

ACCOUNTS & SERVICES OF YOUR CREDIT UNION

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Notice to Members: The laws and regulations governing the financial services we provide are complex. To insure your understanding of our relationship with you, we provide this detailed agreement that explains both your responsibilities and ours. Please read this document carefully, and feel free to ask any questions regarding these terms and conditions.



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INTRODUCTION

Dear Member:

This Booklet and the Rate and Fee Schedule ("Schedule") explain the rules which govern your account(s) and account services with us. Please read this Booklet and the Schedule carefully and keep them in a safe and convenient location.

Your relationship with the Credit Union is also governed by state and federal laws and regulations, which may change from time to time. The body of law is too large and complex to be reproduced here. **The purpose of this Booklet is to: (1) summarize the rules applicable to common Transactions; (2) establish rules to govern Transactions not regulated by state or federal law; (3) establish variations to certain events or Transactions permitted by applicable law; and (4) provide you with certain disclosures and information regarding our policies as required by law.**

By signing a Membership Application or Signature Card or your use or continued use of any account or account services after receiving this Booklet, notice of its availability or notification of any change in terms, you, jointly and severally, agree that you understand and agree to the terms and conditions stated in this Booklet, and the Schedule, as amended from time to time. If you have any questions regarding any term or condition in this Booklet, please ask us before signing the Account Card, any application or using any of our services.

MEMBERSHIP, ACCOUNT AND ACCOUNT SERVICES AGREEMENT

1. Terms, Conditions and Limitations of Your Relationship with the Credit Union.

The purpose of this Section is to state the terms and conditions that apply to all of your accounts, account services or other relationships with us, including without limitation loan, safe deposit and other services with us. The agreements, terms, conditions, rules and regulations applicable to my checking account(s), savings account(s), VISA® credit and/or debit card(s), line(s) of credit, and any other applicable account(s) remain in full force and effect and continue to be applicable, except as specifically modified by this Agreement. Further, to the extent that the terms of a specific Subsection of this Agreement vary from the terms set forth in this Section, the specific terms and conditions of the Subsection will govern our relationship with you.

2. General Definitions. In this Booklet the words "**you**" or "**your(s)**" mean everyone that signs any Account Card or is authorized to make Transactions regarding your account(s) as provided herein or by governing law, including any account service(s). "**We**," "**us**," or "**our**" means the Fort Knox Federal Credit Union.

"**Account Card**" means any signature card, account change card or other form required to open or change an account or obtain an account service with us.

"**Access Device**" means any check card or other electronic access device and/or any codes, passwords or personal identification numbers that we issue to allow you to access and/or use any account or other service.

“Authorized User” means any person who has actual, implied or apparent authority, or who any owner has given any information, access device or documentation that enables such a person to access, withdraw, make transactions to or from your accounts, or to use any of your account services. This definition is

“Check” means an acceptable written “instrument” on your account(s), and includes the term “share draft.”

“Instrument” means a written order as defined by Kentucky Revised Statutes (KRS) 335.9-105(1).

“Member” means the person who has established their "membership" with us as set forth in paragraph 5 below, through a particular account. Each person must deposit and maintain the par value of the required shares to be a member. Pursuant to the Credit Union's policies, a joint owner may establish membership through a joint ownership interest in an account if otherwise qualified for membership. Thus, more than one member may establish “membership” through a particular account. Other owners' rights with regard to the par value deposit necessary to maintain membership may be restricted as set forth in this Agreement.

“Owner” means the person(s) who has a present ownership interest in the sums on deposit in the multiple party (joint) accounts with the Credit Union, subject to the Credit Union's lien rights or any security interest. A person is not an “owner” unless specifically designated as such in a completed and signed Membership Application/Signature Card.

“Shares” for the purpose of your pledge to secure your obligations to the Credit Union and otherwise, **“share(s)”** mean all deposits in any share savings, share draft, term share (certificate), trust or custodial account(s), whether jointly or individually held -- regardless of contributions, that you have on deposit now or in the future, all of which are deemed "general deposits," for the purpose of your pledge. Your pledge does not include any IRA or fiduciary account in which you do not have a vested ownership interest.

“Share drafts” include checks and other instruments drawn on your account(s) or submitted for deposit or collection.

“Transaction” means any deposit, order, transfer, payment, withdrawal or other instruction relating to any account/account service provided by the Credit Union.

3. Your Agreement With the Credit Union. All accounts and account services are governed by the terms and conditions in this Booklet and the Schedule; your Account Card(s), account receipts, and certificates; any other application or agreement we require; together with the Credit Union's Bylaws, policies and procedures, which are herein collectively referred to as "Agreement". This Membership and Account Agreement governs all of your accounts and services, except as may otherwise be specifically provided in this Booklet or other agreement(s) with us. Your Agreement may be amended or revised by us at any time, and any change in the Agreement shall be effective at the earliest time allowed

by law. This Agreement is binding upon all parties hereto and their heirs, successors, assigns and any other person claiming any right or interest under or through said parties.

You warrant and agree that you will not use any Credit Union Accounts or Services, including but not limited to loans, to make or facilitate any illegal transaction(s) as determined by applicable law; and that any such use, including any such authorized use, will constitute an event of default under this Agreement. 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) under applicable law, including but not limited to any transaction involving or relating to any gambling activity. You agree that the Credit Union will not have any liability, responsibility or culpability whatsoever for any such use by you or any authorized user(s); or for declining to accept, process, or pay any such transaction. You further agree to indemnify and hold the Credit Union harmless from any suits, liability, damages or adverse action of any kind that results directly or indirectly from such illegal use.

Pursuant to the Account Card used to establish your membership with us, you provided a certification regarding the accuracy of your taxpayer identification number (usually your Social Security Number) and whether your account is subject to backup withholding under the Internal Revenue Code. You acknowledge and agree that this certification applies to any and all accounts you have with us now or in the future, unless you provide written notification to us that specifically provides otherwise.

4. **Membership Benefits and Obligations.** Upon approval of your application and the deposit of any required shares, you become a member of this Credit Union. As a member, you are eligible to apply for all Credit Union deposit, loan and other financial services; and you may vote at all annual or special meetings of the membership if you are 18 years of age or older. You have an obligation to the Credit Union and all other members to follow the rules established from time to time for the use of these services, and not to cause the Credit Union any loss. **CROSS-COLLATERALIZATION: To reduce the possibility of loss, members grant to the Credit Union a lien on all shares and agree that all collateral pledged to secure any loan obligation owed to us will also secure payment of your other obligations. This pledge will secure all obligations owed at the time of the pledge or which arise thereafter. This "cross-collateralization" of your obligations applies to all debts regarding your accounts, loans or otherwise, including but not limited to each closed-end loan obligation, each advance under any open-end loan plan, all obligations under any credit card agreement with us, and overdrafts. Unless a contrary intent is evidenced in writing, obligations secured by a primary residence are not included in the "cross-collateralization" of your obligations to us.**

5. **Membership Eligibility and Future Services.** To open or maintain any account(s) or service(s) with us, you must qualify for membership and deposit and maintain the par value of the required shares as provided by the Credit Union's Bylaws and Charter. **To verify your eligibility for any account(s), service(s), or loan products, now and in the future, you authorize us to make inquiry to determine your employment history and to obtain information concerning any accounts with other institutions and your credit history, including consumer credit reports.** You agree that this authority applies to any account, account-related service, loans or other financial products you request or which we

may offer or make available to you. We may also report information concerning your account(s) and credit to others.

6. **Deposits to Your Account(s) and Instruments Cash**. Funds may be deposited to any account, in any manner that is acceptable to us. Deposits may be made by mail, in person at any of our offices having facilities to accept deposits, or by direct deposit or other electronic funds transfer allowed by us.

a. **Endorsements.** You authorize us, in our discretion, to accept transfers, checks, drafts, and other items for deposit into any of your accounts if they are made payable to, or to the order of any one or more owners on the account, whether or not endorsed by all payees. All owners are deemed to receive the benefit of all deposits and the proceeds of such deposits; and we may give cash back to any payee. You authorize us to supply missing endorsements of any owners. If an insurance, government, or other check or draft requires an endorsement as set forth on the back of the check or draft, we may require endorsement as set forth on the item. Endorsements must be placed in the space on the back of the share draft or check between the top edge and 1½ inches from the top edge. We may accept drafts or checks with endorsements outside this space. However, if any such endorsement or any other markings you or any prior endorser has made on the draft or check cause any delay or error in processing the item for payment, you will be responsible for any loss incurred by us due to the delay or error.

b. **Credit to Your Account(s).** All Transactions received for deposit after our "daily cut-off time" and deposits made on days that are not our business days as set forth in the Schedule will be treated and recorded as if received on the next business day that we are open. Deposits received by mail, electronically, at an unstaffed facility, or outside depository will be processed and credited only when actually received by us, and we shall have no responsibility until we actually receive the item.

c. **Collection of Deposits.** In handling deposits to your account, we act only as your agent for collection and assume no responsibility beyond the exercise of ordinary care. By signing the Signature Card or using any accounts or services, you specifically waive your rights to notice of non-payment, dishonor or protest regarding all items presented for collection. We have the right to refuse any order, transfer or deposit, limit the amount that may be offered for deposit and to return all or any part of a deposit. Special instructions for handling an item are effective only if made in writing and given to us separately along with the item in question. We will not be liable for any default or negligence of correspondents or for loss in transit, and each correspondent will only be liable for its own negligence. Items and their proceeds may be handled in accordance with applicable Federal Reserve and Clearing House rules. Without prior notice to you, we may charge back any item at any time before final payment, whether returned or not, and may also charge back any item drawn on us if, within the normal handling period for such item, the item cannot be honored against the drawer's account. We are authorized to pursue collection of previously dishonored items (including re-presentation), and in so doing we may permit the payor bank to hold an item beyond the midnight deadline.

d. **Direct Deposits.** We may offer a direct deposit option allowing you to preauthorize deposits (i.e., payroll checks, Social Security or retirement checks, or other government

checks) or preauthorize transfers from other accounts with us. You must authorize any direct deposits to your accounts by a separate authorization form. If applicable, you must notify us at least thirty (30) days prior to any direct deposit or preauthorized transfer if you wish to cancel or change the direct deposit or direct transfer option. If we are required to reimburse the U.S. Government for any benefit payment directly deposited into your account for any reason, you agree that we may deduct the amount returned from any of your accounts, unless prohibited by law.

e. **Direct Deposit or Transfer Authorization/Bankruptcy.** If you file bankruptcy and fail to cancel any instructions in your direct deposit or transfer authorization, then you hereby instruct your employer and us to continue to make and apply deposits, make loan payments in order to avoid delinquency and other transfers in accordance with your authorization, until written notification is received by us to discontinue any payments or transfers.

f. **Multiple Payees.** Unless any check, share draft or other instrument expressly indicates that the item is payable to conjunctive payees, the instrument shall be deemed payable in the alternative. If there is any ambiguity, the instrument shall be deemed payable in the alternative (example: a check payable to "A and B" is a conjunctive instrument. A check payable to "A or B;" "A, B;" "A/B", where "A and B are listed on separate lines;" or otherwise, where not expressly conjunctive are payable in the alternative).

g. **Deposit At ATM and Night Deposit Facilities.** All deposits and payments made at an ATM that we own or on the Star Network, or at one of our night deposit facilities are subject to the provisions and check collection procedures as disclosed to you in our "Funds Availability Policy."

Because of servicing schedule and processing time required in ATM operations, a 4 day delay may be experienced between the time a check deposit is made and when it will be available for withdrawal. If you make a deposit or payment at an ATM, you agree that the correct amount in the event of discrepancy between a written receipt or deposit slip will be the amount that the Credit Union finds in the envelope used to make the transaction. You further agree that the credit to account(s) for non-cash items will be conditional until we can collect the item. If we cannot collect the amount of a non-cash item, the amount will be deducted from your account.

h. **Final Payment.** All items, deposits, ACH (Automated Clearing House) transfers, or other transfers credited to your account are provisional and subject to our receipt of final payment. If final payment is not received, we reserve the right to charge your account for the amount of such items or ACH transfers or both and impose a return item charge on your account. If we incur any fee collecting any item, we may charge such fee to any of your accounts with us. We reserve the right to refuse or to return all or any item or funds transfer. We also have the right to charge back against any of your accounts with us all deposits, transfers, or collection items, including checks presented for payment of cash, that are returned to us due to non-payment, as a reclamation by the United States Treasury, or if we are required to repay any amounts previously collected for any reason whatsoever. These rights apply regardless of whether the amount of the item has been available for your use, or the amount of time that has passed since the date of the deposit.

If for any reason you do not have sufficient funds in your accounts to satisfy our charge back, then all joint owners agree to pay us the amount charged back on demand, together with all fees and costs as set forth herein.

7. Transactions From Your Account(s). Generally, you may withdraw and/or transfer funds from your account(s) at any time subject to the limitations set forth in this section and the Funds Availability Disclosure in effect at the time of the deposit. Except as otherwise specifically provided in this Booklet or other written agreement(s) with us, all withdrawals shall be made in person or by written order, duly executed or by power of attorney upon a form acceptable to us and duly authenticated. Payments upon your order may be made in coin, bills, or checks at our option.

a. Restrictions on Withdrawals from All Accounts. In accordance with applicable law, we reserve the right to require you to provide written notice of any intended withdrawals from any account(s) of not less than seven (7) but not more than sixty (60) days before the intended date of withdrawal. Withdrawals will only be permitted if you have sufficient funds available in your account to pay the full amount of your withdrawal orders or you have an overdraft protection plan. If there are sufficient funds to cover some but not all of your withdrawal orders, we may permit those for which there are sufficient funds in any order we choose. We may refuse to allow a withdrawal, and will advise when required by applicable law if; for example: (1) there is a dispute between account owners; (2) a legal garnishment, attachment or levy is served on us; (3) the account(s) secures any obligation owed to us; (4) any required documentation has not been provided to us; or (5) you are delinquent or fail to pay a loan or any other obligation owed to us when due.

b. Transaction Limitations for Share and Money Market Accounts. During any calendar quarter, you may not make more than 12 withdrawals from your share account. If you exceed this limitation, you will be assessed a fee for each occurrence as stated in the Schedule. During any calendar month, you may not make more than six withdrawals or transfers from your money market account to another Credit Union account of yours or to a third party by means of a preauthorized, automatic, telephonic, home banking, or audio response transfer or instruction. A preauthorized transfer includes any arrangement with us to pay a third party from your account upon oral or written orders, including orders received through ACH. If you exceed this limitation, your account will be assessed a fee for each occurrence as stated in the Schedule. No account limitations apply to IRA Savings, Traditional IRA, Roth IRA, Education IRA and Share Draft (Checking) accounts.

If payment is made directly to the depositor, you may make an unlimited number of withdrawals from these accounts in person, by mail, at an ATM, or by telephone if the withdrawal is mailed to you in a check. There is also no limit on the number of transfers you may make to any loan account(s) with us.

c. Term Share Certificates. Any term share certificate, certificate or share certificate accounts offered by the Credit Union are subject to the terms of this Agreement, the Schedule, and any account receipt or certificate, which are incorporated herein by reference. Any certificate terms and/or conditions may be changed by the credit union at any time with proper notice. IRA certificate accounts are also subject to the

limitations imposed by federal law and regulations and to any limitations set forth in your Credit Union IRA Agreement, the terms of which are also incorporated herein by reference.

d. Checking Accounts. The Credit Union may refuse any check or other item drawn against your account or used to withdraw funds from your account if not on a form approved by us. We also reserve the right to refuse any check or other item drawn against your account or used to withdraw funds from your account if made in a manner not specifically authorized for your account, if made more frequently or in a greater number than specifically permitted for your account, or if made in an amount less than the minimum withdrawal or transfer specifically permitted for your account. If we accept a check or other item not on a form approved by us, you will be responsible for any loss by us in handling the item. We may pay checks or other items drawn upon your account in any order determined by us, even if paying a particular check or item results in an insufficient balance in your account to pay one or more other items that otherwise could have been paid out of your account.

Because of the nature of the Credit Union check program, neither the Credit Union nor any other processing entities shall be responsible for the authenticity of the checks with regard to the signature or alterations; and checks, when presented, shall be paid without verification. We may disregard all information on or any writing or memorandum attached to any check or item except for your signature, the amount and the information that is magnetically encoded. You agree that we do not fail to use ordinary care because our procedures do not provide for sight examination.

You agree to take precaution in safeguarding your blank checks. You will notify us immediately if you learn or have reason to know that any of your checks have been lost or stolen. If you are negligent in safeguarding your checks, we will not have any liability or responsibility for any losses you incur as a result of fraud or forgery if we pay any such check in good faith pursuant to standard commercial practices.

e. Telephone Transfers. A transfer of funds from one of your accounts to another of your accounts at the Credit Union may be made by telephonic instructions given by the same persons and under the same conditions that a written transfer request could be made.

8. Account Rates and Fees. Our payment of dividends on your account(s) is subject to the account rates, fees, compounding and crediting policies and balance requirements set forth in this Agreement. We may transfer from any of your account(s) any charges or costs in connection with the operation and maintenance of account(s) as stated in this Agreement or the Schedule. You agree that we may change the Schedule at any time upon proper notice as required by law.

9. Authorized Signature. We are authorized to recognize any signature on an Account Card or document, but will not be liable for refusing any order or item if we believe in good faith that the signature on any order or item is not genuine. We are authorized to honor any Transactions initiated by a third person if you provide your access device or other information to a third person. Also, if you authorize the use of a facsimile signature, we shall not be liable for honoring any instrument that appears to bear your facsimile signature, even if made by an unauthorized person.

10. **Account Access.** You may make deposits, withdrawals, transfers and other authorized transactions from your account(s) in any manner specifically permitted by us, subject to the limitations and restrictions set forth in this Agreement or as otherwise provided for by applicable law.

a. **Authorized User(s).** You should exercise caution in providing authority, information, documentation or access devices to others. All withdrawals, transfers and transactions made by any person to whom you provide authority or the means to access your accounts or other services shall be deemed authorized by you, and the Credit Union will not have any responsibility or liability whatsoever for such withdrawals, transfers or other transactions. Further, you and the person authorized (as defined herein) shall be jointly and severally responsible to the Credit Union for all such access or use of your accounts and services with us.

b. **Access to Account Information.** You agree that all owners and authorized users, may have access to all of the information you provide to us, or which we gather and maintain regarding our relationships with you. This includes, but is not limited to information regarding transactions, account history, your loan relationships with us, and other information relating to or arising with regard to any of your accounts, loans or other services with us. You acknowledge and agree that any owner of a joint account or service, or any co-borrower may provide authority to others, who will have access to all such information as to all owners and/or co-borrowers.

c. **Consolidated Statements.** The Credit Union uses a consolidated statement for all membership accounts, services, and loans. You understand and agree that others may have access to all information set forth in our statements as set forth in the preceding paragraph.

11. **Powers of Attorney.** The Credit Union may allow a third person acting as your attorney-in-fact to make transactions regarding your account(s), pursuant to a Power of Attorney, but has no obligation to do so. You agree that we have no obligation to verify the scope, authenticity, and validity of any Power of Attorney presented to us. If we accept the Power of Attorney, the Credit Union has no duty to inquire as to the use or purpose of any transaction(s) by your attorney-in-fact, and may restrict or refuse account access, withdrawals and transfers. Further, you agree to reimburse the Credit Union for all costs and expenses, including attorneys' fees, we incur and agree to indemnify us for any loss or other expense we incur from our acceptance of your Power of Attorney.

12. **Overdraft(s) and Overdraft Protection Plan Agreement.** An overdraft occurs when you make any transaction that exceeds the available balance in the account you access by check, electronically, or otherwise. You agree not to cause an overdraft in any account with us. However, if for any reason we pay any transaction or impose a fee that creates an overdraft, you agree to pay us promptly the amount of the overdraft or fee. The Credit Union has no obligation to notify you of any check or charge that creates an insufficient funds balance in your account(s). Further, if we cover one or more overdrafts, we shall not have any obligation to continue to do so. An overdrawn item will be processed in the following order: 1st from overdraft protection if set up from another account; 2nd from a line of credit if one exists; 3rd from Courtesy Pay if service is in force; and 4th from the Schedule as an insufficient fund (NSF) item.

Courtesy Pay is a service that allows the Credit Union to pay a check written, ATM withdrawal, preauthorized debit (ACH) or point of sale CheckCard transaction on your account (only on one suffix 9 account per member) even if it causes the account to become overdrawn. If Courtesy Pay is used to cover an overdrawn transaction, then you agree to reimburse the overdraft within 30 days. You may not overdraft the account more than \$500 (including service fees), and you will be assessed the same fee for each item as would be assessed for an NSF item. To qualify for Courtesy Pay, you must:

a. Be at least 18 years of age and have a checking account in good standing for at least 60 days. A checking account is considered to be in "good standing" if it:

- (1) Receives regular deposits to cover transactions
- (2) Achieves a positive balance at least once every 30 days or less
- (3) Has no judicial order present which affects access to our use of it
- (4) Has a valid address

b. Have a positive checking balance

c. Have no charged-off accounts or overdrawn accounts

d. Have no delinquent loan (that is, more than 15 days past due) or charged-off loan

Courtesy pay is non-contractual. Opt-in is required to receive coverage on standard check card transactions. Opt-in decision may be changed at any time. This service does not cost you anything unless the service/privilege is used by initiating a check, electronic funds transfer or other payment or withdrawal request for more than what is available in the account.

Opt Out. An account may be removed from Courtesy Pay by you if you no longer wish to have this protection. An account may be removed from Courtesy Pay if the account is closed for abuse. In this case, you will be placed in second chance checking which has a monthly fee as set forth in the Schedule. A separate TIS disclosure will be provided at the time you are placed in second chance checking.

Disclaimer. The Credit Union's Courtesy Pay Program is a non-contractual courtesy and is discretionary. It is not an obligation of the Credit Union and the Credit Union may refuse to provide this service on any checking account at any time and from time to time. The accountholder does not have a contractual right to Courtesy Pay and Courtesy Pay is not guaranteed by the Courtesy Pay Program.

13. **Postdated and Stale-Dated Drafts.** We may pay any draft without regard to its date unless you notify us in writing of a postdating. The notice must be given to us in time so that we can notify our employees and reasonably act upon the notice and must accurately describe the draft, including the exact number, date and amount. You understand that the exact information is necessary for the Credit Union's computer to identify the draft. We are

not responsible if you give us an incorrect or incomplete description, or untimely notice. You may make an oral notice which lapses in fourteen (14) calendar days unless confirmed in writing from time to time. You agree not to deposit checks, drafts or other items before they are properly payable. We are not obligated to pay any check or draft drawn on your account which is presented more than six (6) months past its date; however, we have no obligation or liability to you or any other party to the instrument or in the chain of the collection process if we do so.

14. **Stop Payment Orders.** If you don't want us to pay a specific written instrument you may request "Stop Payment Order" ("SPO") on the instrument. Notification can be made by mail, telephone, electronically, or in person. Your SPO will take effect when we record it on your account.

A SPO will not be valid and binding unless your SPO includes your account number, the number and date of the written instrument, the name(s) of the payee(s), and the exact amount of the instrument. If this is a multiple party account, we will accept a SPO from any owner regardless of who signed the instrument or otherwise authorized the Transaction. Only the person placing the SPO may release the SPO.

You will be charged a fee for any SPO as set forth in the Schedule, which may be transferred by us from any owner's account(s) or paid directly to the Credit Union.

If you give an oral SPO that is not confirmed in writing by you or us within fourteen (14) days, your SPO will expire and the instrument may thereafter be paid by us.

If you provide written confirmation, your SPO will be effective for a period of six (6) months. Further, you agree that the Credit Union, in its sole discretion, may confirm any SPO in writing by sending a notice to the address shown in our records, but has no obligation to do so. Such written confirmation by us will also be effective for a period of six (6) months. To extend the SPO for an additional six (6) months, you must deliver to us an additional written request that provides all of the information required for an initial SPO as described above in this paragraph 14.

Fort Knox Federal Credit Union will not be responsible for any loss as a result of honoring a check: (1) more than 14 days after receipt of your oral order to stop payment; (2) more than 6 months after your written order to stop payment, our written confirmation, or more than 6 months after a written extension as provided herein; (3) through inadvertence, oversight or accident, we honor any postdated check; or (4) if you fail to provide us with complete or accurate information. We have no obligation to accept any order to stop payment on any certified check, cashier's check, teller's check or other instrument guaranteed by us. You will be responsible to the Credit Union if any claim or demand is made against us as a result of our acting in accordance with your stop payment order. This means that you are required to reimburse us for any loss or damages and reasonable costs, expenses or attorneys' fees that we incur in defending the Credit Union against any claims or demands made against us as a result of following your stop payment order.

You agree that any stop payment order received when you do not have sufficient funds on deposit in your account to cover the item on which you are requesting us to stop payment shall be subject to a service charge for return of an insufficient funds item rather than the

service charge for a stop payment order. If available, any stop payment order we receive by electronic mail or by similar means shall be treated as an oral order.

15. **Legal Process and Other Adverse Claims.** Should we receive any legal process, including any summons, order, injunction, execution, distraint, levy, or lien, (hereafter called "Process"), or other adverse claim which in the Credit Union's opinion affects your account(s), we may, at our option and without liability, refuse to honor orders to pay or withdraw sums from the account(s) and either hold the balance in the subject account(s) until the Process or adverse claim is disposed of to the Credit Union's satisfaction, or pay the balance over to the source of the Process. We may also refuse to allow a withdrawal if there is a dispute between owners about the account or if the account secures any obligations owed to the Credit Union. Any Process or adverse claim is subordinate to our lien and security interest in all funds in your account(s).

16. **Statements.** If the Credit Union provides a periodic statement for your account(s), you will receive a periodic statement from us describing all activity on your account(s) during the statement period as required by law. The periodic statement will list all checks, instruments and transactions on the account together with other information. If you have a multiple party account we are only required to provide one periodic statement to any of the account owners identified on the Account Card. If provided electronically, statements will be sent to the e-mail or other electronic address provided by you.

For checking accounts: You understand and agree that, when processed by us or our agent(s), the original check or other instrument becomes our property and will not be returned to you. We have no obligation to retain the originals of any checks or other documentation. Copies may be retained by us, our agent, or another payable through institution, which may be available to you for a fee as set forth in the Schedule.

a. **Your Duty of Examination:** You understand and agree that periodic statements are made available to you on the date mailed by us or our agent or when electronically delivered for members who use our internet banking service (Branch@Home). You acknowledge and agree that checks and other instruments are also made available to you for review on the date the periodic statement is mailed, even though they do not accompany the statement. **You further agree that it is your duty and obligation to carefully and promptly review each periodic statement to verify that each transaction is authorized and accurate. We will have no responsibility or liability whatsoever for any forged, altered, unauthorized, unsigned, improperly endorsed, improperly encoded or inaccurate transaction or item if: (1) you do not notify us within 60 days after we sent the first statement on which the error or problem appeared; or (2) any checks or instruments are forged or altered in a manner not detectable by a reasonable person, including the unauthorized use of a facsimile signature.**

b. **Your Duty to Notify Us:** You agree that the information in each statement will be considered correct for all purposes and we will have no liability whatsoever unless you notify us in writing within the time described in 16a, above. If you do not receive a periodic statement, you agree to notify us in writing within fourteen (14) days of the date that the statement is regularly sent by us. If you do not so notify us, you will be deemed to have received the statement for all purposes.

17. **Change of Name or Contact Information.** You agree to promptly notify us in writing of any change of address, change of name, or change of e-mail or other electronic address. In the absence of such written notice, mail to you at any address or e-mail address shown by our records or any communication received from you will be deemed properly addressed; and unless otherwise provided by applicable law, constitute effective delivery of any notice we may be required to provide, regardless of receipt by you. If the address you provide to us is not correct, or has changed without written notice to us, and we attempt to determine your new name or address; then the Credit Union may charge a fee as set forth in the Schedule.

18. **Inactive/Dormant Accounts.** If your account falls below any applicable minimum balance and you do not have an active loan with us and you are over 18 years of age and you have not made any Transaction within the period of time specified in the Schedule, we may classify your account(s) as inactive or dormant. Unless specifically prohibited by applicable law, we may charge a service fee set forth on the Rate and Fee Schedule for processing your dormant account. You authorize us to transfer funds from another account of yours to cover any applicable service fees. Unless prohibited by applicable law, we reserve the right to transfer your dormant account funds to a general Credit Union account and to suspend any further account statements.

19. **Termination of Account(s) and Service(s).** We, in our sole discretion, may terminate any of your account(s) or service(s), place a freeze on any sums on deposit with us at any time without notice, or require you to close your account and apply for a new account if:

- a. **There is a request to change the owners or authorized users**
- b. **There is a fraud/forgery or unauthorized use committed or reported**
- c. **There is a dispute as to ownership of any account or sum on deposit**
- d. **There are any share drafts that are lost or stolen**
- e. **There are returned unpaid items-Transactions not covered by an overdraft plan agreement with us**
- f. **There is any misrepresentation regarding any account(s) or service(s)**
- g. **The Credit Union incurs any loss relating to any loan(s), account(s) or service(s) you have with us**
- h. **If we believe you have been negligent in protecting any access devices or codes**
- i. **We deem it necessary to protect the Credit Union from any loss, or deem it to be in the best interests of the Credit Union, our members or our employees**
- j. **You breach any promise under this Agreement**
- k. **You refuse or fail to cooperate as provided in this Agreement.**

We, on our own accord, may place a stop payment on any share draft, item or Transaction if we are notified or otherwise reasonably believe that any of the foregoing circumstances have occurred. If you do not accept any deposit or part of a deposit that we attempt to return after termination, then such deposit will no longer earn dividends. You may terminate a single party account at any time by notifying us in writing. We have the right to require the written consent of all parties to a multiple party account for termination. We are not responsible for any draft, withdrawal, item or Transaction after your account is terminated. However, if we pay any item after termination, you agree to reimburse us upon demand.

Duty to Cooperate. You have a duty to cooperate with us, and any law enforcement or government agent or agency with regard to any claim of fraud, forgery, unauthorized access or any other adverse claim(s).

Par Value Requirement. If your membership account balance falls below the required par value for membership, then your membership may be terminated by us pursuant to the Credit Union's Bylaws. Upon termination, the Credit Union may charge a fee as set forth in the Schedule.

20. Membership Termination. You may terminate your membership by giving us notice and complying with the policies and procedures of the Credit Union. Termination will not release you from any fees or obligations you owe us, those incurred in the process of closing your accounts or services, or your liability on outstanding items or Transactions. Upon termination, no Transaction(s) will be allowed.

21. Death of Account Owner. We may continue to honor all Transactions on your account(s) until we receive actual notice of your death. After receiving actual notice, we may honor all Transactions you authorized for a period of ten (10) days, unless we are ordered not to do so by a person claiming an interest in your account(s). We can require any person claiming the funds in your account(s) to indemnify us for any losses we may incur as a result of honoring their order. Upon the death of an individual account holder, all funds on deposit shall be paid according to the express instructions provided by the owner of the account and IAW joint right of survivorship. If no express beneficiary(ies) is provided, then all funds on deposit will be paid to the estate of the account holder. If there is no estate, then the Credit Union may, but has no obligation to do so, pay the funds to any heir, who will be solely responsible for any further distribution of said funds. The Credit Union may require satisfactory documentation be provided regarding any right, claim or fact regarding any matter related or arising from the payment of funds hereunder. The Credit Union will have no further obligation or responsibility and you agree that we shall have no liability to you, your estate or any heir, successor or assign relating to the distribution of such funds pursuant to this Agreement. The payment of any funds is subject to our lien or other security interest; and all debts you owe to the Credit Union will be paid from the funds in your accounts before any payment is made. In case of the death of a joint account owner, the deposits will be subject to additional provisions of Paragraph 33 hereof.

22. Security Interest and Lien on Account(s). By signing the Account Card or your use of any account or service, **you grant us and we impress a lien on any and all funds in any joint and individual share account(s), regardless of the source of the funds in the account(s) or any owner's contributions, to secure any account owner's joint or individual obligations to us, now or in the future, whether direct, indirect, contingent**

or secondary. You agree that this lien is impressed as of the first date that an applicable account is opened with us. This lien secures all debts you owe us pursuant to any loan agreements; under this Agreement; arising from any insufficient funds item; fees; costs; expenses; or otherwise. You understand and agree that the Credit Union has multiple rights which include a "consensual lien," a "statutory lien" pursuant to 12 USC §1757 and 12 CFR §701.39, applicable state law and our "common law" right to set-off, which authorize us to apply the funds in any joint or individual account to any obligations owed to us if you default or fail to pay or satisfy any obligation to us without any legal process, court proceeding or any notice to any owner of the account(s) affected hereunder or otherwise under this Agreement. You specifically agree that we have a right to place an administrative freeze on any of your joint or individual account(s) and that such action shall not violate 11 U.S.C. §362 or other applicable law. You agree that your account(s) is not assignable or transferable except to the Credit Union unless specifically authorized in writing by us. Obligations secured by your primary residence, household goods and any funds in an IRA account are not included in our lien or this security interest, unless subject to a specific pledge or security agreement. The Credit Union will not have any responsibility or liability to you or others relating to the dishonor or other return of any check, draft, ACH transaction or other order occurring as a result of our exercising our lien rights or freezing any accounts in order to protect or preserve such rights.

23. **General Limitation on Credit Union Liability.** If we do not properly complete a Transaction according to this Agreement, we will be liable for your losses or damages not to exceed the amount of the Transaction, except as otherwise provided by law. We will not be liable if: through no fault of ours, your account does not contain enough money to make the Transaction; circumstances beyond our control prevent the Transaction; your loss is caused by your negligence or another financial institution; or the money in your account is subject to legal process or other claim. We will not be liable for consequential damages, except liability for wrongful dishonor. Our actions will constitute the exercise of ordinary care if such actions or non-actions are consistent with applicable state law, Federal Reserve regulations and operating letters, clearinghouse rules, and general banking practices followed in the area served by us. 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 Account Agreement. Any conflict between oral representations by you or Credit Union employees and any written form will be resolved by reference to this Agreement and applicable written form. Further you agree that the person(s) establishing any account with us are solely responsible for the structure and information provided for the account (e.g., owner(s) name(s), Social Security or other Tax ID Number, trustee(s), custodian(s), etc.); and we provide no advice and make no representations regarding the structure of any account(s) or other services.

24. **Telephone Requests.** You agree that funds in any account(s) with us can be transferred, upon the telephone request of any signer on the account, to another account with us or to any other financial institution. We shall not be responsible for any loss incurred as a result of our acting upon or executing any request, order or instruction we believe to be genuine. Furthermore, we reserve the right to refuse to execute any telephone request or order.

25. **Recording Conversations.** You understand and agree that for our mutual protection we may record any of our telephone conversations.

26. **Information About Your Accounts and About You.** Generally, we will not disclose information to third parties about your account(s) or about you without your permission. However, we may disclose information:

- a. **When it is necessary to complete transfers or Transactions; or to send notice of dishonor or nonpayment**
- b. **To our accountants**
- c. **To state or federal government regulators**
- d. **To exchange, in the regular course of business, credit information with other banks, financial institutions, or commercial enterprises, directly or through credit reporting agencies**
- e. **To advise third parties of accounts closed for misuse**
- f. **To furnish information to appropriate law enforcement authorities when we reasonably believe we have been the victim of a crime**
- g. **To comply with government agency or court orders, subpoenas or other legal process or to furnish any information required by statute**
- h. **To furnish information about the existence of an account to any judgment creditor of yours who has made a written request for such information**
- i. **When we are attempting to collect an obligation owed to us**

In addition, you understand and agree that we may, from time to time, request and review consumer credit reports and other information about you prepared by credit reporting agencies or others. You will be responsible to pay all legal, copying and other expenses incurred by us or payable pursuant to the Schedule regarding any subpoena or other legal process.

You may apply for additional financial services or seek to refinance your loan and other obligations from time to time with other lenders or financial service providers. You may also seek to sell, trade or exchange collateral pledged to secure your obligations to us. In this regard, you authorize and specifically grant us permission to provide orally, electronically or in writing "payoff" and other information including the amounts you owe on all obligations to us, if we receive a request which we in good faith believe to be related to any such application, refinancing, sale, trade or exchange.

27. **Costs, Expenses and Attorneys' Fees.** If it is necessary for us to bring any legal or other action to collect any sum you owe the Credit Union; if we incur any costs or expense as a result of any order or instruction received from any owner or any owner's agent under this Agreement, any adverse claim, legal process or otherwise; your failure to comply with any obligation in this Membership Agreement; or if we successfully defend any claim against the Credit Union brought by any owner, agent, personal representative, executor, heir or other party in interest involving your accounts or services with us, then all owners of the account(s) or service(s) concerned agree, jointly and severally, to pay us for all costs

and expenses, including reasonable attorneys' fees. This Agreement is governed by applicable Federal and Commonwealth of Kentucky State Laws with jurisdiction in Kentucky and venue in Hardin County.

28. **Indemnity**. If you ask us to follow instructions that we believe might expose us to claims, suits, losses, expenses, liabilities, or damages, whether directly or indirectly, we may refuse to follow your instructions or may require a bond or other protections. An example of the kind of protection asked for would be your promise to protect the Credit Union against any claims (an indemnity).

29. **Miscellaneous**. In this Agreement, except as otherwise indicated, the singular includes the plural and the masculine includes the feminine and the neuter. Further, this Agreement or any claim or dispute arising hereunder shall be construed in accordance with and governed by the Laws of the State of Kentucky. The terms and conditions of any account, including the method of determining dividends, may be changed by the Credit Union upon written notice, or as required by applicable law. Section headings in this Agreement are for convenience of reference only and shall not govern the interpretation of any provision of this Agreement. If any law or judicial ruling renders any term or condition of this Agreement unenforceable, the remaining terms and conditions shall remain in full force and effect. We reserve the right to waive enforcement of any of the terms set forth in this Booklet regarding any Transaction or series of Transactions. Any such waiver will not affect our right to enforce any of our rights with respect to our members; or to enforce any of our rights with respect to other Transactions with you. Any such waiver is not sufficient to modify the terms and conditions of this Agreement. Transactions involving a loan will not alter the terms or conditions of the loan agreement(s), but will remain subject to the terms and conditions of this Agreement where not inconsistent with the loan agreement. In the case of any conflict, the loan agreement will govern.

30. **Account Changes**. Changes to any account or account service requested by any member or account owner can only be made with the express consent of the Credit Union. If a change to a multiple account or service is requested, we may require that all multiple owners indicate their consent by signing our document evidencing the change. As set forth herein, the Credit Union, in its sole discretion, may change any term or condition of this Agreement, including the method for determining dividends, at any time without notice except as expressly required by applicable law.

31. **Member Organization or Business Accounts**. Accounts held in the name of a member, organization, or association for business purposes are subject to the same terms set forth in the Agreement, as well as, the Member Business Account Agreement. Further, to the extent that the terms of a specific Subsection of this agreement vary from the terms set forth in the Member Business Account Agreement, the specific terms and conditions of the Member Business Account Agreement will govern our relationship with you.

32. **Multiple Party Accounts**. Any or all owners can make deposits or withdrawals regardless of contributions. To make withdrawals, an owner must have his or her signature on file with us. If only one owner has signed a signature card, the account may be treated as an individual account. Each owner guarantees the signature of all other owners. We may accept orders, instructions, and requests for future services from any account owner. Any account owner may withdraw funds, stop payment of items, transfer or pledge to us all or any part of the shares in any account without the consent of the other owner(s) and we

have no obligation to notify the other account owner(s) of any pledge. If there is a dispute between owners, if there is a dispute regarding ownership of an account or any deposit to an account, or if we receive inconsistent instructions, we can suspend or terminate the account(s) and require a court order or require an agreement in writing concerning any Transaction on the account(s). Each owner is jointly and severally liable for all returned items, overdrafts or any other obligations owed to the Credit Union as a result of any Transaction(s) on a multiple party account, regardless of the drawer, user or authorized user who orders or causes said Transaction(s).

We have the right to endorse any drafts, checks, or other orders for the payment of money made out to any of the owners. Once endorsed, we can deposit them in the multiple party account, or we can endorse them for deposit by using a stamp to show a general endorsement for the account. Each owner appoints the other as his or her agent to endorse, deposit, withdraw, cash and conduct business for the account. Acting as an agent, any owner or owners can endorse a draft, check, or other payment order made out to any other owner or owners of the account and any owner may pledge to us the funds in any account to secure any joint or individual obligation to us. Once endorsed, the money can be taken in cash or deposited into the multiple party account. You agree that any money in this account can be paid to any one or more of the owners. This payment can be made on the orders or instructions of any of the owners, whether or not the other owners are alive at the time of the payment. If we make a payment following these rules, you release us from liability.

Rights of Survivorship: Unless your account card specifically indicates otherwise, you agree that it's your intention to create a joint tenancy with the right of survivorship (a form of ownership) in any multiple party account and if one or more of the multiple party owners dies, his or her interest in the account passes to the remaining owners; unless subject to our right of set-off or a pledge of the funds in the account(s), in which case all sums in the account(s) will belong to us regardless of contributions, up to the amount of the obligation(s) owed. We may not release any funds to a survivor until all required legal documents are delivered to us. Once a multiple party account is opened, one owner cannot remove another from the account. Further, the Credit Union reserves the right to require any changes to the account be made in writing signed by all account owners.

33. **Payable on Death.** Payable on Death ("POD") accounts are governed by your agreements with the Credit Union and applicable state law. A POD account instructs us that the designated account is payable to the owner(s) during their lifetimes, and upon death of the last account owner, is payable to any surviving beneficiary designated by your Account Card. Accounts payable to more than one surviving beneficiary are jointly owned without any rights of survivorship. This means that the sums in the account may be paid to any surviving beneficiaries individually or otherwise. However, no amount will be paid to any beneficiary, their heirs or successors, who are not living at the time the account becomes payable to beneficiaries. POD beneficiary designations do not apply to IRA accounts, but instead, are subject to your IRA Agreement/Certificate. The Credit Union has no obligation to notify any beneficiary of any POD account or the vesting of his or her interest. Further, the Credit Union is also entitled to all additional protections provided by applicable law regarding the payment of sums on deposit in POD accounts.

34. **Minors Accounts.** For any account established by a minor, we reserve the right to require the minor account to be a multiple party account with an owner who has reached

the age of majority under state law who shall be jointly and severally liable to us for any returned item, overdraft, or unpaid charges or amounts on such account. We require a minor to sign the Account Card if the minor can sign his or her own name. If the minor is unable to sign, the adult should sign for the child (e.g., "Mary Doe by John Doe, Father"). Any adult owner must also sign, even if he or she signed for the minor. We require a minor's signature on the Account Card before a minor can make a withdrawal on any account. We may make payments of funds directly to the minor without regard to his or her minority. Unless a guardian or parent is an account owner, the guardian or parent shall not have any right to access the account. We have no duty to inquire of the use or purpose of any transaction by the minor or any account owner. We will not change the account status when the minor reaches the age of majority, unless authorized in writing by all account owners.

35. **Custodial and Other Fiduciary Accounts**. The Credit Union may open other accounts pursuant to a court order or for another acceptable purpose such as trust or custodial. We make no representations and give no advice concerning any such accounts and may refuse to open any account or refuse to follow any instruction that may expose us to any expense or liability.

Any individual acting as an agent, guardian, personal representative, trustee, custodian or in some other fiduciary capacity must be designated to us as such on the Signature Card, as well as any other documentation we may require. We are authorized to follow the directions of any such agent/fiduciary until we receive written notice that the agency is terminated and have had a reasonable time to act upon the notice. Further, you specifically agree that we are not liable for the misapplication of funds by your agent/fiduciary.

ELECTRONIC SIGNATURES, ELECTRONIC CONTRACTS, ELECTRONIC RECORDS AND ELECTRONIC MAIL ("E-MAIL")

1. **Agreement**. You specifically consent and agree that we may provide all disclosures, agreements, contracts, periodic statements, receipts, notices, modifications, amendments, and all other evidence of our transactions with you or on your behalf electronically (hereinafter all such documentation is referred to as "electronic record(s)"). You have a right to receive a paper copy of any of these electronic records if applicable law specifically requires us to provide such documentation. Also, you may withdraw your consent and revoke your agreement to receive records electronically. To request a paper copy or to withdraw your consent and agreement to receive electronic records call, write or e-mail us as set forth in the Schedule.

2. **Equipment and Software Requirements**. To receive electronic records and access our home banking services, you need a computer with a modem and web browser that meets the minimum requirements set forth in the Home Banking Agreement in this Booklet. By requesting any electronic funds transfers, home banking, other electronic services or transactions, by submitting any application or agreement to us electronically, or by e-mailing us, you represent that you have such equipment and software and that you can download, access, read, review, print and store the electronic records we provide to you.

3. **Electronic Signature.** You consent and agree that your use of a key pad device to select an item, button, icon or similar act/action while using any electronic service we offer; or in accessing or making any transactions regarding any agreement, acknowledgment, consent, terms, disclosures or conditions constitutes your signature, acceptance and agreement as if actually signed by you in writing. Further, you agree that no certification authority or other third party verification is necessary to the validity of your electronic signature; and that the lack of such certification or third party verification will not in any way affect the enforceability of your signature or any resulting contract between you and the Credit Union.

4. **"E-Mail" Communications.** You acknowledge and agree that the Internet is considered inherently insecure. Therefore, you agree that we have no liability to you whatsoever for any loss, claim or damages arising or in any way related to our response(s) to any e-mail or other electronic communication which we in good faith believe you have submitted to us. We have no duty to investigate the validity or to verify any e-mail or other electronic communication; and may respond to an e-mail at either the address provided with the communication, the e-mail address in your Membership Application or Signature Card or any other application or written communication actually received by us.

Although having no obligation to do so, we reserve the right to require authentication of e-mails or electronic communications. The decision to require authentication is in the sole discretion of the Credit Union. We will have no obligation, liability or responsibility to you or any other person or company if we do not act upon or follow any instruction to us if a communication cannot be authenticated to our satisfaction.

ELECTRONIC FUNDS TRANSFERS AGREEMENT AND DISCLOSURES

1. **Purpose of this Agreement.** This Agreement defines your and the Credit Union's rights and responsibilities with respect to electronic transactions. You understand that all agreements and rules and regulations applicable to your accounts and account services, as set forth in this Booklet and otherwise, remain in effect and apply to this Agreement, except as specifically modified in this Section. You agree to abide by this Agreement, and all rules, regulations and instructions of the Credit Union and the networks relating to the use of any Card and/or Access Device, as amended, modified or revoked. The Credit Union may not offer all services discussed in this Agreement at this time.

2. **Types of Electronic Funds Transactions.** The Electronic Funds Transactions we are capable of handling are indicated below. Some of these services may not apply to your account(s).

a. **Automated Teller Machines (ATMs).** The Credit Union will issue to you a CheckCard and Personal Identification Number (PIN) to be used to make transactions. You can use your card at ATMs that display the Networks set forth in the Schedule to:

(1) Withdraw cash from the account(s) designated on your Membership Application ("Application").

(2) Check the balances in the account(s) designated on your Application (this is called an "inquiry");

(3) Make deposits to the accounts designated on your Application machines on the Star Network.

b. CheckCard Purchase Transactions. Your VISA® CheckCard ("Card") lets you purchase goods and services at selected retail outlets that accept the Card or the Networks set forth in the Schedule. These purchases, known as "point-of-sale" (POS) transfers, involve immediate electronic withdrawals from your primary share draft account.

At any POS Terminal, you may pay for goods and services (or make certain other transfers if the merchant is a financial institution) up to the available balance in your designated checking account and any available credit under your overdraft line-of-credit, and cause that account to be debited for the amount of those purchases subject to the limits set forth in the Schedule. Your available balance in that account will be reduced by the amount of any transaction as soon as the merchant has received authorization from us, even if the documentation evidencing the transaction has not yet been received and processed by us. A merchant is not required to receive prior authorization from us on every POS transaction. When the documentation has cleared through us, any hold placed on your account for the amount of the purchase or other transactions will be released and your account debited for that amount.

NOTE #1: For Convenience and to avoid a fee, make purchases with signature instead of PIN.

NOTE #2: Card issued for ATM access only may not be used at POS terminals.

NOTE #3: Do not use your card to make hotel or rental car reservations or to purchase airline tickets. If you do, preauthorization holds may be placed in your account and cause unfavorable account balance issues.

c. Preauthorized Transfer Services. You can authorize the following transactions:

(1) **Payments:** You can make payments on your loans with the Credit Union directly from your primary share or primary checking account.

(2) **Within Credit Union Transfers:** You can arrange to transfer funds between your primary share and primary checking account. By separate application, you can arrange to transfer funds from your accounts to the account(s) of other members.

(3) **Direct Deposits and Payments:** You can authorize persons or companies to make direct deposits or withdrawals to or from your share or checking accounts for payroll, pension, social security and other types of deposits or payments. You may give other persons or companies written or oral permission to transfer payments from your Credit Union accounts through "ACH" or other electronic means. Such agreements or arrangements are solely between you and the other person or company. The Credit Union shall have no responsibility or liability to you for any

such transactions. Thus, you should exercise caution when providing such authority and/or information to access your accounts. The authority or information you give to others hereunder applies to all "ACH" or other electronic transactions, whether evidenced by any type of writing or converted to a written instrument by the other person (and/or their agents). All such transactions are deemed to be authorized by you.

d. **Telephone Transactions.** Telephone services are available as set forth in the "General Rules for Using Phone Facts".

e. **Home Banking Services.** The Credit Union's "home banking" called Branch@Home or other electronic services are governed by this Agreement and the Home Banking Services Agreement following this Section.

3. **General Rules For Using Your Access Device(s).**

a. Your Access Device(s) is for personal use only. You agree not to allow another person to use your Access Device(s). You understand the importance of maintaining a register to track your transactions. You understand that the Credit Union processes transactions (debits and credits) in the order permitted by law which may mean that debits for one day are processed before credits. This may result in overdrawing your account if you are operating close to account balance. To preclude this from occurring, you should not use your Access Device until you know your credit has been posted.

b. You agree not to reveal any code, password or personal identification number (together referred to hereafter as "Access Code(s)") to another person and WILL NOT write or otherwise reproduce any Access Code(s) on any Access Device(s), computer, modem or other means that may be used to access accounts at the Credit Union. You are responsible for all transactions made by you, an authorized user or anyone else who otherwise uses your Access Device(s) or Access Code(s) with your knowledge and consent. You are also responsible for unauthorized use of your Access Device(s) or Access Code(s) to the full extent allowed by applicable law. In addition, any person other than you who uses your Access Device(s) or Access Code(s) is responsible for all transactions they make and for all transactions made by others with their permission. This does not limit your own responsibility. You agree to be responsible to maintain your Access Device(s) or Access Code(s) with maximum security.

c. You authorize the Credit Union to debit/credit your account(s) for all transactions as if each transaction were signed by you. Further, you agree that by acceptance or use of your Access Device(s) or Access Code(s) the Credit Union is authorized to pay from any account necessary to satisfy any transaction, fee or service charge that results from the use or misuse of your Access Device(s) or Access Code(s).

d. You acknowledge that your Access Device(s) or Access Code(s) remains the Credit Union's property and agree to surrender any Access Device(s) to the Credit Union or its agent upon demand or through retrieval by any electronic device or otherwise.

e. You agree to use caution when using any ATM or other electronic terminal to complete any transaction contemplated by this Agreement. You further agree that the Credit Union shall have no responsibility to you or any user, or be liable for any

personal injury or property damage, which may occur as a result of any act before, during or after a transaction or other visit to any ATM location. You or any user assumes the risk of nighttime use of any ATM location or other electronic banking device.

f. An Access Device(s) may be issued to any member or joint owner of legal age when qualified under the rules, regulations, and bylaws of the Credit Union. Only one Access Device per account may be issued to each member or joint owner.

g. If your Access Device(s) or Access Code(s) is lost or stolen, you agree to notify the Credit Union immediately upon discovery of such loss or theft. Replacement Access Device(s) or Access Code(s) may be issued at the cost set forth in the Schedule. You agree to pay the Credit Union the fee in effect at the time for all copies that you request from us.

h. The Credit Union shall not be responsible for the use or condition of any ATM or other electronic banking device it does not own. Further, the Credit Union shall not be responsible for any failure of an ATM or other electronic banking device to function except as specifically provided for by law.

i. The Credit Union reserves the right to add or delete ATMs as it deems necessary.

j. You agree to hold the Credit Union harmless in its pursuit to locate, apprehend, and prosecute unauthorized use of any Access Device(s) or Access Code(s) issued by the Credit Union, and you agree to cooperate and assist the Credit Union and any government or law enforcement agent or agency in these efforts. You further agree that we may terminate any applicable services if we, in our sole discretion, believe that you have failed to cooperate with us or others in the case of any claim of unauthorized use, if we feel that you have failed to maintain the security of any Access Device(s) or Access Code(s), or if we feel that such action is in our best interests.

k. The Credit Union reserves the right to make any changes in the daily withdrawal limits it deems necessary.

l. The Credit Union is not liable for any claims you may have against a merchant, company or other financial institution arising from use of your Access Device(s).

m. If you incur a charge in foreign currency, the charge will be converted by VISA® International into a United States dollar amount, using the procedures and the operating regulations in effect at the time the transaction is processed. Those procedures currently provide for either a wholesale market rate or the government-mandated rate in effect one day prior to the processing date, increased by 1%. Because of the fluctuations in foreign currency exchange rates, the conversion rate in effect on the processing date may differ from the rate in effect on the transaction date or the posting date.

n. Except as specifically provided herein, the Credit Union cannot honor stop payment requests on any transactions.

o. You agree that by acceptance or use of an Access Device(s), Access Code(s) or other Electronic Funds Transfer Services the Credit Union is authorized to pay from any account you have, jointly or otherwise, with the Credit Union any amount necessary to satisfy any transaction, fee or service charge that results from your use or misuse of such services. Further, you authorize the Credit Union to make and advance under any loan that you have with the Credit Union an amount sufficient to satisfy any transaction, fee or service charge that results from your use or misuse of such services. If it is necessary to increase the amount of your loan to satisfy any such amount, then you hereby authorize the Credit Union to do so.

p. You will not obtain any Access Device(s) or Access Code(s) to make transactions on your accounts with us that is not issued or approved by us.

q. Merchants and others who honor the Card may give credit for returns and adjustments, and they will do so by initiating a credit with us, and we will credit that amount to your account.

r. You understand that you must keep your share and share draft checking account open (share account if Card is set up for ATM access only) in order for Card to remain valid. You agree to return all Cards if you should close your account(s), or upon our request.

s. You understand that failure to use Card for six (6) or more consecutive months may result in deactivation of Card or denial of re-issuance upon expiration.

4. Safety Precautions – Use of ATMs and Night Depositories

a. Be aware of your surroundings, particularly at night.

b. Consider having someone accompany you when “banking” after hours.

c. If another person is uncomfortably close to you at the time of your transaction, ask the person to step back before you complete your transaction.

d. Refrain from displaying your cash at the ATM or night depository facility. As soon as your transaction is completed, place your money in your purse or wallet. Count the cash later in the safety of your car or home.

e. If you notice something suspicious at the ATM or night deposit facility, consider using another ATM or night deposit facility or coming back later. If you are in the middle of a transaction and you notice something suspicious, cancel the transaction, take your Card or deposit envelope, and leave.

f. If you are followed after making a transaction, go to the nearest public area where people are located.

g. Do not write your PIN on your Card.

h. Report all crimes to law enforcement officials immediately.

5. General Rules For Using Phone Facts.

a. The Credit Union will issue to you a Personal Identification Number (PIN) to be used to make transactions through our **Phone Facts** service. You cannot use this service without this PIN. Your PIN is not transferable.

b. **Phone Facts** can be used to withdraw funds by check, transfer funds between your accounts, obtain balance information, make loan payments from share and share draft accounts, access Instant Cash account, determine if an item has cleared, verify the last date and amount of your direct deposit, change your PIN and other transactions as may become available. There is a limit of five (5) transactions per call and on the available account history information. There is no limit on the number of inquiries, transfers or withdrawal requests you make on any one day. You may transfer funds by telephone from your primary share or primary share draft accounts provided the aggregate number of telephone transfers, automated transfers and pre-authorized transfers for your accounts does not exceed the limitations set forth in paragraph 7, Common Features of All Accounts, Truth-in-Savings Act Disclosure in this Booklet.

c. You agree that the General Rules for Using Your Access Device (s) apply to your use of **Phone Facts** and your **Phone Facts** PIN, where applicable including, but not limited to, your responsibility for the security of your **Phone Facts** PIN.

d. Withdrawals from your share savings account through **Phone Facts** are not included in the maximum number of withdrawals allowed per month. Such withdrawals will be mailed to the account owner by check.

e. We reserve the right to discontinue your access to **Phone Facts** at any time without notice.

f. **Phone Facts** is available for your convenience twenty-four (24) hours a day. This service may be interrupted for a short time each day for data processing.

6. Making ATM Transactions. Your PIN will allow you to identify yourself when making an ATM transaction. The presentation of your Card together with the input of your PIN constitutes your authorization to the Credit Union to make transactions. You agree to follow all instructions for use of ATMs accessible by your ATM Card. Difficulties or complaints concerning the use or condition of any ATM should be reported directly to the Credit Union. Security or safety measures should be reported directly to the owner of any ATM not owned by the Credit Union.

NOTE: The Credit Union accepts deposits made only at ATMs on the Star Network.

7. Termination and Amendment. The Credit Union reserves the authority to terminate your transaction rights at any time; to change, modify or amend any of the terms of this agreement; and to retrieve or ask for the immediate return of any Card it deems necessary without prior notice to you. If notification is required by law, notice will be mailed to you at the address shown on the Credit Union's share account records. It is the obligation of each member to provide new addresses to the Credit Union.

8. **Access Device Revocation.** Any Access Device issued by the Credit Union may be revoked without notice to you in the event that any of the following conditions occur:

- a. Overdrafts occur as a result of insufficient or uncollected funds on an account
- b. Any transaction that occurs on your account(s) which results in a monetary loss to the Credit Union
- c. Loan, VISA® or other delinquency with the Credit Union
- d. Forced closure of a share or share draft account at the Credit Union due to misuse
- e. Special balance requirements, if any, are not maintained by the member
- f. Any other situation in which the Credit Union deems revocation to be in its best interest

9. **Transaction Fees.** You may make transactions at any ATM owned by the Credit Union or any Network indicated in the Schedule. You will be charged a transaction fee for each transaction made at non-proprietary ATMs as set forth in the Schedule (exceptions noted in the Schedule), which will be automatically debited from your share or checking account(s). An insufficient funds fee will be automatically debited from your share or checking account(s) for any transaction which cannot be completed because of insufficient funds in your account. The Credit Union reserves the right to establish and maintain transaction fees and charges, which may be modified from time to time.

Note: Owners of non-Fort Knox Federal Credit Union ATMs may charge fees in addition to any fees disclosed in the Schedule. These fees are generally called a “surcharge.” This is not a fee charged by your Credit Union; however, any such fee will be paid from your account(s) unless otherwise stated in the Schedule.

10. **Limitation or Frequency and Dollar Amounts of Transactions:** You may make any number of transactions between your accounts or from your accounts as long as you stay within your available balance of collected funds and you observe limitations on dollar amount of transactions as set forth in the Schedule. For security reasons, you may be limited to the number of transactions you can make on a given day, whether or not you have withdrawn your maximum dollar amount. Transfers from your Money Market Account to another account or to a third party by preauthorized, authorized, or telephone transfer are limited to six (6) per month as explained in the membership agreement.

We may reduce the limit for "point-of-sale" transactions during any interruption in the electronic connection between the Credit Union and the retail outlet. Further, we may at any time limit or reduce the number or dollar amount of transactions when we, in our sole discretion, deem it in the best interest of the Credit Union.

11. **Stop Payment Order (“SPO”) For “Preauthorized” and Other Transactions.** You may stop payment of preauthorized payments that are scheduled to recur on a regular basis to persons or companies other than the Credit Union. You cannot stop payment of any ATM, Debit, POS or other transaction or payment. If the transaction is on a multiple party account, we will accept a SPO from any owner regardless of who signed, made,

initiated or authorized the transaction. However, only the party placing a SPO may release the SPO by submitting such release in a written document accepted by the Credit Union.

To place a SPO you can call or write us at the telephone number or address listed on the Membership Agreement in time for us to actually receive your request in hand three (3) business days or more before the payment is scheduled to be made. If you provide a SPO orally, we require you to confirm the SPO in writing delivered to us in hand within 14 days from the date the oral SPO is first given. If we do not receive your written confirmation within said 14 days, the SPO will cease to be effective on the 14th day. This means that the preauthorized payment and future preauthorized payments to the payee you identify may be paid by us from your account(s) after the 14th day.

If you provide written confirmation as required, your SPO will be effective for a period of 6 months. Further, you agree that the Credit Union, in its sole discretion and having no obligation to do so, may confirm any SPO in writing by sending a notice to the address shown in our records. Such a notice from us will constitute written confirmation, and will extend the effectiveness of the SPO for a period of 6 months. This means that we will not pay the next scheduled payment or any other payments to the payee you identify for a period of 6 months.

We will charge you a fee for each stop payment order you give as set forth in the Schedule. The Credit Union reserves the right to establish and maintain service charges and/or transaction fees and may change or amend such fees and charges from time to time.

12. **Right to Documentation.**

a. **Terminal Transactions.** You can get a receipt at the time you make any transfer to or from your account using any ATM or POS terminal.

b. **Direct Deposits.** If you have arranged to have direct deposits made to your accounts at least once every sixty (60) days from the same person or company, the person or company making the deposit will notify you each they submit the funds. You can call or write us at the telephone number or address listed on the Membership Agreement to find out whether a deposit has been made to your account(s). If the only possible transfers to or from your account(s) are direct deposits, you will get a statement from us at least quarterly.

c. **Periodic Statements.** You will receive a monthly account statement from us for your checking account, unless there are no transactions for that particular month. At the minimum, you will receive a statement for all accounts quarterly.

13. **Notice When Amount of Preauthorized Payment(s) Vary.** If you preauthorize the Credit Union to make payments to persons or companies other than the Credit Union that vary in amount, then the person or company you are going to pay has the obligation to notify you ten (10) days before each such payment is due and how much it will be. (You must fill out an appropriate agreement with the Credit Union authorizing such payments, the terms of which are incorporated herein). You may choose instead to get this notice only when the payment differs by more than a certain amount from the previous payment, or the amount falls outside certain limits that you set.

14. **Liability for Failure to Make a Transaction.** If the Credit Union does not complete a transaction to or from your account on time or in the correct amount according to our agreement with you, the Credit Union may be liable for your losses or damages. However, there are some exceptions to this, which include the following:

- a. The account does not contain sufficient funds to complete the transaction through no fault of the Credit Union
- b. The transaction goes over the credit limit on your overdraft line
- c. The terminal where you were making the transaction does not have enough cash
- d. The ATM terminal or other system was not working properly and you knew about the breakdown when you started the transaction
- e. Circumstances beyond our control (such as fire, flood or electrical failure) prevent the transaction, despite reasonable precautions that we have taken
- f. You have not properly followed instructions for operation of the ATM or system
- g. The funds in your account are subject to legal process or other similar encumbrance
- h. The transaction would exceed one of the established limits contained in this Agreement or by other Credit Union agreements
- i. Access to your account has been blocked after you have reported your card(s) lost or stolen or you use a damaged or expired card

15. **Our Liability for Failure to Stop Payment of Pre-authorized Payments.** If you order a stop payment on a transaction to a person or company other than us three (3) business days or more before the transaction is scheduled and we do not do so, the Credit Union will be liable for your losses or damages.

16. **Information Disclosure.** We will disclose information to third parties about your account or the transactions you make:

- a. When it is necessary for completing transactions
- b. In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant
- c. In order to comply with government agency or court orders, or (4) if you give us your written permission.

17. **Business Day Disclosure.** Our business days are set forth in the Schedule.

18. **In Case of Errors or Questions About Transactions.** Telephone or write us at the telephone number or address listed in the Membership Agreement, the Schedule or your monthly statements 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 sixty (60) days after we sent the FIRST statement on which the problem or error appeared; and you must provide us with the following information:

- a. Your name and account number
- b. Describe the error or transaction you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information
- c. 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 ten (10) business days.

We will tell you the results of our investigation within ten (10) business days* after we hear from you, and will correct any error promptly. However, if we need more time, we may take up to forty-five (45) days** to investigate your complaint or question. If we decide to do this, we will provisionally credit your account within ten (10) business days* for the amount you think is in error so you will have the use of the money during the time it takes us to complete our investigation. (NOTE: If the error you assert is an unauthorized Debit Card transaction, other than a cash disbursement at an ATM, we will provisionally credit your account within five (5) business days unless we determine that the circumstances or your account history warrant a delay, in which case you will receive provisional credit within ten (10) business days.) If we ask you to put your complaint or question in writing, and we do not receive it within ten (10) business days, we may not provisionally credit your account.

If we decide that there was no error, we will send you a written explanation within three (3) business days after we finish our investigation. You may ask for copies of the documents that we used in our investigation. Expenses incurred by the Credit Union to research disputed transaction(s) shall be paid by you when such transaction(s) are proven to have been authorized by you or made by an unauthorized user. Further, when we determine that there was no error or that the disputed transaction(s) was authorized, you will repay any amount we provisionally re-credited to your account(s).

*If you give notice of an error within thirty (30) days after you make the first deposit to your account, we will have twenty (20) business days instead of ten (10) business days as indicated above.

**If you give notice of an error within thirty (30) days after you make the first deposit to your account, notice of an error involving a POS transaction, or notice of an error involving a transaction initiated outside the United States, its possessions or territories, we will have ninety (90) days instead of forty-five (45) days.

19. **Your Liability for Unauthorized Transaction:** Tell us AT ONCE if you believe your Card or PIN has been lost or stolen. Telephoning is the best way of keeping your possible losses down. Telephone or write us at the telephone number or address listed in this Booklet. You could lose all the money in your account (plus your maximum overdraft line of credit). If you tell us within two (2) business days, you can lose no more than \$50.00 if someone used your Card and PIN without your permission.

If you do NOT tell us within two (2) business days after you learn of the loss or theft of your Card or PIN and we can prove we could have stopped someone from using your Card or PIN without permission if you had told us, you can lose as much as \$500.00.

Also, if your statement shows transactions that you did not make, tell us at once. If you do not tell us within sixty (60) days after the statement was mailed to you, you may not get back any money you lost after the sixty (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 good reason (such as extended travel or hospitalization) kept you from telling us, we may extend these time periods.

20. **Reporting a Lost Card or PIN.** If you believe that your Card or PIN (including **Phone Facts** PIN) has been lost or stolen or that someone has withdrawn or may withdraw money from your account without your permission, you agree to immediately notify us. You can call the Credit Union or write us at the telephone number or address listed in this Booklet or the Schedule. If you recover your Card after you have notified us, DO NOT USE IT.

CREDIT UNION HOME BANKING (BRANCH@HOME) SERVICES AGREEMENT

1. Home Banking (Branch@Home) Services.

This Home Banking (Branch@Home Agreement (“Agreement”) is between Fort Knox Federal Credit Union (hereinafter “we, us, our or Credit Union”), and each member or consumer who has enrolled in our Home Banking Service (**Branch@Home**), together with any person who is authorized by a member or consumer to use or access **Branch@Home** (hereinafter referred together as “you, your or yours.”).

The Credit Union’s **Branch@Home** and Bill Payment Services are additional “electronic” services provided to increase the convenience of our members. This Agreement supplements the other terms and conditions set forth in this Booklet. To the extent that there is any conflict between the other terms of this Booklet, this Section will govern our relationship with you.

a. Eligibility.

In order to enroll and activate **Branch@Home** with us, you must be eligible to maintain an account with us. To determine your eligibility for **Branch@Home**, now and in the future, you authorize us to make inquiry to determine your employment history and to obtain information concerning any accounts with other institutions and your credit history, including consumer credit reports

To use **Branch@Home**, you must use a personal computer or other device with the capacity to interface by modem or otherwise with the Credit Union’s or our agent’s system. The Credit Union is not responsible for providing any equipment, services or advice related to equipment necessary to interface with our system, and is not responsible for any error in connections, transmissions or otherwise regarding any system, software, entries or instructions.

When using **Branch@Home**, you must, when prompted, enter your member number, password or PIN and any other requested information. By entering the correct information you will have direct access to your Credit Union accounts. **You should keep your password or PIN in a secure location. Any person having access to your Branch@Home, password or PIN will be able to access and perform all transactions, including reviewing Account information and making transfers to other Accounts and to other persons that you have a cross-account relationship with.**

b. User Materials.

Before you initiate your first Branch@Home transaction, you agree to familiarize yourself with the system by reading user information provided at the web site. You agree that the information contained at the web site and any updates to it are part of this Agreement.

2. Setup and Use of Branch@Home.

a. Access to Branch@Home.

Branch@Home is accessible **24 hours a day, seven days a week**, except for very brief moments from time to time, as posted at the web site, for system maintenance.

We may modify, suspend, or terminate access to **Branch@Home** at any time and for any reason without notice or refund of fees you've paid.

b. Equipment and Software Requirements.

To use **Branch@Home**, you need a computer with a modem and a web browser (such as Netscape Navigator®, Microsoft Internet Explorer® or an equivalent). You are responsible for the set-up and maintenance of your home computer and modem. Please contact us if you have questions about specific component requirements.

3. Branch@Home Services.

You can use **Branch@Home** to:

- a. Review recent transactions
- b. Borrow from your line of credit, if available, with funds transferred to checking or savings accounts
- c. Transfer funds between checking and savings accounts
- d. See a summary of your accounts
- e. Make payment to Line of Credit, Personal, Auto and Mortgage Loans with the Credit Union with funds transferred from checking and savings accounts

f. Get account information or statement update for checking, savings or borrowing accounts

g. Access information about the Credit Union, our products and services, and other items of general interest

h. Receive and send electronic messages to the Credit Union. You understand that we may not immediately receive e-mail communications that you send and will not take action based upon e-mail requests until we actually receive your message and have reasonable opportunity to act. If you need to contact the Credit Union immediately, you may call the **Branch@Home** telephone number in the Schedule. You understand that we may require that you document any oral request in writing before taking some actions.

i. Bill Payment Service is a feature of Branch@Home. By enabling/using Bill Payment Service, you authorize the Credit Union to transfer funds as directed by you from your account to designated merchants or accounts or individuals via the internet. The agreements, rules and regulations applicable to your savings account, checking account and other accounts serviced by the Credit Union remain in force and are applicable. You should carefully read the "Disclosure of Procedures and Fee" found at Bill Payment Service site.

j. eDeposit is another service of Branch@Home. You should carefully read the "eDeposits Disclosure" found at Card Services Site before using this service.

k. Account to Account (A2A) Transfer is another service of Branch@Home. You should carefully read the A2A Agreement before using this service.

4. **Fees.**

Please refer to the Schedule for fees charged.

5. **Parties' Responsibilities.**

a. **Member's Responsibilities.**

You are responsible for keeping your PIN and account data confidential. We are entitled to act on transaction instructions received using your PIN, and you agree that the use of your PIN will have the same effect as your signature authorizing the transaction(s). If you authorize other persons to use your PIN in any manner, your authorization will be considered unlimited in amount and manner until you have notified us in writing that you have revoked the authorization and you are responsible for any transactions made by such persons until you notify us that transfers by that person are no longer authorized.

b. **The Credit Union's Responsibilities.**

(1) Our Responsibility for Processing Transactions.

If we do not complete a transfer to or from your Account or cancel a transfer as properly requested on time or in the correct amount according to our agreement with you, we are liable for your losses or damages.

Our sole responsibility for an error in a transfer will be to correct the error, but in no case will we be liable for any indirect, special, incidental or consequential damages. In states which do not allow the exclusion or limitation of liability for indirect, special incidental or consequential damages, our liability is limited to the extent permitted by applicable law.

(2) Limitations of Our Responsibility for Processing Transactions.

There are some exceptions to our liability for processing transactions on your Accounts. We will not be liable, for instance:

- (a) If, through no fault of ours, you do not have enough money in your Account to make the transfer
- (b) If the transfer would go over the credit limit on your overdraft line
- (c) If the funds in your Account were attached or the transfer cannot be made because of legal restrictions affecting your Account
- (d) If circumstances beyond our control such as interruption of telephone service or telecommunication facilities, or natural disaster (such as a fire or flood) prevent the transfer, despite reasonable precautions that we have taken
- (e) If you have improperly followed instructions for using **Branch@Home**
- (f) For any failure to provide access or for interruptions in access to **Branch@Home** due to a system failure or due to other unforeseen acts or circumstances
- (g) For any errors or failures from any malfunction of your computer or any computer virus or other problems related to your computer equipment used with **Branch@Home**
- (h) For any error, damages or other loss you may suffer due to malfunction or misapplication of any system you use, including your browser (Netscape Navigator®, Microsoft Explorer®, or otherwise), your Internet service provider, your personal financial management or other software (such as Quicken® or Microsoft Money®) or any equipment you may use (including your telecommunications facilities, computer hardware and modem) to access or communicate with **Branch@Home**

6. Termination.

Branch@Home remains in effect until terminated by you or us. You may cancel this service at any time by notifying us of your intent to cancel by writing or calling us at the

phone number or address in the Schedule. This cancellation applies only to **Branch@Home** and does not terminate your other relationships with us.

We may terminate your participation in **Branch@Home** for any reason, at any time. We will try to notify you in advance, but we are not obligated to do so.

PRIVACY POLICY AND AGREEMENT

Provided separately in format prescribed by National Credit Union Administration. Policy may also be viewed at Credit Union website www.fortknnoxfcu.org.

UNIFORM COMMERCIAL CODE FUNDS TRANSFER AGREEMENT AND DISCLOSURE

1. **Summary and Definitions.** This Agreement governs the movement of funds by means of funds transfers defined in Article 4A of the Uniform Commercial Code and Subpart B of Regulation J of the Board of Governors of the Federal Reserve System (generally referred to as "Fedwire" or "wholesale" wire transfers). This Agreement does not apply to any transaction or any part of any transaction governed by the Electronic Funds Transfer Act and Regulation E. To the extent that the terms of this Agreement vary from the other agreements or disclosures in this Booklet, this Agreement shall govern. Further, to the extent that this Agreement varies any provision of Article 4A or Regulation J, this Agreement shall govern, except where specifically prohibited by applicable law.
2. **Services Available.** You authorize us to transfer funds in accordance with your request(s) to and from your account(s) with us, or to and from another institution. Transfers shall be made according to the security procedures defined in this Agreement. We may debit any of the accounts you designate as a source of payment for funds transfers and any related fees and service charges. We will have no obligation to accept or execute any payment order if:
 - a. The account(s) from which it is to be made does not contain sufficient available collected funds
 - b. The payment order is not authorized or does not comply with applicable security procedures
 - c. Acting in good faith we have reasonable cause for rejecting the payment order
3. **Person(s) Authorized to Make Transfers.** You agree that you, any joint owner of an account, or any person authorized by a written instrument by you or any joint owner, that is acceptable to us, may initiate, request, cancel, amend or verify transfers on your account(s). We may rely on the authority of any person(s) designated by you or any joint owner until we receive written notice revoking or modifying that authority.
4. **Security Procedure(s).** You agree that the security procedures set forth in the Schedule may be used to verify the authenticity of transfer orders, and that we may change

these procedures from time to time. You also agree that our security procedures are commercially reasonable. Your use of said procedure(s) shall evidence your agreement to the use and commercial reasonableness of any existing or future procedures.

We may assign to you or any authorized person(s) one or more confidential codes or passwords to be used for requesting any transfer. When so assigned, requests for transfers, amendments or cancellations will not be acted upon by us without the correct code(s) or password(s). You are responsible for maintaining the confidentiality of any code or password and for notifying us if you know or suspect that such confidentiality has been compromised.

You authorize us to record any telephone communications regarding any transfer order, which we may maintain for any period of time we deem appropriate.

5. **Time Limitations for Acceptance of Orders.** We may establish and change cut-off times for the receipt and processing of funds transfer orders, amendments or cancellations. Our transfer business days and cut-off times are set forth in the Schedule, as amended from time to time. Transfer orders, cancellations or amendments received after the cut-off time may be treated as received on the next funds transfer business day, and processed accordingly. Your request for transfer(s), amendment(s) and cancellation(s) is considered accepted when executed by us.

6. **Cancellation or Amendment of Transfer Request(s).** You may not be able to cancel or amend a request after it is received by us. However, we may, in our sole discretion, use reasonable efforts to act on your request for cancellation or amendment. Any request for cancellation or amendment is subject to applicable security procedure(s). We shall have no liability if such cancellation or amendment is not affected. Furthermore, you agree to indemnify and hold us harmless from any and all liabilities, costs and expenses we may incur in attempting to cancel or amend any transfer.

7. **Member Instructions Identifying Beneficiary or Financial Institution.** You acknowledge and agree that when you provide us with the name and account number when requesting a transfer, that payment may be made solely on the basis of the account number even if the account number identifies a beneficiary different from the beneficiary named by you. Further, payment instructions identifying a beneficiary's financial institution name, routing and transit number may result in payment solely on the basis of the routing and transit number even if the name of the institution does not correspond to said numbers. You further agree that your obligation to pay the amount of the wire transfer to us is not excused in such circumstances. Likewise, wire transfers received by us for your benefit may be paid by us solely on the basis of account number.

8. **Account Statements and Notices.** All transfers subject to this Agreement will be reflected on your periodic account statement(s). All ACH transactions are governed by the operating rules for the National Automated Clearing House Association ("NACHA"). We will not provide you with next day notice of the receipt of any transfer that is governed by this Agreement. Notification of receipt of all such transfers will be provided by including such item in the periodic account statement(s) we provide. You may inquire whether a specific transfer has been received at any time during our normal business hours.

You agree to review each statement or other notice for any discrepancies in connection with transfers. If you think a transfer is not authorized, wrong, or if you need more information about a transfer, you must contact us in writing upon discovery of the error or within 14 days after you receive the first notice or statement that reflects the discrepancy you allege, whichever is earlier. Failure to do so will relieve us of any obligation to pay interest or otherwise compensate you for the amount of any unauthorized or erroneous transfer.

9. **Method Used to Make the Wire Transfer.** We may select any means for the transmission of funds we consider suitable, including but not limited to the Credit Union's own internal systems or Fedwire. Any subsequent financial institution may also use Fedwire. Any use of Fedwire shall be governed by applicable Fedwire regulations. The Credit Union is not responsible for performance failure as a result of an interruption in transfer facilities, labor disputes, power failures, equipment malfunctions, suspension of payment by another party, refusal or delay by another financial institution to accept the transfer, war, emergency conditions, fire, earthquake or other circumstances not within our control.

10. **Limitation of Credit Union's Liability.** In addition to any defense or exception from liability provided in this Booklet or applicable law, the Credit Union shall not be liable in any case for any special, indirect, exemplary, consequential or punitive damages (including lost profits). Further, we shall in no case be responsible for the payment of any attorneys' fees or other legal expenses whatsoever. If we become obligated to pay dividends to you under applicable law, you agree that the dividend rate shall be equal to the dividend rate applicable to the account on which the transfer was made.

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

12. **Choice of Law.** We may accept on your behalf payments to 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 and your rights and obligations with respect to such payments shall be construed in accordance with Kentucky law, and as provided in the operating rules of the National Automated Clearing House Association.

FUNDS AVAILABILITY DISCLOSURE - WHEN YOUR FUNDS ARE AVAILABLE FOR WITHDRAWAL

Our policy is to make funds from your cash deposit available to you on same business day as we receive it (count it, if deposit made at proprietary ATM or Night Depository). Check deposit is made available to you on the first business day after we receive it (except Shared Branches and ATM). At that time, you can withdraw the funds in cash and we will use the funds to pay checks that you have written.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before "daily cut-off time" 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 "daily cut-off time" or on a day we are not open, we will consider that deposit made on the next business day we are open. We have different cut-off times for different deposit locations. Our cut-off times are available at respective Credit Union locations and posted at www.fkfcu.

1. **Longer Delays May Apply.** In some cases, we will not make all of the funds that you deposit by check available to you on the 1st business day after the day of your deposit. Depending on the type of check that you deposit, all of the funds may not be available until the *5th business day after the day of your deposit. However, the first \$200 will be available on the first business day.

If we are not going to make all of the funds from your deposit available on the 1st business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you a notice by the day after we receive your deposit. If you will need the funds from a deposit right away, you should ask us when the funds will be available.

***Special Rules for Time Period Adjustment for Withdrawals by Cash or Similar Means.** The Credit Union reserves the right to extend by one business day the time that funds deposited will be available for withdrawal by cash or similar means. However, an additional \$400.00 will be available for withdrawal by cash or similar means on the date funds are otherwise available for withdrawal under this policy.

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 \$5,000 on any one day.
- You re-deposit 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 communications or computer equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and will tell you when the funds will be available. Funds deposited by checks will generally be available no later than the *7th business day after the business day of your deposit.

2. **Funds Availability Policy-Shared Branch & ATM Deposits:** Funds from any deposit (cash or checks) made at non-proprietary ATMs or check deposits made at Shared Branches, will be available not later than the 4th business day after the day of your deposit. Such deposits made at ATMs that we own or operate will be available not later than the 2nd business day after your deposit. All ATMs that we own or operate are identified as our machines.

3. **Holds on Other Funds (Check Cashing).** 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 at the time funds from the check

we cashed would have been available if you had deposited it. For example, if we cash a \$300.00 check for you, \$100.00 of funds already in your account will not be available until the time periods described elsewhere in this disclosure.

4. **Special Rules for New Accounts.** If you are a new member, or have just opened a checking account, the following special rules may apply during the first thirty (30) days your account is open.

The first \$5,000.00 from a deposit of U.S. Treasury checks will be available on the 1st business day after the day of your deposit. The excess over \$5,000.00 will be available on the 9th business day after the day of your deposit. Funds from wire transfers into your account will generally be available on the 1st business day after the day we receive the transfer.

Funds from deposits of cash and the first \$5,000.00 of a day's total deposits of cashier's, certified, teller's, travelers, and state and local government checks will be available on the 1st business day after the day of your deposit if the deposit meets certain conditions. For example, the checks may be payable to you (and you may have to use a special deposit slip). The excess over \$5,000.00 will be available on the 9th business day after the day of your deposit. If you do not make the deposit in person to one of our employees, the first \$5,000.00 will not be available until the 2nd business day after the day of your deposit. Funds from all other check deposits will generally be available on the 6th business day after the day of your deposit.

5. **Foreign Checks.** Checks drawn on financial institutions located outside the U.S. (foreign checks) cannot be processed the same as checks drawn on U.S. financial institutions. Foreign checks are exempt from the policies outlined in this disclosure. Generally, the availability of funds for deposit of foreign checks will be delayed for the time it takes us to collect the funds from the financial institutions upon which it is drawn. Foreign checks with no routing numbers and payable in foreign currency are not accepted for deposit. These items must be sent as a collection item. Only foreign checks payable through a U.S. bank with routing numbers and payable in U.S. dollars will be available the next day.

6. **Substitute Checks.** What is a substitute check? To make check processing faster, federal law permits financial institutions to replace original checks with "substitute checks." These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check state: "This is a legal copy of your check. You can use it the same way you would use the original check." You may use a substitute check as proof of payment just like the original check. Some or all of the checks that you receive back from us may be substitute checks. This notice describes rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have rights under other law with respect to those transactions. What are my rights regarding substitute checks? In certain case, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example,

insufficient check fees). The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to interest on the amount of your refund. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law. If you use this procedure, you may receive up to \$2,500 of your refund (plus interest) within 10 business days after we received your claim and the remainder of your refund (plus interest) not later than 45 calendar days after we received your claim. We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account. How do I make a claim for a refund? If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us at 800-285-5669 or write us at 3939 S. Dixie Blvd (Attn: MRB), Radcliff, KY 40160 or email us at www.fkfcu.org. You must contact us within 40 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances. Your claim must include: a. A description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect); b. An estimate of the amount of your loss; c. An explanation of why the substitute check you received is sufficient to confirm that you suffered a loss; and d. A copy of the substitute check (and/or) the following information to help us identify the substitute check: (check number, name of payee and amount of check).

TRUTH-IN-SAVINGS ACT DISCLOSURE Share and Checking Accounts*

1. **Rate Information.** The dividend rate and Annual Percentage Yield ("APY") on your accounts are set forth in the Truth-in-Savings Act Rate and Fee Schedule ("Schedule") provided with this Booklet. These accounts are variable. As such, dividend rates and APYs may change each dividend period as determined by the Board of Directors.
2. **Compounding and Crediting.** Dividends will be compounded and will be credited as set forth in the Schedule. The dividend period for each of your accounts is set forth in the Schedule. The dividend period begins on the first calendar day of the period and ends on the last calendar day of the period. If your account is closed or you make a withdrawal during a dividend period before dividends are credited, you will not receive accrued but uncredited dividends.
3. **Balance Information.** Any minimum deposit to open an account, and the minimum average daily balance you must maintain to avoid service fees and to earn the Annual Percentage Yield stated for your account is set forth in the Schedule. For share (savings), there is no minimum balance requirement to earn dividends if the owner is less than 18 years of age. For Money Market Share Accounts, failure to maintain the minimum daily balance will result in the assessment of a monthly fee as stated in the Schedule. Dividends are calculated by the average daily balance method which applies a periodic rate to the average daily balance in your account for the Period. The average daily balance is calculated by adding the balance in your account for each day of the Period and dividing that figure by the number of days in the Period.

4. **Accrual of Dividends.** Dividends will begin to accrue on the business day we receive provisional credit for the deposit of noncash items (e.g. checks) to your account. Dividends will begin to accrue on cash deposits on the business day you make the deposit to your account.
5. **Transaction Limitations for All Share Savings Accounts.** Limitations are set forth in paragraph 7 under the first Section of this Booklet entitled "Membership, Account and Account Services Agreement."
6. **Excessive Transaction Fees.** Free share savings account transactions are limited to twelve (12) per quarter. Additional transactions during a quarter will cause a fee to be imposed as set forth in the Schedule. See Paragraph 7b, Page 5 for transaction limitations/fees as pertains to Money Market Share Account.
7. **Early Withdrawal Penalties.** The IRS imposes a 10% penalty on funds prematurely withdrawn from an IRA prior to the member attaining the age of 59½ and Fort Knox Federal Credit Union will also impose a penalty for such early withdrawal; that is, a forfeiture of 6 months dividends, whether earned or not at a rate equal to the difference between the IRA dividend rate and the regular share account dividend rate in effect at the time of withdrawal. The penalty will be computed only on the amount withdrawn. No redemption penalties will be imposed if withdrawal is subsequent to the member's death or disability.

*Checking Accounts are non-dividend bearing and accorded unlimited insurance coverage until December 31, 2012.

TERM SHARE CERTIFICATE ACCOUNTS (Share Certificate and IRA Certificate Accounts)

1. **Rate Information.** The dividend rate and annual percentage yield on your account are stated in the Schedule. The Annual Percentage Yield reflects the dividends to be paid on your account based on the dividend rate and the frequency of compounding for an annual period. For all accounts, the dividend rate and Annual Percentage Yield are fixed and will be in effect for the term of the account. The Annual Percentage Yield assumes that dividends will remain on deposit until maturity. Any withdrawals will reduce your earnings.
2. **Compounding and Crediting.** Dividends will be compounded and credited as set forth in the Schedule. The Dividend Period ("period") for each account is set forth in the Schedule. The period begins on the first calendar day of the period and ends on the last calendar day of the period. Dividends are credited (posted) on the first calendar day after the month or quarter as you select when you open this account.
3. **Minimum Balance Requirements.** The minimum opening deposit required to open any Term Share Certificate Account is set forth in the Schedule. You must maintain an average daily balance equal to or greater than the minimum opening deposit to earn the Annual Percentage Yield and avoid any service charges set forth in the Schedule.
4. **Balance Computation Information.** Dividends are calculated by the average daily balance method, which applies a periodic rate to the average daily balance in your account for the period. The average daily balance is calculated by adding the balance in your

account for each day of the period and dividing that figure by the number of days in the period.

5. **Accrual of Dividends.** Dividends will begin to accrue on the business day we receive provisional credit for the deposit of noncash items (e.g. checks) to your account. Dividends will begin to accrue on cash deposits on the business day you make the deposit to your account. Once interest is credited to a certificate account, it becomes principal. If you close your account before any dividend is credited, you will not receive accrued but uncredited or unpaid dividends.

6. **Transaction Limitations.** In addition to any other applicable limitations described in this Booklet, after a Term Account is opened, you may not make deposits into the account before maturity. After an IRA Certificate Account is opened, you may make additional deposits into the account before maturity; however, your deposits may not exceed that permitted by the Internal Revenue Service.

7. **Maturity Date.** Your account will mature on the date stated in your account or any maturity/renewal notice the Credit Unions provides to you.

8. **Early Withdrawal Penalties.** You have agreed to leave the principal of this account on deposit for the full term stated in your account or renewal notice. If all or part of the principal is withdrawn before the maturity date, the Credit Union may charge you a penalty. Withdrawal of the principal amount of your Certificate may be made only with the consent of the Credit Union. Unless stated otherwise, the owner shall forfeit an amount equal to 180 days dividends whether earned or not on certificates with maturities greater than 24 months. The penalty on certificates with maturities less than 24 months is 90 days dividends whether earned or not. The penalty may be calculated at the rate paid on the deposit. The penalty will, if necessary, be taken from the principal amount of the deposit. The Credit Union may grant a premature withdrawal request without penalty or with a reduced penalty in the event of the owner's death or legal incompetence; or if your account is an IRA account and the account is revoked within seven (7) days after IRA Disclosure Statement is received; or when the account is an IRA account and owner becomes age 70½ or disabled.

9. **Renewal Policy.** Unless you instruct the Credit Union otherwise, your certificate account will automatically renew at maturity. You will have a grace period of ten (10) days after the maturity date to withdraw the funds in the account without being charged an early withdrawal penalty. However, the Credit Union reserves the right to give the owner written notice that the account will not be renewed. In the latter case, upon maturity, the account will be converted to a regular share account and receive earnings at the rate then paid on regular share deposits. The rate of earnings for any renewal terms, shall be at the rate the Credit Union is then offering on the same accounts in this class. If you instruct us not to renew your account, then no dividends will be paid after the stated maturity date.

10. **Partial Withdrawal.** No partial withdrawal will be permitted at any time that would result in a principal balance of less than the required minimum opening deposit.

COMMON FEATURES OF ALL ACCOUNTS

1. **Nature of Dividends.** The Credit Union pays dividends from current income and available earnings, after required transfers to reserves at the end of the dividend period, thus dividends are not guaranteed. The Dividend Rate and Annual Percentage Yield set forth in the Schedule are prospective rates and yields the Credit Union anticipates paying for the applicable dividend period.
2. **National Credit Union Share Insurance Fund.** Member accounts in this Credit Union are federally insured by the National Credit Union Share Insurance Fund.
3. **Limitations on Maximum Shares Held by One Member.** The Credit Union's Board of Directors may limit the maximum amount of shares one member may hold by resolution, which they may set or change from time to time.
4. **Transfer and Assignment.** Your account(s) are not transferable and not negotiable. The funds in your account(s) may not be pledged to secure any obligation of an owner, except obligations with the Credit Union.
5. **Fees and Charges.** The fees and charges set forth in the Schedule may be assessed against your account(s).
6. **Par Value Requirements.** The Par Value of a membership share, which must be fully paid to become a member or maintain membership or to receive and maintain any accounts or services with us is set forth in the Schedule. The sum of your membership share will be paid into and retained in your share savings or other appropriate account.
7. **Transaction Limitation on All Accounts.** No member may withdraw any amount on deposit below the amount of their primary or contingent liability to the Credit Union if they are delinquent as borrower, co-maker, or guarantor, without the Credit Union's written permission. Further, if your account(s) are pledged to us to secure any loan obligation, then you must pay, or, with our permission, renew the loan before any principal or dividends may be withdrawn or transferred. If we allow you to renew a loan secured by such a pledge, you may be required to renew any pledged account or leave the funds on deposit with us until the loan is paid or we specifically release the funds. We reserve the right to change any term of any account with proper legal/regulatory notice.

Office Locations

313 Branch/Main Office 3939 S. Dixie Boulevard Radcliff, KY 40160 (502) 942-0254	HRCoE Branch 6424 Spearhead Division Avenue Fort Knox, KY 40121 (502) 942-0254
Bardstown Branch 106 W. John Rowan Boulevard Bardstown, KY 40004 (502) 348-2010	Knox Branch 133 Gold Vault Road Fort Knox, KY 40121 (502) 942-0254
Brandenburg Branch 1452 Old State Road Brandenburg, KY 40108 (502) 942-0254	Leitchfield Branch 1453 Elizabethtown Road Leitchfield, KY 42754 (270) 259-4029
Campbellsville Branch 121 Wal-Mart Drive Campbellsville, KY 42718 (270) 465-0872	Pershing Branch/Corporate HQ 1175 Pershing Drive Fort Knox, KY 40121 (502) 942-0254
Danville Branch 312 Skywatch Drive Danville, KY 40422 (859) 236-2153	Radcliff Branch 713 W. Lincoln Trail Boulevard Radcliff, KY 40160 (502) 942-0254
Dixie Branch 1109 North Dixie Elizabethtown, KY 42701 (270) 765-8659	Ring Road Branch 1650 Ring Road Elizabethtown, KY 42701 (270) 765-8659
Hodgenville Branch 299 Lincoln Drive Hodgenville, KY 42748 (270) 358-0243	Shared Branches, Louisville, KY 4917-A South Dixie 40216 2925 Goose Creek Road 40241 (800) 285-5669

World Wide Web Address

<http://www.fortknoxfcu.org>

To report a lost or stolen **VISA® Check Card** after hours call 1-800-472-3272

To report a lost or stolen **VISA® Credit Card** after hours call 1-800-235-7728

Direct all other reports, requests and inquiries to:

Member Resource Branch

PO Box 900

Radcliff, KY 40159-0900

1-800-285-5669 or 1-502-942-0254



12 C.F.R. §740.4