

**4FRONT CREDIT UNION**  
**MEMBERSHIP / ACCOUNT AGREEMENT FOR BUSINESSES AND OTHER ENTITIES**

This is the Agreement between you (the member) and 4Front Credit Union (hereinafter "Credit Union"), a state-chartered credit union whose principal place of business is located at 3963 West Royal Drive, Traverse City, Michigan 49684, regarding your business accounts with the Credit Union. By establishing an account with the Credit Union through a Business Membership Application and Agreement that makes reference to this Agreement, you agree that this Agreement is a binding contract between you and the Credit Union.

This Agreement is designed to allow certain businesses and other entities as more fully described below to join Credit Union and to obtain various financial products and services offered by the Credit Union. For purposes of this Agreement, a sole proprietorship is regarded as a "business" even though it is one and the same as its owner as opposed to being a distinct entity.

You should retain a copy of this Agreement and feel free to call the Credit Union if you have any questions. This Agreement also includes certain disclosures required under the Expedited Funds Availability Act (Regulation CC), Regulation D, and Uniform Commercial Code Article 4A. Throughout this Agreement, the words "you", "your", "organization", and "business" mean the business or other entity that has signed a Business Membership Application and Agreement which makes reference to this Agreement. The words "we", "our", "us", and "Credit Union" mean the Credit Union.

**PATRIOT ACT NOTICE**

**Important Information about Procedures for Opening a New Account**

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. What this means for you: When you open a new account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

**Membership Eligibility**

**General.** If your business is a sole proprietorship, you may open an account for it and maintain the account as long as you are a member of the Credit Union. A business or other entity that is not a natural person is eligible for membership in the Credit Union if on its own it qualifies for membership or if its shareholders, partners, owners, or members are composed exclusively of persons who are within the field of membership of this Credit Union.

**Documentation.** No organization, incorporated or otherwise, shall be eligible for membership in the Credit Union without substantiating its legal existence, to the reasonable satisfaction of the Credit Union, by providing such documentation as the Credit Union may, from time to time, require, and such Resolutions as may be required by the Credit Union. We reserve the right to require that you provide, and you agree to provide, any such documentation at any time. The Credit Union reserves the right to refuse membership to an organization when such organization is not properly registered with the State of Michigan.

While the individuals who comprise an organization, incorporated or otherwise, shall not be joint owners on an account created for the organization, each of the individuals signing a Guaranty of Business or Other Entity Obligations that makes reference to the organization personally guarantees any obligation created by the organization owing to the Credit Union.

In addition to a Business Prime Share account, the Credit Union will make various types of financial products and services available to businesses and other organizations. These products and services are subject to change at any time, and you may not be eligible for all products and services offered by the Credit Union.

You understand and agree that the Credit Union may distribute funds pursuant to the terms of the most recently dated Resolutions or other authorizing document on file at the Credit Union, and the organization and all persons who make any representation to the Credit Union concerning the Resolutions or other such document forever indemnify and hold the credit union harmless for distributions made in good faith pursuant to those Resolutions or other document. You further agree that it is your responsibility to notify the Credit Union when the terms of those Resolutions or other document have been revoked, rescinded, revised, or in any way modified.

**Becoming a Member.** For an organization to become a member of the Credit Union, you (the organization) must complete a Business Account Transaction Authorization / Resolutions and a Business / Membership Application and Agreement, both of which are incorporated into this Agreement by reference, and open a Business Prime Share (Savings) Account. The basic share deposit that you must always keep in your Business Prime Share Account is \$1.00. If you are opening an account for a sole proprietorship, you must complete a Sole Proprietorship Membership (Account) Card, which is incorporated into this Agreement by reference.

## Business Prime Share Account

**Deposits Generally.** After you have established your Business Prime Share Account, you may make additional deposits into that account, or establish other types of accounts as described herein, at any time and in any amount. This account is not transferable except on the Credit Union's books and records. Your interest in a Business Prime Share Account cannot be used as collateral for a loan with another lender unless we consent in writing and the transfer is reflected in our records. We may establish minimum amounts for deposits in your Business Prime Share Account. You can make deposits in person, by mail, or by any other means established by the Credit Union.

**Withdrawing Money from Your Business Prime Share Account.** As long as you have money in your account, and subject to any applicable state or federal laws and regulations, money can be withdrawn from your account by any method approved by the Credit Union.

**Transaction Limitations.** During any calendar month, you may not make more than six withdrawals or transfers to another credit union account of yours to a third party by means of preauthorized or automatic transfer or telephonic order or instruction. If you exceed the transfer limitations set forth above in any statement period, your account will be subject to a per item fee as set forth in the Business Account Fee Schedule and/or the account may be restricted to in person activity only.

**Dividends.** Dividends are calculated by the average daily balance method and will be credited monthly. Dividends are not available to you until they have been credited to your account. Even though your account earns dividends every day, we don't actually credit them to your account until the last day of the applicable month. Dividends that are credited to your account will be added directly into your account. If you close your account before dividends are paid, you will not receive the accrued but unpaid dividends.

## Business Checking Account

**Deposits Generally.** After you have established your Business Checking Account, you may make additional deposits into that account at any time and in any amount subject to the terms of this Agreement. The account is not transferable except on the Credit Union's books and records. Your interest in a Business Checking Account cannot be used as collateral for a loan with another lender unless we consent in writing and the transfer is reflected in our records. You can make deposits in person, by mail, or by any other method approved by the Credit Union. There is no minimum deposit for your Business Checking Account, but we may from time to time establish minimum amounts for deposits in the account.

**Minimum Balance.** You must maintain a basic membership share of \$1.00 on deposit in your Business Prime Share Account to retain a Business Checking Account. We may establish a minimum balance requirement for a Business Checking Account, and we reserve the right to adjust the minimum balance requirements from time to time. If you do not maintain any such required minimum balance, we may charge you a maintenance fee as described in the Business Account Fee Schedule.

### General Checking Terms

In addition to the other terms set forth in this Agreement it is agreed that:

- Only checks and other methods approved by Credit Union may be used to withdraw funds from the account.
- All non-cash payments received in this account will be credited subject to final payment.
- The front side of all checks shall at a minimum contain the legal or "doing business as" name of the Business or other entity.
- Credit Union is under no obligation to pay a check that exceeds the balance in the account; however Credit Union may pay such a check in accordance with the overdraft protection provisions below.
- Credit Union is under no obligation to pay a check that is over six (6) months old, but may at its option pay such a check without notice to you.
- Except for negligence, the Credit Union is not liable for any action it takes regarding the payment or non-payment of a check.
- Any electronic debit initiated by a third party against this account is deemed authorized by any Authorized Signer if the Authorized Signer voluntarily gives the third party information about the account and the Credit Union's routing number other than through physical delivery of a check. You may use information from your check to initiate a one-time electronic fund transfer from your account. If you pay for something with a check you may authorize your check to be converted to an electronic fund transfer. You may also authorize merchants to electronically debit your account for returned check fees. You are considered to have authorized these electronic debits if you complete the transaction after being told (orally or by a notice posted or sent to you) that the transfer may be processed electronically or if you sign a written authorization.
- Credit Union reserves the right to pay items drawn against the account in any order.
- The use of the Business Checking Account is subject to other terms, conditions and requirements as the Credit Union may establish from time to time.

**Transaction Limitations.** There are no transaction limitations on a Business Checking Account.

**Dividends.** Dividends are calculated using the average daily balance method and will be credited monthly. Your Checking average daily balance must be \$5,000 or greater to earn dividends. Dividends are not available to you until they have been credited to your account. Even though your account earns dividends every day, we don't actually credit them to your account until the last day of the applicable month. Dividends that are credited to your account will be added directly into your account. If you close your account before dividends are paid, you will receive the accrued but unpaid dividends on the Business Checking.

**Funds Availability.** Funds from deposits you make into your Business Checking Account may not always be immediately available for withdrawal. Information about our funds availability policy is provided to you in the "Funds Availability Disclosure" included further below in this Agreement.

**Fees.** We will not be liable for refusing to pay items presented if, at any time, fees or charges leave insufficient collected funds in your account to cover the items.

You agree to pay any applicable monthly maintenance charges, plus our current service charges, for each separate activity engaged in during the month. These charges may be changed at any time and from time to time by us without advance notice. These charges are set forth in our Business Account Fee Schedule.

**Overdrafts (NSF Checks).** The Credit Union is under no obligation, unless it has contracted to the contrary, to pay a check you have written if it would result in this Business Checking Account being overdrawn (a check written against your Business Checking Account when insufficient available funds are on deposit in the account is known as an "NSF Check"). However, the Credit Union may pay such check and charge the amount of the resulting overdraft plus any applicable service charge against your Business Checking Account or any of your other accounts.

The Credit Union has the option of honoring an NSF Check or dishonoring it to avoid the creation of an overdraft. Honoring of past overdrafts does not obligate the Credit Union to honor them in the future. The Credit Union is not required to send prior notice of checks returned NSF, and you agree to immediately deposit sufficient funds to cover any overdraft and service charges.

All individuals who are personally liable on this account are jointly and severally liable to repay the Credit Union the amount of any overdraft and service charges, regardless of who writes the check that creates an overdraft.

**Drafts; Statements.** Your cancelled checks will not be returned to you; they will become Credit Union property and be held by us ("truncated") for you. They may also be truncated earlier in the check clearing process, such as by the bank into which the payee deposits them. This may be done either pursuant to a contractual electronic presentment process or under a federal law commonly referred to as "Check 21." Your monthly statement will itemize your cancelled checks by number, date of clearing and the amount of the check. Any objection respecting any item shown on a periodic statement is waived unless made in writing to the Credit Union before the end of sixty (60) days after the statement is mailed. You also understand and agree that checks or copies thereof are made available to you on the date the statement is mailed, electronically posted, or the statement is otherwise made available to you, even if the checks do not accompany the statement. We will provide a physical copy of a check when you so request or as required by law. There may be a small fee to obtain a copy of a check.

**Stop Payments.**

Stop Payment Order Request. Any Authorized Signer may request a stop payment order on any check drawn on your account. To be binding, an order must be dated, signed, and describe the account and check number and the exact amount. The stop payment will be effective if the Credit Union receives the order in time for the Credit Union 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 draft, and to assist us in any legal action.

Duration of Order. A stop payment order is effective for six (6) months and may be renewed in writing from time to time. We have no obligation to notify you when a stop payment order expires.

Liability. Fees for stop payment orders are set forth on the Business Account Fee Schedule. You generally may NOT stop payment on any certified check, teller's check or any other check, draft, or payment guaranteed by us. Even if payment of such an item is 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 multiple party, account owner, payee, or endorser in failing to stop payment of an item as a result of incorrect information provided by you.

**Check Legends.** We will not be responsible for, and you hereby waive any losses or costs you incur as a result of, the payment by us of any check that contains any extraneous legends, for example, "void after 60 days," unless we agree otherwise.

**Automated Processing.** You recognize that Credit Union has adopted automated collection and payment procedures that rely primarily upon information encoded on to each item in magnetic ink. In recognition of this fact you agree that in paying or processing an item, Credit Union may disregard all information on the item other than the identity of the drawee bank, the amount of the item, and any information encoded onto the item in magnetic ink according to general banking standards, whether or not that information is consistent with any other information on the item. You acknowledge that the Credit Union does not fail to exercise ordinary care in paying an item solely because its procedures do not provide for sight review of items.

**Inactive Accounts.** The Credit Union will consider your checking account inactive after six months of no check, debit card or bill pay transactions on your account (as opposed to the twelve month period applicable to other accounts) and will assess a fee to the Business Checking Account every calendar month. (See Business Account Fee Schedule).

### **Business Money Market Share Account**

**Deposits Generally.** After you have established your Business Prime Share Account, you may establish a Business Money Market Share Account. This account is not transferable except on the Credit Union's books and records. Your interest in a Business Money Market Share Account cannot be used as collateral for a loan with another lender unless we consent in writing and the transfer is reflected in our records. We may establish minimum amounts for deposits in your Business Money Market Share Account. You can make deposits in person, by mail, or by any other means established by the Credit Union.

**Minimum Balance.** You must maintain a basic membership share of \$1.00 on deposit in your Business Prime Share Account to retain a Business Money Market Share Account. There is no minimum balance requirement in your Business Money Market Share Account. We reserve the right to adjust the minimum balance requirements from time to time. If you do not maintain any such required minimum balance, we may charge you a maintenance fee as described in the Business Account Fee Schedule.

**Withdrawing Money from Your Business Money Market Share Account.** As long as you have money in your account, and subject to any applicable state or federal laws and regulations, money can be withdrawn from your account by any method approved by the Credit Union. The minimum withdrawal amount is \$500.00.

**Transaction Limitations.** During any calendar month, you may not make more than six withdrawals or transfers to another credit union account of yours to a third party by means of preauthorized or automatic transfer or telephonic order or instruction. If you exceed the transfer limitations set forth above in any statement period, your account will be subject to a per item fee as set forth in the Business Account Fee Schedule and/or the account may be restricted to in person activity only.

**Dividends.** Dividends are calculated using the average daily balance method and will be credited monthly on the last day of the month. Your Business Money Market Share Account average daily balance must be \$5,000 or greater to earn dividends. Dividends are not available to you until they have been credited to your account. Even though your account earns dividends every day, we don't actually credit them to your account until the last day of the applicable month. Dividends that are credited to your account will be added directly into your account. If you close your account before dividends are paid, you will receive the accrued but unpaid dividends on the Business Money Market Share Account.

### **Business Other Share Account**

**Deposits Generally.** After you have established your Business Prime Share Account, you may establish a Business Designated Share Account. This account is not transferable except on the Credit Union's books and records. Your interest in a Business Designated Share Account cannot be used as collateral for a loan with another lender unless we consent in writing and the transfer is reflected in our records. We may establish minimum amounts for deposits in your Business Designated Share Account. You can make deposits in person, by mail, or by any other means established by the Credit Union.

**Minimum Balance.** You must maintain a basic membership share of \$1.00 on deposit in your Business Prime Share Account to retain a Business Other Share Account. We may establish a minimum balance for a Business Other Share Account, and we reserve the right to adjust the minimum balance requirements from time to time. If you do not maintain any such required minimum balance, we may charge you a maintenance fee as described in the Business Account Fee Schedule.

**Withdrawing Money from Your Business Designated Share Account.** As long as you have money in your account, and subject to any applicable state or federal laws and regulations, money can be withdrawn from your account by any method approved by the Credit Union.

**Transaction Limitations.** During any calendar month, you may not make more than six withdrawals or transfers to another credit union account of yours to a third party by means of preauthorized or automatic transfer or telephonic order or instruction. If you exceed the transfer limitations set forth above in any statement period, your account will be subject to a per item fee as set forth in the Business Account Fee Schedule and/or the account may be restricted to in person activity only.

**Dividends.** Dividends are calculated by the average daily balance method and will be credited monthly on the last day of the month. Dividends are not available to you until they have been credited to your account. Even though your account earns dividends every day, we don't actually credit them to your account until the last day of the applicable month. Dividends that are credited to your account will be added directly into your account. If you close your account before dividends are paid, you will not receive the accrued but unpaid dividends on the Business Designated Share Account.

### **Electronic Fund Transfer Services**

If you have applied (by indicating as such on the Business Membership Application and Agreement or otherwise) to receive a Debit Card, or other electronic fund transfer services, you hereby request that the Credit Union provide you with electronic fund transfer services that are authorized by the individuals you have designated as Authorized Signers on the accounts established by and for your business entity at the Credit Union, and the following provisions apply.

The Credit Union offers you various electronic fund transfer services, made possible by our advanced electronic data processing system. We may also provide plastic Debit Cards (which are sometimes referred to throughout this agreement as simply "Cards") to various non-natural person members. In addition, we may provide you with a password for use in conjunction with our Online Business Banking Service. Your use of the Card and/or the Online Business Banking password, or your use of any of your accounts to conduct electronic fund transfers constitutes your acceptance of and is subject to the terms and conditions set forth in the Electronic Fund Transfer Services portion of this Agreement as well as to the other terms and conditions contained in this Agreement, to the terms and conditions applicable to any account for which an electronic fund transfer services is obtained, and to the rules and regulations of the credit union governing all or any such accounts.

Any Card and personal identification number ("Card PIN") issued for your business entity remains the property of the Credit Union and the Credit Union may terminate your right to use the Card, PINs and passwords, at any time. Upon our demand, you agree to return the Card to the Credit Union. All privileges available through the use of a Card shall terminate upon the expiration date to be determined by the Credit Union.

The terms and conditions set forth in this Electronic Fund Transfer Services portion of this Agreement are binding on you and on us as to the making of any electronic fund transfer.

Although your account(s) may be subject to electronic fund transfers, and in that regard are subject to the terms and conditions of this portion of the Agreement, you may continue to use those accounts(s) to the same extent and in the same manner that you have in the past, insofar as "over-the-counter" and other non-electronic fund transfer transactions are concerned.

**Accounts Affected.** Each of the following types of accounts in the credit union can be subject to some kind of electronic fund transfer service:

- Business Share Account (Prime, Money Market, other share)
- Business Checking Account

**Types of Electronic Fund Transfer Transactions.** At the present time, you can authorize the following types of electronic fund transfers to or from your accounts:

**Transfers TO your account(s) (credits):**

- Direct deposit of various governmental payments.
- Deposits from any third party through the facilities of the National Automated Clearing House Association.
- Automatic transfers to your account(s) from another person's account with us.

**Transfers FROM your account(s) (debits):**

- Except as provided below in the Excluded Transactions section, payments you have authorized be made to third parties (such as insurance premiums and utility bills), as well as other types of payments to third parties; these transfers may only be made from your Business Checking Account.
- Automatic transfers from your account(s) to make payments on another person's or business entity's loan owing to us.

**AUTOMATED TELLER MACHINE (ATM) Transactions:**

- If you have a Card, along with a PIN, you can use it to make any or all of the following transactions at an Automated Teller Machine.
- Cash withdrawals from your Business Checking or Business Share accounts up to your authorized limit.
- Transfers (non-cash) from your Business Checking to your Business Share account or from your Business Regular Share Account to your Business Share Draft account (*some networks may not allow all transaction types*).
- Balance inquiries on your Business Share Draft or Business Regular Share accounts.

**POINT OF SALE Transactions:**

Your Card may be used to purchase goods or services from merchants who have arranged to accept a MasterCard Debit Card as a means of payment. If you have a MasterCard Debit Card, it may be used to purchase goods and services from any merchant displaying a MasterCard or MasterCard logo. These merchants are collectively referred to as "Participating Merchants" and will display a logo or other symbol that identifies them as a merchant who will accept your Card. Purchases made with your Card, including any purchases where you receive cash back, are referred to as "point of sale transactions" or "POS" transactions. A POS transaction will cause your Business Checking account to be debited for the amount of the purchase. Only Business Checking accounts may be used in connection with POS transactions performed with your Card.

**Online Business Banking Transactions**

Using the Online Business Banking Service, you can:

- Withdraw funds from your Business Share and Business Checking accounts
- Transfer funds from your Business Share account and Business Checking account
- Make bill payments to preauthorized creditors
- If applicable, access your Business Line of Credit Account
- If applicable, make loan payments from your Business Share account and Business Checking account.

**Limitations on Transactions.** To protect against possible losses, your card will not allow you to withdraw more than \$500.00 cash from an ATM during such a 24-hour cycle while our system is on-line -- of course, not in excess of the verified balance of the account(s) -- and \$300.00 while our system is off-line, reduced by the amount of any cash withdrawn during the "on-line" part of the cycle. Different ATMs dispense cash in differing multiples and minimum amounts depending on the brand of the machine. We reserve the right to change these limitations, and we will give you written notice of any such change at least 21 days in advance when we do.

As to transactions other than those made at an ATM, there are no limitations as to how often you can make "electronic fund transfers" described above. Nor are there generally any restrictions as to the dollar amount of any one "electronic fund transfer". We reserve the right to impose any such restrictions in the future as we deem reasonable, but we will give you at least 21 days advance written notice before doing so.

**Fees and Charges.** There are certain charges for electronic funds transfer services, and you hereby agree to pay them. We may deduct such fees and charges directly from any of your accounts. From time to time, the fees and charges may be changed. We will notify you of any changes as required by applicable law. Refer to our Business Account Fee Schedule for current information as to those fees and charges.

**Minimum Balance Requirements.** You must always maintain a minimum of \$1.00 in a Business Prime Share account to be entitled to make electronic fund transfers affecting your account(s). PINs for use with Cards and/or our Online Business Banking Service will not be issued to members whose loan payments to us are delinquent or whose accounts are otherwise not in good standing.

**Evidence of Electronic Fund Transfers.** An electronic fund transfer made by you will be evidenced by a receipt provided to you at the time of any electronic fund transfer at the time you make such transfer to or from your account using an ATM or through a POS transaction. (Note - For some small POS transactions a receipt may not be provided, or may be provided only upon request.) In addition, you will get a monthly statement for each account accessible via electronic fund transfer, unless there are no such transactions for a particular month. In any case, you will get a

statement at least annually. All such receipts and statements will be admissible as evidence of the withdrawal, deposit or other transaction they represent in any action in a court of law.

### **Error Resolution.**

If you discover an error, forgery, alteration or other unauthorized activity involving your account, you must notify us immediately, by telephone, and promptly notify the credit union in writing of the relevant facts, including a description of the transaction or error and the identity of any suspected perpetrator. You agree to maintain a current check register and to carefully and promptly review all statement and notices we send or make available to you. Your statement will be deemed to provide sufficient information about your checks and other transactions for you to determine whether there was an error or unauthorized transaction if the statements provide you with the check or transaction number, the amount and date of payment.

If you notify us orally or in writing, within 60 days after receipt of a statement, that an electronic fund transfer error affecting your account(s) has occurred, we will investigate the alleged error and report the results of the investigation to you within 10 business days.

We will have no duty to investigate any such error unless you notify us by calling us or writing us at the numbers and address below during business hours, in the event you provide us with oral notification, will we be required to investigate any such error only if you provide us with written notification of that alleged error within 14 calendar days following oral notification on a form we will provide to you for that purpose.

**231.547.4483**  
or  
**800.638.1182**

**4Front Credit Union**  
**P.O. Box 795**  
**Traverse City, MI 49685-0795**

Our report to you shall do either of the following:

- (a) Provisionally correct the amount in question and provide you with written notification of the correction and, if the correction is not in the exact amount of the alleged error, provide you with a written explanation of any difference between the alleged error and correction made. In the event we make a provisional correction to your account, we may charge back the corrected amount to your account 15 days after providing notification and an explanation of the charge-back to you. A provisional correction shall become final not later than 60 days after the day it is made. A provisional correction shall be accompanied by a notice explaining to you that the amount of the correction may be charged back to your account within 60 days.
- (b) Providing you with a written explanation, stating the reason we believe the statement is correct.

For purposes of this section, an electronic fund transfer error consists of:

- (a) An unauthorized electronic fund transfer;
- (b) An incorrect electronic fund transfer from or to your deposit account; or
- (c) The omission of an electronic fund transfer affecting your account.

An error does not include any electronic fund transfer made by a person who was furnished an access device or who was otherwise authorized to make electronic fund transfers, unless you notified us that transfers by that person were no longer authorized, nor does an error include any electronic fund transfer made with fraudulent intent by you or any person acting in concert with you. In addition, an error does not include a transfer of funds, though electronic in nature, that is excluded from the definition of "electronic fund transfer" (see "Excluded Transactions" above).

When we receive a notice under subsection (1), we will not place a hold on the funds in the account which are in excess of the amount in dispute. If we close the account in which the disputed funds are held, we will provide the report to the customer required by subsection (3). This section shall not be construed or interpreted to prohibit us from placing a hold on any account as permitted by law or contract.

If the correction of an error relating to an electronic fund transaction in an account of yours results in a credit to the account, we will additionally credit the account with dividends or interest which would have been due to you if there had not been an error.

### **Your Liability**

You shall not be liable for an unauthorized use of your account through an electronic fund transfer unless we can prove, without benefit of inference or presumption, that your negligence substantially contributed to the unauthorized use and that we exercised reasonable care to prevent the loss. As used in this section your negligence means only the following:

- (a) Writing the PIN on the card or other means of affording access;
- (b) Keeping the PIN with the card or other means of affording access;
- (c) Voluntarily permitting the account accessing device, including the PIN and the card, to come into the possession of a person who makes or causes to be made an unauthorized use.

If you fail to notify us of an unauthorized use within 30 days after the receipt of a statement containing an unauthorized use, you shall be liable for any subsequent unauthorized use that could have been prevented by timely notification.

You shall not be liable for further unauthorized use of your account by electronic fund transfer after you have reported that the means of access to the account has been lost or that the security of the PIN has been violated or otherwise compromised.

**Regulatory Authority.** This agreement and the electronic fund transfer services provided hereunder are governed by Michigan law. You may notify the Michigan Department of Insurance and Financial Services of any violation of law at:

Michigan Department of Insurance and Financial Services  
P.O. Box 30220  
Lansing, MI 48909-7720

**Responsibility for Overdraft.** If you obtain any electronic fund transfer service that results in a shortage in any account, the overdrawn amount is due and upon our demand, and you agree to pay the full amount of it to us, together with an overdrawn account charge as set forth in the Business Accounts Fee Schedule. You also authorize us, in such a case, to apply from any other shares or deposits you may have in the credit union any amount necessary to pay such overdraft and fees. If the overdraft is created in your Business Checking Account, (1) a transfer will be made from your other share account(s) to cover the overdraft if you have an agreement providing for such transfers in place with us, or (2) if you have an overdraft line of credit, an advance on your line of credit will be made to cover the overdraft, and you will pay that advance in accordance with the conditions of your line of credit plan, depending upon which form of overdraft protection you have selected. If there are not sufficient funds to make a transfer according to (1) or (2) of this paragraph, or if you have no overdraft protection for your Business Checking Account, then such overdraft will be paid to us as provided in the first sentence of this section.

**Illegal Use of a Card or Other EFT Service.** You understand and agree that electronic fund transfer services, including but not limited to use of a Card, may not be used for any illegal transaction. You further understand and agree that illegal use of an electronic fund transfer service will be deemed an action of default and/or breach of contract, and as a result your account and other related services may be terminated at the discretion of the Credit Union. You further agree, should illegal use occur, to waive any right to sue the Credit Union for such illegal use or any activity directly or indirectly related to it, and, additionally, to indemnify and hold the Credit Union harmless from any suits or other legal action or liability directly or indirectly resulting from such illegal use.

Internet gambling may be illegal in the jurisdiction in which a member is located, including the United States and elsewhere. Display of a payment card logo by an online merchant does not mean that Internet gambling transactions are legal in the jurisdiction in which the member is located. The Credit Union may decline to authorize any transaction the Credit Union believes poses an undue risk of illegality or unlawfulness.

**Warranty.** Except where expressly contained herein, the Credit Union makes no warranties, expressed or implied, pertaining to the use of any electronic fund transfer services.

**Business Use Only; Indemnification.** You agree that this Agreement contemplates the use of electronic fund transfer services for business purposes only, and you agree that you will not use any of the electronic fund transfer services provided under this agreement for individual personal consumer use. You agree to hold the Credit Union harmless from all damages, including incidental and consequential damages suffered by you as a result of your breach of this agreement.

**Foreign Transactions and Currency Conversion.** If you effect a transaction with your MasterCard debit card in a currency other than U.S. Dollars, MasterCard will convert the charge into a U.S. Dollar amount. The MasterCard currency conversion procedure includes use of either a government-mandated exchange rate or a wholesale exchange rate selected by MasterCard. The exchange rate MasterCard uses will be a rate in effect on the day the transaction is processed. This rate may differ from the rate in effect on the date the transaction occurred or the date the transaction was posted to your account.

#### **Other Terms and Conditions**

**Credit for Deposits.** All deposits are subject to proof and verification. If you deposit a check, draft or other non-cash item, we have the right to clear it before we make the money available to you subject to applicable federal regulations. If there are fees for collecting your deposit, you promise to pay them. We may deduct them directly from your account. If we feel there is a reason, we may refuse, limit or return any deposit. We have the right to refuse to accept any deposit and we specifically reserve the right to refuse to accept checks for deposit that have more than one endorsement. We reserve the right not to pay dividends on amounts subject to garnishment, levy or other legal process and to assess a fee for processing a garnishment, levy or other legal process; and we reserve the right not to pay dividends on any deposit that is returned to us unpaid by the financial institution on which it is drawn (even if that means a reversal of credited dividends). Your account will be charged for any check or other deposited item that is returned or is uncollectible for any



reason. You will not receive notice before such a charge is made. We will notify you after your account has been charged either with a separate notice or on your next periodic statement.

We may require all items presented for deposit, including items payable to cash or bearer, to be endorsed in our presence by one of your authorized representatives. We may in our sole discretion supply any missing endorsements on items deposited into your account.

All negotiable instruments presented for deposit must be in a format that can be processed and/or photographed. The Credit Union may refuse to accept any check or draft that does not meet this requirement. All endorsements placed on the reverse side of any check or draft which you deposit to your account must be placed so that they are on the left side of the item when looking at it from the front and must be placed so they do not go beyond an area located 1 and ½ inches from the left edge of the item when looking at it from the front. The Credit Union may refuse to accept any item that does not meet this requirement, and, if the Credit Union does accept it, you agree that you are completely responsible for any loss we incur which is premised on an endorsement not meeting this requirement or requirements of the Uniform Commercial Code as adopted in Michigan. "Loss" for this purpose shall include any court costs and reasonable attorneys' fees related to the loss.

Any item presented to the Credit Union that is made payable to the business or other organization must be deposited into one of your accounts in full. If you wish to obtain cash, you must do so as a separate withdrawal transaction.

**Funds Availability.** If you make a deposit into any account you have with us, that money may not be available to you right away. Refer to the "Funds Availability Disclosure" below for information regarding the availability of funds deposited into any of your accounts.

**Share Insurance.** Your savings in the Credit Union are insured up to at least \$250,000 by the National Credit Union Administration (NCUA), an agency of the Federal Government, in accordance with regulations promulgated by the NCUA. For more information regarding share insurance, please refer to the NCUA brochure entitled "Your Insured Funds," which can be found at the Credit Union office or at [www.ncua.gov](http://www.ncua.gov). Because we are not authorized to provide legal advice, we cannot counsel you as to how to structure your accounts in order to maximize your account insurance protection.

**Cash Withdrawal Limitations.** For security reasons we may limit the amount of withdrawals that may be taken in cash from an account or by any given individual; we will establish such limits in our discretion from time to time. Please contact us if you have any questions about such limits.

**Signatures.** We may accept for deposit all checks, drafts, notes or other instruments signed or endorsed in writing, whether by rubber stamp or any other means. We may pay and charge your account for all checks, drafts or other items bearing your signature, or the facsimile signature(s) you designate, whenever they resemble the specimen furnished by you, regardless of by whom or by what means the actual or purported facsimile signature may have been affixed. The Credit Union 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, Credit Union may refuse to execute any facsimile request or order.

**Overdrafts.** The credit union, unless it has contracted to the contrary, is under no obligation to pay any transaction presented (such as a check, an ATM or in person withdrawal, an electronic funds transfer, etc.) if the transaction amount exceeds the fully paid and collected balance in the account on which the transaction is presented. If the credit union does pay such a transaction, it is agreed that the credit union shall be reimbursed by you upon our demand to the extent that the transaction presented plus any applicable fee exceeds the fully paid and collected balance in the account. Such reimbursement shall be in cash unless another manner of reimbursement has been agreed to in writing between you and the Credit Union.

**Fees and Charges.** You agree to pay us charges in connection with your accounts in accordance with the Business Account Fee Schedule in effect from time to time. These fees may be changed at our discretion. We will provide advance notice of any increase in current charges, or any new charges, as required by law. We may deduct any charges from any of your accounts. We reserve the right to waive any charges in our sole discretion.

**Return of Deposits/Closed Accounts.** We may, at any time, in our sole discretion, refuse to accept any deposit, or close any or all of your accounts with us without prior notice to you. Provided, however, we may not terminate your membership in the Credit Union without satisfying applicable legal requirements. If we close an account, we will notify you and send you a check for any balance in your account after deducting all applicable charges. Any withdrawal that reduces the amount in an account to zero may automatically close that account. We are not liable for any check, draft, withdrawal or other order after an account is closed. Any drafts presented after the account has been closed will be returned unpaid. We reserve the right to advise consumer or commercial reporting agencies and other third parties of accounts closed for misuse.

**Inactive Accounts.** The Credit Union will consider your account inactive after twelve months of no deposits or withdrawals on your account and may assess a fee to the Business Prime Share Account every calendar month. (See

Business Account Fee Schedule). "Deposits" for this purpose excludes dividends credited to your account by the Credit Union. Michigan Law permits the Credit Union to turn these funds over to the State after two years of no activity, and requires the Credit Union to turn these funds over to the State after three years of no activity. Before turning funds from inactive accounts over to the State of Michigan, the Credit Union will send notices as required by Michigan law advising you of your rights.

**Statement.** You will receive a periodic statement (normally monthly) for your Business Checking Account. You will receive a periodic statement (normally annually) for your Business Share Account or other savings accounts unless you have an electronic funds transfer transaction during a monthly period (in which case you will receive a monthly statement), or you will receive a combined statement on a monthly basis if you have a Business Checking Account and other savings accounts. Each such statement shall show the transactions on your accounts and any charges. We reserve the right not to send statements for accounts we consider inactive, or for those accounts on which we do not have a valid address on file.

You should examine the periodic statement carefully and reconcile the account. If there are any discrepancies, the Credit Union should be notified immediately. You are in the best position to detect an unauthorized signature, a forged endorsement, or an alteration. You have the responsibility for any fraud loss if you fail to exercise reasonable care in examining the statement or fail to report forgeries or alterations to the Credit Union within 60 days of the mailing date of the earliest statement containing those items, unless another time period is required by state or federal law. You agree to cooperate with us in any investigation we reasonably believe is necessary in connection with an assertion by you of fraud concerning your accounts, including making a principal of the organization available for in person interviews and providing relevant information under oath. The Credit Union will not be liable if items were forged or altered such that the fraud could not be detected by a reasonable financial institution.

**Cooperation in Loss Recovery Efforts.** You agree to fully cooperate in any effort we undertake to recover funds that were taken from your account without authorization. For example, you will sign affidavits of loss or forgery that may be required by our insurance company. You also agreed to cooperate fully in any prosecution that may be initiated by the proper authorities pursuant to us filing a complaint about unauthorized activities involving your account.

**Agreement.** This Agreement shall be effective and shall govern all of your business or other organization accounts with us. By signing a Business Membership Application and Agreement, making deposits or withdrawals, or leaving amounts on deposit, you agree to the terms of this Agreement. This Agreement shall supersede all previous agreements for such accounts.

**Amendment.** Except as prohibited by applicable law, we may change the terms of this Agreement. We may change any of the items of this Agreement at any time without prior notice to you if the change is favorable to you. We may make changes that are adverse to you only if we provide you with any notice required by law or required in this Agreement. When we change the Agreement, you may close the account if you do not agree to the changes; if you continue to use the account or keep the account open after the effective date of such change, you will be deemed to have agreed to the changes.

**Notices.** You are responsible for notifying us of any address or name change. Whenever we are required to send you notice, the Credit Union is only required to attempt to communicate with you at the most recent address you have provided to us in writing. We will notify you of any changes in terms or rates as required by law or as required in this Agreement. All notices regarding the account will be sent to you to the address shown on your statement. We reserve the right not to send notice for accounts we consider inactive. Notices to us should be sent to:

**4Front Credit Union  
PO Box 795  
Traverse City, MI 49685-0795**

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 U.S. Mail, postage prepaid, and addressed to you at your statement mailing address.

**Indemnity.** If, by following your instructions, we are exposed to a claim or suit by an adverse claimant, you shall hold us harmless and indemnify us from any losses, expenses, liabilities or damages including actual attorneys' fees resulting from such a claim or suit. 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 we may require a bond or other protections.

You agree as set forth above to provide sufficient funds to cover any overdraft and any penalties assessed upon notice of the overdraft, and to reimburse us for any costs we incur in collecting the overdraft, including, without limitation, reasonable attorney's fees and the costs of litigation, to the extent permitted by law.

You agree to indemnify and hold us harmless from any liability loss, costs, or expenses, including reasonable attorney's fees, to the extent permitted by law, that we incur as a result of any dispute involving your account, including any loss, costs, or expenses resulting from a delay in the forward collection or return of any check you deposit caused by improper placement of endorsements or other material on the back of the check that affects the ability to endorse the items as required by federal regulations. You authorize us to deduct any such loss, costs, expenses, or attorney's fees from your account without prior notice to you.

In the event we become a party to any legal proceedings between you and any third parties or between members of your organization, you agree to indemnify us and hold us harmless from any liability for any loss, costs, or expenses, including reasonable attorney's fees, to the extent permitted by law, that we incur as a result of any such proceeding. We may exercise our right of offset to recover such amounts from your accounts. This obligation includes situations that cause us, in good faith, to seek the advice of counsel, whether or not we actually become involved in a dispute.

**Severability.** If any provision or portion of this Agreement is found by any court or regulatory body of competent jurisdiction to be invalid or unenforceable in whole or in part for any reason, the enforceability of the remaining provisions or portions shall not be affected.

**Waiver.** We may waive any of these provisions at our sole discretion, but any such waiver will apply only on that occasion. If we chose to waive any provision, we will not be bound to waive the same provision or any other provision on another occasion.

**Offset.** If you owe us money as a borrower, guarantor, endorser, or otherwise, we have a lien on the account funds in any account in which you have an ownership interest, regardless of their source, unless prohibited by law. You agree that we may apply these funds in any order to pay off 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 an individual's residence, unless prohibited by applicable law. We will notify you if we have exercised our right of offset. All accounts are nonassignable and nontransferable to third parties.

**Telephone Requests.** You agree that funds in any of your accounts with us can be transferred upon the telephone request of any Authorized Signer on the account. 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 may refuse to execute any telephone request or order.

**Electronic Financial Services.** You may, if you desire, obtain various additional electronic service from us. If you do so, you agree to be bound by the applicable terms and conditions set forth in this Agreement as well as any other required agreement for the use of various electronic services offered by the credit union and requested by you in connection with accounts owned by you. You understand and acknowledge that some of the services referenced below may require approval prior to the Credit Union authorizing their use. Approval for such use may require review of the Organization and Authorized Signer credit histories and standing in the Credit Union.

**Information about Your Accounts.** You authorize us to share information concerning your accounts with other entities as permitted or required by law, including affiliates of the Credit Union.

**Section Headings.** Section headings in this Agreement are for convenience of reference only and shall not govern the interpretation of any of the provisions of this Agreement.

**Legal Process.** If any legal action is brought against your account, we may pay out funds according to the terms of the action or refuse any pay out 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. In lieu of expenses other than attorneys' fees, we may charge a Legal Process Fee as set forth in our Business Account Fee Schedule. Any legal process against your account is subject to our lien and security interest.

**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.

**Special Account Instructions.** You may request that we facilitate certain business 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 business 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 other protection. Account changes requested by you such as adding or closing an account or service, must be evidenced by a signed account change form and accepted by us.

**Termination of Account.** We may terminate your account at any time without notice to you, or we may require you to close your account and apply for a new account if: (1) there is a change in your owners or Authorized Signers; (2) there has been a 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 share drafts, whether completed or in blank, are lost or stolen; (5) there are excessive overdraft 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. We are not responsible for payment of any check, draft, 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 or expelled for any reason allowed by applicable law, including causing a loss to the Credit Union.

**Governing Law.** This Agreement shall be governed by the laws, including applicable principles of contract law, and regulations of the State of Michigan (excluding its conflicts of laws principles), except as superseded by federal laws and regulations. This Agreement shall also be subject to the Credit Union's Bylaws and local clearinghouse rules. Unless prohibited by applicable law, any action brought pursuant to this Agreement against the Credit Union must be brought in (i) the local State District Court or State Circuit Court with jurisdiction over the location of the Credit Union's principal place of business or (ii) the U.S. District Court with jurisdiction over the location of the Credit Union's principal place of business.

#### **Wire Transfer Notification (Uniform Commercial Code Article 4A)**

The following rules shall apply to all wire transfers services provided by the Credit Union.

Credit Union may accept, on your behalf, payments to your account that have been submitted by Fedwire. Your rights and obligations with respect to such transfers shall be governed and construed in accordance with Regulation J, Subpart B—Funds Transfers Through Fedwire. These regulations and state law are applicable to funds transfers involving your account.

If you give us a payment order that identifies a beneficiary (the person to whom you are wiring funds) by name and account or some other identifying number (such as a Social Security, Taxpayer I.D. or driver's license number), we may pay the beneficiary on the basis of the number provided to us by you and consider that number to be proper identification. This will be true even if the number you provided to us identifies a person different from the named beneficiary, unless otherwise provided by law or regulation.

If you give us a payment order that identifies the beneficiary's financial institution in the funds transfer by name and Routing and Transit ("R/T") or other identifying number, we, as well as the receiving financial institution, may rely on the number provided to us by you as the proper identification. This will be true even if the number provided identifies a financial institution that is different from the named financial institution, unless otherwise provided by law or regulation. Therefore, it is in your best interest to contact the receiving institution to acquire the appropriate wire transfer instructions so that you may feel confident that your money will arrive safely. You, the member, are ultimately responsible for providing accurate information regarding funds transfers and are consequently liable for any losses or expenses should an error occur.

You may not be provided with separate notification each time we receive a wire transfer into your account. We will provide you with notification of an incoming wire transfer as part of your periodic statement. In the event we accept payments to your account through one or more Automated Clearing Houses ("ACH"), the operating rules of the National Automated Clearing House Association ("NACHA") will be applicable to ACH transactions involving your account. These rules do not require that we provide you with next day notice of receipt of an ACH item. Therefore, we will provide you with notification of the receipt of these items as part of your periodic statement.

In addition, if we are ever obligated to pay interest on the amount of a transfer, you will be paid interest on a daily basis equal to the current dividend rate that is otherwise applicable to the account from which the funds transfer should have occurred. In the event we are ever liable to you for damages due to a transfer, your damages will be limited to actual damages only. We will not be responsible for incidental or consequential damages, court costs or attorney's fees, unless otherwise provided by law or regulation.

We may accept, on your behalf, payments to your account which have been transmitted through one or more Automated Clearing Houses and that are not subject to the Electronic Funds Transfer Act ("Regulation E"). Your rights and obligations with respect to such payments shall be governed and construed in accordance with the applicable Federal Reserve Bank Operating Circular. Whenever an ACH is used as part of a transaction, its rules will govern that part of the transaction. Where none of the above stated rules apply, the transactions contemplated by this agreement shall be governed by the laws of the State of Michigan, including Article 4A of the Michigan Uniform Commercial Code.

Credit given by us to you with respect to an ACH entry is provisional until we receive final settlement for the credit entry

through a Federal Reserve Bank. If we do not receive final settlement, you are hereby notified that we are entitled to a refund of the amount credited to you in connection with the credit entry. Moreover, you are hereby notified that the party making payment to you (originator) shall not be deemed to have paid you the amount of the credit entry.

### **FUNDS AVAILABILITY DISCLOSURE**

This disclosure describes your ability to withdraw funds at 4Front Credit Union. It applies to all share accounts.

#### **GENERAL POLICY**

Our policy is to make funds from your deposits available to you on the same day we receive your deposit. At that time, you can withdraw the funds 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 close of business on a day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after close of business or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

#### **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 first business day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the fifth business day after the day of your deposit. The first \$200 of your deposits, however, may be available on the first business day.

If we are not going to make all of the funds from your deposit available on the first 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 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.

In addition, 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 (1) day.

You redeposit a check that has been returned unpaid.

You have overdrawn your account repeatedly in the last six (6) 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 we will tell you when the funds will be available. They generally will be available no later than the seventh (7th) business day after the day of your deposit.

#### **DEPOSITS AT AUTOMATED TELLER MACHINES**

Funds from your cash and check deposits made at automated teller machines (ATMs) that we own or operate will be available to you on the first business day after the day we receive your deposit. Funds from any deposits (cash or checks) made at ATMs we do not own or operate will not be available until the fifth (5th) business day after the date of your deposit. This rule does not apply at ATMs that we own or operate. All ATMs that we own or operate are identified as our machines.

© 2013 Holzman Corkery, PLLC. All rights reserved. This document may not be copied or reproduced in any manner without the express permission of Holzman Corkery, PLLC.