

ARIZE FEDERAL CREDIT UNION

650 SCIENCE PARK RD
STATE COLLEGE, PA 16803
814-237-5458

Membership Agreement

Terms and Conditions of Your Account

Agreement

This Membership Agreement ("Agreement"), along with any other disclosures and policies we give you pertaining to your account(s) (as updated from time to time), is a contract between you and the Credit Union that establishes rules that control any account(s) you open or maintain with us. Please read this carefully. If you sign the signature card or open, or continue to have your account with us, you agree to these rules. If you have any questions please call us. 814-237-5458 or go to www.arizefcu.org.

This Agreement is subject to applicable federal laws and the laws of the Commonwealth of Pennsylvania. The purpose of this document is to:

- 1) summarize some laws that apply to common transactions;
- 2) establish rules to cover transactions or events that the law does not regulate;
- 3) establish rules for certain transactions or events that the law regulates but permits variations by agreement; and
- 4) give you disclosures of some of our policies that you may be entitled or that you may be interested.

If any provision of this Agreement is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variations in writing either on the signature card for your account or in some other document. As used in this document, the words "we", "our", and "us" mean the financial institution and the words "you" and "your" mean the account holder(s) and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the account. The headings in this document are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this document should be construed so the singular includes the plural and the plural includes the singular.

Bylaw Requirements

Our bylaws, which we may amend from time to time, establish basic rules about our credit union policies and operations that affect your account and membership. You may obtain a copy of the bylaws on request.

Deposits

We will give only provisional credit until collection is final for any items, other than cash, we accept for deposit (including items drawn "on us"). Actual credit for deposits of checks payable in foreign currency will be at the exchange rate in effect upon final collections of US dollars. We are not responsible for

transactions by mail or outside depository until we actually record them. We reserve the right to refuse or return any item or funds transfer.

Withdrawals

Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs in the space designated for signatures on the signature card, may withdraw or transfer all or any part of the available account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person signing the signature card to endorse any item payable to you or your order for deposit to this account or any other transaction with us. We may charge your account for a check even though payment was made before the date of the check. We may refuse any withdrawal or transfer request that you attempt on forms not approved by us, by any method we do not specifically permit, that is greater in number than the frequency permitted, or that is for an amount greater or less than any withdrawal limitations. See Funds Availability Disclosure for additional information.

Ownership of Account and Beneficiary Designation

These rules apply to the account depending on the form of ownership and beneficiary designation, if any, specified on the account records. We reserve the right to refuse some forms of ownership on any or all of our accounts. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine to whom we pay the account funds.

Individual Account - is an account in the name of one person.

Joint Account - With Survivorship (And Not As Tenants in Common) - is an account in the name of two or more persons. Each of you intends that when you die the balance in the account (subject to any previous pledge to which we have agreed) will belong to the survivor(s). If two or more of you survive, you will own the balance in the account as joint tenants with survivorship and not as tenants in common.

Revocable Trust Account - If two or more of you create such an account, you own the account jointly with survivorship. Beneficiaries cannot withdraw unless: (1) all persons creating the account dies, and (2) the beneficiary is then living. If two or more beneficiaries are named and survive the death of all persons creating the account, such beneficiaries will own this account in equal shares, without the right of survivorship. The person(s) creating this account type reserve the right to: (1) change beneficiaries, (2) change account types, and (3) withdraw all or part of the account funds at any time.

Business and Organization Accounts - Unless otherwise provided by law or our policy, we may require the governing body of the legal entity opening the account to give us a separate authorization telling us who is authorized to act on its behalf. We will honor the authorization until we actually receive written notice of a change in the governing body of the legal entity.

Stop Payments

You must make any stop payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it before our stop payment cut off time. The cut off time is one hour after the opening of the next business day after the business day on which we receive the item. To be effective, your stop payment order must precisely identify the number, date and amount of the item, and the payee. You may stop payment of any item drawn on your account whether you sign the item or not, if you have an equal or greater right to withdraw from this account than the person who signed the item. A release of stop payment request may be made only by the person who initiated the

stop payment order. Additional limitations on our obligation to stop payment are provided by law (e.g., we paid the item in cash or we certified the item). See Electronic Funds Transfers Disclosure regarding electronic funds stop payment requests.

Telephone Transfers

A telephone transfer of funds from this account to another account with us, if otherwise arranged for or permitted, may be made by the same persons and under the same generally applicable to withdrawals made in writing. We restrict the number of transfers from a savings account during a month. See Electronic Funds Transfers Disclosure regarding limitations on saving account transfers.

Amendments and Termination

We may change our bylaws and any term of this agreement. Rules governing changes in rates are provided separately. For other changes we will give you reasonable notice in writing or by any other method permitted by law. We may close this account if your membership in the credit union terminates, or by giving reasonable notice to you and tender the account balance personally or by mail. At our option, we may suspend your rights to member services if you violate the terms of this agreement. You must keep us informed of your current address at all times. Notice from us to any one is notice to all account owners.

Statements

You will receive a periodic statement that shows the transactions and activity on your account during the statement period as required by applicable law. If a periodic statement is provided, you agree that only one statement is necessary for joint accounts. For share draft or checking accounts, you understand and agree that your original check or draft, when paid, becomes property of the Credit Union and may not be returned to you, but copies of the check or draft may be retained by us or by payable-through financial institutions and may be made available upon your request. You understand that the balance on your statement shows your available balance.

You must examine your statement of account with "reasonable promptness". If you discover any discrepancies, you must promptly notify us of the relevant facts. As between you and us, if you fail to do either of these duties, you will have to either share in the loss with us, or bear the loss entirely yourself (depending on whether we used ordinary care and, if not, whether we substantially contributed to the loss). The loss could be with respect to items on the statement such as unauthorized signatures or alterations by the same wrongdoer. You agree that the time you have to examine your statement and report to us will depend on the circumstances, but will not, in any circumstance, exceed a total of 30 days from when the statement is first mailed or made available to you. You further agree that if you fail to report any unauthorized signatures, alterations, forgeries, or any other errors in your account within 60 days of when we first mail or make the statement available, you cannot assert a claim against us on any items in that statement, and as between you and us the loss will be entirely yours. This 60 day limitation is without regard to whether we used ordinary care. The limitation in this paragraph is in addition to that contained in the first paragraph. See Electronic Funds Transfers Disclosure for more details if you have a discrepancy related to an electronic fund transfer. You may agree to receive your periodic account statements online through our eStatement service. You have the right to request and receive your statements and other documents in paper form. If you agree to receive eStatements, you may withdraw your consent for online statements at any time. There are no fees or account restrictions for choosing to withdraw your consent for online statements.

Time to Commence Action

Any action or proceeding by you to enforce an obligation, duty or right arising under this agreement or by law with respect to your account or any account service must be commenced within one year after the cause of action accrues.

Account Transfer

This account may not be transferred or assigned without our prior written consent.

Direct Deposit of Federal Government

If, in connection with a direct deposit plan, we deposit any amount in an account which should have been returned to the Federal Government for any reason, you authorize us to deduct the amount of our liability to the Federal Government from the account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of our liability.

Right to Repayment of Indebtedness

You agree that we may (without prior notice, and when permitted by law) charge against and deduct from this account any due and payable debt owed to us now or in the future, by any of you having the right of withdrawal, to the extent of such persons or legal entity's right to withdraw. If the debt arises from a note, "any due and payable debt" includes the total amount of which we are entitled to demand payment under the terms of the note. In addition, to these contract rights, we may also have rights under a "statutory lien". If federal or state law provides us with a statutory lien, then we are authorized to apply, without prior notice, your shares and dividends to any debt you owe us, in accordance with the statutory lien. Neither our contract rights nor rights under a statutory lien apply to this account if: (a) it is an Individual Retirement Account or other tax-deferred retirement account, or (b) the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest), or (c) the debtor's right of withdrawal arises only in a representative capacity. We will not be liable for the dishonor of any check when the dishonor occurs because we charge and deduct an amount you owe us from your account. You agree to hold us harmless from any claim arising as a result of our exercise of our right to repayment.

Restrictive Legends

We are not required to honor any restrictive legend on checks you write. Examples of restrictive legends are "must be presented within 90 days" or "not valid for more than \$1,000.00".

Pledge of Deposits

Unless we agree otherwise in writing, each owner of this account may pledge all or any part of the funds in it for any purpose to which we agree. Any pledge of this account must first be satisfied before the rights of any surviving owner or account beneficiary become effective.

ACH (Automated Clearing House) and Wire Transfers

This Agreement is subject to Article 4A of the Uniform Commercial Code (UCC) - Fund Transfers as adopted in the state in which you have your account with us. If you originate a fund transfer for which

Fedwire is used, and you identify by name and number a beneficiary financial institution, an intermediary financial institution or a beneficiary, we and every receiving or beneficiary financial institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a financial institution, person or account other than the one named. You agree to be bound by ACH association rules. These rules provide, among other things that payments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A-403(a) of the UCC. If we do not receive such, we are entitled to a refund from you in the amount credited to your account and the party originating such payment will not be considered to have paid the amount so credited. If we receive a credit to an account you have with us by wire or ACH, we are not required to give you any notice of payment order or credit.

Facsimile Signatures

You authorize us, at any time, to charge you for all checks, or other orders, for the payment of money, that are drawn on us regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen filed with us, and contain the required number of signatures for this purpose.

Overdrafts

"Overdraft" means there is not enough available balance in your account at the time a transaction is presented to us for payment (not when it is authorized). Overdrafts can result from checks, electronic payment transactions such as on line bill payments, Automated Clearing House or ACH payments, debit card payments and ATM withdrawals or transfers. Should an Overdraft occur and you have signed up for Overdraft Protection, then we will first attempt to authorize and pay the item by transferring funds to your Checking Account from any approved personal line of credit, MasterCard Account or other deposit account (such as a Savings Account). If you have not signed up for Overdraft Protection or funds are not available in any of the above accounts when a transaction is presented to us, then we may either reject the transaction or we may, at our discretion, elect to pay it using our standard overdraft practices, which are called Courtesy Pay.

Courtesy Pay applies when we pay overdraft checks, Automatic Clearing House (ACH described below) transactions, bill pay and recurring debit card payments. If you choose to opt-in, Courtesy Pay can also apply to nonrecurring or one-time debit card payment transactions and ATM withdrawals and transfers. Without your affirmative consent, we may not authorize one-time debit card transactions or ATM withdrawals that will result in insufficient available balance in your account

If we pay an overdraft, then we will charge you an Overdraft Privilege Fee of \$35. If we decline to pay an overdraft that would result from a check, ACH or bill pay transaction, then it will be rejected and you will be charged a returned item ("NSF Fee"), which is also \$35. You will not be charged any fees if we decline to authorize a debit card payment transaction or ATM withdrawal or transfer. Overdraft Privilege Fees and NSF Fees are described in our Fee Schedule, which is updated periodically.

Note: Check and ACH payment transactions that are returned may be presented to us again for payment multiple times until paid. You may be charged an NSF Fee or Overdraft Privilege Fee each time a transaction is presented for payment, even if it was previously declined and a fee was previously charged.

The following is important information regarding your account balances, how transactions are authorized and posted to your account, and when an Overdraft or Return Item Fee will be charged.

You should read these disclosures carefully. If you have questions, please see a branch representative or call 814-237-5458.

YOUR CHECKING ACCOUNT BALANCE. Your checking account has two balances: the "current" balance and the "available" balance. Both can be checked when you review your account online, on our mobile banking app, at an ATM, or at a branch. It is important to understand how the two balances work so that you know how much money is in your account at any given time. This section explains current and available balances and how they work.

Your current balance is the full amount of all deposits into your account, even though some portion of a deposit may be on hold and may not be available to you (see our Funds Availability Disclosure), less payment transactions that have actually "posted" to or have been paid from your account, but not payment transactions that have been authorized and are pending. Thus, while the term "current" may sound as though the number you see is an up-to-date display of what is in your account that you can spend, that is not always the case. Any holds for purchase transactions, holds on deposits, or other checks, payments and fees that have not yet posted will not appear in your current balance. For example, if you have a \$50 current balance, but you just wrote a check for \$40, then your current balance is \$50 but it does not reflect the pending check transaction. So at that point, you actually have \$50, but you have already spent \$40. The current balance is the balance reflected on your account statements.

Your available balance is the amount of money in your account that is available for you to use without the risk of being charged an Overdraft Privilege Fee or NSF Fee. The available balance is the current balance less things like holds placed on deposits and pending transactions (such as pending debit card purchases) that the Credit Union has authorized but that have not yet posted to your account. For example, assume you have a current balance of \$50 and an available balance of \$50. If you were to swipe your debit card at a restaurant to buy lunch for \$20, then that merchant could ask us to pre-authorize the payment. In that case, we will reduce your available balance by \$20 because once we authorize the transaction, we are obligated to pay. Your current balance would still be \$50 because this transaction has not yet posted, but your available balance would be \$30 because you have committed to pay the restaurant \$20. When the restaurant submits its bill for payment (which could be a few days later), we will post the transaction to your account and your current balance will be reduced by \$20.

We use available balance to decide whether to pay or not pay transactions. We also use available balance **at the time transactions are posted and actually paid (not when they are authorized)** to decide whether to charge Overdraft Privilege Fees. The following example illustrates how this works:

Assume your current and available balance are both \$100, and you swipe your debit card at a restaurant for \$60. As a result, your available balance will be reduced by \$60 so your available balance is only \$40. Your current balance is still \$100. Before the restaurant charge is sent to us for posting, a check that you wrote for \$50 clears. Because you have only \$40 available (you have committed to pay the restaurant \$60), your account will be overdrawn by \$10, even though your current balance was \$100. In this case, we may reject the check, in which case you will be charged a Return Item fee. If you are eligible for Courtesy Pay, then we may pay the \$50 check, but you will be charged an overdraft privilege fee of \$35 because your available balance was not sufficient at the time of payment to cover the check. Also, when the \$60 restaurant charge is later submitted to the Credit Union and posted to your account, you will not have enough money in your available balance because of the intervening check, and you will be charged a fee for that

transaction as well, even though your available balance was positive when it was authorized.

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

In addition, your available balance may not reflect all of your debit card transactions. For example, if a merchant obtains our prior authorization but does not submit a one-time debit card transaction for payment within three (3) business days of authorization (or for up to thirty (30) business days for certain types of debit card transactions), we must release the authorization hold on the transaction. The available balance will not reflect this transaction once the hold has been released until the transaction has been received by us and paid from your account.

Your available balance can be checked on our mobile banking application, on line, at Arize owned ATMs or by calling us at 814-237-5458.

PAYMENT ORDER OF ITEMS: The law permits us to pay items (such as checks) drawn on your account in any order. To assist you in handling your account with us, we are providing you with the following information regarding how we process the items drawn on your account(s). When processing items drawn on your account, our policy is to pay them in the order that they are received. If an item is presented without a sufficient available balance of funds in your account to pay it, we may, at our discretion, pay the item (creating an Overdraft) or return the item (NSF). The amounts of the Overdraft Privilege Fee and the NSF Fee is disclosed in the Fee Schedule. We encourage you to make careful records and practice good account management. This will help you to avoid writing checks without a sufficient available balance of funds and incurring the resulting fees. An Overdraft Privilege Fee may be imposed for Overdrafts created by checks, in-person withdrawals, ATM withdrawals, or by other electronic means, as applicable, regardless of the amount of the item paid.

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

Credits. Most deposits are added to your account when we receive them. For some checks, the full amount of the deposit may not be immediately available. For details on the availability for withdrawal of your deposits, see the Funds Availability Disclosure in this Agreement.

Debits. There are several types of debit transactions. The most frequent types of debit transactions are described generally below. Keep in mind that there are many ways transactions are presented for posting to your account by merchants, and the Credit Union is not necessarily in control of when transactions are received.

- **Checks.** When you write a check, it is processed through the Federal Reserve system. We receive data files of cashed checks from the Federal Reserve each day. The checks drawn on your account are compiled from these data files and posted to your account each day. We process the payments from low to high dollar value.

- **ACH Payments.** We receive data files every day from the Federal Reserve with Automated Clearing House or ACH transactions. These include, for example, automatic bill pays you have signed up for. Each day, the ACH data files are grouped together and posted to your account at the end of the day. We post credits first, then debits.
- **Point of Sale (POS) Debit Card PIN Transactions and ATM withdrawals.** These are transactions where you use your debit card and you enter your PIN number at the time of the sale or withdrawal. Money is usually deducted from your account immediately at the time of the transaction. However, some POS debit card payment transactions are not presented for payment immediately; it depends on the merchant.
- **Signature POS Debit Card Transactions.** These are transactions where you make a purchase with your debit card and you are typically asked to sign for the purchase. As described above, in these situations, the merchant may seek prior authorization for the transaction. When that happens, we generally reduce your available balance by the amount authorized. We refer to this as an "authorization hold." Authorizations are deducted from your available balance but not your current balance as they are received by us throughout each day. At some point after you sign for the transaction, it is processed by the merchant and submitted to us for payment from (posting to) your account. This can happen hours or sometimes days after you signed for it, depending on the merchant and its processing company. These payment requests are received in real time throughout the day and are posted to your account as they are received. Please note: the amount of an authorization hold may differ from the actual payment because the final transaction amount may not yet be known to the merchant when the authorization request is submitted. For example, if you use your card at a restaurant, a hold will be placed in the amount of the bill presented to you, but when the transaction posts it will include any tip that you may have added to the bill. The opposite may happen at hotels, rental car companies and gas stations. If you go to a gas station and use your debit card, the merchant may authorize \$50 but you may actually only pump \$20. Your available balance may be reduced by the authorization amount and it will not be adjusted until the transaction is presented for payment. We cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for payment. The fact that we put an authorization hold on your available balance does not mean the authorization is set aside and made available to pay the specific transaction authorized. The hold is simply a reduction in your available balance based on the fact that we have authorized a transaction and the Credit Union is therefore obligated to pay it when presented.
- Debit card transactions can be recurring or nonrecurring. Recurring transactions are where you use your debit card to set up a recurring monthly payment, such as a gym membership. Nonrecurring transactions are one time transactions that are authorized each time you use your debit card. Using your debit card at a restaurant is an example of a one-time or nonrecurring transaction. We will rely on how the merchant characterizes the transaction for purposes of processing it and your only recourse for an improperly coded transaction is with the merchant who submitted it to us.

This is a general description of how certain types of transactions are posted. These practices may change and we reserve the right to pay items in any order we chose as permitted by law.

We may receive multiple deposit and withdrawal transactions on your account in many different forms throughout each business day. This means that you may be charged more than one \$35 fee if we pay multiple transactions when your account is overdrawn.

The best way to know how much money you have and avoid paying overdraft fees is to record and track all of your transactions closely.

IF YOU DO NOT UNDERSTAND THIS AGREEMENT OR HAVE ANY QUESTIONS, PLEASE CONTACT US AT 814-237-5458 OR GO TO www.arizefcu.org.

We will decide to pay overdrafts on a case-by-case basis, in our sole and absolute discretion.

For your overdrafts cleared, you promise to immediately pay us all sums, including the fees and charges for this service advanced to you or any other person you permit to use your checking account and/or who causes an overdraft on your checking account.

We may terminate or suspend the Courtesy Pay services at any time without prior notice. In no event shall any termination relieve you of your obligation to repay such sums already paid, including but not limited to, Courtesy Pay fees, collection costs, and attorneys' fees, if any. Please refer to the Courtesy Pay Policy.

Arbitration and Waiver of Class Action

You and the Credit Union agree that we shall attempt to informally settle any and all disputes arising out of, affecting, or relating to your accounts, or the products or services the credit union has provided, will provide or has offered to provide to you, and/or any aspect of your relationship with the credit union (hereafter referred to as the "Claims"). If that cannot be done, then you agree that any and all Claims that are threatened, made, filed or initiated after the Effective Date (defined below) of this Arbitration and Waiver of Class Action provision ("Arbitration Agreement"), even if the Claims arise out of, affect or relate to conduct that occurred prior to the Effective Date, shall, at the election of either you or us, be resolved by binding arbitration administered by the American Arbitration Association ("AAA") in accordance with its applicable rules and procedures for consumer disputes ("Rules"), whether such Claims are in contract, tort, statute, or otherwise. The Rules can be obtained on the AAA website free of charge at www.adr.org; or, a copy of the Rules can be obtained at any credit union branch upon request. Either you or we may elect to resolve a particular Claim through arbitration, even if one of us has already initiated litigation in court related to the Claim, by: (a) making written demand for arbitration upon the other party, (b) initiating arbitration against the other party, or (c) filing a motion to compel arbitration in court. AS A RESULT, IF EITHER YOU OR WE ELECT TO RESOLVE A PARTICULAR CLAIM THROUGH ARBITRATION, YOU WILL GIVE UP YOUR RIGHT TO GO TO COURT TO ASSERT OR DEFEND YOUR RIGHTS UNDER THIS ACCOUNT AGREEMENT (EXCEPT FOR CLAIMS BROUGHT INDIVIDUALLY WITHIN SMALL CLAIMS COURT JURISDICTION, SO LONG AS THE CLAIM REMAINS IN SMALL CLAIMS COURT). This Arbitration Agreement shall be interpreted and enforced in accordance with the Federal Arbitration Act set forth in Title 9 of the U.S. Code to the fullest extent possible, notwithstanding any state law to the contrary, regardless of the origin or nature of the Claims at issue. This Arbitration Agreement does not prevent you from submitting any issue relating to your accounts for review or consideration by a federal, state, or local governmental agency or entity, nor does it prevent such agency or entity from seeking relief on your behalf. This Arbitration Agreement shall not apply to: (1) actions that are initiated in or transferred to small claims court or a comparable court of limited monetary jurisdiction, so long as they are prosecuted individually; (2) actions initiated by or against "covered borrowers" under the Military Lending Act; (3) claims involving

residential mortgage secured loans covered by Regulation Z; and (4) any other claims where arbitration is prohibited by law.

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

2. **Effective Date.** This Arbitration Agreement is effective either when the Arize Membership Agreement is provided to you or you open an account with Arize ("Effective Date").

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

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

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

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

FOR MORE DETAILS or if you have questions, you may call us at 814-237-5458 or visit a branch. If you have questions about AAA procedures, you should check AAA's website, www.adr.org, OR call AAA at (800) 778-7879.

Funds Availability Disclosure

This disclosure applies to "transaction accounts". Transaction accounts, in general, are accounts which permit an unlimited number of payments to third persons and an unlimited number of telephone and preauthorized transfers to other accounts of yours with us. Share draft accounts are the most common transaction accounts. Feel free to ask us whether any of your other accounts might also be under this disclosure.

Our policy is to make funds from your cash and check deposits available to you on the same business day and at the time that we receive your deposit. Electronic direct deposits will be available on the day and at the time we receive the deposit. Once the funds are available, you can withdraw them in cash and we will use the funds to pay checks that you have written.

Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

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 closing on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after closing or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

If we cash a check for you that is drawn on another bank, 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.

If we accept for deposit a check that is drawn on another bank, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

Longer Delays May Apply

Case by Case Delays

In some cases, we will not make all of the funds that you deposit by check available to you on the same business day of your deposit. Depending on the type of check that you deposit, funds may not be available until the second business day (48 hours) after the day and time of your deposit. The first \$225 of your deposit, however, will be available on the first business day (24 hours) after the day and time of your deposit.

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

Safeguard Exceptions

In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

- We believe a check you deposited will not be paid.
- You deposit checks totaling more than \$5,525.00 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- There is an emergency, such as failure of computer or communications equipment.
- The deposit was made within the first thirty days of opening the new account.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh business day after the day of your deposit.

Electronic Funds Transfers Disclosure

Indicated below are types of Electronic Funds Transfers (EFT) we are capable of handling, some of which may not apply to your account. Please read this disclosure carefully because it tells you your rights and obligations for the transactions listed. You should keep this notice for future reference.

Definitions

The term access device includes debit card, personal identification number (PIN), telephone transfer, telephone bill payment codes, and other means that may be used by a consumer to initiate an EFT to or from an account. Access device does not include a check except as noted below under electronic check conversion.

EFT Account Access

Automated Teller Machine (ATM) - Access to an account(s) using a card and personal identification number (PIN).

Audio Response (automated telephone) - Access to an account(s) by telephone using PIN and account information. See limitations on frequency of transfers below.

Bill Pay - Unlimited access to a checking account to pay bills using an access device and a personal computer. Single or recurring payments can be scheduled. If the service is inactive for 90 calendar days it will be suspended and require reactivation.

Mastercard Debit Card Point of Sale (POS) - Account access to your checking account by using your card and access code.

Direct Deposits or Withdrawals - Funds transferred through automated clearing house (ACH). See limitations on frequency of transfers below.

Electronic Check Conversion - A onetime ACH debit from a checking account using a blank, partially completed, or fully completed, signed check. When a merchant captures the routing, account and serial numbers to initiate the debit, it is covered by these regulations.

It's Me 247 - Access to an account(s) by personal computer using PIN, password and account information. See limitations on frequency of transfers below.

Consumer Liability

Tell us AT ONCE if you believe your access device has been lost or stolen. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). If you believe your access device has been lost or stolen, and you tell us within 2 business days after you learn of the loss or theft, you can lose no more than \$50.00 if someone used your access device without your permission. If you do NOT tell us within 2 business days after you learn of the loss or theft of your access device and we can prove we could have stopped someone from using your access device without your permission if you had told us, you could lose as much as \$500.00. Also if your statement shows transfers that you did not make, tell us at once. If you do not tell us within 60 days from the date the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the

money if you had told us in time. If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods. Unless you have engaged in fraud, you will not be liable for any unauthorized transactions using your lost or stolen Mastercard debit card. This additional limit on liability does not apply to ATM transactions. We may cancel, modify, or restrict the use of the ATM/Debit card upon proper notice or without notice if your account is overdrawn, if we are aware that you have violated any term of the Disclosure Agreement (whether or not we suffered a loss) or where necessary to maintain or restore the security of your account(s) or the ATM system.

Contact in Event of Unauthorized Transfer

If you believe your access device has been lost or stolen or that someone has transferred or may transfer money from your account without your permission call or write to the address listed in this Agreement.

Business Days

For purposes of these disclosures, our business days are Monday through Friday. Holidays are not included.

Transfer Types and Limitations

Account Access - You may use your access device to:

- Withdraw cash from your checking or savings account.
- Make deposits to your checking or savings account at an ATM owned by Arize Federal Credit Union.
- Transfer funds in your account between checking and savings whenever you request.
- Pay for purchases (and get cash back) at places that have agreed to accept the debit card.
- Pay bills directly from your checking account in the amounts and on the days requested.
- Make pre-authorized bill payments from checking.
- Purchase a term share certificate.
- Transfer from a line of credit to another account.
- Transfer from an account to make an Arize Federal Credit Union loan payment.
- Get account information about transactions.

Some of these services may not apply to an access device.

Limitations on Frequency of Transfers - For security reasons, there are limits on the number of transfers you can make using our terminals and point-of sale transfer service. And ATM/Debit card may be used to make cash withdrawals at an ATM or for a point- of-sale (POS) transactions using your PIN.

ATM Card Limitations

- Cash - \$600.00 per day

ATM/MasterCard Debit Card Limitations

- Cash - \$600.00 per day
- Debit - \$2,500.00 per day
- OR a total combined limit of \$3,100.00 per day

There are two types of debit card transactions:

- 1) Debit transaction. You use your PIN to access your account
- 2) Credit transaction. Your PIN is not used, but you may be asked to sign the receipt. All debit card Point-of-sale (POS) transactions access your checking account.

See payment order in Overdraft Section above for more information on debit card payments.

Fees

See the current version of our Fee Schedule for any charges associated with EFT services.

Confidentiality

We will disclose information to third parties about your account or the transfers you make:

- 1) where it is necessary for completing transfers; or
- 2) in order to verify the existence and condition of your account for a third party, such as credit bureau or merchant; or
- 3) in order to comply with government agency or court orders; or
- 4) as explained in the separate Privacy Disclosure.

Documentation

Terminal transfers. You can get a receipt at the time you make any transfer to or from your account using one of our automated teller machines or point-of-sale terminals.

Preauthorized credits. If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can call us at (877) 342-5975 to find out whether or not the deposit has been made.

Periodic Statements. You will get a monthly statement from us for your share draft checking account(s).

You will get a monthly statement from us for your share savings accounts, unless there are no transfers in a particular month. In any case, you will get a statement at least quarterly.

Preauthorized Payments

Right to stop payment and procedure for doing so. If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here is how:

Call or write us at the telephone number or address listed in this brochure in time for us to receive your request 3 business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call.

Please refer to our Fee Schedule for the amount we will charge you for each stop payment order you give.

Notice of varying amounts. If these regular payments may vary in amount, the person you are going to pay will tell you, 10 days before each payment, when it will be made and how much it will be. (You

may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.)

Liability for failure to stop payment of preauthorized transfer. If you order us to stop one of these payments 3 business days or more before the transfer schedule, and we do not do so, we will be liable for your losses or damages.

Financial Institution's Liability

Liability for failure to make transfers. If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

- 1) If, through no fault of ours, you do not have enough money in your account to make the transfer.
- 2) If you have an overdraft line of credit and the transfer would go over the credit limit.
- 3) If the automated teller machine where you are making the transfer does not have enough cash.
- 4) If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
- 5) If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
- 6) There may be other exceptions stated in our agreement with you.

ATM Fees

When you perform a financial transaction at an ATM not owned by Arize Federal Credit Union, you may incur a surcharge fee by the ATM owner and you may be charged a Foreign ATM Fee by ArizeFCU. A Foreign ATM Fee may be charged when you make a balance inquiry and when you withdraw funds or make any other transaction. A Foreign ATM Fee may be charged for each such transaction, even though the transactions are executed as part of the same ATM visit.

Unauthorized Transfers

a) Consumer liability.

Generally. Tell us AT ONCE if you believe your card and/or code has been lost or stolen. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit).

If you tell us within 2 business days, you can lose no more than \$50 if someone used your card and/or code without your permission.

If you do NOT tell us within 2 business days after you learn of the loss or theft of your card and/or code, and we can prove we could have stopped someone from using your card and/or code without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time.

If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods.

"Unauthorized use" means the use of your debit card by a person, other than you, who does not have actual, implied, or apparent authority for such use, and from which you receive no benefit. This additional limitation on liability does not apply to PIN-based transactions or transactions not processed by Mastercard.

- b) Contact in event of unauthorized transfer.** If you believe your card and/or code has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call or write us at the telephone number or address listed in this brochure.

As stated above, we are not responsible for transactions you have initiated or a person to whom you gave your card or card number has initiated, even if you or that person were fraudulently induced to make the payment. Our obligation to reimburse you for unauthorized transfers applies only if your card is lost or stolen (not misused by someone you gave your card) and the transfer from your account is initiated by a third party.

Initial and Annual Error Resolution Notice

In Case of Errors or Questions about Your Electronic Transfers, Call or Write us at the telephone number or address listed in this brochure, as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

- 1) Tell us your name and account number (if any).
- 2) Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- 3) Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days.

We will determine whether an error occurred within 10 business days (20 business days if the transfer involved a new account) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days if the transfer involved a new account, a point-of-sale transaction, or a foreign-initiated transfer) to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days (20 business days if the transfer involved a new account) for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account. Your account is considered a new account for the first 30 days after the first deposit is made, unless each of you already has an established account with us before this account is opened.

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

Mastercard Debit Card Transaction Disputes

We recommend you first contact the merchant to resolve any transaction discrepancies. If you cannot resolve it, send us a copy of your correspondence with the merchant along with a dated letter you have signed. Include the card number, the name of the merchant, the disputed amount, the reason for dispute (give details) and your account number with us and send to:

Mail to:

Arize Federal Credit Union
Attn: Member Services
650 Science Park Road
State College, PA 16803

Foreign Transaction

If the cardholder engages in an international transaction using an Arize Debit Card or if currency conversion is necessary to complete a transaction, then the exchange rate between the transaction currency and the billing currency used for processing international transactions is a rate selected by Mastercard International from the range of rates available in wholesale currency markets for the applicable central processing date. The determined conversion result will be charged. A Mastercard International Service Assessment (ISA) fee of one (1.0%) percent of the transaction will also be charged to you. If there is no currency conversion (the vendor settles in U.S. dollars) then a Mastercard ISA fee of 0.8% will be charged to you. You are subject to these charges even if you initiate an international transaction from within the United States.

Privacy Disclosure

Facts:

WHAT DOES ARIZE FEDERAL CREDIT UNION DO WITH YOUR PERSONAL INFORMATION?

Why?

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

What?

The types of personal information we collect and share depend on the accounts or services you have with us. This information can include:

- Social Security number, and income
- Account balances and transaction history
- Credit history and credit scores

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

How?

All financial companies need to share members' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their members' personal information, the reasons Arize Federal Credit Union chooses to share, and whether you can limit this sharing.

Reasons we can share your personal information

	Does Arize Federal Credit Union Share	Can you limit this sharing?
For our everyday business purposes – such as to process your transactions, maintain your account(s), response to court orders and legal investigations, or report to credit bureaus	YES	NO
For our marketing purposes – to offer our products and services to you	YES	NO

For joint marketing with other financial companies	NO	WE DON'T SHARE
For our affiliates' everyday business purposes – information about your transactions and experiences	NO	WE DON'T SHARE
For our affiliates to market to you	NO	WE DON'T SHARE
For non-affiliates to market to you	NO	WE DON'T SHARE

Who we are

Who is providing this Disclosure?	Arize Federal Credit Union
-----------------------------------	----------------------------

What we do

How does Arize Federal Credit Union Protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does Arize Federal Credit Union collect my personal information?	We collect your personal information, for example when you: • open an account or make a deposit • apply for a loan or make a loan • use your credit card or debit card or pay your bills We also collect your personal information from others, including credit bureaus or other companies
Why can't I limit all sharing?	Federal law gives you the right to limit only: • sharing for affiliates' everyday business purposes – information about your creditworthiness • affiliates from using your information to market to you • sharing for non-affiliates to market to you

State laws and individual companies may give you additional rights to limit sharing.

Definitions

Affiliates

Companies related by common ownership or control. They can be financial and nonfinancial companies.

We do not share information with affiliates.

Non-affiliates

Companies not related by common ownership or control. They can be financial and nonfinancial companies.

We do not share information with non-affiliates.

Joint Marketing

A formal agreement between non-affiliated financial companies that together market financial products or services to you.

We do not share information with non-affiliates.

Questions?

Call 814—237-5458 or go to www.arizefcu.org.

