

WESTERN DIVISION FEDERAL CREDIT UNION

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MEMBERSHIP AND ACCOUNT AGREEMENT DISCLOSURE

This Membership and Account Agreement Disclosure covers your and our rights and responsibilities concerning accounts Western Division Federal Credit Union (Credit Union) offers. In this Agreement, the words "you" and "yours" mean anyone who signs a Membership Application. The word "account" means any savings or other account you have with the Credit Union. Your account types(s) and ownership features are designated on your Membership Application. By signing a Membership Application, each of you jointly and severally, agree to the terms and conditions of this Agreement, the Membership Application, Truth-in-Savings Disclosure, the Credit Union Bylaws and Policies and any amendments to these documents from time to time, which collectively govern your membership and accounts.

MEMBERSHIP ELIGIBILITY

To join the Credit Union you must meet the membership requirements including purchase and maintenance of at least one (1) share ("membership share") as set forth in the Credit Union's Bylaws. To verify your eligibility for the accounts and services you request, you authorize us to check your account, credit and employment history and obtain reports from third parties, including credit-reporting agencies.

MEMBERSHIP RETENTION

A member will be in jeopardy of limited services for any of the following reasons: loan loss including principal and interest plus fees; a negative savings balance including but not limited to returned deposits, fees, ATM withdrawals and POS purchases; abuse of employees, members, vendors, etc., including but not limited to swearing, verbal abuse and threatening; and any other loss to the credit union.

INDIVIDUAL ACCOUNTS

An individual account is an account owned by one member (individual or other organization) qualified for Credit Union membership. If the account owner dies, the interest passes, subject to applicable law, to the decedent's estate or Payable on Death (POD) beneficiary/payee or trust beneficiary. The account ownership transfer is subject to other provisions in this Agreement governing our protection for honoring transfer and withdrawal requests of an owner or owner's agent prior to notice of an owner's death.

JOINT ACCOUNTS

An account owned by two or more persons is a joint account.

RIGHT OF SURVIVORSHIP

Unless otherwise stated on the Membership Application, a joint account includes rights of survivorship. This means when one owner dies, all sums in the account will pass to the surviving owner(s). A surviving owner's interest is subject to the Credit Union's statutory lien for the deceased credit obligations and any security interest or pledge granted by a deceased Owner, even if a surviving owner did not consent to it.

CONTROL OF JOINT OWNERS

Any owner is authorized and deemed to act for any owner(s) and may instruct us regarding transactions and other account matters. Each owner guarantees the signature of any owner(s). Any owner may withdraw funds, stop payment on items, transfer or pledge to us all or any part of the savings without the consent of any other owner(s). We have no duty to notify any owner(s) about any transaction. We reserve the right to request written consent of all owners for any change to or termination of an account. If we receive written notice of a dispute between owners or inconsistent instructions, we may suspend or terminate the account and require a court order or written consent from all owners to act.

JOINT ACCOUNT OWNER LIABILITY

If a deposited item in a joint account is returned unpaid, an account is overdrawn or we do not receive final payment on a transaction, the owners, jointly and severally, are liable to us for the amount of the returned item, overdraft or unpaid amount and any charges regardless of who initiated or benefited from the transaction. If any account owner is indebted to us, we may enforce our rights against any account of an owner or all funds in the joint account regardless of who contributed them.

BENEFICIARY ACCOUNTS

The designation of a Beneficiary is an instruction to the Credit Union that an individual or joint account so designated is payable to the owner(s) during his, her or their lifetimes and, when the last account owner dies, payable to any named and surviving beneficiary. Accounts payable to more than one surviving beneficiary are owned jointly by such beneficiaries without rights of survivorship. Any beneficiary designation shall not apply to Individual Retirement Accounts (IRAs) which are governed by a separate beneficiary designation. We are not obligated to notify any beneficiary of the existence of any account or the vesting of the beneficiary's dividend in any account, except as otherwise provided by law.

ACCOUNTS FOR MINORS

We may require any account established by a minor to be a joint account with an owner who has reached the age of majority under state law and who shall be jointly and severally liable to us for any returned item, overdraft or unpaid charges or amounts on such account. We may pay funds directly to the minor without regard to his or her minority. We have no duty to inquire about the use or purpose of any transaction. We will not change the account status when the minor reaches the age of majority, unless authorized in writing by all account owners.

AGENCY DESIGNATION ON AN ACCOUNT

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

DEPOSIT OF FUNDS REQUIREMENT

Funds may be deposited to any account, in any manner approved by the Credit Union in accordance with the requirements set forth in the Truth-in-Savings Disclosure.

ENDORSEMENTS

We may 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, one or more account owners even if all payees do not endorse them. You authorize us to apply missing endorsements of any owners if we choose. If a check, draft or item that is payable to two or more persons is ambiguous as to whether it is payable to either or both, we may process the check, draft or item as though it is payable to either person. 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. Endorsement must be made on the back of the share draft or check within 1 and 1-1/2 inches from the top edge, although we may accept endorsement outside this space. However, any loss we incur from a delay or processing error resulting from an irregular endorsement or other marking by you or any prior endorser will be your responsibility.

COLLECTION OF ITEMS

We act only as your agent and we are not responsible for handling items for deposit or collection beyond the exercise of ordinary care. Deposits made by mail or at unstaffed facilities are not our responsibilities until we receive them. We are not liable for the negligence of any correspondent or for loss in transit, and each correspondent will only be liable for its own negligence. We may send any item for collection. Items drawn on an institution located outside the United States are handled on a collection basis only. You waive any notice of nonpayment, dishonor or protest regarding items we purchase or receive for credit or collection to your account.

FINAL PAYMENT

All items or Automated Clearing House (ACH) transfers credited to your account are provisional until we receive final payment. If final payment is not received, we may charge your account for the amount of such items or ACH transfers and impose a return item charge on your account. Any collection fees we incur may be charged to your account. We reserve the right to refuse or return any item or funds transfer.

DIRECT DEPOSITS

We may offer preauthorized deposits (e.g.: payroll checks, Social Security or retirement checks or government checks) or preauthorized transfers from other accounts. You must authorize each direct deposit or preauthorized transfer by filling out a separate form. You must notify us at least thirty (30) calendar days in advance to cancel or change a direct deposit or transfer option. Upon a bankruptcy filing, unless you cancel an authorization, we will continue making direct deposits in accordance with your authorization on file with us. If we are required to reimburse the US Government for any benefit payment directly deposited into your account, we may deduct the amount returned from any of your accounts, unless prohibited by law.

CREDITING OF DEPOSITS

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

ACCOUNT ACCESS

AUTHORIZED SIGNATURES

Your signature on the Membership Application authorizes your account access. We will not be liable for refusing to honor any item or instruction if we believe the signature is not genuine. If you have authorized the use of a facsimile signature, we may honor any check that appears to bear your facsimile signature even if an unauthorized person made it. You authorize us to honor transactions initiated by a third person to which you have given your account number even if you do not authorize a particular transaction.

ACCESS OPTIONS

You may withdraw or transfer funds from your account(s) in any manner we permit (e.g.: at an automated teller machine, in person, by mail, automatic transfer or telephone, as applicable). We may return as unpaid any check drawn on a form we do not provide and you are responsible for any loss we incur handling such a check. We have the right to review and approve any form of power of attorney and may restrict account withdrawals or transfers. We are under no obligation to honor any power of attorney.

ACH & WIRE TRANSFERS

If we provide you the service, you may initiate or receive credits or debits to your account through wire or ACH transfer. You agree that if you receive funds by a wire or ACH transfer, we are not required to notify you at the time the funds are received. Instead, the transfer will be shown on your periodic statement. We may provisionally credit your account for an ACH transfer before we receive formal settlement. We may reverse the provisional credit or you will refund us the amount if we do not receive final settlement. When you initiate a wire transfer, you must identify the recipient and financial institution by name and by account identifying number. The Credit Union (and other institutions) may rely on the account or other identifying number as the proper identification even if it identifies a different party or institution.

CREDIT UNION EXAMINATION

We may disregard information on any draft or check other than the signature of the drawer, the amount, and any magnetic encoding, as our procedures do not provide for sight examination of items.

ACCOUNT RATES & FEES

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

TRANSACTION LIMITATIONS

WITHDRAWAL RESTRICTIONS

We permit withdrawals only if your account has sufficient available funds to cover the full amount of the withdrawal or you have an established overdraft protection plan. Checks or other transfers or payment orders that are drawn against insufficient funds may be subject to a fee as set forth in the Truth-in-Savings Disclosure and Fee Schedule. If there are sufficient funds to cover some, but not all, of your withdrawal, we may allow those withdrawals for which there are sufficient funds in any order at our discretion. We may refuse to allow a withdrawal in some situations, and will advise you accordingly.

TRANSFER LIMITATIONS

Savings, Money Market, Holiday Club and IRA accounts are limited to six (6) transfers or withdrawals per month to another one of your accounts or to a third party using preauthorized, automatic or telephonic means, or by check, draft, debit card, or similar order made by the member and payable to third parties.

You may make unlimited transfers to any of your accounts or to any Credit Union loan account and may make withdrawals in person, by mail or at an ATM. However, we may refuse or reverse a transfer that exceeds these limitations and may assess fees against, suspend or close your account.

CERTIFICATE ACCOUNTS

Any Certificate Account allowed by state law that we offer, is subject to the terms of this Agreement. The Truth-in-Savings Disclosure and Term Certificate receipt for each account outlines the terms of which are incorporated herein by reference.

CHECKING

The Credit Union is authorized to pay approved items signed by you. It is agreed that: (1) only checks and other items approved by the Credit Union may be used to make withdrawals from this account. Approved items may include check payments, electronic funds transfers, withdrawal requests and other methods as determined by the Credit Union. (2) The Credit Union is under no obligation to pay an item that exceeds the fully paid and collected savings balance in this account. (3) The Credit Union may pay a check on whatever day it is presented for payment notwithstanding the date (or any limitation on the time of payment) appearing on the check. (4) When paid, checks become the property of the Credit Union and will not be returned either with the periodic statement of the account or otherwise. (5) Except for negligence, the Credit Union is not liable for any action it takes regarding the payment or nonpayment of the check. (6) Any obligation respecting any item shown on the periodic statement of this account is waived unless made in writing to the Credit Union before the end of 60 calendar days after the statement is mailed. (7) This account is subject to the Credit Union's right to require advance notice of withdrawals as provided in its bylaws. (8) This account is subject to other terms and conditions and service charges that the Credit Union may establish from time to time. (9) If more than one person signs the application, the person(s) signing shall be the joint owner(s) for this account, which, in that event, shall be subject to the additional terms and conditions printed in the 'Joint Accounts' section.

OVERDRAFT LIABILITY

If, on any day, the funds in your checking account are not sufficient to cover checks, fees or other items posted to your account, those amounts will be handled in accordance with our overdraft procedures or an overdraft protection plan you have with us. The Credit Union's determination of an insufficient account balance may be made at any time between presentation and the Credit Union's midnight deadline with only one review of the account required. We do not have to notify you if the account does not have funds to cover checks, fees or other posted items. Whether the item is paid or returned, your account may be subject to a charge as set forth in the Fee Schedule. Except as otherwise agreed in writing, we, by covering one or any overdraft, do not agree to cover overdrafts in the future and may discontinue covering overdrafts at any time without notice. We reserve the right to pursue collection of previously dishonored items at any time, including giving a payor bank extra time beyond any midnight deadline limits.

OVERDRAFT TRANSFER FROM OTHER SAVINGS

The Credit Union is authorized to charge payments for approved items against the savings in this account. The Credit Union may, however, pay such approved items and transfer savings to this account in the amount of the resulting overdraft, plus a fee, from any other savings account from which any of the applicants is then eligible to withdraw savings.

OVERDRAFT LINE OF CREDIT

If we have approved an Overdraft Line of Credit for your account, we may honor approved items drawn on insufficient funds by transferring funds as you have directed from another account under this Agreement or a loan account or as required under the Credit Union's Overdraft Protection Plan. The fee for overdraft transfers, if any, is set forth in the Fee Schedule. This Agreement governs all transfers, except those governed by agreements for loan accounts.

STALE DATED CHECKS

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.

STOP PAYMENT ORDERS

STOP PAYMENT ORDER REQUEST

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

DURATION OF ORDER

You may make an oral stop payment order, which will lapse within fourteen (14) calendar days unless confirmed in writing within that time. A written stop payment order is effective for six (6) months and may be renewed in writing from time to time. We do not have to notify you when a stop payment order expires.

LIABILITY

Fees for stop payment orders are set forth in the Truth-in-Savings Disclosure and Fee Schedule. Payment on any certified check, cashiers check, teller's check or any other check, draft or payment guaranteed by us may be stopped only according to the provisions of Section 4-403 of the Uniform Commercial Code as enacted by the State Of New York. Although payment of an item may be stopped, you may remain liable to any item holder, including us. You agree to indemnify and hold the Credit Union harmless from all costs, including attorney's fees, damages or claims related to our refusing payment of an item, including claims of any joint account owner, payee or endorsee in failing to stop payment of an item as a result of incorrect information provided by you.

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

CREDIT UNION LIEN AND SECURITY INTEREST

If you owe us money as a borrower, guarantor, endorser or otherwise, we have a statutory lien on the account funds in any account in which you have an ownership interest, regardless of their source unless prohibited by law. We may apply these funds in any order without further notice to you to payoff your indebtedness. By not enforcing a lien, we do not waive our right to enforce it later. In addition, you grant the Credit Union a consensual security interest in your accounts and we may use the funds from your accounts to pay any debt or amount now or hereafter owed the Credit Union, except for obligations secured by your residence, unless prohibited by applicable law. All accounts are non-assignable and non-transferrable to third parties.

LEGAL PROCESS

If any legal action is brought against your account, we may payout funds according to the terms of the action or refuse any payout until the dispute is resolved. Any expenses or attorney fees we incur responding to legal process may be charged against your account without notice, unless prohibited by law. Any legal process against your account is subject to our lien and security interest.

ACCOUNT INFORMATION

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

NAME OR ADDRESS CHANGES

You are responsible for notifying us of any address or name change. The Credit Union is only required to attempt to communicate with you at the most recent address you have provided to us. We may accept oral notices of a change in address and may require any other notice from you to us be provided in writing. If we attempt to locate you, we may impose a service fee as set forth in the Truth-in-Savings Disclosure and Fee Schedule.

NOTICE OF AMENDMENTS

Except as prohibited by law, we may change terms, rates or fees. We reserve the right to waive any term in this Agreement. Any such waiver shall not affect our right to future enforcement.

EFFECT OF NOTICE

Any written notice you give us is effective when we receive it. Any written notice we give to you is effective when it is deposited in the US Mail, postage prepaid and addressed to you at your statement mailing address. Notice to any account owner is considered notice to all account owners.

TAXPAYER IDENTIFICATION NUMBERS AND BACKUP WITHHOLDING

Your failure to furnish a correct Taxpayer Identification Number (TIN) or meet other requirements may result in backup withholding. If your account is subject to backup withholding, we must withhold and pay to the Internal Revenue Service (IRS) a percentage of dividends, interest and certain other payments. If you fail to provide your TIN, we may suspend opening your account, or, if applicable, you may request a non-dividend or non-interest bearing account until a TIN is provided.

STATEMENTS

CONTENTS

If we provide a periodic statement for your account, you will receive a periodic statement of transactions and activity on your account during the statement period as required by applicable law. If a periodic statement is provided, you agree that only one statement is necessary for a joint account. For checking accounts, you understand and agree that your original check, when paid, becomes property of the Credit Union and may not be returned to you. Copies that we may retain or are payable through any other financial institutions may be made available upon your request. You understand and agree that statements are made available to you on the date they are mailed to you. You also understand and agree that checks or copies thereof are made available to you on the date the statement is mailed to you.

EXAMINATION

You are responsible for examining each statement and reporting any irregularities to us. We will not be responsible for any forged, altered, unauthorized or unsigned items drawn on your account if you fail to notify us within thirty (30) calendar days of the mailing date of the earliest statement regarding any forgery, alteration or unauthorized signature on any item described in the statement.

NOTICE TO CREDIT UNION

You agree that the Credit Union's retention of checks does not alter or waive your responsibility to examine your statements or the time limit for notifying us of any errors. The statement will be considered correct for all purposes and we will not be liable for any payment made or charged to your account unless you notify us in writing within the above time limit for notifying us of any errors. If you fail to receive a periodic statement you agree to notify us within fourteen (14) calendar days of the time you regularly receive a statement.

INACTIVE ACCOUNTS

If your account falls below any applicable minimum balance and you have not made any transactions over a period specified in the Truth-in-Savings Disclosure during which we have been able to contact you by regular mail, we may classify your account as inactive or dormant. Unless prohibited by applicable law, we may charge a service fee set forth in the Truth-in-Savings Disclosure and Fee Schedule for processing your inactive account. If we impose a fee, we will notify you, as required by law, at your last known address. You authorize us to transfer funds from another account of yours to cover any service fees, if applicable. To the extent allowed by law, we reserve the right to transfer the account funds to an account payable and suspend any further account statements.

SPECIAL ACCOUNT INSTRUCTIONS

You may request that we facilitate certain will or court-ordered account arrangements. However, because we do not give legal advice, we cannot counsel you as to which account arrangement most appropriately meets the specific requirements of your will or court order. If you ask us to follow any instructions that we believe might expose us to claims, lawsuits, expenses, liabilities or damages, whether directly or indirectly, we may refuse to follow your instructions or may require you to indemnify us or post a bond or provide us with other protection. Account changes requested by you, or any account owner, such as adding or closing an account or service, must be submitted in writing and accepted by us.

TERMINATION OF ACCOUNT

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

TERMINATION OF MEMBERSHIP

You may terminate your membership by giving us notice. You may be denied services for any reason allowed by applicable law, including causing a loss to the Credit Union.

DEATH OF ACCOUNT OWNER

We may continue to honor all transfer orders, withdrawals, deposits and other transactions on an account until we are notified of a member's death. Once we are notified of a member's death, we may pay checks or honor other payments or transfer orders authorized by the deceased member for a period of ten (10) calendar days after that date unless we receive instructions from any person claiming an interest in the account to stop payment on the checks or other items. We may require anyone claiming a deceased owner's account funds to indemnify us for any losses resulting from our honoring that claim. This Agreement will be binding upon any heirs or legal representatives of any account owner.

SEVERABILITY

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

ENFORCEMENT

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

GOVERNING LAW

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