



**LOCKHEED**  
FEDERAL CREDIT UNION  
**Membership and Accounts  
Agreement and Disclosure**

## **WELCOME TO LOCKHEED FEDERAL CREDIT UNION**

As a member or employee of approved sponsor groups, companies, and/or associations, you, your family members, and your household members are eligible for membership. As a member of Lockheed Federal Credit Union, you are important to us and we hope you make Lockheed Federal Credit Union your primary financial institution.

## **GENERAL**

This Membership and Accounts Agreement and Disclosure provide information regarding your membership with the Credit Union and your and our rights and responsibilities concerning your membership and account(s). This Agreement and Disclosure sets forth the specific terms and conditions applicable to the Savings, Money Market, Certificate, and Checking Accounts offered by the Credit Union and discloses certain terms and conditions applicable to specific circumstances and to those services you elect which may affect your account(s). This Agreement and Disclosure includes information required under the Truth-in-Savings Act applicable to Savings, Money Market, Certificate, and Checking Accounts, and includes other terms and conditions applicable to all accounts (unless otherwise stated). This Agreement and Disclosure is in addition to any and all other account, loan, or service agreements and disclosures you may receive in connection with obtaining additional accounts, loans or services with the Credit Union.

This **Membership and Accounts Agreement and Disclosure**, the **Membership Application** you sign, the **Account Rate Sheet**, the **Schedule of Service Charges and Fees**, the **Relationship Rewards Brochure** and **additional agreements and disclosures you may receive in connection with obtaining Credit Union products and services** which are incorporated herein by this reference as if they were set forth in length, represent our agreements with you and contain important information governing your account(s). **Please read them carefully.** By signing the Membership Application, you also authorize the Credit Union to check (as applicable) your account, credit, and employment history, and obtain reports from third parties and others, including credit reporting agencies and account verification services, to verify your eligibility for the accounts and services you request.

In this Membership and Accounts Agreement and Disclosure, the words "Member", "Account Holder", "Account Owner", "you", "your", and "yours" mean each person, corporation, partnership, trustee, custodian or other entity in whose name(s) an account is opened and who is an owner and authorized signer on a Credit Union account. The singular, where appropriate, shall also include the plural. The words "LFCU", "Credit Union", "we", "us", and "our", each mean Lockheed Federal Credit Union. The word "account" means any one or more savings, money market, certificate and/or checking account(s) you have with the Credit Union, unless otherwise specifically stated. The words "Agreement and Disclosure" mean this Membership and Accounts Agreement and Disclosure.

Your Account type(s) and ownership features are designated on your Membership Application. By signing the Membership Application, each of you, jointly and severally, agrees to the terms and conditions of this Agreement and Disclosure, the Credit Union's Bylaws and policies, and any amendments to these documents from time to time that collectively govern your Membership and account(s). This Agreement and Disclosure is binding upon each Account Owner and their respective heirs, executors, administrators, agents, successors and assigns.

## **CREDIT UNION MEMBERSHIP**

### **MEMBERSHIP ELIGIBILITY AND REQUIREMENTS**

To join the Credit Union you must meet the membership eligibility requirements, including purchase and maintenance of at least one (1) share ("membership share") of \$5.00 as set forth in the Credit Union's Bylaws. Membership eligibility is comprised of:

***Employees of the approved sponsor groups/companies and associations, including persons retired as pensioners or annuitants from the employment of such sponsor groups, spouses of persons who died while within the field of membership of this Credit Union, employees of this Credit Union, volunteers of this Credit Union and of its sponsor groups, individuals who are members of the immediate family or household of such persons, and the organizations of such persons.***

No joint owner of an account may vote or sign a proxy, obtain loans individually, or hold office unless they are a Member in their own right. As an employee of an approved sponsor group, company or association, you are eligible for membership.

As a member of the Credit Union, you are eligible to request or apply for Lockheed Federal Credit Union products and services. Lockheed Federal Credit Union products and services **are not** employee benefits.

### **ACCOUNT VERIFICATION AND USE OF CREDIT REPORTS**

When you sign the Membership Application, **you authorize** Lockheed Federal Credit Union to **obtain your credit report**. We will verify your application for membership and an account through account verification services and consumer reporting agencies. We reserve the right to deny any application based on negative information received through these services. Your credit score may be used as part of the criteria for qualification for membership. If we deny your application, we will provide you with the name, address and telephone number of the account verification service and/or credit-reporting agency that provided us with the information.

### **IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT OR ADDING A PERSON TO AN EXISTING ACCOUNT**

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask 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. We may also ask identifying information about a beneficiary.

### **CLOSING OR SUSPENDING ACCOUNTS**

The Credit Union may, in our sole discretion, close your account at any time with or without cause, and remit the balance to you at the last address we have on file for you. We may remit the balance by check payable to the name on the account as shown on our records, even if contrary evidence of account ownership has been given to us. You may close your account at any time upon notice to us. If your account has a scheduled maturity date, it may be subject to any applicable early withdrawal penalty. You will remain liable for the payment of accrued fees on the account and for checks or other items in the process of collection, as well as any other obligations relating to actions or inaction prior to account closure.

The Credit Union may honor any account holder's or authorized signer's request to close or suspend an account or transaction. At our discretion, the Credit Union may require the signatures of all account holders and/or authorized signers before permitting the withdrawal of funds or the closing or suspension of an account.

The Credit Union may dishonor any check, withdrawal order, item or transaction presented for payment after an account is closed by you or by us. At our option, we may honor checks, withdrawal orders, items or transactions after an account is closed if the transaction was guaranteed by us under any check guarantee program or was part of an electronic fund transfer system or if you failed to place a stop payment order for any outstanding checks or other items. You shall remain responsible and liable for such checks, items and transactions.

The Credit Union may, in our sole discretion, "freeze" or place a hold on the balance in your accounts at the Credit Union if we suspect there is irregular activity involved in your accounts. Should the Credit Union place a "freeze" on your accounts to reasonably investigate our concerns, we shall not be liable to you for any claims you might have including but not limited to claims of wrongful dishonor.

### **SUSPENSION AND DENIAL OF SERVICES AND EXPULSION**

LFCU reserves the right to suspend or deny services, other than the right to maintain a Main Savings Account and to vote in annual and special meetings, and may restrict access to Credit Union premises if: (1) you cause a loss to the Credit Union; (2) you habitually mishandle your account(s); (3) use of non-natural person accounts with regular and prolonged periods of excessive transactions; (4) you are abusive or threatening toward Credit Union employees or members; or, (5) you deface or destroy, or attempt to deface or destroy Credit Union property. We further reserve the right to expel members for non-participation or cause in accordance with The Federal Credit Union Act.

### **TERMINATION OF MEMBERSHIP**

Granting you credit is conditioned upon your continued membership with the Credit Union. Discontinuation of your LFCU membership, whether voluntary or involuntary, will result in termination and revocation of your credit and credit card privileges, requirement for the return of all Visa Credit Cards to the Credit Union and payment of the "ENTIRE BALANCE DUE" as identified in your Visa Credit Card Agreement and Disclosure as "Events of Default". Termination of Membership due to transfer to a fiduciary shall have the same effect as discontinuation of your LFCU membership.

### **DESCRIPTION OF MEMBERSHIP ACCOUNT STRUCTURE AND FEE WAIVER**

Membership account structures are established by a primary (or main) savings account based on the vesting under which you establish membership and your account(s). For example, if you establish membership as an individual, we will open a

main (primary) savings account in your individual name, and you may open extra savings or checking accounts within that account structure as “individual” accounts.

If you then wish to establish separate membership under a “joint account” arrangement, we will open a second primary savings account as a “joint account” in your name and the name of the other joint account owner(s), and you may open extra savings or additional checking accounts within that account structure as “joint accounts” with the other person(s). Under the above system, you would have two different and separate account structures. Changing the vesting on your account(s), for example, converting an existing account from an individual account to a joint account will not result in the establishment of a separate account structure. **Only those accounts established under the specific separate account structure will be considered when determining aggregate (combined) balances for purposes of waiving Monthly Service Charges on Checking Accounts and the reimbursement cap for Non-LFCU (foreign) ATM Transaction Fees.**

## **TYPES OF ACCOUNT OWNERSHIP**

### **TYPES OF ACCOUNTS**

This section describes the several ways title and ownership can be held on accounts at the Credit Union. With respect to all accounts, the Credit Union makes no representation regarding tax aspects or the legal implications or results of opening any particular account. Each Account Holder is solely responsible for selecting the appropriate type of account. You may wish to consult with an attorney and/or tax advisor in order to determine the advisability of establishing one type of account over another, and which form of account ownership (vesting) is best for you.

#### **Individual Accounts**

“Individual Account” means an account in the name of and payable to or on the order of one Account Holder (one person) qualified for Credit Union membership. Only that person may withdraw or transfer funds or close the Account. If the Account Holder dies, the account funds pass, subject to applicable law, to the decedent’s estate or payable on death beneficiary/payee or trust beneficiary, subject to other provisions of this Agreement and Disclosure governing our protection for honoring transfer and withdrawal requests of an owner or owner’s agent prior to notice of an owner’s death.

#### **Multiple Party Accounts/Joint Ownership**

An account owned by two or more persons is a Multiple Party/Joint account. We recognize different types of multiple party accounts, such as a Joint Account or a Totten Trust Account.

#### **Joint Tenants With Rights of Survivorship**

“Joint Tenants with Rights of Survivorship Account” means an account held in the names of and payable to or on the order of two or more Account Holders in which each Account Holder has an equal undivided ownership interest in the account during his or her lifetime. Upon the death of any Account Holder on the account, ownership of the account passes to the surviving Account Holder(s) on the account.

Each Joint Account Holder, without the consent of any other Account Holder, is authorized to open additional share (sub-share) accounts (excluding loan accounts), such as a checking, savings, or certificate account, under the joint account primary account number, make changes to the account, and to make any transaction permitted under this Agreement and Disclosure, including without limitation: (1) withdrawal or transfer of all or any part of the account funds; (2) pledging the account or funds as collateral for any obligation, whether that of one or more Account Holder or of a third party; or, (3) closing the account with disbursement of proceeds as instructed by the Account Holder.

Each Joint Account Holder is authorized to act for the other Account Holder(s) and we may accept orders and instructions regarding the account from any Joint Account Holder. Each Account Holder is jointly and severally responsible for any and all obligations associated with any share accounts (sub-share) opened by any one Joint Account Holder.

If we believe there to be a dispute between Joint Account Holders or we receive inconsistent instructions from the Account Holders, we may suspend or close the account, require a court order to act, and/or require that all Joint Account Holders agree in writing to any transaction concerning the account.

#### **Totten Trust Accounts**

“Totten Trust Account” means an account establishing a revocable trust **without the use of a written trust agreement**, in the names of and payable to or on the order of the Account Holders. The trust is defined by this Agreement and the account styling. There are no trust assets other than the funds on deposit in the Totten Trust Account. The Account can be set up by one or more trustees as Account Holder(s) for one or more beneficiaries. The designation “**beneficiary**” reflected on your statement under “additional names on account,” identifies your account as a Totten Trust Account. No Totten Trust Account shall be opened without a beneficiary designated on the application and no beneficiary shall have any rights regarding the account, except as described in this paragraph. If more than one Account Holder is named as trustee on the account, the Credit Union shall act on the signature of any one of them, regardless of whether any other

Account Holder named on the account as trustee is incapacitated or deceased. Upon the death of all Account Holders named as trustee on the account, the Credit Union shall distribute the funds equally to the beneficiaries. The Credit Union shall not accept responsibility to act as a trustee or successor trustee under any circumstances and shall have no duty to monitor the account or the status of the trustee(s) or beneficiary(ies).

### **California Uniform Transfer to Minor Accounts**

"California Uniform Transfer to Minor Account" means an account established by a custodian for a minor beneficiary in a state which has adopted the Uniform Transfer to Minors Act, the Uniform Gift to Minors Act, or a substantially similar act (also known as "UTMA", "CUTMA" or "UGMA"), with rights and duties governed by the laws of the designated state. These are accounts in which an adult donor makes an **irrevocable gift** to a minor, as defined in the law, during the lifetime of the donor. The donor as custodian, or other custodian appointed by the donor, retains the authority to control the funds in the account. No more than one custodian and no more than one minor may be designated on an account. The minor shall not have authority to withdraw funds from the account. However, the funds in the account are held for the exclusive right and benefit of the minor. The account cannot be pledged as collateral for any loan on behalf of the custodian. The custodian must be a member of the Credit Union. The successor custodian must be a member, when their fiduciary duty arises to become the custodian. Upon the withdrawal of all funds in the account by the custodian, the Credit Union shall have no further responsibility to the custodian or the minor and the account will be closed. Upon the death or evidence satisfactory to the Credit Union of the incapacity of the custodian named on the Membership Application, the Credit Union shall rely upon the instructions of the successor custodian. The Credit Union shall have no duty to monitor the account or the status of the custodian or minor.

### **Coogan Accounts**

"Coogan Account" means an account established by a guardian for the benefit of a young performer working under an entertainment contract. Fifteen percent of the gross earnings are set aside for the minor until they reach legal majority. These earnings are the property of the minor. Coogan Accounts insure that child actors and athletes receive this portion of their earnings when they reach majority age, currently 18 or become legally emancipated. The minor is the Beneficiary of the Coogan Account; the Parent or Guardian is the Trustee. Withdrawals are generally not allowed until the minor turns 18. However, the Trustee may transfer funds to an equivalent account before that time. A court order is required to withdraw from a Coogan Account prior to the minor obtaining majority age. The Credit Union shall have no duty to monitor the account or the status of the percentage of minor's earnings being deposited into the account.

## **ENTITY ACCOUNTS**

**In General**, the error resolution and liability provision of this agreement as well as those indicated on the Annual Disclosure do not apply to business or written trust accounts. Business and Written Trust Account Holders assume full responsibility for any unauthorized use of any access device and/or PIN and agree to indemnify and hold the Credit Union harmless from all claims, losses, and damages related to unauthorized transactions. Under no circumstances will the Credit Union be liable for any special or consequential damages.

### **Business Accounts (Suspended Product)**

"Business Account" may mean an account owned by a sole proprietor, general partnership, limited partnership, limited liability partnership, corporation, limited liability company or trust. The Account Holder(s) must provide documentary evidence to our satisfaction of the authority and identification of the individuals who sign the Membership Application to act on behalf of the business, including resolutions, agreements, and other documents as deemed necessary. **The Credit Union will not accept any business account requiring two or more signatures for withdrawal. The business must be in LFCU's field of membership.** The Credit Union shall have no responsibility or duty to monitor such accounts, or the use of funds paid from neither it, nor any liability for any act or omission by any person who signs the Membership Application. NOTE: Sole Proprietorship sometimes referred to as "DBA" (Doing Business As) accounts are characterized as individual assets. Business accounts may not be subject to the regulatory consumer protections set forth in this agreement.

The Credit Union offers limited business services. The Credit Union reserves the right not to offer all members services to entities. The Credit Union no longer opens new business accounts.

As an existing business account holder, you are responsible for maintaining your business records at the Credit Union. We may, from time to time, request updated documentation. If you do not provide current business documentation in a timely manner, the Credit Union reserves the right to terminate the account.

### **Written Trusts**

"Written Trust" (or documentary trust) Account", an entity account, is established by a trustee/guardian pursuant to a **Written Trust Agreement** or court order. The account can be set up by one or more trustees/guardians as Account Holder(s) for one or more beneficiaries. We may require you to provide us with a notarized Certification of Trust Affidavit, or other evidence satisfactory to the Credit Union, of the Written Trust agreement's existence, content, and confirming

your power as trustee, prior to opening the account. We are not required to know, understand, interpret or enforce the terms of any trust documentation which you may provide to us.

By accepting the Written Trust Certification or other documentation, the Credit Union in no way assumes any responsibility to comply with the terms of the trust agreement or court order. The Credit Union shall not accept responsibility to act as a trustee or successor trustee under any circumstances, regardless of any trust agreement which provides otherwise. The designation "trustee" reflected on your statement under the "additional names on account," identifies your account as a Written Trust Account. No account shall be opened without a beneficiary designated on the Membership Application and no beneficiary shall have any rights regarding the account, except as described in this paragraph. Upon the death or evidence satisfactory to the Credit Union of incapacity of all Account Holders named as trustee, the Credit Union shall rely upon the instructions of the successor trustee(s) after successor trustees execute a Membership Application and Certification of Trust Affidavit identifying the new trustees of the account.

If more than one person is named as trustee/guardian on the account, the Credit Union shall act on the signature of any one of them, regardless of whether any other person named on the account as trustee/guardian is incapacitated or deceased. The Credit Union shall have no duty to monitor the Account to determine the status of the trustee/guardian or beneficiaries or whether the trustee/guardian is in compliance with the trust agreement or court order. Written Trust Accounts do not have the regulatory protections like consumer accounts.

## **OTHER PROVISIONS**

### **DEATH OF ACCOUNT HOLDER**

Each Account Holder agrees to notify us immediately upon the death of any other Account Holder. The Credit Union will not release any funds until the Credit Union receives a certified copy of a death certificate verifying the death of the member. Upon certification of the death of an Account Holder, no deposits will be accepted to the account, no checks will be paid on the account and the account will not be released until the Credit Union has been presented with satisfactory documentation to determine, in the Credit Union's discretion, what the proper distribution of the account should be and the Credit Union has had a reasonable opportunity to act on such information. Loans may become due and payable.

## **AUTHORIZED SIGNERS, ACCESS OPTIONS, TRANSFERABILITY, PLEDGE AND THE CREDIT UNION'S LIEN RIGHTS**

### **AUTHORIZED SIGNERS**

The Credit Union may rely upon any signature on the Membership Application in the payment of funds and in all other transactions and instructions in connection with an account. All Account Owners agree to sign a new Membership Application upon request. The number of required signatures on a check or other withdrawal shall be no more than one (1), regardless of any separate agreement between the Account Holders, any contrary notation on the Membership Application, or any other reason. The Credit Union does not accept accounts which require the signature of more than one Account Holder on checks or withdrawals or other instructions. Each Account Owner shall have equal access to the account.

The use of a Personal Identification Number (PIN) or other authorized device by which funds in the Account may be accessed by you, such as by ATM Card, VISA Check Card with ATM access, audio response system (CU By Phone), or Internet banking service (Online Banking), shall have the same force and effect as your signature.

### **ACCESS OPTIONS**

You may make withdrawals, deposits or transfers to or from your account(s) (as permitted by account type and transaction limitations) by any of the following means applicable to the account: (1) by check; (2) automated teller machines (ATMs); (3) check card or debit card (POS); (4) in person; (5) by mail; (6) automatic transfer, payroll deduction or direct deposit; (7) by telephone; (8) via night or lobby branch depository; (9) audio response system - CU By Phone; or, (10) Internet banking service (Online Banking), or such other method as we may provide to you. It may be necessary to apply for a specific service or product in order to obtain a particular access capability.

### **TRANSFERABILITY**

Account(s) may not be transferred by any Account Owner except by a change in ownership that is reflected on the records of the Credit Union. A transfer that occurs due to death, incompetence, marriage, divorce, attachment or otherwise by operation of law, shall not be binding on the Credit Union until the Credit Union has received sufficient documentation, in its discretion, and a new Membership Application has been executed.

### **PASSWORDS**

Passwords may be used as one form of identification on your account(s). You agree to indemnify and hold harmless Lockheed Federal Credit Union for any claims that arise against the Credit Union because of reliance on a password.

## **PLEDGE OF ACCOUNT FOR LOAN COLLATERAL PURPOSES**

With the exception of IRA, Checking Accounts, UTMA and CUTMA accounts, shares (funds on deposit) in Savings and Certificate Accounts may be pledged as collateral security for any loan, subject to our current loan policies. Any Account Owner may pledge any or all shares (funds) in a Savings or Certificate Account as collateral security for a loan. Further, a pledge of shares by any one Account Owner shall be binding on all Account Owners. The pledge shall be subordinate to and subject to any right of the Credit Union to collect any debt of any Account Owner to the Credit Union from the account. The Credit Union may require any or all Account Owner(s) to execute a Pledge Agreement and may require that any Pledge Agreement be executed before a notary.

## **THE CREDIT UNION'S STATUTORY LIEN RIGHTS**

Pursuant to Federal law and included in the LFCU Bylaws, the Credit Union has a statutory lien right in and claim to shares and dividends equal to your outstanding obligation to the Credit Union as that amount may vary from time to time. The Credit Union impresses its statutory lien rights on all accounts you have at the Credit Union, including Savings, Money Market, Checking or Certificate Accounts (excluding IRA accounts) held in your name, or in your name with others. If at any time you are in default in the performance of any obligation to the Credit Union, including loans and to the extent of your responsibility as borrower, co-borrower, co-signer, guarantor, indorser or otherwise, negative or overdrawn account balances, or in the payment of fees, charges, or other items, we may enforce our lien rights against any account you maintain with us to satisfy any and all financial obligations due and payable to us. We are not required to obtain a court judgment and we may enforce our lien right without further notice to you. The Credit Union shall not be liable for dishonoring any check, electronic debit, or other item drawn against any Credit Union account due to insufficient funds as a result of our enforcing our lien rights. Should the Credit Union choose not to enforce its lien rights, the Credit Union does not waive its right to enforce the lien at a later time. For more information, you may wish to refer to The Federal Credit Union Act and the regulations adopted by the NCUA.

## **SIGNATURES FACSIMILE OR MECHANICAL AND ELECTRONIC**

### **FACSIMILE OR MECHANICAL SIGNATURE**

If you use any form of facsimile signature in connection with your LFCU Account(s), you agree to notify and deliver a sample to us before you begin using it, and to execute and deliver agreements in the form we require. When you use a facsimile signature or other form of automated signature device in connection with your LFCU Account(s), you agree you shall have the sole responsibility of maintaining security of the facsimile signature or device by which it is affixed, and **you shall bear the entire risk for unauthorized use** thereof, whether or not you are negligent, except as may be required by law. You agree that no facsimile signature we have been authorized to honor may be considered a forgery or an unauthorized signature, and that such facsimile or automated signature shall be effective as your signature or endorsement, whether or not you have been negligent. You further agree to indemnify and hold us harmless from and against any and all loss, costs, damages, liability, or exposure (including reasonable attorneys' fees you may suffer or incur as a result of the unlawful use, unauthorized use, or misuse by any person of any such facsimile or automated signature or the device by which it is affixed).

### **ELECTRONIC SIGNATURE**

The use of your Password or Personal Identification Number (PIN) is your electronic authorization, which is the equivalent and has the same legal effect, validity and enforcement as your written signature.

### **VERBAL AUTHORIZATION AND AGREEMENT**

The recording of your verbal authorization and agreement has the same legal effect, validity and enforcement as your written signature.

## **POWER OF ATTORNEY/AGENT**

If you choose to appoint a Power of Attorney (POA) or Agent, to act on your behalf, the Credit Union may rely on instructions provided by the Power of Attorney or Agent and will have no liability or responsibility to verify the transactions. The Power of Attorney shall be properly executed. In accordance with the terms of the Power of Attorney, the person you designate to act for you will be authorized to transact business on your account(s) pursuant to the terms of this Agreement.

The Credit Union has the right to contact the Principal and/or the attorney to verify the Principal's intent, prior to acting under the authority of to the Power of Attorney. The Credit Union reserves the right not to act under the Power of Attorney until the Power of Attorney is verified.

The Credit Union may not acknowledge a power of attorney when the principal is not an existing member and/or the Attorney-In-Fact has previously breached any agreement with the Credit Union.

You understand and agree that the Credit Union may act under the Power of Attorney. Revocation of the Power of Attorney is not effective until the Credit Union has received written notification thereof. You agree to indemnify and hold

harmless Lockheed Federal Credit Union for any claims that arise against the Credit Union because of reliance on the Power-of-Attorney.

The Credit Union is not liable for any transactions or changes made to or by an agent or attorney-in-fact for a deceased or incompetent Account Owner unless the Credit Union has written notice provided in accordance with applicable law, that the agent's principal is deceased, has revoked the power, or is adjudicated totally or partially incapacitated by a court of competent jurisdiction, and the Credit Union has had time to act on that notice. Unless prohibited by law, we may refuse, with or without cause, to honor a Power of Attorney, which you grant to others.

## **TAXPAYER IDENTIFICATION NUMBERS (TIN) AND BACKUP WITHHOLDING**

The Credit Union is required, by the Internal Revenue Service (IRS) to withhold a percentage of your taxable dividends (referred to as backup withholding) if you fail to supply us, under penalties of perjury, with your correct Taxpayer Identification Number (TIN). For most taxpayers, the TIN is their Social Security Number. We must receive your TIN even if you do not have to file a tax return. To prevent backup withholding you must also properly certify to us that you are not subject to backup withholding. We will report dividend payments made to you to the IRS with your TIN.

We may withhold a percentage of the earnings in your account as mandated by the IRS (for example, as of 1/01/10 this amount was 28%) from each reportable payment to you if: (1) you fail to furnish us with your Taxpayer Identification Number; or (2) the IRS notifies us that you furnished an incorrect TIN, or (3) the IRS has notified you that you are subject to backup withholding because you failed to report all of your interest and dividends on your tax return, and this notification has not been revoked; or (4) if you fail to certify to us that you are not subject to backup withholding under section three (3) above, and/or fail to certify your TIN. If you are a non-resident alien, you must certify your foreign status, and provide evidence to avoid backup withholding.

We may refuse to open, or we may close any account for which you do not provide a certified TIN, even if you are exempt from backup withholding and information reporting. We will require non-resident aliens to certify their exempt status by completing a Certification of Foreign Status (W-8BEN) with recertification required every three years. We may also require other documentation. You may be subject to civil and criminal penalties if you fail to provide us with a correct TIN or falsify withholding information.

## **VISA CHECK AND/OR ATM CARDS AND ATM FEES BY OTHERS**

### **VISA CHECK AND/OR ATM CARDS**

The Credit Union offers Visa Check Card and/or ATM Card access to your LFCU Accounts. Visa Check Cards and ATM Cards are offered free from annual fees. Visa Check Card and/or ATM Card provide access to Checking, Line of Credit, Visa Credit Card Line of Credit. Access to savings accounts is limited to your Main Savings Account. Extra Savings Accounts, Money Market Accounts, Certificate Accounts, IRA Accounts and Vacation and Holiday Club savings accounts **cannot** be accessed with an LFCU Visa Check Card or ATM Card. Access to some of your other accounts may also be limited at non-LFCU owned ATMs. There are no transaction fees if you use an LFCU-owned ATM or ATMs that display the CO-OP Network symbol. However, we may charge a fee when you conduct a transaction at a Non-LFCU owned ATM, unless otherwise waived or reimbursed under a separate program or agreement with you. Visa Check Cards and ATM Cards may be used worldwide, however, LFCU cannot be held liable if a service is not provided at a non-LFCU ATM.

LFCU Visa Check Cards and/or ATM Cards are NOT provided automatically. You must apply for an LFCU Visa Check Card or ATM Card by selecting this option on your Membership Application or by completing a Visa Check Card or ATM Card Application. The LFCU Visa Check Card Agreement and Disclosure or the LFCU ATM Card Agreement and Disclosure will be provided to you with your LFCU Visa Check or ATM Card. LFCU generally does not charge fees for replacement cards and replacement PINs. However, reserves the right to charge these fees in the future with adequate notice. Please refer to the current Schedule of Service Charges and Fees. LFCU reserves the right to revoke your Visa Check Card and/or your ATM Card.

### **ATM FEES BY OTHERS**

When you use an ATM that is not owned or operated by us (a "Non-LFCU Owned ATM"), you may be charged an ATM Surcharge fee by the ATM owner/operator or by the ATM or other network used to complete the transaction (you may also be charged a fee for a balance inquiry even if you do not complete a funds transfer).

## **ACCOUNT CHARGES AND FEES**

The fees and charges directly associated with each account product type are discussed below. In addition to the fees and monthly service charges disclosed in this brochure, there are fees and charges for other services provided relating to your account(s), such as, but not limited to stop payment fees, fees for checks returned unpaid and non-sufficient funds (NSF) fees. You agree to pay all fees and charges assessed by the Credit Union from time to time for use of your account(s).

You are also required to pay for the cost of personalized checks on your LFCU Checking Account(s). Please refer to the current **Schedule of Service Charges and Fees** for a complete listing of all Service Charges and Fees.

## **TRANSACTION LIMITATIONS ON ALL SAVINGS ACCOUNTS AND MONEY MARKET ACCOUNTS**

During any **calendar month**, you may **NOT** make more than **six** (6) transfers **from** your **Savings Account or Money Market Account** to your other Credit Union accounts or to a third party by means of a preauthorized electronic funds transfer; automatic transfer; overdraft protection transfer; telephone order or instruction; request transmitted via facsimile machine; transfer initiated through our audio response system (CU By Phone); or, electronic transfer initiated through our Internet banking service (Online Banking). If you exceed the transaction limitations, you may be (1) charged a fee; (2) the Credit Union may transfer your account to a "transaction account" or (3) the transaction will not be permitted.

These transfer and withdrawal limitations **do not apply** to transactions conducted at ATMs (Note: Money Market Accounts cannot be accessed through an ATM), in person, or by mail. Also, internal transfers to make payments to your Credit Union loans and requests for withdrawals by check made payable to you are excluded from this limitation.

### **Money Market Account - Check Writing and Other Third Party Transfer Limitations**

No more than six (6) transfers may be made by **check**, draft, or similar order, **to a third party**.

Note: Check/debit card [POS] and electronic bill payment transfers are not permitted on your Savings Account or Money Market Account. ACH debit payment transfers may be permitted on Savings Accounts and Money Market Accounts – limit up to six (6) debits per month.

If you exceed the Money Market Account transaction limitations, you may be (1) charged a fee, (2) the Credit Union may transfer your account to a "transaction account," or (3) the transaction will not be permitted.

## **DEFINITION OF DIVIDEND RATE AND ANNUAL PERCENTAGE YIELD**

If your account earns Dividends, we will provide you with the current Dividend Rate and Annual Percentage Yield at the time you open your account. The Dividend Rate is the prospective rate of earnings on an account. The Annual Percentage Yield (APY) is the percentage rate reflecting the total amount of dividends paid on an account, based on the dividend rate and the frequency of compounding for a 365-day period (or 366 days in a leap year). From time to time, LFCU may offer dividends on non-dividend earning accounts, sometimes referred to as promotional dividends.

## **SAVINGS ACCOUNTS**

### **Main (Regular) Savings, Extra Savings, IRA Savings, and Holiday and Vacation Club Savings Accounts**

Main Savings Accounts, Extra Savings Accounts, IRA Savings Accounts, and Holiday and Vacation Club Savings Accounts are available to you. These Accounts earn dividends on the entire balance in the account each day.

### **REQUIRED MAIN SAVINGS ACCOUNT**

The Credit Union may require that you open a Main Savings Account to establish and maintain membership in the Credit Union under each specific account ownership type. Once membership is established, Extra Savings Accounts, and Holiday and Vacation Club Accounts may also be opened by you at any time upon request.

### **MINIMUM DEPOSIT AND BALANCE REQUIREMENTS**

The minimum deposit required to open your Main Savings Account is \$5. You must maintain a daily balance of at least \$5 to maintain your Main Savings Account and membership with the Credit Union. There are no minimum initial deposits or daily balance requirements to open or maintain Extra Savings Accounts or Holiday or Vacation Club Accounts.

### **MINIMUM BALANCE REQUIREMENT TO EARN DIVIDENDS**

There is no minimum balance requirement to earn dividends on Savings Accounts.

### **DIVIDEND RATE AND ANNUAL PERCENTAGE YIELD**

Please refer to our current **Account Rate Sheet** for the Dividend Rate(s) and Annual Percentage Yield(s) in effect for Savings Accounts.

### **DIVIDENDS AND VARIABLE RATE INFORMATION**

Savings Accounts, Extra Savings Accounts, and Holiday and Vacation Club Savings Accounts are variable rate accounts and the Dividend Rate and Annual Percentage Yield may change **weekly**, as determined by the Credit Union's Board of Directors, or its designees, without prior notice to you. However, the Credit Union reserves the right to change Dividend Rates at any time. There is no limit on how much the Dividend Rate can change each week. Your account statement will reflect the Annual Percentage Yield Earned and the dividends paid each statement period.

### **Dividend Periods are Monthly**

For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date is January 31. All other dividend periods follow the same monthly pattern of dates. The dividend declaration (payment) date follows the ending date of each dividend period, which is the first day of the following month. For the example, for the dividend period of January 1 through January 31, would be February 1. Dividends are paid from current income and available earnings, after required transfers to reserves have been made by the Credit Union at the end of each dividend period.

Dividends are earned daily and are credited and compounded monthly on the first day of each month. The Credit Union uses the daily balance method of computing dividends, which applies a periodic rate to the entire balance in the Account each day. Dividends begin to accrue from the date of deposit of all cash and non-cash items and shall continue to accrue until the day the funds are withdrawn. Dividends are paid in whole cents. Dividends less than \$.01 are not paid and do not accrue from month to month. If you close your Account at anytime during the month, we will pay you any earned dividends up to the date of account closure (not including the date of closure).

### **SAVINGS DIVIDEND RATES ARE BASED ON YOUR ACCOUNT BALANCE**

The Dividend Rate applicable to all Savings Accounts (including IRA Savings, and Holiday and Vacation Club Savings Accounts) depends on the balance in the account each day. The Credit Union has established "balance tiers," which consist of seven separate ranges of balances. The **Balance Tiers** are as follows:

\$ .01 - \$ 2,499.99	\$ 25,000.00 - \$ 49,999.99
\$ 2,500.00 - \$ 7,499.99	\$ 50,000.00 - \$ 99,999.99
\$ 7,500.00 - \$ 9,999.99	\$100,000.00 and Over
\$ 10,000.00 - \$24,999.99	

Each separate "balance tier" may offer a different Dividend Rate and Annual Percentage Yield. The same Dividend Rate may also be applied to two or more balance tiers. Dividends will be earned each day on the entire balance in the account at the Dividend Rate corresponding to the "balance tier" to which your daily account balance applies. For example, if your account balance was \$6,500.00 you would receive the Dividend Rate applicable to the "\$2,500.00-\$7,499.99" balance tier on the entire \$6,500.00 balance for that day. Similarly, if your account balance was \$1,900.00, the following day you would receive the Dividend Rate applicable to the "\$.01-\$2,499.99" balance tier on the entire \$1,900.00 balance for that day. Balance tiers are also subject to change as determined by the Board of Directors or its designees. Refer to the Account Rate Sheet for current balance tiers and rates and the Relationship Rewards Brochure to determine your rate.

### **HOLIDAY & VACATION CLUB ACCOUNTS DISBURSEMENT**

#### **Holiday Club Accounts**

When you open a Holiday Club Account, the entire balance of the account will automatically be disbursed and transferred to your Checking Account on November 1 of that calendar year, and annually thereafter. If your Holiday Club Account is established after November 1 but before December 31, the account will automatically be disbursed November 1, the following year and annually thereafter.

#### **Vacation Club Accounts**

When you open a Vacation Club Account, the entire balance of the account will automatically be disbursed and transferred to your Checking Account on June 1 of the year you open the account, and annually thereafter. If your Vacation Club Account is established after June 1 but before December 31, the account will automatically be disbursed June 1, the following year and annually thereafter. If you do not maintain an LFCU Checking Account, all funds in your Club Account will be transferred to your Main Savings Account on the disbursement date.

### **CERTAIN FEES AFFECTING SAVINGS ACCOUNTS**

#### **Member Check Cashing Fee**

We will charge you a Member Check Cashing Fee if you do not have an LFCU Checking Account and your aggregate (combined) Savings Account balance(s) is less than \$100. Please refer to our current Schedule of Service Charges and Fees for the Member Check Cashing Fee.

#### **Main Savings Account**

##### **Monthly Low Balance Maintenance Fee**

LFCU charges a Low Balance Maintenance Fee on your Main Savings Account **monthly** if: (1) you do not maintain a brokerage account with the Credit Union through the courtesy of INVEST Financial Corporation (INVEST); **and** (2) you are 22 years of age or older; **and** (3) the combined balances of your Savings, Certificate, Loan and Checking Accounts (within the same account structure) are less than **\$500** on the last day of the month). The Monthly Low Balance Maintenance Fee is waived for the **first six months** in which the Main Savings Account is opened. If you do not have sufficient funds in your Main Savings Account to cover the fee, the Credit Union reserves the right to charge your other

account(s) (if any) to collect the fee. Please refer to our current Schedule of Service Charges and Fees for the Main Savings Account - Monthly Low Balance Maintenance Fee.

### Brokerage Accounts and Annuities

**NOT A DEPOSIT - NOT NCUA-INSURED - NOT GUARANTEED BY THE CREDIT UNION- NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY- MAY GO DOWN IN VALUE**

## MONEY MARKET ACCOUNTS

The **Money Market Account** combines the features of a Savings Account to earn dividends, with limited check writing capabilities. Dividends are earned on the entire account balance each day, and you need only maintain an average daily balance of \$2,500 in the account to avoid a monthly low balance fee. Check writing capabilities are limited to six (6) checks per month.

### DIVIDEND RATE AND ANNUAL PERCENTAGE YIELD

Please refer to the **Account Rate Sheet** for the current Dividend Rates and Annual Percentage Yields in effect for Money Market Accounts.

### DIVIDENDS AND VARIABLE RATE INFORMATION

The Money Market Account is a variable rate Account and the Dividend Rate and Annual Percentage Yield applicable to each "balance tier" can change **weekly** as determined by the Credit Union's Board of Directors, or its designees. However, the Credit Union reserves the right to change Dividend Rates at any time, without prior notice to you. There is no limit on how much the Dividend Rate can change each week.

Your Account statement will reflect the Annual Percentage Yield Earned and the dividends paid on your Account each statement period. Money Market Account Dividend Periods are monthly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date is January 31. All other dividend periods follow the same monthly pattern of dates. The Dividend Declaration (payment) Date follows the ending date of each dividend period, which is the first day of the following month (and for the example, would be February 1). Dividends are paid from current income and available earnings, after required transfers to reserves have been made by the Credit Union at the end of each dividend period.

Dividends are earned daily and are credited and compounded monthly on the first day of each month. The Credit Union uses the daily balance method of computing dividends, which applies a periodic rate to the entire balance in the Account each day. Dividends begin to accrue from the date of deposit of all cash and non-cash items and continue to accrue until the day the funds are withdrawn. Dividends are paid in whole cents. Dividends less than \$.01 are not paid and do not accrue month to month. If you close your Account at any time during the month, we will pay you any earned dividends up to the date of Account closure (not including the date of closure). Refer below to determine how dividends are earned.

### DIVIDEND RATES ARE BASED ON ACCOUNT BALANCE

The Dividend Rate applicable to your Money Market Account depends on the balance in the Account each day. The Credit Union has established "balance tiers," which consist of seven separate ranges of balances. The **Balance Tiers** are as follows:

\$ . 01 - \$ 2,499.99	\$ 25,000.00-\$49,999.99
\$ 2,500.00- \$ 7,499.99	\$ 50,000.00-\$99,999.99
\$ 7,500.00- \$ 9,999.99	\$100,000.00 and Over
\$10,000.00-\$24,999.99	

Each separate "balance tier" may offer a different Dividend Rate and Annual Percentage Yield. The same Dividend Rate may also be applied to two or more balance tiers.

Dividends will be earned each day on the entire balance in the Account at the Dividend Rate corresponding to the "balance tier" to which your daily Account balance applies.

For example, if your Account balance was \$12,500.00 you would receive the Dividend Rate applicable to the "\$10,000.00 to \$24,999.99" balance tier on the entire \$12,500.00 balance for that day. Similarly, if your Account balance was \$3,900.00 the following day, you would receive the Dividend Rate applicable to the "\$2,500.00 - \$7,499.99" balance tier on the entire \$3,900.00 balance for that day. Balance tiers are also subject to change as determined by the Board of Directors or its designees. Refer to the Account Rate Sheet for current balance tiers and rates and the Relationship Rewards Brochure to determine your rate.

## **MINIMUM DEPOSIT AND BALANCE REQUIREMENTS**

The minimum deposit required to open a Money Market Account is \$2,500. There is no minimum balance requirement to maintain the Account.

## **MINIMUM BALANCE REQUIREMENT TO EARN DIVIDENDS**

There is no minimum balance requirement to earn dividends on the Account.

## **LOW BALANCE FEE AND AVERAGE DAILY BALANCE REQUIREMENT**

You must maintain a minimum average daily balance of at least \$2,500 in the Money Market Account to avoid the assessment of a Low Balance Fee. If, during any calendar month, your average daily balance falls below \$2,500 your Account will be assessed a Low Balance Fee for that period.

## **OTHER FEES AND CHARGES**

Please refer to the current Schedule of Service Charges and Fees for the Money Market Account Low Balance Fee and other related account fees.

## **TRANSACTION LIMITATIONS**

During any calendar month, you may **NOT** make more than **six** (6) transfers from your Money Market Account to your other Credit Union Accounts by means of a preauthorized electronic funds transfer, automatic transfer, telephone order or instruction, request transmitted via facsimile machine, transfer initiated through our audio response service (CU By Phone), overdraft transfers or electronic transfer initiated through our Internet banking service (Online Banking).

These transfer and withdrawal limitations **do not apply** to transactions conducted in person or by mail. Also, internal transfers to make payments to your Credit Union loans and requests for withdrawals by check made payable to you are excluded from this limitation. If you exceed the transaction limitations set forth above, we reserve the right to close your Money Market Account and transfer the funds into your Main Savings Account. Money Market Account funds are not available for overdrafts to your LFCU Checking Account unless specifically requested.

## **MARKET MAXIMIZER ACCOUNTS**

The **Market Maximizer Account** is a variable-rate, federally insured, Savings Account. The Dividend Rate and Annual Percentage Yield are determined using an Index, which is the **national average of the Taxable 7-Day Yield on Money Market Mutual Funds**, and can change weekly. Dividends are compounded daily and credited monthly. There is a minimum \$25,000 deposit required to open the Account. A monthly Low Balance Fee is assessed if the average daily balance falls below \$25,000 during any calendar month. The rate on the Account is reduced to the current regular savings rate earned on the related balance tier if on any day the Account balance falls below and during the time the balance remains below \$25,000. Check and ATM access is not available on the Account and federal regulation limits the number of certain types of transfers and withdrawals you can conduct each month. See Transaction Limitations below.

## **MINIMUM DEPOSIT AND BALANCE REQUIREMENTS**

The minimum deposit required to open a Market Maximizer Account is \$25,000. There is no minimum balance required to maintain the Account or earn dividends, however, refer to "Minimum Balance Requirement to Maintain Market Maximizer Dividend Rate" below, for further information on earning dividends at the stated rate.

## **LOW BALANCE FEE AND AVERAGE DAILY BALANCE REQUIREMENT**

You must maintain a minimum average daily balance of at least \$25,000 in the Account to avoid the assessment of a Low Balance Fee. If, during any calendar month, your average daily balance falls below \$25,000 your Account will be assessed a **Low Balance Fee** for that period. Refer to LFCU's current Schedule of Service Charges and Fees.

## **MINIMUM BALANCE REQUIREMENT TO MAINTAIN MARKET MAXIMIZER DIVIDEND RATE**

You must maintain a minimum daily balance of \$25,000 in the Market Maximizer Account to avoid a reduction in the Dividend Rate paid on your Account. If on any day your Account balance falls below \$25,000, we will apply the Dividend Rate paid on Regular Savings Accounts for the balance tier applicable to your Account balance for the period during which your Account balance is less than \$25,000. Once your Account balance is increased to \$25,000, we will again apply the then current rate paid on Market Maximizer Accounts to your Account.

## **OTHER FEES AND CHARGES**

Please refer to the current Schedule of Service Charges and Fees for other fees that may apply to or affect your Market Maximizer Account.

## **DIVIDEND RATE AND ANNUAL PERCENTAGE YIELD**

The current Dividend Rate and Annual Percentage Yield on your Market Maximizer Account are provided to you at the time you open your Account and are reflected on the Account Rate Sheet. The Dividend Rate is the prospective rate of

earnings on the Account. The Annual Percentage Yield (APY) is the percentage rate reflecting the total amount of dividends paid on the Account, based on the Dividend Rate and the frequency of compounding for a 365-day period (366 days in a leap year).

#### **DIVIDENDS AND VARIABLE RATE INFORMATION**

The Market Maximizer Account is a variable rate account and the Dividend Rate and Annual Percentage Yield can change **weekly** (each Friday) without prior notice to you. There is no limit on how much the Dividend Rate and Annual Percentage Yield can change each week. Your periodic statement will reflect the Annual Percentage Yield Earned and dividends paid on your Account each statement period.

#### **The Annual Percentage Yield is Based on an Index**

The Annual Percentage Yield (APY) applicable to the Account is based on an **Index** which is the **national average of the Taxable 7-Day Yield on Money Market Mutual Funds**. Information on the Index can be found in the Money & Investing section of *The Wall Street Journal* each Thursday under the heading "Yields for Consumers".

**The APY applicable to the Account can range from 80% to 110% of the Index**, as determined by the Credit Union's Board of Directors or its designees.

#### **How the Dividend Rate Is Determined**

The Dividend Rate is based on the Annual Percentage Yield (as described above), expressed as a rate instead of a compounded, annualized yield. The Dividend Rate is the actual rate paid on your Account, and which results in the Annual Percentage Yield your Account earns.

#### **Dividends Earned and Dividend Periods**

Dividends are compounded daily and credited monthly on the first day of each month. The Credit Union uses the daily balance method of computing dividends, which applies a daily periodic rate to the entire balance in the Account each day. Dividends begin to accrue from the date of deposit of all cash and non-cash items and shall continue to accrue until the day the funds are withdrawn. Dividends are paid in whole cents. Dividends less than \$.01 are not paid and do not accrue month to month. If you close your Account at any time during the month, we will pay you any earned dividends up to the date of account closure (not including the date of closure).

Dividend Periods are monthly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date is January 31. All other dividend periods follow the same monthly pattern of dates. The dividend declaration (payment) date follows the ending date of each dividend period which is the first day of the following month (and for the example, would be February 1). Dividends are paid from current income and available earnings, after required transfers to reserves have been made by the Credit Union at the end of each dividend period.

#### **TRANSACTION LIMITATIONS**

During any calendar month, you may **NOT** make more than **six** (6) transfers from your Market Maximizer Account to your other Credit Union Accounts by means of a preauthorized electronic funds transfer, automatic transfer, telephone order or instruction, request transmitted via facsimile machine, transfer initiated through our audio response system (CU By Phone), or electronic transfer initiated through our Internet banking service (Online Banking). These transfer and withdrawal limitations **do not apply** to transactions conducted in person or by mail. Also, internal transfers to make payments to your Credit Union loans and requests for withdrawals by check **made payable to you** are excluded from this limitation. If you exceed the transaction limitations set forth above, we reserve the right to close your Market Maximizer Account and transfer the funds into your Main Savings Account

**Note:** Access checks are not provided or available. There is no "check writing" access to your Market Maximizer Account and your Account cannot be accessed at an ATM. Also, check/debit card [POS] access, electronic bill payment transfers and ACH Debit payment transfers are not permitted on the Account.

#### **CERTIFICATE ACCOUNTS**

##### **DIVIDEND RATES AND ANNUAL PERCENTAGE YIELDS**

Dividend Rates and Annual Percentage Yields applicable to Certificate Accounts are fixed for the term of the account. Please refer to our current **Account Rate Sheet** for Certificate Account Dividend Rates, Annual Percentage Yields and available terms.

##### **DIVIDENDS**

Certificate Account Dividend Periods are monthly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date is January 31. All other dividend periods follow the same monthly pattern of dates. The Dividend Declaration Date (the date in which dividends are credited or paid) follows the ending date of a dividend period, is the first day of each month, and for the example is February 1. Dividends are earned daily and are

credited and compounded monthly on the first day of each month. If you have elected to receive distribution of your dividends monthly, your dividends will not be compounded. Dividends are calculated using the Daily Balance Method which applies a daily periodic rate to the entire balance in the account each day.

Dividends begin to accrue from the date of deposit of all cash and/or non-cash item(s), and continue to accrue and be paid until the maturity date.

### **WITHDRAWAL OF PAID DIVIDENDS**

Paid dividends may be withdrawn by you at any time without penalty at any office of this Credit Union (for IRA Accounts, please see below). The Annual Percentage Yield on Certificate Accounts assumes dividends will remain on deposit until maturity. A withdrawal of dividends will reduce earnings.

### **MINIMUM BALANCE REQUIREMENTS**

The minimum balance required to open an LFCU Certificate Account is \$1,000. The minimum balance required to open a Twelve (12) Month Bump Rate Account is \$5,000. The minimum balance required to open a Jumbo Certificate Account is \$100,000. The minimum balance required to open an LFCU Education IRA Certificate Account (aka Coverdell Education Savings Certificate Account) is \$500. You must maintain the required minimum balance each day in order to obtain the disclosed Annual Percentage Yield. Special

Certificate Account programs may be offered by the Credit Union from time to time, which may require a higher initial deposit, minimum balance or other special conditions.

Please consult the Credit Union's current **Account Rate Sheet** or contact a Credit Union Representative for minimum deposit and balance requirements. If any withdrawal or early withdrawal penalty reduces the Certificate Account balance below the minimum balance requirement, the account will be canceled and closed. If the Certificate Account is closed prior to maturity, any accrued dividends will be paid from the date of the end of the last dividend period to the date of account closure (not including date of closure) prior to the assessment of any early withdrawal penalty. The **withdrawal penalty will be applied to the entire principal amount** before the remainder of the funds is disbursed to you.

### **AUTOMATIC RENEWAL POLICY**

You will be notified of the maturity of your Certificate at least twenty (20) calendar days in advance of the maturity date. Your Certificate will automatically renew at maturity at its current term with the Dividend Rate and Annual Percentage Yield in effect at the time of renewal. If the current term for your Certificate is discontinued or is otherwise unavailable at maturity, we will renew your certificate at a term then available, which is nearest to that of the maturing Certificate. Maturing Certificates will be renewed as stated unless you notify us of any changes within seven (7) calendar days after the maturity date of your certificate.

### **GRACE PERIOD**

A seven (7) day Grace Period is provided following the date of maturity of your Certificate Account. To avoid automatic renewal, or if you wish to make changes to your Certificate Account at maturity, you must contact the Credit Union at **(800) 328-LFCU (5328)** or **(818) 565-2000**, or visit your local branch office. A withdrawal or reduction of principal within the seven-day grace period following maturity is not subject to penalty. Any withdrawals or contributions you wish to make to an IRA Certificate Account require your signature. For the appropriate IRA Certificate forms, see your branch or contact a representative at one of the above listed phone numbers.

### **EARLY WITHDRAWAL PENALTIES**

Withdrawal of funds representing the principal balance of your Certificate Account (other than paid dividends) is subject to the early withdrawal penalties as described below:

a. **Certificates With a Maturity of 180 Days or More** The penalty consists of the equivalent of 180 days dividends which have, or would have, been earned on the amount withdrawn, whether or not the funds have remained on deposit for that period. If your funds have not remained on deposit 180 days at the time of withdrawal, the early withdrawal penalty may exceed the actual dividends earned and could result in a further reduction of the principal balance of your certificate.

b. **Certificates With a Maturity of Less Than 180 Days**

The penalty consists of the equivalent of 90 days dividends which have, or would have been earned on the amount withdrawn, whether or not the funds have remained on deposit for that period. If your funds have not remained on deposit 90 days at the time of withdrawal, the early withdrawal penalty may exceed the actual dividends earned and could result in a further reduction of the principal balance of your certificate.

If any amount withdrawn or the early withdrawal penalty reduces the account balance below the minimum balance requirement, the Certificate will be canceled and closed, and the penalty applied to the entire principal amount before the remainder of the funds is disbursed to you. See "Minimum Balance Requirements" above.

## **TWELVE (12) MONTH FLEX CERTIFICATE ACCOUNT- ADDITIONAL TERMS AND CONDITIONS**

If you have elected to open a Twelve (12) Month Flex Certificate Account, all terms and conditions of the "Certificate Accounts" section of this Agreement and Disclosure apply (excluding the sections pertaining to the Twelve (12) Month Bump Rate Certificate Account or IRA Certificate Accounts) together with the following additional terms and conditions:

- a. The **minimum balance** required to open an LFCU Flex Certificate Account is \$1,000.
- b. **Deposits and Withdrawal of Principal Deposits**  
In addition to the initial deposit to open a Flex Certificate Account, you may make one (1) deposit of any amount at any time during the first 11 months of the term of the account.  
**Withdrawal of Principal:** You may make one (1) withdrawal of up to 25% of the then current balance of the account at any time during the term of the Account without penalty. Early withdrawal penalties apply for additional withdrawals.
- c. **Term and Automatic Rollover**  
The term of the Twelve (12) Month Flex Certificate is 12 months. At maturity, the Twelve (12) Month Flex Certificate will automatically rollover into a regular Twelve (12) month Certificate Account unless you instruct us otherwise at that time.
- d. **Flex Certificates cannot be established as IRA Certificate Accounts.**

## **TWELVE (12) MONTH BUMP RATE CERTIFICATE ACCOUNT – ADDITIONAL TERMS AND CONDITIONS**

If you have elected to open a Twelve (12) Month Bump Rate Certificate Account, all terms and conditions of the "Certificate Accounts" section of this Agreement and Disclosure apply (excluding the sections pertaining to the Twelve (12) Month Flex Certificate Account or IRA Certificate Accounts) together with the following additional terms and conditions:

- a. **Minimum Deposit to Open and Maintain the Account**  
The minimum deposit to open and maintain a Twelve (12) Month Bump Rate Certificate is \$5,000.
- b. **Dividend Rate Increase Option**  
If at any time during the term of your Twelve (12) Month Bump Rate Certificate Account the Credit Union offers a Dividend Rate on Twelve (12) Month Bump Rate Certificate Accounts which is greater than the Dividend Rate you are receiving on your Twelve (12) Month Bump Rate Certificate Account, you may request, either verbally or in writing, that we increase the Dividend Rate on your Twelve (12) Month Bump Rate Certificate Account to match the Dividend Rate then currently being offered on Twelve (12) Month Bump Rate Certificate Accounts. There is no cap on the Dividend Rate increase. There is no minimum increase limit. The Dividend Rate increase is NOT automatic and must be specifically requested by you at the time our pricing of Dividend Rates on Twelve (12) Month Bump Rate Certificates makes a Dividend Rate increase available to you. Only one (1) Dividend Rate increase is permitted during the term of the Twelve (12) Month Bump Rate Certificate Account.
- c. **Additional Deposit Provision**  
You may make one (1) deposit during the term of your Twelve (12) Month Bump Rate Certificate Account in an amount not exceeding the amount of the initial deposit made to open the Certificate Account. The maximum permissible principal balance on Twelve (12) Month Bump Rate Certificate Account is \$99,999.99.
- d. **Term and Automatic Rollover**  
The term of the Twelve (12) Month Bump Rate Certificate is 12 months. At maturity, the Twelve (12) Month Bump Rate Certificate will automatically rollover into a regular Twelve (12) month Certificate Account unless you instruct us otherwise at that time.
- e. **Withdrawals, Penalties and Closure**  
If you make a withdrawal from your Twelve (12) Month Bump Rate Certificate Account, you will be charged an Early Withdrawal Penalty as identified in "Early Withdrawal Penalties". If any withdrawal or early withdrawal penalty reduces the Twelve (12) Bump Rate Certificate balance below the minimum \$5,000 requirement, your Certificate will be canceled and closed. **The penalty will be applied to the entire principal amount** before the remainder of the funds is disbursed to you.
- f. **Twelve (12) Month Bump Rate Certificates cannot be established as IRA Certificate Accounts.**

## **SPECIAL SHARE CERTIFICATE ACCOUNTS**

From time to time, we will offer special Certificate Accounts and other types of Special Accounts. The terms and conditions of "special accounts" will be separately disclosed.

## **INDIVIDUAL RETIREMENT ACCOUNT (IRA)**

### **IRA CERTIFICATE ACCOUNTS**

#### **IRA Certificates - General Information**

All IRA Certificate Accounts are governed by this Certificate Account Agreement and Disclosure and the IRA documents which must be executed by you. Please refer to the IRA documentation provided to you for additional terms, conditions and restrictions. The Credit Union is not responsible for contributions in excess of that permitted by law.

All terms and conditions of the Certificate Account Agreement and Disclosure (other than the Twelve (12) Month Flex Certificate Account and Twelve (12) Month Bump Rate Certificate Account, above) apply to all IRA Certificate Accounts, together with the following additional terms and conditions:

### **Education IRA Certificate (aka Coverdell Education Savings Certificate Account) – Contributions**

You may make one contribution annually (as permitted by law) to your Education IRA Certificate Account during the term of the Certificate. You should refer to your Education IRA Disclosure Statement and consult your tax advisor before making any annual contribution.

### **Early Withdrawal Penalties**

Early withdrawal penalties (as described above) shall apply to all IRA Certificate Accounts in which funds are being transferred to another financial institution. Early withdrawal penalties shall NOT apply to: (1) eligible distributions; (2) withdrawals made subsequent to the death of any owner of the account made pursuant to Article III, Section 5(e) of the Federal Credit Union Bylaws; (3) certificates which are part of a pension plan which qualifies or qualified for specific tax treatment under Section 401(d) or 408 of the Internal Revenue Code and withdrawal is made to effect a lawful distribution of the funds; or, (4) withdrawals made as a result of the voluntary or involuntary liquidation of this Credit Union. For further information, please refer to the additional disclosures provided to you in the IRA Disclosure Statement, or contact the Credit Union.

### **IRA Account Rollovers, Withholding on Distributions, and Penalties**

IRA distributions, transfers, and rollovers are subject to the special tax rules of the United States Internal Revenue Code and may include Federal Income Tax withholding and penalty consequences. Please review the information contained in the IRA Withdrawal Form for further information, or consult a tax advisor. The Credit Union is not responsible for any adverse consequence of any transfer or withdrawal.

### **SECURITY COLLATERAL AND PLEDGE OF SHARES**

With the exception of IRA Certificate Accounts, and 12 Month Flex Share Certificate Accounts, funds in Certificate Accounts may be used as collateral security for a certificate-secured loan. You may pledge any or all of the shares from your Certificate Account as collateral security on any loan, subject to our current loan policies. Further, a pledge of shares by any one of you shall be binding on all of you.

Certificate Account funds (other than IRA Certificate Accounts) are subject to the general pledge of Credit Union shares included in Credit Union documents, the provisions of the Credit Union By-Laws, and the Federal Credit Union Act regarding the Credit Union's ability to impress a lien upon shares (funds) as security for loan obligations. Any indebtedness now or hereafter owed to the Credit Union either individually or jointly, may be charged to any Certificate Account in the name of the member or in the name of the member and another or others.

## **CHECKING ACCOUNTS**

### **CHECKING ACCOUNTS – GENERAL**

For regulatory accounting purposes, we may classify checking accounts to consist of two separate sub-accounts; a transaction sub-account and a non-transaction sub-account. All transactions are posted to the transaction sub-account and we may transfer funds between the two sub-accounts as needed. We record the sub-accounts and any transfers between them on our internal accounting records only. Your Checking Account and periodic statement are not affected. We will aggregate sub-account balances for statement purposes, availability of funds, the calculation and payment of dividends (if your Checking Account earns dividends), and for purposes of minimum balance requirement calculations and applicable service charges (if any).

### **MINIMUM DEPOSIT AND BALANCE REQUIREMENTS**

A minimum initial deposit is required to open an LFCU Checking Account. There is no minimum balance requirement to maintain an LFCU Checking Account.

### **SERVICE CHARGES AND FEES**

There are monthly Service Charges and Fees related to your LFCU Checking Account. Refer to the Schedule of Service Charges and Fees for current information.

### **HIGH RATE CHECKING**

The **High Rate Checking Account** is a checking account which pays dividends on your entire account balance each day when you maintain a minimum balance of \$20,000, and which offers unlimited check writing and LFCU ATM service. The Monthly Service Charge is waived if you maintain a balance of at least \$20,000 in the account each day for the calendar month or when at Gold or Platinum level of Relationship Rewards. Please refer to the Relationship Rewards Brochure for

further information. The Monthly Service Charge is reduced with minimum monthly direct deposit of \$100 to your High Rate Checking Account.

#### **MINIMUM BALANCE REQUIREMENT TO OPEN A HIGH RATE CHECKING ACCOUNT**

The minimum balance to open a High Rate Checking Account is \$20,000.

#### **DIVIDEND RATE AND ANNUAL PERCENTAGE YIELD**

Please refer to the **Account Rate Sheet** for the current Dividend Rates and Annual Percentage Yields in effect for High Rate Checking Accounts. The **Account Rate Sheet** is incorporated into this High Rate Checking Account Agreement and Disclosure and is part of our agreement with you governing the Dividend Rates and corresponding Annual Percentage Yields applicable to your High Rate Checking Account.

#### **MINIMUM BALANCE REQUIREMENT TO EARN DIVIDENDS**

The minimum daily balance requirement in order to earn dividends on the High Rate Checking Account is \$20,000. Dividends are earned on the entire account balance each day.

#### **DIVIDEND RATES ARE BASED ON YOUR ACCOUNT BALANCE**

The Dividend Rate applicable to your High Rate Checking Account depends on the balance in the Account each day. The Credit Union has established "balance tiers", which consist of four separate ranges of balances. Three tiers earn dividends. The High Rate Checking **Balance Tiers** are as follows:

\$ .01 - \$ 19,999.99	- no dividends
\$ 20,000.00 - \$ 49,999.99	
\$ 50,000.00 - \$ 99,999.99	
\$ 100,000.00	and Over

Each separate dividend earning "balance tier" may offer a different Dividend Rate and Annual Percentage Yield. The same Dividend Rate may also be applied to two or more balance tiers. Dividends will be earned each day on the entire balance in the Account at the Dividend Rate corresponding to the "balance tier" to which your daily Account balance applies. For example, if your Account balance was \$22,500.00 you would receive the Dividend Rate applicable to the "\$20,000.00 to \$49,999.99" balance tier on the entire \$22,500.00 balance for that day. Similarly, if your Account balance was \$59,000.00 the following day, you would receive the Dividend Rate applicable to the "\$50,000.00 - \$99,999.99" balance tier on the entire \$59,000.00 balance for that day. Balance tiers are also subject to change as determined by the Board of Directors or its designees.

#### **DIVIDENDS AND VARIABLE RATE INFORMATION**

The High Rate Checking Account is a variable rate account and the Dividend Rate and Annual Percentage Yield applicable to each balance tier, may change **weekly** as determined by the Credit Union's Board of Directors, or its designees, without prior notice to you. However, the Credit Union reserves the right to change Dividend Rates at any time. There is no limit on how much the Dividend Rate can change each week. Your account statement will reflect the Dividend Rate and corresponding Annual Percentage Yield, as well as the Annual Percentage Yield Earned and the dividends paid each statement period.

Dividend Periods are monthly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date is January 31. All other dividend periods follow the same monthly pattern of dates. The Dividend Declaration (payment) Date follows the ending date of each dividend period, which is the first day of the following month (and for the example, would be February 1). Dividends are paid from current income and available earnings, after required transfers to reserves have been made by the Credit Union at the end of each dividend period.

Dividends are earned daily and are credited and compounded monthly on the first day of each month. The Credit Union uses the daily balance method of computing dividends, which applies a periodic rate to the entire balance in the Account each day. Dividends begin to accrue from the date of deposit of all cash and non-cash items and shall continue to accrue until the day the funds are withdrawn.

Dividends are paid in whole cents. Dividends less than \$.01 are not paid and do not accrue month to month. If you close your account at any time during the month, we will pay you any earned dividends up to the date of Account closure (not including the date of closure). **MONTHLY SERVICE CHARGES AND MINIMUM BALANCE REQUIRED TO AVOID SERVICE CHARGES**

There is a Monthly Service Charge for the High Rate Checking Account. The Service Charge is reduced with a minimum monthly Direct Deposit of \$100. The Monthly Service Charge is waived if you maintain a balance of at least \$20,000 in the account each day for the statement period or when at Gold or Platinum level of Relationship Rewards. Please refer to the

"Description of Membership Account Structure for Purposes of Fee Waiver" section and the Relationship Rewards Brochure for further information.

## **PREMIER CHECKING**

The **Premier Checking Account** is a checking account which pays dividends on your entire account balance each day and which offers unlimited check writing and LFCU ATM service. Monthly service charges are reduced with Direct Deposit, or waived when at Gold or Platinum level of Relationship Rewards. For most recent Relationship Rewards Program qualifications, refer to the Relationship Rewards brochure.

### **MINIMUM BALANCE TO OPEN THE PREMIER CHECKING ACCOUNT**

The minimum balance to open the Premier Checking Account is an initial deposit of \$25.

### **DIVIDEND RATE AND ANNUAL PERCENTAGE YIELD**

Please refer to our current **Account Rate Sheet** for the Dividend Rate and Annual Percentage Yield in effect for Premier Checking Accounts.

### **MINIMUM BALANCE REQUIREMENT TO EARN DIVIDENDS**

The minimum daily balance requirement in order to earn dividends on the Premier Checking Account is \$2,500. Dividends are earned on the entire account balance each day and credited monthly.

### **DIVIDENDS AND VARIABLE RATE INFORMATION**

The Premier Checking Account is a variable rate account and the Dividend Rate and Annual Percentage Yield may change **weekly** as determined by the Credit Union's Board of Directors, or its designees, without prior notice to you. However, the Credit Union reserves the right to change Dividend Rates at any time. There is no limit on how much the Dividend Rate can change each week. Your Account statement will reflect the Dividend Rate and corresponding Annual Percentage Yield, as well as the Annual Percentage Yield Earned and the dividends paid each statement period.

Dividend Periods are monthly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date is January 31. All other dividend periods follow the same monthly pattern of dates. The Dividend Declaration (payment) Date follows the ending date of each dividend period, which is the first day of the following month (and for the example, would be February 1). Dividends are paid from current income and available earnings, after required transfers to reserves have been made by the Credit Union at the end of each dividend period.

Dividends are earned daily and are credited and compounded monthly on the first day of each month. The Credit Union uses the daily balance method of computing dividends, which applies a periodic rate to the entire balance in the account each day.

Dividends begin to accrue from the date of deposit of all cash and non-cash items and shall continue to accrue until the day the funds are withdrawn. Dividends are paid in whole cents. Dividends less than \$.01 are not paid and do not accrue from month to month. If you close your Account at any time during the month, we will pay you any earned dividends up to the date of account closure (not including the date of closure).

### **MONTHLY SERVICE CHARGES AND MINIMUM BALANCE REQUIRED TO AVOID SERVICE CHARGES**

There is a Monthly Service Charge for the Premier Checking Account. The Monthly Service Charge is reduced with a minimum monthly Direct Deposit of \$100. The Monthly Service Charge is waived if you maintain a balance of at least \$2,500 in the account each day for the calendar month or when at Gold or Platinum level of Relationship Rewards. Please refer to the "Description of Membership Account Structure For Purposes of Fee Waiver" section and the Relationship Rewards Brochure for further information.

## **ADVANTAGE CHECKING**

The **Advantage Checking Account** is an account which does not pay dividends, but which offers unlimited check writing and LFCU ATM service.

### **MINIMUM DEPOSIT AND BALANCE REQUIREMENTS**

A minimum initial deposit of \$25 is required to open the Advantage Checking Account. However, there is no minimum daily balance required to maintain an Advantage Checking Account.

### **DIVIDENDS**

This account does not earn dividends.

## **MONTHLY SERVICE CHARGE AND THE MINIMUM BALANCE REQUIRED TO AVOID MONTHLY SERVICE CHARGE**

There is a monthly service charge for the Advantage Checking Account. The Monthly Service Charge is waived with (1) a minimum monthly Direct Deposit of \$100, (2) if you elect to receive electronic statements and waive the option for paper statements, (3) you maintain a minimum daily balance of \$750 in the account each day for the calendar month, or (4) when at Gold or Platinum level of Relationship Rewards. Please refer to the Schedule of Service Charges and Fees for current charges and fees. Please refer to the "Description of Membership Account Structure For Purposes of Fee Waiver" section and Relationship Rewards Brochure for further information.

## **DIRECT DEPOSITS AND PREAUTHORIZED CREDITS**

### **DIRECT DEPOSITS**

The Credit Union may offer Direct Deposit options allowing you to preauthorize deposits (i.e., payroll checks, Social Security or retirement checks, or other recurring government or other benefit payment), or preauthorized transfers from other accounts at the Credit Union. You must authorize any Direct Deposits to your account(s) by a separate authorization form. If applicable, you must notify the Credit Union at least thirty (30) days prior to any Direct Deposit or preauthorized transfer if you wish to cancel or change the Direct Deposit or direct transfer option. Upon filing of a bankruptcy, if you fail to cancel any Direct Deposit authorization, you instruct your employer and the Credit Union to make and apply Direct Deposits in accordance with your authorization on file with the Credit Union. If the Credit Union is required to reimburse the U.S. Government or any government agency for any benefit payment directly deposited into your account for any reason, you agree the Credit Union may deduct the amount returned from any of your Savings, Checking, and/or Loan Accounts, unless prohibited by law.

### **DIRECT DEPOSIT AND SERVICE CHARGE REDUCTION**

To qualify as a "Direct Deposit" for purposes of receiving a reduction in monthly service charges on checking accounts, Direct Deposit shall mean an electronic or other automatic deposit to your Account from your employer or other payer, such as payroll, Social Security or retirement benefit, or other recurring government benefit or payment. The amount of the Direct Deposit must be at least \$100 per month. We will reduce the monthly service charge on Premier Checking Account, or waive the Advantage Checking monthly service charge, for any calendar month in which we receive a Direct Deposit to your Account.

The Direct Deposit monthly service charge reduction will apply as above regardless of the number of Account Owners who receive Direct Deposit to the account and will not aggregate if more than one Account Owner receives Direct Deposit. If your Direct Deposit is discontinued or does not otherwise occur during any calendar month, we will charge you the regular (non-discounted) monthly service charge on your Account.

### **PREAUTHORIZED CREDITS**

If you have arranged to have Direct Deposits made to your Account at least once every 60 days from the same source and you do not receive a receipt (such as a pay stub), you can call us at (800) 328-LFCU (5328) to find out whether or not the deposit has been made. You may also confirm your Direct Deposits through our audio response, CU By Phone, or Internet banking service (Online Banking). To find out how to sign up for our CU By Phone audio response system, please contact a Credit Union Member Service Representative at (800) 328-LFCU (5328). To sign up for Internet banking service (Online Banking) go to [www.lfcu.com](http://www.lfcu.com).

## **HOLDS AND DEPOSITED FUNDS AVAILABILITY POLICY**

Our policy is to make funds from your cash and check deposits available to you on the **first** business day after the day we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Mailed deposits will be available on the second business day after the day we receive your deposit. Once they are available, you can withdraw the funds in cash (subject to any cash limit at the branch) and we will use the funds to pay checks that you have written.

### **Business Days and Availability**

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit in person to one of our employees at a branch before closing time on a business day that we are open, we will consider that day to be the day of deposit. If you make a deposit in LFCU's Credit Union lobby (indoor) or 24-hour (outdoor) depository prior to the posted cut-off time (local time), we will consider that day to be the day of your deposit. However, if you make a deposit after those times 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 **second**

business day after the day of your deposit. However, **the first \$100 of your deposits** will be available on the **first** business day after the day of your deposit.

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 was 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 first business day after we receive your deposit. If you will need the funds 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: (1) We believe the check you deposit will not be paid; (2) You deposit checks totaling more than \$5,000 on any one day; (3) You or we redeposit a check that has been returned unpaid; (4) You have overdrawn your account repeatedly in the last six months; or, (5) There is an emergency, such as failure of communications or computer equipment. We will notify you if we delay your availability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the **seventh** business day after the day of your deposit.

### **Special Rules for New Accounts**

If you are a new member, the following special rules will apply during the first 30 days your account is open.

Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,000 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available on the **second** business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5,000 will be available on the **ninth** business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,000 will not be available until the **second** business day after the day of your deposit. Funds from all other check deposits will be available on the **seventh** business day after the day of your deposit.

### **ATM DEPOSITS – FUNDS AVAILABILITY POLICY**

Deposits can be made at LFCU-owned ATMs and at other ATM locations displaying the "CO-OP DEPOSIT" symbol. LFCU-owned ATMs are easily identifiable with the message "**Welcome to Lockheed FCU**" on the ATM screen. Funds from deposits made at LFCU-owned ATMs are subject to verification, may not be available for immediate withdrawal, and will generally be available for withdrawal the second business day following the date of deposit. **Longer delays may apply** in accordance with this Policy. However, in all cases, at least \$100 from each day's total deposit(s) at LFCU-owned ATMS will be available on the next business day following the date of deposit.

Funds from deposits made at other (non-LFCU-owned) ATMs displaying the "CO-OP DEPOSIT" symbol are also subject to verification, may not be available for immediate withdrawal, and will generally be available for withdrawal **five business days** following the date of deposit. **Longer delays may apply.**

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. Generally, deposits received after 12:00 p.m. (noon) local time will be processed the following business day. Each calendar day (including Saturday, Sunday and holidays) is a processing day. **At LFCU-owned ATMs, a processing day is the actual 24 hour calendar day period, midnight to midnight (12:00 a.m. Pacific Time [PT]).** Processing days may be different at non-LFCU owned ATMs and POS Networks (for example, 3:00 p.m. to 3:00 p.m.). For posting transactions, dividend calculation, finance charge accruals, and for any matter under dispute, the processing date will be the effective date of the transaction.

**Longer Delays May Apply** - In some cases, we will not make all of the funds that you deposit by check **at LFCU-owned ATMs** available to you on the **second** business day after the day of your deposit, or that you deposit by check **at non-LFCU-owned ATMs** available to you on the **fifth** business day after the day of your deposit.

If we are not going to make all of the funds from your deposit available on the second or fifth business day following the date of deposit as stated above, we will mail you the notice by the first business day after we receive your deposit and tell you when the funds will be available. If you will need the funds 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: (1) We believe the check you deposit will not be paid; (2) You deposit checks totaling more than \$5,000 on any one day; (3) You or we redeposit a check that has been returned unpaid; (4) You have overdrawn your account repeatedly in the last six months; or, (5) There is an emergency, such as failure of communications or computer equipment. We will notify you if we

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

### **Special Rules for New Accounts**

If you are a new member, the following special rules will apply to ATM Deposits made during the first 30 days your account is open. Funds from deposits of cash and the first \$5,000 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available on the **second** business day after the day of your deposit made at LFCU-owned ATMs, or on the **fifth** business day after the day of your deposit made at non-LFCU-owned ATMs, if the deposit meets certain conditions (for example, the checks must be payable to you). The excess over \$5,000 will be available on the **ninth** business day after the day of your deposit. Funds from all other check deposits will be available on the **seventh** business day after the day of your deposit.

## **CHECKING ACCOUNT OVERDRAFT PROTECTION AND ACCOUNT OVERDRAFTS**

### **OVERDRAFT PROTECTION**

If on any day, the available funds in your checking account are not sufficient to cover checks and/or other items posted to your account, those checks and items will be handled in accordance with these overdraft protection procedures and/or any overdraft protection credit agreement you have with us. We may but shall not be required to pay overdrafts against your checking account by transferring funds from your savings account, provided sufficient funds are available in your savings account, or by advancing funds against your LFCU VISA Credit Card or ReadyLine of Credit in accordance with the terms of your VISA Credit Card and/or ReadyLine of Credit Agreement. A determination of your checking account balance for purposes of making a decision whether to dishonor an item for insufficiency of available funds may be made at any time between presentation and the Credit Union's return deadline, with only one review of the checking account balance being required.

### **OVERDRAFT PROTECTION PROCEDURE**

If we receive a check, electronic debit, or other item drawn against your checking account which exceeds the available balance in your account at the time the item is received by us, such check/debit/item will be considered a request by you for a transfer of funds from the following transfer sources: a transfer against your savings account, or an advance against your VISA Credit Card, or an advance against your ReadyLine of Credit, in an amount sufficient to permit us to honor the item, but not to exceed any account balance or approved credit limit, and, if your request is thereby approved, we will credit the funds transfer or advance to your checking account. You may specify other shares within the same account as a transfer source to cover overdrafts.

All Overdraft Protection funds transfers and advances will be made in \$50 increments. Should your account not contain the required \$50 increments we will transfer all available funds. If sufficient funds are not available in your savings account, or credit is not available on your VISA or ReadyLine of Credit to cover the amount of the check, electronic debit, or other item, we will be unable to initiate the funds transfer or advance, and the check, electronic debit, or other item may be returned unpaid.

### **OVERDRAFT PROTECTION DEFAULTS**

If you do not have an LFCU VISA Credit Card or ReadyLine of Credit, we will generally look to your savings or other share account(s) for available funds to cover overdrafts or checks, electronic debits, or other items drawn against non-sufficient or unavailable funds in your checking account. However, if you have an LFCU VISA Credit Card, ReadyLine of Credit, or both, we will look first to your VISA Credit Card or ReadyLine of Credit for available funds to cover your overdraft before we look to your savings or other share account(s) for available funds. You may specify other shares within the same account as a transfer source to cover overdrafts. **You may wish to establish a sequence of "transfer source" different from that described above for the transfer of available funds to cover overdrafts by contacting a Credit Union Member Service Representative at (800) 328-LFCU (5328).**

### **TRANSFER LIMITATIONS ON SAVINGS**

We reserve the right and may transfer funds from your savings account(s) to cover overdrafts or checks, electronic debits, or other items drawn against non-sufficient or unavailable funds in your checking account. However, such savings account transfers are limited to a maximum of six (6) per calendar month (including preauthorized electronic funds transfers and transfers initiated via CU By Phone and Online Banking). Please refer to the "Transaction limitations On All Savings Accounts and Money Market Accounts" section of this Agreement.

### **OVERDRAFT PROTECTION TRANSFER FEE FOR ITEMS PAID**

If we advance funds from your LFCU VISA Credit Card or ReadyLine of Credit or transfer funds from your savings account, to cover or pay a check, electronic debit, or other item for which there are non-sufficient or unavailable funds in your checking account, we will assess an Overdraft Protection Transfer Fee.

The Overdraft Protection Transfer Fee is charged to your Checking Account when transferred from your ReadyLine of Credit or funds are transferred from your savings account. The Overdraft Transfer Fee is charged to your Visa Credit Card when funds are advanced from your Visa Credit Card line of credit. This Fee is assessed only once per day for negotiable instruments (checks and demand drafts) and once per day for electronic funds transfers (ACH transfers) per "transfer source," regardless of the number of checks or ACH items which have been received and that are paid as a result. (For example, the Fee will be assessed once per day for one or more transfers from one or more savings or other share account, and once per day for one or more advances from your VISA Credit Card and/or once per day for one or more advances from your ReadyLine of Credit account for checks, demand drafts and ACH items only.) The Overdraft Transfer Fee for Point of Sale purchases and ATM withdrawals will be assessed per occurrence.

Please refer to our current Schedule of Service Charges and Fees for the amount of the Overdraft Protection Transfer Fee. Negotiable instruments such as demand drafts and checks, are generally processed from the highest dollar amount to the lowest dollar amount during a processing day.

### **ITEMS RETURNED UNPAID AND PAID ITEMS (Credit Union's Discretion)**

If, at LFCU's option, the Credit Union does not transfer funds from your savings account to cover a check, electronic debit, or other item drawn against non-sufficient or unavailable funds in your checking account, or if you do not have sufficient funds in your savings account to cover the item, or if you do not have an LFCU VISA Credit Card or ReadyLine of Credit or there is not sufficient credit available on your LFCU VISA Credit Card or ReadyLine of Credit to cover the item, we will either:

(1) Not pay the check, electronic debit, or other item drawn against non-sufficient or unavailable funds in your Checking Account even though we may have previously established a pattern of honoring such items. We are not obligated to notify you before we decide to either pay an item that creates an overdraft or to return an item or deny a transaction drawn against insufficient available funds. We will return the check, debit, or item, unpaid to the payee, and assess a Non-Sufficient Funds (NSF) Fee for each item; OR

(2) Pay the check, electronic debit, or other item drawn against non-sufficient or unavailable funds in your Checking Account and charge you a "Courtesy Pay" fee (this may result in an overdraft/negative balance in your checking account). When an item is paid and creates an overdraft you agree and authorize LFCU to pay the item from funds from another of your accounts or from funds subsequently deposited in the account including direct deposits of governmental benefits including but not limited to Social Security and Supplemental Security Income. Any negative balance on your account is immediately due and payable unless we agree otherwise in writing. We may place a hold on balances in any other account you may have with us until the overdraft is paid.

LFCU reserves the right to charge a daily negative balance fee. Refer to our Schedule of Service Charges and Fees for NSF and Courtesy Pay Fee amounts. If you **do not** want LFCU to review your account for the LFCU discretionary Courtesy Pay Option, please contact LFCU at **(800) 328-LFCU (5328)**.

### **ATM AND ONE-TIME DEBIT CARD TRANSACTIONS**

If you want the Credit Union to authorize and pay overdrafts for ATM transactions and one time debit card transactions, as of July 1, 2010 for new accounts and as of August 15, 2010 for existing accounts, you must request this service. The Credit Union will pay overdrafts at our discretion. Please refer to the separate disclosure for complete information.

### **ACCOUNT OVERDRAFTS**

If at any time the balance in any of your LFCU accounts is overdrawn, you will be responsible to cover the negative balance on your account, which becomes due and payable immediately, unless we agree otherwise in writing. Accounts overdrawn in excess of seven calendar days are subject to statutory lien (see "The Credit Union's Statutory Lien Rights" section) collection, and/or other legal remedy. LFCU reserves the right to charge a daily negative balance fee.

### **VISA CREDIT CARD AND READYLINE OF CREDIT AGREEMENTS**

Other terms and conditions applicable to overdraft protection from your LFCU VISA Credit Card and/or ReadyLine of Credit are set forth in the VISA Credit Card Agreement and Disclosure and/or ReadyLine of Credit Agreement and Disclosure which are provided to you when the line of credit is established and which are available upon request.

## **STOP PAYMENTS - ON CHECKS/ITEMS AND ELECTRONIC FUNDS TRANSFERS**

### **Overview**

You have the right to request stop payment of a check/item or preauthorized electronic funds transfer against your account. Please refer to the telephone numbers listed on the back of this agreement to contact a Credit Union Representative. A fee will be charged for each Stop Payment Order in accordance with our Schedule of Service Charges and Fees. You may request a stop payment by telephone, mail, or in person. You can also initiate a stop payment via OnLine Banking. At your request and risk, the Credit Union will, without responsibility on its part, accept a stop payment order on your account subject to the charges in effect at the time such a stop payment order is received. A stop payment

order will be in effect if all required information is accurately provided and the information is received in sufficient time to enable us to act on it.

**Please note that if we are able to stop payment on your check/item or electronic funds transfer, you may still be liable to the payee or to a third party for the amount.**

### **Stop Payment Orders on Checks/Items**

All written and oral Stop Payment Orders on checks/items you write or authorize are **effective for twelve (12) months from the date received**, unless otherwise canceled or renewed by you. You agree to hold the Credit Union harmless for said amount(s) and for any and all liability, expenses, and costs arising from the Credit Union's refusal to pay checks/items that have a stop payment order. You further agree not to hold us liable for payment of the check(s)/item(s) contrary to your request if payment occurs through inadvertence, oversight, accident, or otherwise, or if by reason of such payment other items drawn by you are returned for insufficient funds. All written and oral stop payment orders are effective for twelve (12) months from the date received, unless otherwise canceled or renewed. The Credit Union is authorized to charge and you agree to pay a fee for placing a stop payment order, and for the renewal of a stop payment order in conformance with the Stop Payment Order Fee as reflected in our current Schedule of Service Charges and Fees.

### **Stop Payment Orders on Preauthorized Electronic Funds Transfers**

You may arrange automated payments with third parties that will debit your Credit Union Accounts via the ACH system. Those agreements are between the third party and you. You may request the Credit Union to stop payment on a particular debit, in order to prevent the debit from being charge against your account. You may order stop payments orally or in writing. Three-business days advance notice prior to the expected transfer date of the debit entry is required to implement the stop payment request. If the stop payment order is received within three-business days of the expected transfer date, the Credit Union will attempt to satisfy your request, but will not be held liable if sufficient time was not provided for a pre-authorized transfer that occurs within the three-business day period. In addition, it is necessary to provide the correct information related to the transaction(s) sufficient to enable the identification of the account and transaction(s) in question. You must specify if the stop payment placed is for the "Next Payment Only", "Until a Specific Date", or "Indefinitely", and will remain in effect unless you withdraw the stop payment order.

All ACH stop payment requests may be made orally or in writing. If the Credit Union requires written confirmation of oral stop payment requests, you have fourteen (14) days to provide the written confirmation. If the Credit Union does not receive written confirmation, the oral stop payment order may cease to be binding fourteen (14) days after your oral request has been made. Stop payments of electronic funds transfers are effective from the time the Stop Payment Order is placed. Stop payment orders of electronic funds transfers and ACH debits apply only to the items listed on your written request/confirmation. If you wish to terminate future electronic transfers or ACH debits, you must notify and cancel your agreement with the originating institution or company.

### **Stop Payment Orders or Changing Preauthorized Electronic Funds Transfers Via The Online Banking System**

If you have made arrangements in advance via the Online Banking System to allow the Credit Union or a third party, such as Web BillPay, to make individual or recurring electronic fund transfers to or from your account(s), you may request stop payment or changes to these preauthorized transfers. The best way to stop payment or change an individual or recurring electronic funds transfer is through the LFCU Online Banking System.

You may also contact the Credit Union by telephone, written request or by visiting a branch. You may contact the **Web BillPay** customer service at **888-918-7463**. You may notify the Credit Union orally, in person or in writing at any time up to three (3) business days before the scheduled date of the preauthorized transfer in order to enable the Credit Union to act on it. The Credit Union may require written confirmation of the Stop Payment or Change within fourteen (14) days of the oral notification. If the Credit Union requires written confirmation, the oral stop payment order may cease to be binding fourteen (14) days after it has been made. Stop or change to payments of electronic funds transfers are effective from the time the Stop Payment Order is placed. Stop payment orders of electronic funds transfers and ACH debits apply only to the information provided in your oral request or written confirmation. If you wish to terminate future electronic transfers or ACH debits, you must also notify and cancel your agreement with the originating institution or company.

**Please note that if we are able to stop payment on your check, item or electronic funds transfer, you may still be liable to the payee or to a third party for the amount.**

## **LOST OR STOLEN ATM, VISA CHECK CARD, VISA CREDIT CARDS OR PINs AND UNAUTHORIZED TRANSFERS**

Tell us **IMMEDIATELY** if you believe that your VISA Credit Card, VISA Check Card, ATM Card or PIN has been lost or stolen or that someone has used it or may use it to transfer money from your account without your permission. Telephoning is the best way of keeping your possible losses down.

**The Credit Union telephone number is  
(800) 328-LFCU (5328) or (818) 565-2000.**

**The Credit Union address is:**

**Lockheed Federal Credit Union,  
2340 Hollywood Way, P. O. Box 6759,  
Burbank, CA 91510.**

Also, if your statement shows withdrawals, transfers or purchases that you did not authorize, notify us AT ONCE. If you do not notify us within **60 days** after the statement was mailed to you, you may not get back any money you lost after the 60 days. If extenuating circumstances, such as a long trip or a hospital stay, kept you from notifying us, this time period may be extended.

Please refer to your applicable Agreement for further information on your and our responsibilities in connection with lost or stolen cards and PINS, and liability for unauthorized transfers.

**OTHER TERMS AND CONDITIONS FOR ALL ACCOUNTS (As Applicable)**

**ACCOUNT STATEMENTS AND NOTICES**

We will send you a combined periodic statement that reflects all transactions and activity on each account during the statement period. If you maintain only a savings account with us, you may receive your statement on a quarterly basis. Your periodic statement will be mailed to you at the address as reflected on our account records, which you are obligated to keep current at all times. All other notices will also be mailed to you at the address of record. Your monthly periodic account statement will not include the original checks which have been paid against your checking and/or money market account; however, the check number and amount of each check paid during the period are listed on your statement.

**It is your duty to exercise reasonable care and promptness in the examination of the monthly statement** submitted to you by us, and to discover any errors, unauthorized transactions or alterations on any items charged to your account, and to notify the Credit Union promptly after discovery. Failure to discover and/or report errors or unauthorized transactions within the time limitations set forth below will constitute a breach of your duty hereunder and preclude any claims for loss resulting from such failure:

- **Paper Items (checks and drafts)** – no later than **30** calendar days after we sent the statement on which the transaction is first reflected;
- **ACH Debit Entries** – no later than **60** calendar days following the original date of the transaction;
- **ATM, POS and Other Electronic Fund Transfers** – no later than **60** calendar days after we sent the statement on which the transaction is first reflected.

You agree that the Credit Union's retention of your drafts (checks) does not alter or waive your responsibility to examine your statements or the time limits 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 limitations. If you fail to receive a periodic statement, you agree to notify us within fourteen (14) days of the time you regularly receive a statement.

**CONSENT FOR ELECTRONIC DELIVERY OF ACCOUNT STATEMENTS**

By selecting e-Statements, you agree to receive your LFCU monthly member account and loan statements electronically and all subsequent notifications and change in terms electronically. Your member account statement includes activity and balance information on savings, checking and other share accounts as well as loans, and lines of credit (excluding VISA Credit Card account). Your VISA credit card account statement contains account transactions on your VISA Credit Card. Your account statements are made available to you when you access Online Banking using your PIN and select *Statements*, and are provided in readable, printable and downloadable format from this site. You agree that in addition to your regular monthly member account and loan statement and VISA Credit Card statement, we may also send you important notices and disclosures as required by law or regulation regarding your LFCU membership accounts, and VISA Credit Card. These notices and disclosures may be sent separately, incorporated into the Credit Flyer Newsletter, or other marketing articles that are located on the web page where you retrieve your statement.

**System Requirements**

In order to receive notices, review and retain your account statements electronically, the following computer system requirements must be satisfied:

All versions of Windows at or above Windows 98 (for added security, Windows XP and up are recommended), with Microsoft Internet Explorer 6.0 or higher and Firefox 1.0.4 and higher. Other browsers may be used but are not supported.

Apple Macintosh computers running OS versions 8.6 or higher (OS X and newer recommended). Supported browsers include Safari 2.0 or higher, Firefox 1.0.4 or higher, and Microsoft Internet Explorer version 5.5. Other browsers may be used, however, are not supported.

Please refer to the ***Online Banking Agreement and Electronic Funds Transfer Disclosure*** for the most recent requirements.

**Sign up for Electronic Statements (e-Statements)** by accessing Online Banking, and then click on **“Statements”**; then select **“Preferences”** where you will choose to receive statements electronically. By choosing Electronic Statements, all other notifications regarding you deposits and loans will be provided in electronic form.

You may select the option to receive both an electronic e-Statement and a paper version of your account statement. If you select the option to receive both an electronic e-Statement and a paper version of your statement, LFCU reserves the right to terminate paper statements when you have elected e-Statements and paper statements. We will provide you notice of this change.

For Advantage Checking, the monthly service charge is waived when you elect e-Statements only (paper statements waived). Refer to Advantage Checking section for additional ways to have the monthly service charge waived.

Please refer to the ***Online Banking Agreement and Electronic Funds Transfer Disclosure*** for complete information.

### **CHECK SAFEKEEPING**

We do not return your original paid checks. Instead, we provide the check number, amount, and date of payment on your account statement. We copy the front and back of each check processed and paid against your account. We retain the copies for seven (7) years from the date the check is charged against your account. You may request copies of checks, if the request is within the required retention period. Refer to the Schedule of Service Charges and Fees regarding fees for copies of checks.

### **NEGATIVE CREDIT REPORTING**

We may report information about your account to consumer credit reporting agencies. Payments, missed payments, or other defaults on your account may be reflected in your credit report.

### **SUBSTITUTE CHECKS AND YOUR RIGHTS**

To make check processing faster, federal law permits banks to replace original checks with “substitute checks.” These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states: “This is a legal copy of your check. You can use it the same way as you would use the original check.” You may use a substitute check as proof of payment just like the original check.

Some or all of the checks that you receive back from us may be substitute checks. This notice describes rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However you have rights under other law with respect to those transactions.

### **Your Rights Regarding Substitute Checks**

In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, bounced-check fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to dividends on the amount of your refund if your account is a dividend bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

If you use this procedure, you may receive up to \$2,500 of your refund (plus dividends if your account earns dividends) within ten (10) business days after we received your claim and the remainder of your refund (plus dividends if your account earns dividends) not later than 45 calendar days after we received your claim.

We may reverse the refund, including dividends on the refund, if we are able to demonstrate that the substitute check was correctly posted to your account.

### **How You Make A Claim:**

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us at:

Lockheed Federal Credit Union  
ECS Department  
P.O. Box 6759  
Burbank, CA 91510

You must contact us within 40 calendar days of the date we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances. Your claim must include:

- A description of why you have suffered a loss;
- An estimate of the amount of your loss;
- An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss; and
- A copy of the substitute check or the following information to help us identify the substitute check: (identifying information, for example the check number, the name of the person who wrote the check, the amount of the check).

### **REMOTELY CREATED CHECK**

Remotely created check means a check that is not created by the paying financial institution and that does not bear a signature applied, or purported to be applied, by the person on whose account the check is drawn. If you authorize a remotely created check, LFCU will debit your account for the authorized item as if you have signed the item authorizing the debit. If you have a dispute and want to cancel the authorized item, you must contact the payee that debited your account. If the item was never authorized, you must contact LFCU within 30 days from the date you receive your statement. We may require you to make the claim in writing.

If you create or deposit remotely created checks to your LFCU account(s), you represent and warrant that you have instituted procedures to ensure that these drafts are authorized by the person on whose account the remotely created check is drawn in the amount stated on the check to the payee stated on the check. If a remotely created check, which you have deposited into your Account, is returned by the drawee-payor financial institution for any reason, you agree that the Credit Union may debit your Account(s) for the amount of the item, plus any applicable fees. If the debit causes your Account to be overdrawn, you agree to pay the overdrawn amount on the Credit Union's demand. The Credit Union reserves the right to accept or reject any item for deposit into any of your Accounts.

### **ORDERING CHECKS AND REJECT PROCESSING FEES**

We would prefer that you order your personalized checks through the Credit Union. Personalized checks through the Credit Union can be ordered by phone, in writing or through Online Banking. However, we recognize that you have other choices available for your check printing services. If you arrange for the printing of your checks by a company other than through the Credit Union, the form, encoding, and format must follow our check specification requirements.

If personalized checks that you order independently are rejected in processing due to MICR encoding or other errors in the printing of the check, we will assess a Check Processing Reject Fee. Personalized checks ordered through the Credit Union are not subject to this fee. Please refer to our current Schedule of Service Charges and Fees for the Check Processing Reject Fee amount.

Check printing companies/suppliers may not provide checks which incorporate security features to aid in protecting your checks against fraud or alteration. Because of this, checks you order through a supplier, other than the Credit Union, may not contain some or all of the security features found on checks provided through the Credit Union. If any of these checks are altered, modified, or changed, you, and not the Credit Union, will be responsible for any losses you suffer.

Check prices vary according to the type of checks you select and may change from time to time without specific notice to you.

### **LOST OR STOLEN CHECKS**

You agree to **notify us immediately** if your checks are lost or stolen. For security reasons, we may close your applicable account and return checks marked "Refer to Maker" or similar notice. If it is necessary to close your account, we may require you to sign a new Membership Application.

### **CHECKS NOT CURRENTLY DATED**

You should write the current date on checks you issue. However, regardless of the date on a check you have written, we may pay it whenever it is presented for payment. The Credit Union may, at its option, but is under no obligation to you to pay any check drawn on your account, which is presented before its date, or more than six months after its date. The Credit Union shall not be liable for honoring or failing to honor any stale dated or post dated check, or conditionally endorsed check. The Credit Union may charge your account as of the date the Credit Union pays the item. If you do not wish a check to be paid, you must place a Stop Payment on the check.

## **DEPOSITED AND CASHED ITEMS**

All items deposited or cashed, will be handled by the Credit Union, as agent for you, and are subject to charge-back or refund if for any reason final payment is not received in a form acceptable to the Credit Union (for example, but not limited to, the item is returned to us unpaid for reasons such as insufficient funds or refer to maker). We will charge you a Deposited or Cashed Checks Returned Unpaid Fee for each item, if we receive and charge-back any deposited or cashed item against your account. Please refer to our current Schedule of Service Charges and Fees for the Deposited or Cashed Checks Returned Unpaid Fee amount. The Credit Union assumes no responsibility beyond the exercise of ordinary care in handling items on your behalf. Further, the Credit Union will not be liable for default or negligence of any correspondent or for loss in transit, and each correspondent will only be liable for its own negligence. The Credit Union reserves the right to send any item for collection.

If a claim is made with respect to any items subsequent to final payment on the grounds that such item was altered or bore a forged or unauthorized endorsement or was otherwise not properly payable, the Credit Union may withhold the amount thereof from the account until final determination of such claim. We have the right to refuse to accept any item for deposit and we specifically reserve the right to refuse to accept checks for deposit that have more than one endorsement or bear a conditional endorsement.

## **DEPOSITS TO ACCOUNTS AND PROVISIONAL CREDIT**

We may accept deposits to your account from any source and need not question the authority of the person to make the deposit. We reserve the right to decline any deposit that would result in an account balance of more than \$100,000. You will be responsible for any loss because of your failure to identify your account properly by name and number on any deposit item.

All transactions received after our "daily cutoff time" on a business day or received on a calendar day we are open or received on a day which we are not open for business, will be treated and recorded as if initiated on the next business day we are open. The Credit Union's cutoff times and services offered may vary by location. Check with your branch for the branch's cutoff time.

Any items other than cash, accepted for deposit (including items drawn "on us") will be given provisional credit only until collection is final (an actual credit for deposit of or payable in foreign currency will be at the exchange rate imposed on us on the day of the credit or deposit. Handling an item as a "collection item" means that instead of accepting an item for deposit, we send the item directly to the issuer's bank for payment. If the item is returned unpaid, we will return the item to you.

The Credit Union has the sole discretion to determine whether to accept an item for deposit or collection, (The fee for this service is disclosed on the Schedule of Service Charges and Fees).

## **ENDORSEMENTS**

You authorize the Credit Union, in its discretion, to accept transfers, checks, drafts, and other items for deposit into your account(s), whether or not they are endorsed by all payees. You authorize the Credit Union to supply missing endorsements if the Credit Union chooses to supply such endorsements. The Credit Union reserves the right to verify all endorsements on third party checks presented for deposit either in person or by comparison with member signature files. If insurance, government, and certain other checks or drafts require an endorsement as set forth on the back of the check, the Credit Union may require the endorsement as set forth on the check.

All endorsements, stamps or other information must be placed in the space on the back of the check between the top-edge and 1 1/2 inches from the top-edge. The Credit Union may accept drafts or checks with endorsements outside this space. However, if any such endorsement or other markings you or any prior endorser make on the check cause any delay or error in processing the item for payment, you will be responsible for any loss incurred by the Credit Union due to the delay or error.

## **Checks with Legends Conditioning Payment**

You agree not to directly or indirectly present any checks or other items bearing restrictive notations such as "Void after 90 days," or "Void if over \$500." You agree that if you directly or indirectly present such checks or other items, we will not be bound by the restrictive language and may pay the checks or other items without regard for the restrictions contained therein. In no event will we be liable for our refusal to honor your restrictions (whether or not we had previously honored or dishonored similar restrictions). You further agree to indemnify us and hold us harmless for any claims or losses arising out of our refusal to honor your restrictions.

## **e-DEPOSITS**

For terms and conditions regarding **e-Deposits**, refer to the **Lockheed Federal Credit Union e-Deposits Agreement and Disclosure**. You may obtain a copy by contacting us at **800-328-LFCU (5328)** or at [www.lfcu.com](http://www.lfcu.com). Your violation of any term, condition or provision stated in the e-Deposit Agreement and Disclosure may result in immediate termination of this service to you without notice.

## **CHECK PROCESSING AND VERIFICATION**

We may process checks mechanically, based on the information encoded on the items. This means that we may not visually examine each of your checks to determine if they are currently dated, properly completed and endorsed. Although we may review checks, you understand and agree that reasonable commercial standards do not require us to do so. You agree to review all statements as soon as you receive them and to notify us immediately of any discrepancy.

## **ELECTRONIC PRESENTMENT AND PAYMENT OF CHECKS**

In some cases when you write a check to a merchant in payment of goods or services the merchant may present that check electronically for payment instead of sending us the paper check. Also, if your check is returned unpaid to a merchant due to non-sufficient funds, the merchant may re-present the check to us electronically. Generally, merchants who make use of electronic presentment of checks will inform you of their intention to do so at the time you give them your check. When we receive these items in electronic form, we will debit them against your account the same as if we had received the actual paper check.

When you provide information on your personal check, (such as the MICR encoded routing, account and serial numbers) to a merchant or other payee, regardless of whether the check is in blank, partially completed, or fully completed and signed, and regardless of whether the check is presented in person or mailed to the merchant or other payee or sent to a lockbox or whether the check is retained by the merchant or other payee or returned to you, if the information from that check is converted to an electronic funds transfer (or "EFT") to debit the funds from your account, that electronic fund transfer is covered under the provisions and protection of the Electronic Fund Transfers Act. Check re-presentments (such as check returned NSF and subsequently re-presented for payment) wherein the original check was processed in paper form are NOT covered under the Electronic Funds Transfer Act.

## **LOST ITEMS**

The Credit Union acts only as your collecting agent when receiving items for deposit or collection. We reserve the right to reverse the credit for any deposited items lost while in the process of collection. We will record for you the amount of the item, identity of the bank on which it is drawn and date of handling.

## **ACH AND WIRE TRANSFERS**

You may initiate or receive credits or debits to your account via wire transfer or ACH (Automated Clearing House) transfer. You agree that if you receive funds by a wire or **ACH transfer**, the Credit Union is not required to notify you at the time the funds are received. Instead, the transfer will be shown on your periodic statement.

The Credit Union may provisionally credit your Account for an ACH transfer before it receives final settlement for the transfer. The Credit Union may not make the funds available until settlement is final. If the Credit Union does make the funds available prior to settlement, you agree that if the Credit Union does not receive final settlement for a transfer, the Credit Union shall reverse the provisional credit to your Account, and you will refund the amount to the Credit Union. Refer to the Schedule of Service Charges and Fees for current fees for ACH and Wire Transfers.

When you initiate a **wire transfer**, you must identify the recipient, any financial institution by name, the financial institution routing number, the account number of the beneficiary and other information as necessary. The Credit Union (and other institutions) may rely on the account or other identifying number you give as the proper identification number, even if it identifies a different party or institution.

The Credit Union may establish, from time to time, security procedures to verify the authenticity of a payment order. You will be notified of the security procedure, if any, to be used to verify payment orders issued by you or for which your account will be liable. You agree that the authenticity of payment orders shall be verified using that security procedure unless you notify the Credit Union, in writing, that you do not agree to that security procedure. In that event, the Credit Union will have no obligation to accept any payment order from you or other authorized parties on the account until you and the Credit Union agree, in writing, or an alternative security procedure.

Wire transfers are governed by Article 4A of the Uniform Commercial Code and Subpart B of Regulation J of the Federal Reserve System. Fedwires come under Regulation J. ACH transactions are governed by the rules of the National Automated Clearing House Association.

## **MONEYMOVER SERVICE NOT THROUGH ONLINE BANKING**

The MoneyMover Service allows you to transfer funds from another financial institution to your LFCU deposit or loan account. Contact the Credit Union by phone at (800) 328-LFCU (5328), visit one of our branches, or send a written request. You can schedule a series of transfers or a single payment. For more information, refer to the Money Mover Agreement and Disclosure.

## **MONEYMOVER ACH SERVICE VIA ONLINE BANKING**

The MoneyMover ACH Service through Online Banking is on the LFCU website at [www.lfcu.com](http://www.lfcu.com). You can transfer funds, (electronically through the ACH system) to and from your LFCU account(s) and your account(s) at another financial institution.

**For security purposes, you must set-up through Online Banking, a MoneyMover account prior to transferring funds via ACH.** Sign-into the Online Banking System for details and to set-up your accounts. **Account set-up takes approximately three (3) business days prior to your ability to initiate fund transfers** to and from your LFCU account and your account at another financial institution.

## **Transfers**

When you agree to the Online Banking MoneyMover Agreement and Disclosure, you authorize the Credit Union to initiate debit and credit entries to your account(s) as established and verified through the MoneyMover Service and to debit or credit the same to your account(s). You acknowledge that the origination and receipt of ACH transactions to your Accounts shall comply with state and federal law. You understand and agree that these debit and/or credit entries, authorized by you pursuant to your authorization, in writing and/or electronically through your account via Online Banking, will be conducted by the National Automated Clearing House Association Rules (NACHA). The use of your Password is your electronic authorization, which is the equivalent and has the same legal effect, validity and enforcement as your written signature.

## **Adding an Account**

When adding a new ACH account, the Credit Union will use a verification process that will take approximately (3) three business days.

## **Cancellation**

Your authorization remains in full force and effect until the Credit Union has received written notification from you of its termination in such time and in such manner as to afford the Credit Union and other domestic financial institution a reasonable opportunity to act. Notice of cancellation shall be given at least three (3) business days prior to its effective date and will automatically require that subsequent transactions be made according to the terms of your agreement and authorization.

The Credit Union reserves the right to cancel this service at anytime. A Notification of Cancellation may be received within a reasonable time after cancellation of the MoneyMover ACH Service. Terms and conditions are subject to change.

## **NOTICE OF VARYING ELECTRONIC FUNDS TRANSFER AMOUNTS**

If you have arranged with LFCU to initiate preauthorized electronic funds transfers/payments from your account at another financial institution to your Credit Union loan(s) or other accounts, we will tell you at least ten (10) days before each payment, when it will be made and how much it will be. You agree that such notification will be satisfied by providing you with the date and amount due on the loan billing notice or periodic statement associated with the loan to which the preauthorized electronic loan payment transfer will be made. If you have elected estatements, this notice will be provided to you electronically to your email address of record.

## **CROSS ACCOUNT TRANSFERS**

With LFCU, you can perform transfers from one LFCU account from another LFCU account where you are an owner on both accounts. You may also establish the ability to perform transfers from one LFCU account from another LFCU account where you are not an account owner in which authorization is required by owners on each account.

**You understand and agree when establishing and using Online Banking for cross account transfers, the account that is sending the funds may view all the services, accounts and loans, the receiving account has established. If you do not want this service, you may opt-out of this service by notifying the Credit Union.**

## **LEGAL PROCESS**

If any legal action, such as a levy, garnishment, attachment, or other legal lien is brought against your account, the Credit Union may refuse to pay out any money from your account until the dispute is resolved. If the Credit Union incurs any

expenses or attorneys' fees in responding to legal process, such expenses may be charged against your account without prior notice to you, unless prohibited by law. Any legal process against your account is subject to the Credit Union's lien and security interest on all accounts.

The Credit Union complies with subpoena for documentation as required by State and/or Federal law. For the current fee to process Legal Processes, refer to the Schedule of Service Charges and Fees.

#### **DORMANT AND ABANDONED ACCOUNTS/SAFE DEPOSIT BOX**

If you have an Account that you have not made a withdrawal from, deposit to or a transfer to or from for more than (1) one year, the Credit Union may classify your account as a dormant account. The Credit Union will notify you at your last known address if your account is classified as "dormant." A dormant/abandoned account fee will be assessed monthly until we receive contact from you. Refer to our Schedule of Service Charges and Fees. Once we receive contact from you, we will reactivate your account.

If there is no account activity, and we have not received contact from you regarding your Account or Safe Deposit Box for a period of three (3) years from the date of last account activity, (time period may vary determined by State law of your last known mailing address) or contact (contact made in person or in writing indicating your awareness of and intention to retain your funds), the Credit Union must consider the account abandoned and will be obligated to comply with applicable state Unclaimed Property Laws resulting in your funds or contents of your safe deposit box being turned over (escheated) to the state. Once funds and/or personal property have been turned over to the state, the Credit Union has no further liability to you for such funds or personal property and if you choose to reclaim your funds or personal property, you must apply to the appropriate state agency.

#### **CREDIT UNION'S LIABILITY FOR ERRORS**

If the Credit Union does not properly complete a transaction according to this Agreement and Disclosure, the Credit Union will be liable for your losses or damages not to exceed the amount of the transaction, except as otherwise provided by law. The Credit Union will not be liable if: (a) through no fault of the Credit Union, your account does not contain sufficient funds to make the transaction; (b) circumstances beyond the Credit Union's control prevents the transaction; (c) your loss is caused by your negligence or the negligence of another financial institution; (d) the funds in your account are subject to legal process or other claim, and/or (e) the Credit Union is not responsible for items lost while not in its possession. Except for its own negligence, the Credit Union is not liable for any payment or nonpayment of a check. Business Account transactions, the Business accepts all liability. The Credit Union's actions will constitute the exercise of ordinary care if such actions or non-actions are consistent with applicable state law, Federal Reserve regulations and operating letters, clearing house rules, and general financial institution practices followed in the areas serviced by the Credit Union. Any conflict between oral representations by you or Credit Union employees and any written form will be resolved by reference to this Agreement and Disclosure and the applicable written form.

#### **LARGE CURRENCY TRANSACTIONS REGULATION**

Government regulations require us to report transactions involving currency in excess of \$10,000 to the IRS.

#### **NOTIFICATION OF NAME, ADDRESS, EMAIL ADDRESS AND TELEPHONE NUMBER CHANGES**

It is your responsibility to notify the Credit Union promptly upon a change of name or a change of address. 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 notification of a change in address and may require any other notice from you to be provided in writing. The Credit Union may impose an Address Locator Service Fee as set forth in the Schedule of Service Charges and Fees.

#### **Telephone Numbers**

It is your responsibility to notify the Credit Union promptly upon a change of telephone number and to notify the Credit Union the best telephone number to contact you. To prevent identity theft and/or potential fraudulent transactions, the Credit Union reverses the right to temporarily freeze your account. We will attempt to contact you by telephone to prevent interruption of services.

#### **Electronic Notification of Email Address Changes**

It is your responsibility to notify the Credit Union promptly upon a change of name or a change of email address. The Credit Union is only required to attempt to communicate with you at the most recent e-address you have provided to us. The Credit Union may accept oral notification of a change in address and/or may require any other notice from you to be provided in Online Banking. The Credit Union may impose an Email Address Locator Service Fee as set forth in the Schedule of Service Charges and Fees.

#### **EFFECT OF NOTICE**

Any written notice you give to the Credit Union is effective when it is actually received by the Credit Union. Any written notice the Credit Union gives you is effective when it is deposited into the U.S. Mail, postage prepaid and addressed to you at your statement mailing address. Notice to any one Account owner is considered notice to all owners of the Account.

Electronic notice is effective when notification is sent to retrieve your LFCU information or sent to your email address. You understand and agree you are solely responsible to provide a valid email address when selecting e-Statements with e-notifications. You understand and agree, if you do not receive emails or email notifications, it is your responsibility to contact the Credit Union to determine whether the Credit Union has your valid email address or the Credit Union's emails are being rejected by your computer system.

### **ACCOUNT TERMINATION**

We may close and terminate any of your account(s) at any time by giving you notice of termination. Your account(s) may also be terminated or closed by us at any time without prior notification if it has a zero balance, there being no funds on deposit in the account, for a period greater than six (6) months. The Credit Union also reserves the right to close your account without prior notification if: (1) there has been a forgery or fraud reported or committed involving your account; (2) there is a dispute as to the ownership of the funds in the account; (3) your account checks are lost or stolen; (4) there are excessive returned unpaid items not covered by an overdraft protection plan; or, (5) if there has been any misrepresentation or any abuse of your account.

You may terminate any account at any time by notifying us orally, by writing to us at the Credit Union, or by informing us in person at one of our branches, but such notice will not affect any prior transactions on any account. The Credit Union is not responsible for payment of any check, withdrawal or other item once any account is terminated; however, if the Credit Union pays any item after termination, or if any account is terminated due to overdraft, you agree to reimburse the Credit Union for any payment or overdraft.

The Credit Union may, in our sole discretion, "freeze" or place a hold on the balance in your account(s) at the Credit Union if we suspect that there is irregular activity involved in your accounts. Should the Credit Union place a hold or "freeze" on your accounts to reasonably investigate our concerns, we shall not be liable to you for any claims you might have including but not limited to claims of wrongful dishonor.

**Accounts that may be closed and/or terminated include, but are not limited to, deposit and loan accounts.**

### **CHANGES TO CHARGES, FEES OR OTHER TERMS**

We reserve the right to change the charges, fees or other terms described in this Agreement and Disclosure and the Schedule of Service Charges and Fees. However, when changes are made to any charges, fees or dividend computations which will adversely affect you, we will send a notice to you at the address shown on our records. The notice will be sent within a reasonable time, as required by law, before the effective date of the change. We also reserve the right, in our business judgment, to waive, reduce, or reverse charges or fees in individual situations. No notification will be provided for changes in the Dividend Rate and Annual Percentage Yield for variable-rate accounts other than the subsequent notice contained in your periodic statement.

### **EMAIL CAPABILITIES AND LIMITATIONS**

You may send electronic email messages to the Credit Union via the Internet. The Credit Union will not immediately receive and review Email messages that you send and will **NOT** process any request for a funds transfer received via email. Further, the Credit Union reserves the right not to act upon requests for stop payments, requests for replacement PINs, reports of lost or stolen PINs or unauthorized transactions, reports of lost or stolen ATM or VISA Cards, or on any other request in which the Credit Union would normally require written notification and/or your authorizing signature, without first confirming the authenticity of the email request/notification via telephone. In some instances, written confirmation reflecting your authorizing signature may still be required. The Credit Union will not take action based on your email requests until the Credit Union actually receives your message and has a reasonable opportunity to act.

**If your request requires immediate attention,**

**YOU MUST contact the Credit Union directly at (818) 565-2000, or (800) 328-LFCU (5328).**

### **SEVERABILITY**

In the event any paragraph of this Agreement and Disclosure or any portion thereof is held by a court to be invalid or unenforceable for any reason, the other paragraphs and portions of this Agreement and Disclosure shall not be invalid or unenforceable and will continue in full force and effect.

### **ENFORCEMENT**

You agree to be liable to the Credit Union for any liability, loss, or expense as provided in this Agreement and Disclosure, that the Credit Union incurs as a result of any dispute involving your account(s) or service(s). You authorize the Credit Union to deduct any such liability, loss, or expense from your account(s) without prior notice to you. In the event, either party brings a legal action to enforce any provision of this Agreement and Disclosure or collect any overdrawn funds on account(s) accessed under this Agreement and Disclosure, the prevailing party shall be entitled, subject to applicable law, to payment by the other party of its reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post judgment collection actions, if applicable.

#### **GOVERNING LAW**

This Agreement is made in California and shall be governed by the laws of the State of California to the extent that California Law is not inconsistent with controlling Federal Law. California's "Choice of Law Rules" will not be applied if they would result in the application of non-California law.

#### **OTHER AGREEMENTS AND CONDITIONS**

- (1) Except as otherwise prohibited by applicable law, the terms of this Agreement and Disclosure are subject to change at any time. We will give you any advance notice as required by law.
- (2) Your LFCU accounts are not transferable, except on the books of the Credit Union.
- (3) The Credit Union reserves the right, at any time, to require members to give 60 days written notice of intent to withdraw, in whole or in part, shares from their Savings, Money Market and Certificate Accounts. Not more than 30 days notice will be required on Legal Service Trust Funds Accounts.
- (4) Withdrawal of any or all funds from your account(s) by you or your beneficiaries will discharge us from any liability for such payment.
- (5) You agree to be bound by the By-Laws, regulations, policies and other practices of the Credit Union now in effect or as amended or later adopted regarding your account(s).

The Credit Union reserves the right to waive any term of this Agreement and Disclosure. Any such waiver shall not affect the Credit Union's right to enforce any right in the future.

#### **FORCE MAJEURE**

The Credit Union is not liable for failing to act or delay in acting if such failure or delay is caused by legal constraint, interruption of transmission or communication facilities, equipment failure, war, emergency conditions, terrorist action, Act of God or other circumstances beyond our control.

#### **YOUR INSURED ACCOUNT**

Please refer to the National Credit Union Administration's "Your Insured Funds" brochure for information on share insurance, or visit the NCUA's Web site at [www.ncua.org](http://www.ncua.org).

YOUR SAVINGS FEDERALLY INSURED TO AT LEAST \$250,000 BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES GOVERNMENT. THE NATIONAL CREDIT UNION ADMINISTRATION, A UNITED STATES GOVERNMENT AGENCY.

#### **OTHER TERMS AND CONDITIONS RELATING TO ADDITIONAL SERVICES AND PRODUCTS**

There are other LFCU products and services you may wish to obtain which allow you access and the ability to initiate, or which trigger, transactions to or against your Savings, Money Market Account and Checking Accounts. For example, ATM Cards, VISA Check Cards, VISA Credit Cards and ReadyLine of Credit (for overdraft protection), CU By Phone our audio response system, Online Banking our Internet banking service and Mobile Banking. The terms, conditions, agreements, and disclosures applicable to those products and services, and any additional disclosures applicable to your Savings, Money Market and Checking Accounts, are included in the applicable product and/or service agreement and disclosure and are not stated within this Membership and Account Agreement and Disclosure. Applicable product and service agreements and disclosures will be provided to you at the time the product or service is granted to you. To Act upon requests for stop payments, requests for replacement PINs, reports of lost or stolen PINs or unauthorized transactions, reports of lost or stolen ATM or VISA Cards, or on any other request, the Credit Union would normally require written notification and/or your authorizing signature. LFCU will make reasonable efforts to confirm the authenticity of the email request/notification via telephone. In some instances, written confirmation reflecting your authorizing signature may still be required. The Credit Union will not take action based on your email requests until the Credit Union actually receives your message and has a reasonable opportunity to act.

**If your request requires immediate attention, contact the Credit Union directly at: (818) 565-2000, or (800) 328-LFCU (5328).**

## **LOCKHEED FEDERAL CREDIT UNION**

### **Main Office**

P.O. Box 6759, 2340 Hollywood Way  
Burbank, California 91510  
(800) 328-LFCU (5328) or (818) 565-2000

### **Member Service Center**

(800) 328-LFCU(5328)  
Available weekdays, 6 a.m. to 8 p.m. (Pacific Time) and Saturdays, 8 a.m. to 3 p.m. (Pacific Time)

### **Online Banking** (Free Internet banking on the Web)

[www.lfcu.com](http://www.lfcu.com)

### **CU By Phone** (audio response system)

(800) 841-4123 or (818) 565-2080  
Available seven days a week, 24 hours a day

### **TDD line for hearing impaired**

(800) 342-5977  
Available weekdays, 8 a.m. – 5 p.m. (Pacific Time)

### **LFCU Web site:**

[www.lfcu.com](http://www.lfcu.com)

**NCUA** Your savings federally insured to at least \$250,000 backed by the full faith and credit of the United States Government.

National Credit Union Administration, a U.S. Government Agency.



We do Business in  
accordance with the federal  
Fair Housing Law and the  
Equal Credit Opportunity Act.