a line of credit with Us, transfers will be made first from Your primary savings Account, provided You have enough available funds in that Account, then from Your line of credit up to Your available credit limit, and then We may elect to pay such overdraft, subject to any preference You have indicated to Us for clearing any overdraft(s). Overdraft transfers are subject to a transfer fee. You hold Us harmless from any and all liability which might otherwise exist if a transfer does not occur.

OVERDRAFTS. You understand and agree that We may from time to time, and at Our sole discretion, pay certain items in order to cover an overdraft, and charge You a fee for doing so. You further understand that payment of any overdrafts will be made in an order of Our choosing. You hold Us harmless from any and all liability which might otherwise exist if We do not pay an overdraft. If You would like to opt-out, that is, if You would prefer We not pay any check that would overdraw Your checking Account, You may opt-out by writing to Us at 700 East Sharon Avenue, Houghton, Michigan 49931 or by calling Us at (906) 482-5005, and informing Us of Your intention to opt-out.

NOTICE OF RECEIPT OF ACH ITEMS. Under the operating rules of the National Automated Clearing House Association which are applicable to ACH transactions involving Your account and as permitted by law, We are not required to give You next day notice of receipt of an ACH item, and We will not do so. We will continue to notify You of the receipt of payments in the periodic statements We provide to You.

PROVISIONAL PAYMENT (ACH ORIGINATION). Credits given by any Receiving Depository Financial Institution to the receiver with respect to any automated clearing house credit entries subject to Article 4A of the Uniform Commercial Code (UCC-4A), are provisional until the Receiving Depository Financial Institution has received final settlement through a Federal Reserve Bank, or has otherwise received payment as provided in §4A-403(a) of UCC-4A. If the Receiving Depository Financial Institution does not receive such final settlement or payment, then they shall be entitled to a refund from the receiver of the amount so credited, and We shall not be deemed to have paid the receiver the amount of such entry.

PROVISIONAL PAYMENT (ACH RECEIPT). Credit given by Us to You with respect to any 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 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 the amount of such entry.

CHOICE OF LAW. We may accept payments on Your behalf for Your account which have been transmitted through one or more Automated Clearing Houses ("ACH") and which are not subject to the Electronic Fund Transfer Act. Your rights and obligations with respect to such payments shall be construed in accordance with and governed by the laws of the State of New York as provided by the

ACCOUNT AGREEMENT (continued)

operating rules of the National Automated Clearing House Association, which are applicable to ACH transactions involving Your account, except to the extent that We may otherwise stipulate in a separate document provided concurrent with these Agreements and Disclosures.

EXPENSES. If We incur any costs or expenses as a result of any attachment, garnishment or levy against Your Account, You will reimburse Us for such costs or expenses or We may charge them to Your Account.

INACTIVE OR DORMANT ACCOUNTS. If no activity occurs in Your account within the time period specified by applicable state law, the property in Your account may be subject to transfer to the appropriate state authority ("escheatment"). We have no liability if Your Account becomes dormant and is therefore subject to escheatment in accordance with applicable state law.

LIEN IMPRESSMENT AND SET-OFF. You agree that We may impress and enforce a statutory lien upon Your Accounts with Us to the extent You owe Us any money and We may enforce Our right to do so without further notice to You. We have the right to set-off any of Your money or property in Our possession against any amount You owe Us. The right of set-off and Our impressed lien does not extend to any Keogh, IRA or similar tax deferred deposit You may have with Us. If Your Account is owned jointly, Our right of set-off and Our impressed lien extends to any amount owed to Us by any of the joint Owners.

CREDIT REPORTING NOTICE. We may report information about Your account to credit bureaus. Late payments, missed payments, or other defaults on Your account may be reflected in Your credit report.

MINIMUM BALANCE REQUIREMENTS, FEES AND SERVICE CHARGES. You agree to pay Us any applicable fees or charges, and are responsible for any minimum balance requirements and deposit requirements called for in Our Agreements and Disclosures provided to You when You opened Your Account. In any case and with proper notice to You, fees, charges, balance requirements and deposit requirements may be changed by Us from time to time.

SUSPENSION OF SERVICES. We have the right to suspend the benefit of any Credit Union service at any time for reasonable cause. At Our discretion, We also have the right to pay any check presented for payment from Your Account after Your Account is closed or suspended and to recover such amount paid from You. Account services are available to those members in good standing with the Credit Union. We reserve the right to cancel or suspend services to a member who is not in good standing, which includes, but is not limited to members that have: (a) a delinquent loan; (b) a primary savings Account balance below the \$25.00 minimum (\$5.00 for members 17 years of age or younger); (c) an unresolved deposited returned check; (d) any unpaid and uncollected fees; (e) a negative balance on an Account; (f) failed to comply with the terms and conditions of any lawful obligation with Us, and as a result, caused Us to suffer a financial loss; (g) manipulated or otherwise used Our services or products in the furtherance of an illegal purpose; (h) committed, or threatened, acts of violence against Our employees, agents or members; (i) failed to conduct themselves in a civil and businesslike manner; (j) committed or attempted to commit fraud; or (k) used a personal account for commercial purposes.

ASSIGNABILITY. You may not assign or transfer any interest in Your Account.

AGREEMENTS AND DISCLOSURES. The Agreements and Disclosures provided to You at the time You opened Your Account and referred to throughout this Agreement, contain: (a) a list of fees and charges applicable to Your Account; (b) the dividends and applicable Annual Percentage Yield (APY); (c) how dividends are credited or compounded; and (d) other pertinent information related to Your Account. Your Agreements and Disclosures may be amended by Us from time to time in a manner as prescribed by law.

STOP PAYMENTS. You may ask Us orally to stop payment on a check. For any such request to remain valid, however, You must also supply Us with a written request within 14 days after You make any such oral request. Stop payment requests are also subject to the terms and conditions of the Order For Stop Payment form related to any such request. Your request must be given to Us in a timely manner so that We have a reasonable opportunity to act on Your request. A written stop payment request is effective for six months. If at the end of 6 months You request Us to continue the stop payment order, that request will be treated as a new request. We are not liable if We pay a check which You have requested Us to stop payment on as long as We act in good faith and exercise ordinary care.

In any event, any damages that We might otherwise be liable for shall not exceed the amount of the involved check. If We do pay a check for which You have requested stop payment and as a result any other item is returned unpaid by Us due to nonsufficient funds, We are not liable for any consequences resulting from such action. If Your Account is a joint Account, any Owner of the Account may request a stop payment. Any release of a stop payment order must be made by

the person who made the request. If You ask Us to stop payment on a pre-authorized transfer, Your request will be processed under the provisions of Our Electronic Fund Transfer Agreement with You.

You may also ask Us to replace a lost, destroyed or stolen cashier's, teller or certified check and if You do, You agree to execute a declaration of loss and claim for reimbursement form together with any other documentation We may require, such as an affidavit. Regardless of the type of documentation presented to Us, the request must be in a form acceptable to the Credit Union and given to Us in a timely manner so that We have a reasonable opportunity to act on such request. Such declaration of loss and claim for reimbursement will not become effective until the later of: (a) the 90th day after the date of the check (or 90th day following the date of acceptance, in the case of a certified check); or (b) the date We receive the declaration of loss and claim for reimbursement together with any other required documentation.

CHECKS AND OTHER ACCOUNT ACCESS DEVICES. Any check or other Account access device which does not meet Our standards for acceptance may be rejected by Us, whether such standards are established by law, regulation or Our own policy.

POSTDATED, STALE OR OVERDRAFT CHECKS. You understand that postdating a check will have no effect on whether or not it is honored prior to or after the date of any check. A stale check is any check received by Us that is dated 6 months or more prior to the date of receipt. We may pay or refuse to pay any postdated, stale or overdraft check, or other item presented for payment on Your Account without any liability.

CHECK SAFEKEEPING. Check Safekeeping is automatic on Your Account and Your cancelled checks will not be returned to You. You understand that cancelled checks retained by Us are later destroyed after a reasonable period of time. If You subsequently request a copy of a check and We are unable to supply it, then We shall not be liable for any damage You may sustain in excess of the face amount of the involved check.

PERIODIC STATEMENTS. You will be provided with a periodic statement showing activity on Your Account. If You believe any statement reflects discrepancies, You must notify Us of such discrepancies within 30 days from the date We mailed the statement to You. If the discrepancy noted is the result of an electronic fund transfer, then the provisions of Our Electronic Fund Transfer Agreement with You will control resolution of the matter.

AMENDMENTS. This Agreement may be amended by Us at any time, in which case We will provide You with a notice of amendment as required by law or regulation.

NOTIFICATION OF ADDRESS CHANGE. You will notify Us promptly in writing with Your signature if You move or otherwise have a change of address. In the event We are unable to locate You, You agree to pay all fees associated with maintaining an invalid address in Our records and any costs and locator fees incurred in Our locating efforts.

WAIVERS. You agree and understand that Our failure or delay to exercise any right, remedy, power, or privilege available to Us pursuant to this Agreement shall not affect or disallow Our future exercise of that right, remedy, power or privilege.

ELECTRONIC COMMUNICATIONS. By applying for membership in the Credit Union, You authorize Us to send You, from time to time, and to the extent permitted by applicable law, electronic communications regarding the status of any savings, checking, and/or term Account(s) You maintain with Us. You also authorize Us to send You electronic communications regarding any other accounts You may maintain with Us from time to time including, but not limited to, loan accounts, credit line accounts, and credit card accounts. These electronic communications are sometimes referred to as "transactional or relationship messages."

You authorize Us to contact You using any wireless, cellular, mobile or other telephone number You have provided to Us on Your membership application, and at any wireless, cellular, mobile or other telephone number You may furnish to Us or We may obtain for You in the future. We may contact You using any electronic means We choose, which may include but is not limited to, voice messages, text messages and other similar electronic methods of communication. If You have furnished Us with any e-mail address(es), You understand and agree that We may send You e-mail messages regarding Your Account(s) with Us from time to time. If You have or subsequently enter into any separate consent to receive electronic documentation form, any communications covered by such disclosure and consent shall be subject to the terms and conditions set forth in that disclosure and consent.

You understand that the nature of electronic communications is such that anyone with access to Your wireless, cellular, mobile or other telephonic device or e-mail may be able to read or listen to such transactional or relationship messages from Us, and You agree that any person or party sending or leaving such messages shall have no liability for any consequences resulting from the interception of such messages

ACCOUNT AGREEMENT (continued)

by any other party. Without limitation, You also agree that You are responsible to pay all costs that You may incur as a result of any contact method We choose including, but not limited to, charges for telecommunications, wireless and/or internet charges.

CONSENT TO RECORDING. You provide Your express consent to Our monitoring and recording of conversations and other communications with You.

Your consent applies to Our monitoring and recording of telephone conversations, electronic messages, electronic records, or other data transmissions between You and Us regarding Your Account or other products and services offered by Us.

GOVERNING LAW. This Agreement shall be governed by the laws of the State of Michigan, except to the extent that federal law controls.

ACCOUNT DISCLOSURES

THE FOLLOWING DISCLOSURES CONTAIN IMPORTANT INFORMATION AND THE TERMS AND CONDITIONS OF ANY ACCOUNT OR ACCOUNTS THAT YOU MAY HAVE WITH US AND ARE PROVIDED AS REQUIRED BY THE TRUTH-IN-SAVINGS ACT. WHEREVER USED, "APY" MEANS ANNUAL PERCENTAGE YIELD.

SPECIFIC TERMS APPLICABLE TO YOUR PRIMARY SHARE SAVINGS ACCOUNT (Ages 18 Years & Greater)

Tiered Variable Rate Information. This Account is subject to a Tiered Variable Rate. For the current interest rate and corresponding APY, refer to the accompanying account disclosure rate supplement which We have included with and made a part of this Disclosure.

Minimum Balance Requirements. The minimum balance required to open this Account is \$25.00. You must maintain an average daily balance in Your Account during each dividend period that equals or exceeds \$25.00, in order to earn the disclosed APY.

SPECIFIC TERMS APPLICABLE TO YOUR SECONDARY SHARE SAVINGS ACCOUNT (Ages 18 Years & Greater)

Tiered Fixed Rate Information. This Account is subject to a Tiered Fixed Rate. For the current interest rate and corresponding APY, refer to the accompanying account disclosure rate supplement which We have included with and made a part of this Disclosure.

Minimum Balance Requirements. No minimum balance requirements apply to this Account.

SPECIFIC TERMS APPLICABLE TO YOUR SECONDARY SHARE SAVINGS ACCOUNT (Ages 17 Years & Less)

Tiered Fixed Rate Information. This Account is subject to a Tiered Fixed Rate. For the current interest rate and corresponding APY, refer to the accompanying account disclosure rate supplement which We have included with and made a part of this Disclosure.

Minimum Balance Requirements. No minimum balance requirements apply to this Account.

SPECIFIC TERMS APPLICABLE TO YOUR TEEN SAVER ACCOUNT (Ages 13-17)

Tiered Variable Rate Information. This Account is subject to a Tiered Variable Rate. For the current interest rate and corresponding APY, refer to the accompanying account disclosure rate supplement which We have included with and made a part of this Disclosure.

Minimum Balance Requirements. The minimum balance required to open this Account is \$5.00.

SPECIFIC TERMS APPLICABLE TO YOUR YOUTH SAVER ACCOUNT (Ages 12 Years & Less)

Tiered Variable Rate Information. This Account is subject to a Tiered Variable Rate. For the current interest rate and corresponding APY, refer to the accompanying account disclosure rate supplement which We have included with and made a part of this Disclosure.

Minimum Balance Requirements. The minimum balance required to open this Account is \$5.00.

SPECIFIC TERMS APPLICABLE TO YOUR HEALTH SAVINGS ACCOUNT (Ages 18 Years & Greater)

Fixed Rate Information. This Account is subject to a Fixed Rate. For the current dividend rate and corresponding APY, refer to the accompanying account disclosure rate supplement which We have included with and made a part of this Disclosure.

Minimum Balance Requirements. The minimum balance required to open this Account is \$25.00. In order to earn the disclosed APY, You must maintain an average daily balance in Your Account that is at least equal to \$1.00.

Transaction Limitations. Health Savings Accounts (HSAs) are also subject to limitations imposed by the Internal Revenue Service. Please consult Your HSA agreement or tax advisor for additional information.

SPECIFIC TERMS APPLICABLE TO YOUR SHARE DRAFT ACCOUNT

Dividend Information. No dividends are paid on this Account.

Minimum Balance Requirements. No minimum balance requirements apply to this Account.

Transaction Limitations. No transaction limitations apply to this Account.

SPECIFIC TERMS APPLICABLE TO YOUR TERM SHARE CERTIFICATE ACCOUNT (Ages 18 Years & Greater)

Fixed Rate Information. These Accounts are subject to a Fixed Rate. For the current dividend rate and corresponding APY, refer to the accompanying Account Disclosure Rate Supplement which We have included with and made a part of this Disclosure.

Minimum Balance Requirements. For the minimum balance required to open these Accounts, refer to the separate "Account Disclosure Rate Supplement". You must maintain a balance equal to the minimum balance required to open Your Account each day to obtain the disclosed annual percentage yield and to keep Your Account open.

Transaction Limitations. Once Your Account is established, You may not make additional deposits prior to maturity. The Credit Union reserves the right to require a member intending to make a withdrawal to give written notice of such intent not less than 7 and up to 60 days before any such withdrawal.

Maturity Date. Your Account will mature after the term indicated on the accompanying Account Disclosure Rate Supplement.

Early Withdrawal Provisions. We will impose a penalty if You withdraw any funds before the maturity date. For Accounts with a term to maturity equal to or less than 12 months, the penalty imposed will equal 90 days' dividends. For Accounts with a term to maturity greater than 12 months, the penalty imposed will equal 180 days' dividends.

Renewal Policies. Your Account will renew automatically at maturity, You will have a 10-calendar-day grace period following the Maturity Date to make withdrawals and/or deposits without penalty.

SPECIFIC TERMS APPLICABLE TO YOUR TERM SHARE CERTIFICATE ACCOUNT (Ages 17 Years & Less)

Fixed Rate Information. These Accounts are subject to a Fixed Rate. For the current dividend rate and corresponding APY, refer to the accompanying Account Disclosure Rate Supplement which We have included with and made a part of this Disclosure.

Minimum Balance Requirements. For the minimum balance required to open these Accounts, refer to the separate "Account Disclosure Rate Supplement". You must maintain a balance equal to the minimum balance required to open Your Account each day to obtain the disclosed annual percentage yield and to keep Your Account open.

Transaction Limitations. Once Your Account is established, You may not make additional deposits prior to maturity. The Credit Union reserves the right to require a member intending to make a withdrawal to give written notice of such intent not less than 7 and up to 60 days before any such withdrawal.

Maturity Date. Your Account will mature after the term indicated on the accompanying Account Disclosure Rate Supplement.

ACCOUNT DISCLOSURES (continued)

Early Withdrawal Provisions. We will impose a penalty if You withdraw any funds before the maturity date. For Accounts with a term to maturity equal to or less than 12 months, the penalty imposed will equal 90 days' dividends. For Accounts with a term to maturity greater than 12 months, the penalty imposed will equal 180 days' dividends.

Renewal Policies. Your Account will renew automatically at maturity. You will have a 10-calendar-day grace period following the Maturity Date to make withdrawals and/or deposits without penalty.

GENERAL TERMS APPLICABLE TO ALL ACCOUNTS

Member in Good Standing. The Account services described in these Agreements and Disclosures are available to those members in good standing with the Credit Union. We reserve the right to suspend services to a member who is not in good standing, which includes members that have:

- a delinquent loan.
- a primary share Account balance below the \$25.00 minimum (\$5.00 for members 17 years of age or younger).
- an unresolved deposited returned check.
- unpaid and uncollected credit union fees.
- a negative balance on an Account.

Minimum Balance Requirements. To be a member and maintain Accounts with Us You must purchase 5 shares (1 share for members 17 years of age or younger) in the Credit Union. The par value of a share in this Credit Union is \$5.00. If the balance in Your primary share Account drops below 5 shares (\$25.00), or 1 share for members 17 years of age or younger, at any time, We may, at Our option, close Your Account.

Nonsufficient Funds Returns. Any share draft or pre-authorized transfer, or transaction made through the use of a debit card, or other electronic means, as is applicable (including any in-person transaction), that is presented to Us for payment on Your Account when Your Account lacks sufficient collected funds to pay any such item may, at Our option, be returned for nonsufficient funds or We may honor any such item and charge You a fee for doing so.

Overdraft Balance Calculation. When processing transactions that debit or credit Your Account, We start each Business Day with Your final Account balance from the preceding Business Day. The final balance takes into account all of the debit and credit transactions that were settled that Business Day pursuant to Our Funds Availability Policy, as well as any other debits or credits to Your Account that were finally settled that day, as described above in the "Deposit of Items" and "Collection and Processing of Items" sections of the Account Agreement. This starting balance at the beginning of a Business Day (the preceding Business Day's final balance) is sometimes referred to as Your "actual balance."

As credits and debits to Your Account are received by Us, We add them to and subtract them from Your actual balance. Examples of credits include, but are not limited to, electronic direct deposits, check deposits that have been fully and finally collected, ACH credits that have settled that day, and cash deposits made to one of Our tellers. Examples of debits include, but are not limited to, checks drawn on Your Account that are presented to Us for payment together with such checks that are returned unpaid and subsequently represented for payment, electronic fund transfer (EFT) debit transactions (such as preauthorized payments and settled EFT debits) and all reinitiated electronic fund transfer (EFT) debit transactions (such as preauthorized payments), memo-posted EFT debits (EFT debits that We have authorized but which have not been settled), and all Credit Union fees and charges. As noted above, these examples are not an exhaustive list and should not be construed as such. The result of this calculation at any given point in time is called Your "available balance."

For the purpose of determining whether an overdraft has occurred, We use Your available balance. First, We add all of the settled credit transactions to the

beginning actual balance. Then, We subtract all of the debit transactions that settled that day. We also subtract all of the pending debit transactions. This determines the available balance for overdraft purposes. Each debit transaction that We process when Your Account has, or will have, a negative available balance is an overdraft, subject to an overdraft charge.

The following example illustrates the difference between the actual balance and the available balance, and how that difference may affect when overdraft fees and charges will be assessed. Assume Your actual and available balances are both \$100.00, and Your Card was used for a \$60.00 transaction at a merchant. As a result, Your available balance will be reduced by \$60.00, so Your available balance is only \$40.00. Your actual balance is still \$100.00. Before the merchant charge is sent to Us for posting, a \$50.00 check is presented for payment. Because You have only \$40.00 available (You have committed to pay the merchant \$60.00), Your Account will be overdrawn by \$10.00 (i.e. \$40.00 minus \$50.00), even though Your actual balance was \$100.00 before the check posted and is still \$50.00 after the check posts. In this case, We may pay the \$50.00 check, but You will be charged an overdraft fee as disclosed in the fee schedule provided to You. That fee will be deducted from Your Account, further reducing the balance.

Subject to applicable law, You are responsible for paying any overdraft fees and charges assessed in connection with Our payment of an overdraft, as well as any NSF fees charged to Your Account when We dishonor and return an item for non-sufficient funds. It is Your responsibility to know Your Account balance, and if You have any questions You should contact a Credit Union representative.

Withdrawal of Dividends Prior to Maturity. For all term share certificate Accounts, the Annual Percentage Yield assumes dividends remain on deposit until maturity. A withdrawal will reduce earnings.

Additional Transaction Limitations. For all Accounts (except for Share Draft Accounts) during any statement period, You may not make more than six withdrawals from or transfers to another Credit Union Account of Yours or to a third party by means of a pre-authorized or automatic transfer or telephonic order or instruction, or by check, draft, debit card, if applicable, or similar order to a third party. If You exceed these limitations, Your Account may be subject to an excess transaction fee and/or closure by the Credit Union. For all accounts (except for share draft Accounts) the Credit Union reserves the right to require a member intending to make a withdrawal to give written notice of such intent not less than seven days and up to 60 days before any such withdrawal.

Nature of Dividends. All dividend rates are prospective, and are paid from current income and available earnings, after required transfers to reserves at the end of a dividend period.

Compounding and Crediting. For all dividend-bearing Accounts, dividends will be earned daily for each day on which Your balance exceeds the minimum balance requirement for Your Account. For all dividend-bearing Accounts, the dividend period is Quarterly and dividends will be compounded and credited to Your Account Quarterly. You will not be paid any accrued but uncredited dividends at the time You close Your Account.

Balance Computation Method. For all dividend-bearing Accounts, dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the Account each day.

Accrual on Noncash Deposits. For dividend-bearing Accounts, dividends will begin to accrue on the business day that You deposit noncash items (e.g. checks) into Your Account.

Fees and Charges. Any fees and charges applicable to Your Account are disclosed on the accompanying schedule of fees and charges provided in conjunction with these Agreements and Disclosures.

ELECTRONIC SERVICES AGREEMENT AND DISCLOSURE

THIS IS YOUR ELECTRONIC SERVICES AGREEMENT AND DISCLOSURE. IT INCLUDES NECESSARY FEDERAL STATEMENTS AS REQUIRED BY THE ELECTRONIC FUND TRANSFER ACT (15 U.S.C. SECTION 1693 ET SEQ) AND ANY SPECIAL INSTRUCTIONS REGARDING THE USE OF YOUR BFCU MASTERCARD DEBIT CARD, OUR AUDIO RESPONSE SYSTEM ("iTALK"), OUR PERSONAL COMPUTER ACCOUNT ACCESS SYSTEM ("ONLINE BANKING"), AND OUR MOBILE INTERNET ACCESS SYSTEM ("MOBILE BANKING"), EACH WITH THEIR CORRESPONDING PERSONAL IDENTIFICATION NUMBER (PIN) OR ACCESS CODE, AND ANY CHECKS YOU AUTHORIZE TO BE PROCESSED ELECTRONICALLY ("E-CHECK").

BFCU MASTERCARD DEBIT CARD, iTALK, ONLINE BANKING, MOBILE BANKING, AND E-CHECK AGREEMENT. This Agreement applies to any electronic fund transfer made to or from Your Account(s) by You or by any user who has access to Your Account with actual, apparent or implied authority for use of Your Account. Electronic fund transfers to and from Your Account can be made through the use of, but may not be limited to the following: (a) Your Card in Automated Teller Machines (ATMs) or at any place that it is honored including

those transactions made through the use of the appropriate PIN in conjunction with Your Card; (b) Our iTalk system; (c) Our Internet Banking system; (d) Our Mobile Banking system; and (e) any check which You authorize the payee to process electronically. An electronic fund transfer is any transfer of funds which is performed through the use of Your Card, Our iTalk system, Our Internet Banking system, Our Mobile Banking system, E-Check or other electronic device. You understand that Your Card and any Personal Identification Numbers (PINs) or

ELECTRONIC SERVICES AGREEMENT AND DISCLOSURE (continued)

Access Codes are issued by Us and are not transferable. The use of Your Card, PIN and/or any other Account access device is subject to the following terms. You agree: (a) to abide by Our rules and regulations as amended related to the use of Your Card, PIN and/or other Account access device; (b) that We may follow all instructions given to Machines; (c) not to use Your Card for illegal transactions including, but not limited to, advances made for the purpose of gambling and/or wagering where such practices are in violation of applicable state and/or federal law; and (d) that each withdrawal by You or by any authorized user of Your Card or PIN may be charged to Your share or share draft Account, as appropriate, and will be treated as though it were a share withdrawal except that: (1) We may charge withdrawals to Your share Account in any order We determine; and (2) We cannot honor stop payment requests on ATM and POS withdrawals.

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

Health Savings Accounts (HSAs) are a form of trust account under federal law (Internal Revenue Code, 26 U.S.C. § 223(d)). Although your Health Savings Account is an account into which and from which funds may be transferred electronically, it is not an "account" for purposes of the Electronic Fund Transfers Act and Regulation E (12 C.F.R. 1005.2(b)(3)), and is therefore not subject to the limitations and liability protections that apply to other accounts under Regulation E.

ISSUANCE OF PERSONAL IDENTIFICATION NUMBERS AND ACCESS CODES. You will be issued separate Personal Identification Numbers (PINs) to be used in conjunction with BFCU Mastercard Debit Card transactions and a separate Access Code to be used in conjunction with iTalk, Online Banking and Mobile Banking. Your use of Your PIN or Access Code is Your authorization to Us to withdraw funds from Your share Account or Your share draft Account to cover such transactions.

OWNERSHIP OF ACCESS DEVICES. Your Card and/or any other Account access device will remain Our property and any such Card or other Account access device We may issue may be cancelled or its use restricted by Us at any time without notice, except as may be required by applicable law. You agree to surrender any such Card and/or access device and to discontinue its use immediately upon Our request. You will be required to return any Account access device(s) to Us immediately upon the closing of Your Account.

OTHER AGREEMENT. If electronic fund transfer transactions involve other agreements You have with Us, the terms of those agreements will apply as well.

BUSINESS DAYS. Every day is a business day except Saturdays, Sundays and holidays.

DELAYED FUNDS AVAILABILITY NOTICE. See Our Funds Availability Policy Disclosure for Our policy regarding the availability of Your deposits.

TYPES AND LIMITATIONS OF SERVICES

BFCU MASTERCARD DEBIT CARD TRANSACTIONS. You may use Your Card in conjunction with Your PIN in any of Our network of ATMs and such other machines or facilities as We may designate, to deposit cash and checks to Your share and share draft Account(s). You may also use Your Card in conjunction with Your PIN in any of Our network of ATMs and such other machines or facilities as We may designate to: (a) transfer funds between Your share and share draft Accounts that You have with Us; (b) make withdrawals from Your share and share draft Accounts; and (c) make miscellaneous inquiries on Your share and share draft Accounts with Us. You may also use Your Card in conjunction with Your PIN to purchase goods and services ("POS") at any business establishment where the Card is accepted.

ATM withdrawals may not exceed \$500.00 per calendar day (share and share draft combined), subject to the available funds in Your Account.

Except for teen Accountholders (Ages 13-14 years of age), POS withdrawals may not exceed \$1,500.00 per calendar day (share and share draft combined), subject to the available funds in Your Account.

For Teen Accountholders (Ages 13-14 years of age), You may not use Your card for POS transactions.

ITALK TRANSACTIONS. You may use iTalk in conjunction with Your Access Code and a touch-tone telephone to make the following types of transactions: (a) make loan payments to Us from Your share and share draft Accounts that You have

with Us; (b) transfer funds between Your share and share draft Accounts that You have with Us; (c) transfer funds from Your share and share draft Accounts that You have with Us to other members' accounts that they have with Us; and (d) make miscellaneous inquiries on Your Account(s) with Us. iTalk operates 24 hours every day. If You attempt to use the system and are told that "the system is not available," please call back later when service is restored.

ONLINE BANKING TRANSACTIONS. You may use Online Banking in conjunction with Your Access Code, an internet connection and a personal computer for the following services: (a) make loan payments to Us from Your share and share draft Accounts that You have with Us; (b) transfer funds between Your share and share draft Accounts that You have with Us; (c) transfer funds from Your share and share draft Accounts that You have with Us to other members' accounts that they have with Us; (d) transfer funds from Your share and share draft Accounts that You have with Us to Your accounts at other financial institutions; (e) transfer funds from Your accounts at other financial institutions to Your share and share draft Accounts that You have with Us; and (f) make miscellaneous inquiries on Your Account(s) with Us.

MOBILE BANKING TRANSACTIONS. You may use Mobile Banking in conjunction with Your Access Code, an internet connection and an internet enabled mobile computing device (e.g. smartphone or tablet), for the following services: (a) make loan payments to Us from Your share and share draft Accounts that You have with Us; (b) transfer funds between Your share and share draft money that You have with Us; (c) transfer funds from Your share and share draft Accounts that You have with Us to other members' accounts that they have with Us; (d) transfer funds from Your share and share draft Accounts that You have with Us to Your accounts at other financial institutions; (e) transfer funds from Your accounts at other financial institutions to Your share and share draft Accounts that You have with Us; and (f) make miscellaneous inquiries on Your Account(s) with Us.

You may also be able to access the remote deposit system through Our Mobile Banking system. Access to the remote deposit system will allow You to initiate the deposit of checks into Your savings and checking Account(s) You have with Us by using an internet enabled mobile computing device (e.g. smartphone or tablet), an imaging application/device, special software and an Access Code and/or User ID. You understand and agree that the remote deposit of items into Your deposit accounts with Us through use of the remote deposit system is not subject to the Electronic Fund Transfer Act (15 U.S.C. § 1693 et seq.) or Regulation E (12 CFR 1005.1 et seq.). The remote deposit of items into Your designated deposit accounts with Us is instead governed solely by the terms and conditions set forth in the separate remote deposit capture agreement.

NOTIFICATION OF PRE-AUTHORIZED DEPOSITS. If You have arranged to have direct deposits made to Your Account at least once every 60 days (from Your employer, the federal government or other payor), You can call Us at (906) 482-5005 to find out whether or not the deposit has been made.

RIGHT TO STOP PRE-AUTHORIZED PAYMENTS. If You want to stop any pre-authorized payments, call Us at (906) 482-5005, or write to Us at 700 East Sharon Avenue, Houghton, Michigan 49931 in time for Us to receive Your stop payment request 3 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 get it to Us within 14 days after You call. To be sure that a third party does not bill You again for the "stopped" payment or to cancel the entire pre-authorized payment arrangement, contact the third party.

To ensure that recurring preauthorized charges established and authorized by You are not interrupted in the event that Your Card or other Access Device is reissued, We may, but are under no obligation to do so, enroll Your account in automatic account information update services that communicate new Card/Access Device information to the service providers with whom You have established preauthorized recurring charges, the purpose of which is to ensure charges You authorize continue without interruption.

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

OUR LIABILITY FOR FAILURE TO STOP PAYMENT. If You order Us to place a stop payment on one of Your pre-authorized payments 3 business days or more before the transfer is scheduled, and We do not do so, We will be liable for losses or damages, to the extent provided by law.

TRANSACTION SLIPS. You can get a receipt at the time You make any transaction to or from Your Account (except iTalk, Online Banking, Mobile Banking, mail-in transactions, and certain small-value transactions). When an electronic fund transfer has been made during any given month, You will receive a monthly statement to

ELECTRONIC SERVICES AGREEMENT AND DISCLOSURE (continued)

reflect all electronic fund transfers to or from Your Account during that statement period. In any case, You will receive a statement at least quarterly.

FEES. We may assess reasonable charges against Your Account for transactions performed at electronic terminals. If so, We will specify any charges for these or other types of electronic transactions, including automatic transfers, on an accompanying pricing document. We will explain the charges to You when You open Your Account. You will be provided with a fee schedule, iTalk, Online Banking, Mobile Banking and other specified information after Your Account is established. Additional fee schedules are available at any of Our office locations. When You use an ATM not owned by Us, You may be charged a fee by the ATM operator, or any network used, and You may be charged a fee for a balance inquiry even if You do not complete a fund transfer.

LIABILITY FOR FAILURE TO COMPLETE TRANSACTIONS. If We do not properly complete a transaction to or from Your Account according to this Agreement, We will be liable for Your losses or damages. However, We will not be liable if: (a) Your Account does not contain enough available funds to make the transaction through no fault of Ours; (b) the ATM where You are making the transfer does not have enough cash; (c) the terminal was not working properly and You knew about the breakdown when You started the transaction; (d) circumstances beyond Our control prevent the transaction despite reasonable precautions that We have taken; (e) Your Card is retrieved or retained by an ATM; (f) Your Card or PIN has been reported lost or stolen and We have blocked the Account; (g) the money in Your Account is subject to legal process or other claim; (h) there are other lawful exceptions established by Us and You are given proper advance notice of them; (i) You exceed any limits on Your Account; and (j) the BFCU Mastercard Debit Card network does not allow the transaction to proceed due to anti-fraud or similar consumer protections employed by that network.

LIABILITY FOR UNAUTHORIZED USE. Telephone Us at once at (906) 482-5005, or write to Us at 700 East Sharon Avenue, Houghton, Michigan if You believe Your Card or PIN have been lost or stolen or if You believe that an electronic fund transfer has been made without Your permission using information from Your check. Telephoning is the best way of keeping Your possible losses down. You could lose all of the money in Your Account (plus Your maximum overdraft line of credit, if applicable). If You tell Us within 2 business days after You learn of the loss or theft of Your Card or PIN, You can lose no more than \$50.00 if someone uses Your Card or PIN without Your permission.

If You fail to tell Us within 2 business days after You learn of the loss or theft of Your Card or PIN and We can prove that We could have stopped someone from using Your Card or PIN without Your permission if You had told Us, then You could lose as much as \$500.00.

Also, if Your statement shows transfers that You did not make, including those made by Card, PIN or other means, You will 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. If a valid reason (such as a long trip or hospital stay) keeps You from giving Us notice, We will extend the time periods.

Exception: You will have no liability for the unauthorized use of Your Mastercard Debit Card as long as You used reasonable care in safeguarding Your Card from loss or theft and, upon becoming aware of such loss or theft, promptly report that loss or theft to the Credit Union. **This exception does not apply to a transaction conducted with a Card that is: (a) issued to an entity other than a natural person; (b) issued for a commercial purpose, except to the extent that such exception shall apply to transactions conducted for a small-business program; and (c) issued to a person until such time as that person's identity is registered by or on behalf of the Credit Union in connection with such issuance, which registration may include member identification program requirements.**

REVERSAL OF AN ELECTRONIC FUND TRANSFER. We will reverse an electronic fund transfer initiated by You to a third party in payment for goods and services and recredit Your Account for the full amount of the transfer if all of the following occur:

- You notify Us that You have made a good faith attempt to resolve Your dispute to a third party and assure that You have returned the goods in dispute to the third party where returnable goods are involved.
- The amount of the transfer is \$50.00 or more.
- Within four calendar days following the transaction, We receive from You during Our normal business hours, a written or oral request for reversal.
- You verify the reverse order, notice and assurance in writing within 14 days following oral notification, on a form We provide for that purpose. If You do not furnish written verification, We will reinstate the original debits and credits involved in the transaction to the extent of the available Account balance.

For purpose of this paragraph, normal business hours mean that part of any day We are open to the public for carrying on substantially all of Our business functions.

IN CASE OF ERRORS OR IF YOU HAVE QUESTIONS ABOUT ELECTRONIC TRANSFERS. Telephone Us at (906) 482-5005, or write to Us at 700 East Sharon Avenue, Houghton, Michigan, 49931 as soon as You can, if You think Your statement or receipt is wrong or if You need more information about a transaction listed on the statement or receipt. We must hear from You no later than 60 days after We send You the first statement on which the problem or error appeared.

- Tell Us Your name and Account number.
- Describe the error or the transfer You are unsure about, and explain as clearly as You can why You believe it is an error or why You need more information.
- Tell Us the dollar amount of the suspected error.

If You tell Us orally, We may require that You send Us Your complaint or question in writing within 10 business days.

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

For errors involving new accounts, point-of-sale, or foreign-initiated transactions, We may take up to 90 days to investigate Your complaint or question. For new accounts, We may take up to 20 business days to credit Your account for the amount You think is in error.

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

UNAUTHORIZED TRANSFERS. To report a lost or stolen Card, PIN, Access Code or any combination thereof, You will call Us at (906) 482-5005. You may also report the loss of a Card, PIN, Access Code or any combination thereof, by writing to Us at 700 East Sharon Avenue, Houghton, Michigan, 49931. You should also call the number or write to the address listed above if You believe a transfer has been made using the information from Your check without Your permission.

FOREIGN TRANSACTIONS. For transactions initiated in foreign currencies, the exchange rate between the transaction currency and the billing currency (U.S. Dollars) will be: (a) a rate selected by Mastercard from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Mastercard itself receives; or (b) the government-mandated rate in effect for the applicable central processing date. In each instance You will be charged 9/10th of 1.00% calculated on the final settlement amount for transactions that are initiated in foreign countries, and if Your transaction is also initiated in a foreign currency You will be charged an additional 2/10th of 1.00% calculated on the final converted settlement amount. Transactions initiated via the internet with merchants or other parties located outside of the United States of America are deemed to occur in the foreign country where the merchant or other party is located.

DISCLOSURE OF ACCOUNT INFORMATION. We may disclose information to third parties about Your Account or transfers You make: (1) when it is necessary to complete an electronic transaction; or (2) in order to verify the existence and conditions of Your Account for a third party such as a credit bureau or merchant; or (3) in order to comply with a government agency or court order, or any legal process; or (4) if You give Us written permission.

TERMINATION. We may terminate Your right to use Your Card, PIN or Access Code, or cancel this Agreement at any time upon written notice. You may request termination of these services in writing.

CHANGE IN TERMS. We may change the terms and charges for the services shown in this Agreement and may amend this Agreement from time to time upon proper notice to You.

REGULATORY AUTHORITY. If You believe We may have violated the laws governing Electronic Fund Transfers You may contact:

Department of Insurance and Financial Services
Office of Consumer Services
P.O. Box 30220
Lansing, MI, 48909

GOVERNING LAW. This Agreement is controlled and governed by the laws of the State of Michigan, except to the extent that such laws are inconsistent with controlling federal law.

FUNDS AVAILABILITY POLICY DISCLOSURE

EXCEPT FOR CHECKS DRAWN ON FOREIGN BANKS IN FOREIGN COUNTRIES, THIS DISCLOSURE DESCRIBES YOUR ABILITY TO WITHDRAW FUNDS FROM TRANSACTION ACCOUNTS AT BREAKWATER FEDERAL CREDIT UNION. YOU SHOULD ALSO REFER TO THE SECTION OF THESE AGREEMENTS AND DISCLOSURES THAT DESCRIBES THE DETAILS OF YOUR SPECIFIC ACCOUNT TYPE FOR ADDITIONAL INFORMATION.

Your Ability to Withdraw Funds. Our policy is to delay the availability of funds from Your cash and check deposits. During the delay, You may not withdraw the funds in cash and We will not use the funds to pay checks that You have written.

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

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

Same-Day Availability

Funds from the following types of deposits will be available on the day We receive the deposit:

- Funds from electronic direct deposits to Your Account.

Next-Day Availability

Funds from the following types of deposits will be available on the 1st business day after the day We receive Your deposit:

- U.S. Treasury checks that are payable to You.
- Wire transfers.
- Checks drawn on Us.

If You make the deposit in person to one of Our employees, funds from the following deposits are also available on the 1st business day after the day We receive Your deposit:

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

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

Other Check Deposits

The first \$225.00 of funds from other check deposits will be available on the day of Your deposit. The remaining funds will be available on the 2nd business day after the day of Your deposit. For example, if You deposit a check of \$700.00 on a Monday, \$225.00 of the deposit is available on Monday. The remaining \$475.00 is available on Wednesday.

Longer Delays may Apply. Funds You deposit by check may be delayed for a longer period under the following circumstances:

- We believe a check You deposit will not be paid.
- You deposit checks totaling more than \$5,525.00 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn Your account repeatedly in the last six months.
- There is an emergency, such as failure of computer or communication equipment.

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

Special Rules for New Accounts. If You are a new member, the following special rules will apply during the first 30 days Your Account is open. Funds from electronic direct deposits to Your Account will be available on the day We receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,525.00 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available on the 1st business day after the day We receive Your deposit if the deposit meets certain conditions. For example, the checks must be payable to You. The excess over \$5,525.00 will be available on the 7th business day after the day of Your deposit. If Your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of Our employees, the first \$5,525.00 will not be available until the 2nd business day after the day of Your deposit. Funds from all other check deposits will be available on the 9th business day after the day of Your deposit.

Holds on Other Funds. If We cash a check for You that is drawn on another institution, We may withhold the availability of a corresponding amount of funds that are already in Your Account. Those funds will be available to You at the time that the funds from the check We cashed for You would have been available if You had deposited it. If We accept for deposit a check that is drawn on another 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 policy for the type of check that You deposited.

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

Dividend Payment Policy. See the Account Disclosures section in these Agreements and Disclosures for Our policy on the payment of dividends.