Ascend Federal Credit Union

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ascend.org

Important Notice
The documents contained in this booklet are your permanent copies of Ascend Federal Credit Union's agreements and disclosures. Please keep them for your records. The table of contents below is provided for easy reference.

Business Membership Eligibility
To join Ascend as a member, a business must meet the membership requirements below and purchase and maintain a minimum share balance of $5. You authorize us to check your account, credit and employment history, and obtain reports from third parties, including credit reporting agencies, to verify your eligibility for the accounts, products and services you request and for other accounts, products, or services we may offer you or for which you may qualify.

Sole Proprietor
The sole proprietor is individually eligible for Ascend membership through:
• A donation to the Tennessee Nature Conservancy through Ascend
• Location in a designated underserved area
• A family member of a current member
OR
• The sole proprietorship itself is located within one of our designated underserved areas.

Partnerships and Limited Liability Corporations
• All owners must be individually eligible for membership to establish a business account
• The entity is located within one of our designated underserved areas
OR
• Explicitly named in the field of membership as a Select Employer Group (SEG). SEGs must have at least 3 employees to qualify.

Corporations
• All owners must be eligible for membership
• Located within one of our designated underserved areas
OR
• Explicitly named in the field of membership as a SEG. SEGs must have at least 3 employees to qualify.

Unincorporated Associations
• All individual members of the club or association must be eligible for membership
• The unincorporated association itself is located within one of our designated underserved areas
OR
• The unincorporated association is explicitly named in the field of membership as a SEG.

Documentation Requirements

All individuals opening business accounts: Valid Social Security Number or Individual Taxpayer Identification Number (ITIN) and Unexpired Government Issued ID and valid dba if applicable.

Please note: Ascend will not open an account if dual signatures are required.

All entities, as applicable:
1. Articles of Organization, a government-issued business license, a partnership agreement, bylaws and/or charter, or trust instrument.
2. Proof of EIN or TIN, acceptable documents include the number on correspondence from the IRS and tax returns.
3. Government-issued identification for the account-opener.
4. Other documents as required or requested.

USA Patriot Act Notice

The USA Patriot Act has paved the way for financial institutions to help prevent fraud, identity theft, and the spread of terrorism by requiring financial institutions to obtain more information on new accounts.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT: To help the government comply with the requirements of the USA Patriot Act, 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 document, including your Social Security number.

Night Deposit Services
A free after-hours deposit service available at select locations.

Become a Select Employee Group
Membership with Ascend is a free benefit you can offer your employees. If your company employs at least three full-time staff members, you may apply to become a Select Employee Group (SEG). To learn more about the benefits of becoming a SEG, or to complete a partner application, visit ascend.org/products/seg-partner-benefits. If you have questions, please call 800-342-3086 or email bizdev@ascend.org.

Business Membership and Account Agreement
This Business Membership Agreement ("Agreement") covers the rights and responsibilities of your business or organization ("Account Owner") and Ascend. In this Agreement, the words "you," "your" and "yours" mean the Account Owner as well as each person signing a Business Account Card or other account opening document, authorized by you to conduct transactions on your account, including Authorized Person. This Agreement supplements the Membership Agreement. The words "we," "us," and "our" mean Ascend.

1. **Contract** – Your account with Ascend is held in the name of the Account Owner. By signing the account opening documents, or by adding, changing or continuing to use your accounts and services, you agree to the terms and conditions in this Agreement, the Membership Agreement, any Funds Availability Policies, rate sheet, fee schedule, Account Receipt or other documents we provide to you, our Bylaws and Code of Regulations (Bylaws), our policies, and any amendments we make to these documents from time to time, all of which collectively govern your membership, accounts and services. You also agree that your accounts and services are governed by applicable present and future federal and state laws and clearinghouse rules.

2. **Account Access** –

- **Authorized Persons**. The following are deemed Authorized Persons who may establish accounts and act on behalf of the Account Owner:
    - Sole proprietorship: the business owner and any person designated by the business owner;
    - Partnership: each partner and any person designated by the partners;

  All other forms of organization, unincorporated organization or association: the Account opener and any person designated by the Account opener.

- **Authority**. Authorized Persons are vested with authority to open, close and transact business of any nature on such accounts, including but not limited to the following:
    - Depositing, withdrawing and transferring funds into, out of and between one or more accounts;
    - Signing checks, drafts and other orders for payment or withdrawal;
    - Issuing instructions regarding orders for payment or withdrawal;
    - Endorsing any check, draft, certificate, share certificate and any other instrument or order for payment owned or held by the Account Owner; and
    - Receiving information of any nature about the account.
        - We have no obligation to inquire as to the use of any funds or the purpose of any transaction made on your account by an Authorized Person and are not responsible for any transaction by an Authorized Person.
        - We will not be liable for refusing to honor any item or instruction if we believe the signature is not genuine. It is your responsibility to provide us with specimen signatures of all Authorized Persons and to inform us immediately in writing of any changes. If you have authorized the use of a facsimile or electronic signature of any Authorized Person, we may honor any document that appears to bear the

facsimile or electronic signature.

Access Options. You may access your account in any manner we permit including, for example, in person at one of our branch offices, at an ATM or point-of-sale device, or by mail, telephone, automatic transfer, internet access, or mobile application. Authorized Persons may execute additional agreements and documents we require to access, transact business on and otherwise exercise authority over your account. We may return as unpaid any check or draft drawn on a form we do not provide. Any losses, expenses or fees we incur because of handling such a check or draft will be charged to your account.

- **Credit Union Examination**. We may disregard information on any check or draft, other than the signature of the drawer, the amount of the item and any magnetic encoding. You agree we do not fail to exercise ordinary care in paying an item solely because our procedures do not provide for sight examination of items.

3. **Deposit of Funds Requirements** – Funds may be deposited into your accounts in any manner approved by us and in accordance with any requirements on the business account rate sheet and fee schedule. We have the right to refuse any deposit, limit the amount that may be offered for deposit, and return all or any part of a deposit. Deposits made by mail, at night depositories or other unstaffed facilities are not our responsibility until we receive or retrieve them.

- **Endorsements**. We may accept transfers, checks, drafts, and other items for deposit into any of your accounts if they are made payable to or to the order of the Account Owner, even if they are not endorsed. If an insurance, government, or other check or draft requires an endorsement, we may require that it be endorsed as set forth on the item. We may but are not required to accept, whether for cash or other value, checks, drafts, or items made payable to the Account Owner, provided such items are endorsed with an original or facsimile or electronic signature of an Authorized Person. Any loss we incur due to a delay or processing error resulting from an irregular endorsement or other markings by you or any prior endorser will be your responsibility. If we offer a remote deposit capture service and you have been approved to use the service to make deposits to your account, you agree that, prior to transmitting check or draft images, you will restrictively endorse each original check or draft in accordance with any other agreement with us that governs this service. If a check, draft or other item that is payable to two or more persons is ambiguous as to whether it is payable to either or both, we may process the check, draft or item as though it is payable to either person.

- **Collection of Items**. We act only as your agent, and we are not responsible for handling items for deposit or collection beyond the exercise of ordinary care. We are not liable for the loss of an item in transit or the negligence of any correspondent. Each correspondent will only be liable for its own negligence. We may send any item for collection. Items drawn on an institution located outside the United States are handled on a collection basis only. You waive any notice of nonpayment, dishonor, or protest regarding items we purchase or receive for credit or collection to your account. We reserve the right to pursue collection of previously dishonored items at any time, including giving a pay or financial institution extra time beyond any midnight deadline limits.

- **Restrictive Legends**. We are not liable for payment of any check or draft contrary to a restrictive legend or other limitation contained in or on the item.

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

- **Direct Deposits**. We may offer direct deposit services, including preauthorized deposits (e.g. payroll checks, Social Security or retirement checks, or other government checks) or preauthorized transfers from other accounts. You must authorize direct deposits by completing a separate authorization document. You must notify us if you wish to cancel or change a direct deposit or preauthorized transfer. Any cancellation or change will become effective once we receive notice from you and have a reasonable period of time to act on your request. If we are required to reimburse a government agency for any benefit payment directly deposited into your account, we may deduct the amount returned from any of your accounts, unless prohibited by law. If your account is overdrawn, you authorize us to deduct the amount your account is overdrawn from any deposit, including deposits of government payments or benefits.

- **Crediting of Deposits**. Deposits credited to your account on the day we consider them received as stated in our Funds Availability Policy.

4. **Funds Transfers** – Funds transfers we permit that are subject to Article 4A of the Uniform Commercial Code, including ACH credit transactions and wire transfers, will be subject to such provisions of the Uniform Commercial Code as enacted by the state

where the main office of the Credit Union is located, except as otherwise provided in this Agreement. ACH transfers are subject to the rules of the National Automated Clearinghouse Association. If we execute requests for funds transfers by Fedwire, such transfers are subject to the Federal Reserve Board's Regulation J.

- **Authorization for Transfers/Debiting of Accounts**. Any Authorized Person is authorized to make or order funds transfers to or from your account. We will debit your account for the amount of a funds transfer and will charge your account for any fees related to the transfer.

- **Right to Refuse to Make Transfers/Limitation of Liability**. Unless we agree otherwise in writing, we reserve the right to refuse to execute any payment order to transfer funds to or from your account. We are not obligated to execute any payment order to transfer funds out of your account if the amount of the requested transfer plus applicable fees exceeds the available funds in your account. We are not liable for errors, delays, interruptions or transmission failures caused by third parties or circumstances beyond our control, including mechanical, electronic or equipment failure. In addition, we will not be liable for consequential, special, punitive or indirect loss or damage you may incur in connection with funds transfers to or from your account.

- **No Notice Required**. We will not provide you with notice when funds transfers are credited to your account. You will receive notice of such credits on your account statements. You may contact us to determine whether a payment has been received.

- **Provisional Credit for ACH Transactions**. We may provisionally credit your account for an ACH transfer before we receive final settlement. If we do not receive final settlement, we may reverse the provisional credit or require you to refund us the amount provisionally credited to your account, and the party originating the transfer will not be considered to have paid you.

- **Payment Order Processing and Cut-off Times**. Payment orders we accept will be executed within a reasonable time of receipt. Unless we have agreed otherwise in writing, a payment order may not necessarily be executed on the date it is received or on a particular date you specify. Cut-off times may apply to the receipt, execution and processing of funds transfers, payment orders, cancellations, and amendments. Funds transfers, payment orders, cancellations, and amendments received after a cut-off time may be treated as having been received on the next funds transfer business day. Information about any cut-off times is available upon request. From time to time, we may need to temporarily suspend processing of a transaction for greater scrutiny of verification in accordance with applicable law. This action may affect settlement or availability of the transaction.

- **Identifying Information**. If your payment order identifies the recipient and any financial institution by name and account or other identifying number, we and any other financial institutions facilitating the transfer may rely strictly on the account or other identifying number, even if the number identifies a different person or financial institution.

- **Amendments and Cancellations of Payment Orders**. Any Authorized Person may amend or cancel a payment order regardless of whether that person initiated the order. We may refuse requests to amend or cancel a payment order that we believe will expose the Credit Union to liability or loss. Any request to amend or cancel a payment order that we accept will be processed within a reasonable time after it is received. You agree to hold us harmless from and indemnify us for all losses and expenses resulting from any actual or attempted amendment or cancellation of a payment order.

- **Security Procedures**. We may require you to follow a security procedure to execute, amend or cancel a payment order so that we may verify the authenticity of the order, amendment or cancellation. You agree that the security procedure established by separate agreement between you and Ascend is commercially reasonable. If you refuse to follow a commercially reasonable security procedure that we offer, you agree to be bound by any payment order, whether authorized or not, that is issued in your name and accepted by us in good faith in accordance with the security procedure you choose.

- **Duty to Report Unauthorized or Erroneous Funds Transfers**. You must exercise ordinary care to identify and report unauthorized or erroneous funds transfers on your account. You agree that you will review your account(s) and periodic statement(s). You further agree you will notify us of any unauthorized or erroneous transfers within the time frames described in the "Statements" section of this Agreement.

- **Recording Telephone Requests**. You agree that we may record payment order, amendment and cancellation requests as permitted by applicable law.

5. **Account Rates and Fees** – We pay account earnings and assess fees against your account as set forth in our business account rate sheet and fee schedule. We may change our business account rate sheet and fee schedule at any time and will notify you if required by law.

6. **Transaction Limitations** – We reserve the right to restrict withdrawals or transfers from your account and shall not be liable for any restrictive action we take regarding withdrawals, transfers, or the payment or non-payment of checks and drafts, except those damages which may arise solely because of the Credit Union's negligence.

- **Withdrawal Restrictions**. We permit withdrawals if your account has a sufficient available balance to cover the full amount of the withdrawal, and may otherwise honor withdrawal requests in accordance with our overdraft policies or any overdraft protection service you have established with us. Checks and drafts or other transfers or payment orders which are drawn against insufficient available funds may be subject to a fee as set forth in our business account fee schedule. If there are sufficient available funds to cover some, but not all, of your withdrawal request, we may otherwise allow you to make a withdrawal in an amount for which there are sufficient available funds. We may limit or refuse a withdrawal in some situations, and will advise you accordingly if, for example: (1) there is a dispute between Authorized Persons (unless a court has ordered the Credit Union to allow the withdrawal); (2) a legal garnishment or attachment is served; (3) the account secures any obligation to us; (4) required documentation has not been presented; (5) you fail to repay a Credit Union loan on time; (6) for non-corporate accounts, a depositor is deceased; or, for corporate accounts, the corporation is in bankruptcy proceedings or has been dissolved and the required disposition of the account has not been made; (7) someone with authority to do so requests us not to permit the withdrawal; or (8) there are other circumstances which do not permit us to make the withdrawal. We also reserve the right to refuse any withdrawal which is attempted by any method not specifically permitted by us. We may require you to give written notice of 7 to 60 days before any intended withdrawals.

- **Transfer Limitations**. For accounts subject to transfer limitations, you may not make more than six withdrawals and transfers to another Credit Union account of yours or to a third party during any month by means of a preauthorized, automatic or internet transfer, by telephonic order or instruction, or by check, draft, debit card, if applicable, or similar order. A preauthorized transfer includes any arrangement with us to pay a third party from your account upon oral or written orders, including orders received via ACH. When a transfer exceeds these limitations, we may refuse or reverse it, assess fees against your account, suspend your account, or close your account and transfer the balance to an account without such transfer limitations. There is no limit on the number of transfers you may make to a Credit Union loan account or on the number of withdrawals you may make if the withdrawal is made in person, by mail, or at an ATM. There is also no limit on the number of telephone requests for withdrawals in the form of a check or draft which is then mailed directly to you, although we may impose a fee for such services.

7. **Certificate Accounts** – Any term share, share certificate, time deposit or certificate of deposit account, whichever we offer as allowed by applicable federal or state law, is subject to the terms of this Agreement, our business account rate sheet and fee schedule, Account Receipt(s), if provided, and any other documents we provide for the account, the terms of which are incorporated herein by reference.

8. **Overdrafts and Dishonored Items** –

- **Insufficient Funds/Overdrafts**. If, on any day, the available balance in your account is not sufficient to pay the full amount of a check, draft, transaction or other item that is presented for payment from the account, we may return the item or pay it in accordance with our overdraft policies or any overdraft service you have established with us. We are not required to pay any item that exceeds the available balance in your account. Items drawn on your account may be paid in any order we choose. The available balance for your account is determined according to our funds availability policy and may reflect pending transactions you have authorized but have not yet posted to your account. We may determine whether the available balance in your account is sufficient to pay an item at any time between presentation of the item and our midnight deadline, with only one review of the account required. We are not required to notify you if your account does not have sufficient available funds to pay the item. Your account may be subject to a fee as disclosed in our business account fee schedule for each item presented against an insufficient available balance, regardless of whether we return or pay the item. We may charge a fee each time an item is submitted or resubmitted for payment; therefore, you may be assessed more than one fee as a result of a returned item and resubmission(s) of the returned item. If you have established an overdraft service with us that links your share or deposit account with other Credit Union accounts of yours, you authorize us to transfer funds from those accounts to cover the amount of any items that exceed the available balance in your account as well as the amount of any fee assessed for the transfer. Such transfers may be made from another share or deposit account, an overdraft line-of-credit account, or other account you so designate. If we, at our discretion and as a courtesy to you, honor items that exceed the available balance in your account, the account will be overdrawn and you agree to repay the overdrawn amount, plus any fee assessed by us, in accordance with the requirements established in any other agreement with us that governs this overdraft protection service. By exercising our

discretionary right to honor such items, we do not agree to honor them in the future.

- **Dishonored Items**. We may redeposit an item taken for deposit, cash or other value, or we may return the item to you and charge your account. If your account does not contain a sufficient available balance to reimburse us for the amount of the item, you must repay us for the amount we are unable to collect from your account. If we choose to redeposit an item, we are not required to notify you that the item was returned unpaid. We may charge your account and/or seek recovery directly from you for any item that is returned due to your breach of warranty under the Uniform Commercial Code as adopted in the state where our main office is located.

- **Overdraft Protection**. Business checking accounts offer overdraft protection (pre-arranged coverage for any overdrafts that may occur). When you open your business checking account or any time after your account is opened, you may sign up for different overdraft protection options. One option is for the overdraft to be transferred from your business savings account. A second option is to have the amount of the overdraft transferred from your Traditional or Business High-Yield Money Market account. The Traditional Business Money Market account allows six withdrawals per month without incurring a $10.00 service fee; this includes transfers. Any subsequent withdrawals, even if the funds are transferred to cover an overdraft on a business checking account, will be charged the $10.00 service fee. The $5.00-per-transfer overdraft transfer fee will not be charged additionally for transfers from the Traditional Business Money Market account if you transfer more than six times in each month. See Business Rate and Fee Addendum for current fee amounts.

  As long as funds are available in the overdraft option you have selected, you will not be charged an Overdraft fee; however, you may be charged an Overdraft Transfer Fee if you have more than six (6) overdraft transfers from a savings or Traditional Business Money Market account in a given month. If the funds are not available, or if you do not have overdraft protection, a fee will be charged for each returned check. See Business Rate and Fee Addendum for current fee amounts.

  Business and personal accounts cannot be combined to use for overdraft protection.

- **Overdraft Advantage Program**. Not available for the Traditional or Business High-Yield Money Market Account. Overdraft Advantage is a discretionary service offered to qualifying members with checking accounts. Ascend may pay an overdrawn amount and prevent a check from being returned to the merchant. If you qualify, we may also pay ATM and point-of-sale transactions with your card. Standard overdraft fees apply, but you may be spared the expense of paying fees charged by merchants. Ascend is under no obligation to pay items when your account has nonsufficient funds (NSF) even if previous NSF transactions were paid. Whether your overdrafts will be paid is discretionary, and we reserve the right not to pay, especially if you accounts is not in good standing. The service does not constitute an actual or implied obligation of the Credit Union. The Service is a privilege that Ascend provides from time to time and which may be withdrawn, limited, or withheld by Ascend at any time, without prior notice, reason, or cause. Accounts in "good standing" are those in which Overdraft Advantage overdrafts are paid in a timely manner, all Ascend loans are current, and there is no evidence of account abuse or fraud. In any event, Ascend will not approve an overdraft in excess of the predetermined amount assigned to your account by Ascend. Please note that the amount of the overdraft plus the Overdraft Advantage fee per paid item will be deducted from the overdraft limit. The amount of any overdraft including our fee for each item (paid or returned) that you owe us shall be due and payable upon demand no later than 45 calendar days after the creation of the overdraft. You may opt-out of Overdraft Advantage by notifying Ascend.

- **How Transactions are Posted to Your Account**. There are basically two types of transactions in your account: credits or deposits of money into your account, and debits or payments out of your account. It is important to understand how each is applied to your account so that you know how much money you have and how much is available to you at any given time. This section explains generally how and when we post transactions to your account.

  Credits. Most deposits are added to your account when we receive them. For some checks you deposit, only $275 will be made available at the time of deposit; the balance will be available two business days later. There may be extended holds on checks over $6,725 or in other circumstances. Thus, your available balance may not reflect the most recent deposits to your account. For details on the availability for withdrawal of your deposits, see the section of your Membership Agreement entitled "Availability of Funds Disclosure."

  Debits. There are several types of debit transactions. Each type of debit transaction is described generally below. Keep in mind that there are many ways transactions are presented for payment by merchants and Ascend is not necessarily in control of when transactions are received.

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

ACH Payments. We receive data files every business day from the Federal Reserve with Automated Clearing House or ACH transactions. These include, for example, automatic bill pays you have signed up for. Each day, ACH payment transactions are paid in the order they are presented in the data file we receive from the Federal Reserve. Available for Traditional Business Money Market accounts.

Point of Sale (POS) Debit Card Transactions. These are transactions where you use your debit card, and you enter your PIN at the time of the sale. They are similar to ATM withdrawals because money is usually deducted from your account immediately at the time of the transaction. However, some POS transactions are not presented for payment immediately; it depends on the merchant.

Signature Debit Card Transactions. These are transactions where you make a purchase with your debit card, and you do not enter your personal identification number (PIN), but you are instead asked to sign for the purchase. As described above, in these situations, the merchant may seek prior authorization for the transaction. When that happens, we generally reduce the available funds in your account by the amount of the authorization request. We refer to this as an "authorization hold." Authorization holds are deducted from your available balance immediately but not you actual balance until after you sign for the transaction, and it is processed by the merchant and submitted to us for payment. This can happen hours or sometimes days after you signed for it, depending on the merchant and its processing company. These payment requests are received in real time throughout the day and are posted to your account as they are received. Please note: the amount of an authorization hold may differ from the actual payment because the final transaction amount may not yet be known to the merchant when the authorization request is submitted. For example, if you use your card at a restaurant, a hold will be placed in the amount of the bill presented to you, but when the transaction posts it will include any tip that you may have added to the bill. This may also be the case where you swipe your debit card at gas stations and hotels and other retail establishments. We cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for payment.

This is a general description of how certain types of transactions are posted. These practices may change, and we reserve the right to pay items in any order we choose as permitted by law. We may receive multiple deposit and withdrawal transactions on your account in many different forms throughout each business day. This means that you may be charged more than one fee if we pay multiple transactions when your account is overdrawn. In addition, we may receive multiple withdrawal attempts on a single transaction. This means that you may be charged a fee each time it is presented. For Traditional Business Money Market accounts, we will also charge an excess withdrawal fee if you exceed the six-withdrawal-per-month limit (includes transfers). Please see "Business Rate and Fee Addendum" for fee amount.

- **Your Account Balance**. Your checking account has two kinds of balances: the "actual" balance and the "available" balance. Both can be checked when you review your account online, at an ATM (except Traditional and Business High-Yield Money Market accounts), by phone, or at a branch. It is important to understand how the two balances work so that you know how much money is in your account at any given time. This section explains actual and available balances and how they work.

  Your actual balance is the full amount of all unused deposits to your account, even though some portion of a deposit may be on hold and may not be available to you or may be pending receipt of funds from a third party, reduced by payment transactions that have actually been presented to us for payment, and have processed to your account, but not payment transactions that have been authorized and are pending, or all or portions of checks or other deposits that have not yet posted. Thus, while the term "actual" may sound as though the number you see is an up-to-date display of what is in your account that you can spend, that is not always the case. For example, if you have a $50 actual balance, but you just wrote a check for $40, then your actual balance is $50 but it does not reflect the pending check transaction. So, at that point, you have $50 in your actual balance, but you have already spent $40.

  Your available balance is the amount of money in your account that is available to use. The available balance takes into account things like holds placed on deposits and pending transactions (such as pending debit card purchases) that Ascend has authorized but that have not yet posted to your account. Other holds on funds, such as a levy, also impact the immediate availability of funds. For example, assume you have an actual balance of $50 and an available balance of $50. If you were to swipe your debit card at a restaurant to buy lunch for $20, then that merchant could ask us to pre-authorize

the payment (referred to as a "pre-authorization commitment"). If we do so, we are obligated to pay the merchant, even if your account balance is negative at the time the debit card transaction is presented to us by the merchant for payment. In that case, we will put a "hold" on your account for $20. Your actual balance would still be $50 because this transaction has not yet been posted, but your available balance would be $30 because you have committed to pay the restaurant $20. When the restaurant submits its bill for payment (which could be a few days later), we will post the transaction to your account and your actual balance will be reduced by $20.

9. **Checks or Drafts Presented for Payment in Person** – We may refuse to accept any check or draft drawn on your account that is presented for payment in person. Such refusal shall not constitute a wrongful dishonor of the check or draft, and we shall have no liability for refusing payment. If we agree to cash a check or draft that is presented for payment in person, we may require the presenter to pay a fee. Any applicable fees for cashing checks or drafts are stated in our business account fee schedule.

10. **Postdated and Stale dated Checks or Drafts** – You agree not to draw or issue any check or draft that is postdated. If you draw or issue a check or draft that is payable on a future date, we will have no liability if we pay the check or draft before its payment date. You agree not to deposit checks, drafts, or other items before they are properly payable. We are under no obligation to pay a check or draft drawn on your account that is presented more than six months after the date it was written; however, if the check or draft is paid against your account, we will have no liability for such payment.

11. **Foreign Currency** – All checks or drafts drawn on your account shall be payable in currency of the United States. You agree not to draw a check or draft that is payable in any foreign currency. If you give us an order to pay a check or draft in a foreign currency, we have the right to return the check or draft unpaid. However, if we pay the check or draft, we will not be responsible for the currency conversion or any fees assessed for collection, and you will be bound by our determination of the currency conversion rate, the data used and the way we make the conversion.

12. **Stop Payment Orders** –

- **Stop Payment Order Request**. Any Authorized Person may request a stop payment order on any check or draft drawn on your account. To be binding, the order must accurately describe the check or draft, including the exact account number, check or draft number, and amount of the check or draft. This exact information is necessary for the Credit Union to identify the check or draft. If we receive incorrect or incomplete information, we will not be responsible for failing to stop payment on the check or draft. In addition, we must receive sufficient advance notice of the stop payment order to allow us a reasonable opportunity to act on it. If we recredit your account after paying a check or draft over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to transfer to us all of your rights against the payee or other holders of the check or draft, and to assist us in any legal action.

  For accounts held at credit unions located in states other than New York: You may not stop payment on any certified check, cashier's check, teller's check or any other check, draft or payment guaranteed by us.

- **Duration of Order**. You may make an oral stop payment order on ACH which will lapse within 14 calendar days unless you confirm it in writing, or in a record if allowed by applicable law, within that time. A written stop payment order for checks and ACH are effective for six months and may be renewed from time to time in writing, or in a record if allowed by applicable law. We do not have to notify you when a stop payment order expires.

- **Liability**. Fees for stop payment orders are set forth on our business account fee schedule. Although payment of an item may be stopped, you may remain liable to any item holder, including us. You have the burden of establishing the fact and amount of loss resulting from the payment of an item contrary to a binding stop payment order. You agree to indemnify and hold the Credit Union harmless from all costs, including attorney's fees and all damages or claims related to our refusal to pay an item, as well as claims of the Account Owner or of any payee or endorsee for failing to stop payment of an item as a result of incorrect information provided by you.

13. **Credit Union Liability** – We will not be liable where: (1) your account contains an insufficient available balance for the transaction; (2) circumstances beyond our control prevent the transaction; (3) your loss is caused by your or another financial institution's negligence; or (4) your account funds are subject to legal process or other claim. We are not liable if checks, drafts or other items were forged or altered so that the forgery or alteration could not be reasonably detected. We will not be liable for consequential damages, except liability for wrongful dishonor. We are not responsible for a check or draft that is paid by us if we acted in a commercially reasonable manner and exercised ordinary care. We exercise ordinary care if our actions or nonactions are consistent with applicable state law, federal reserve regulations and operating letters, clearinghouse rules, and general banking practices followed in the area we serve. You grant us the right, in making payments of deposited funds, to rely exclusively on the form of the account and the terms of this Agreement. Any conflict between what you or our employees may say or write will be

resolved by reference to this Agreement.

14. **Unauthorized Use of Check or Draft Writing and Facsimile or Electronic Signature Equipment** – You are responsible for maintaining the security of all facsimile or electronic signatures, check or draft writing equipment and supplies. You must promptly notify us in writing of the loss or theft of any checks or drafts or the unauthorized use of facsimile or electronic signature equipment, as well as the circumstances surrounding the loss, theft or unauthorized use. We are not liable for any unauthorized use of a facsimile or electronic signature.

15. **Pledge, Right of Offset and Statutory Lien** – Unless prohibited by law, you pledge and grant as security for all obligations you may have now or in the future, except obligations secured by your principal residence, all shares and dividends and all deposits and interest, if any, in all accounts you have with us now and in the future. If you pledge a specific dollar amount in your account(s) for a loan, we will freeze the funds in your account(s) to the extent of the outstanding balance of the loan or, if greater, the amount of the pledge if the loan is a revolving loan. Otherwise, funds in your pledged account(s) may be withdrawn unless you are in default. You agree we have the right to offset funds in any of your accounts against any obligation owed to us. Federal law gives us a lien on all shares and dividends and all deposits and interest, if any, in the account(s) you have with us now and in the future. Except as limited by federal law, the statutory lien gives us the right to apply the balance of all your accounts to any obligation on which you are in default. After you are in default, we may exercise our statutory lien rights without further notice to you. **Your pledge and our statutory lien rights will allow us to apply the funds in your account(s) to what you owe when you are in default, except as limited by state or federal law.** If we do not apply or offset the funds in your account(s) to satisfy your obligation, we may place an administrative freeze on your account(s) in order to protect our statutory lien rights and may apply or offset the funds in your account(s) to the amount you owe us at a later time. The statutory lien and your pledge does not apply to any Individual Retirement Account or any other account that would lose special tax treatment under state or federal law if given as security. By not enforcing our right to apply or offset funds in your account(s) to your obligations that are in default, we do not waive our right to enforce these rights at a later time.

16. **Transfer of Account** – All accounts are nonassignable and nontransferable to third parties except by us.

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

18. **Account Information** – Upon request, we will give you the name and address of each agency from which we obtain a credit report regarding your account. We agree not to disclose account information to third parties except when: (1) it is necessary to complete a transaction; (2) the third party seeks to verify the existence or condition of your account in accordance with applicable law; (3) such disclosure is made to comply with the law or an order issued by a court or government agency; (4) you give us written permission; or (5) as otherwise permitted by applicable law. We may provide information to credit bureaus about insolvency, delinquency, late payment or default on your account to include in your credit report.

19. **Notices** –

- **Name or Address Changes**. You are responsible for promptly notifying us of any address or name change. The Credit Union is only required to attempt to communicate with you at the most recent address you have provided to us. The Credit Union may charge you a fee as listed in the applicable Rate and Fee addendum in the event the Credit Union attempts to locate you at an address different address or name than what you have provided.

- **Notice of Amendments**. Except as prohibited by applicable law, we may at any time change the terms of this Agreement. We will notify you, in a manner we deem appropriate under the circumstances, of any changes in terms, rates, or fees as required by law.

- **Effect of Notice**. Any written notice you give us is effective when we receive it. Any written notice we give to you is effective when it is provided electronically or is deposited in the U.S. mail, postage prepaid and addressed to you at your statement mailing address, and will be effective whether or not received by you.

- **Electronic Notices**. If you have agreed to receive notices electronically, we may send you notices electronically and discontinue mailing paper notices to you until you notify us that you wish to reinstate receiving paper notices.

20. **Taxpayer Identification Number and Backup Withholding** – You agree that we may withhold taxes from any dividends or interest earned on your account as required by federal, state or local law or regulations. Your failure to furnish a correct Taxpayer Identification Number (TIN) or meet other requirements may result in backup withholding. If your account is subject to backup withholding, we must withhold and pay to the Internal Revenue Service a percentage of dividends, interest, and certain other

payments. If you fail to provide your TIN within a reasonable time, we will close your account and return the balance to you, less any applicable service fees.

21. **Statements** –

- **Contents**. If we provide a periodic statement for your account, you will receive a statement that shows the transactions and activity on your account during the statement period. For share draft or checking accounts, you understand and agree that your original check or draft, when paid, becomes property of the Credit Union and may not be returned to you, but copies may be retained by us or payable through financial institutions and made available upon your request. You understand and agree that statements are made available to you on the date they are mailed to you or, if you have requested, on the date they are made available to you electronically. You also understand and agree that checks, drafts or copies thereof are made available to you on the date the statement is mailed to you or is provided to you electronically, even if the checks or drafts do not accompany the statement.

- **Unauthorized Transactions**. You are responsible for promptly reviewing your statements. Please report any transaction that you do not recognize as authorized. We will not be responsible for your loss for unauthorized transactions unless we fail to follow our security procedures in bad faith or the transaction was not performed, directly or indirectly by you, your employees or agents or a person with access to your facilities or who obtained information from a source controlled by you.

- **Notice to the Credit Union**. You agree that the Credit Union's retention of checks or drafts does not alter or waive your responsibility to examine your statements or the time limit for notifying us of any errors. The statement will be considered correct for all purposes, and we will not be liable for any payment made or charge to your account unless you notify us in writing within the above time limit for notifying us of any errors.

  If timely notice is given, we reserve the right to make a final reasonable determination regarding whether and in what amount any adjustment shall be made. If you fail to receive a periodic statement, you agree to notify us within 14 days of the time you regularly receive a statement.

- **Address**. If we mail you a statement, we will send it to the last known address shown in our records. If you have requested that we send your statement electronically, we will send it to the last e-mail address shown in our records.

22. **Inactive Accounts** – As allowed by applicable law, we may classify your account as inactive or dormant and assess a fee if you have not made any transactions in your account over a specified period. The period of inactivity, the fee for servicing an inactive or dormant account, and the minimum balance required to avoid the service fee, if any, are set forth in our business account fee schedule. You authorize us to transfer funds from another account of yours to cover any service fees, if applicable. To the extent allowed by law, we reserve the right to transfer all funds in an inactive or dormant account to an account payable or reserve account and to suspend any further account statements. If a deposit or withdrawal has not been made on the account and we have had no other sufficient contact with you within the period specified by state law, the account will then be presumed to be abandoned. Funds in abandoned accounts will be reported and remitted in accordance with state law. Once funds have been turned over to the state, we have no further liability to you for such funds. If you choose to reclaim such funds, you must apply to the appropriate state agency.

23. **Termination of Account** – We may terminate your account at any time without prior notice to you or may require you to close your account and apply for a new account. We are not responsible for payment of any check, draft, transfer or item after your account is terminated; however, if we pay a check, draft, transfer or other item after termination, you agree to reimburse us for the amount of our payment as well as any applicable fees.

You may terminate this Agreement by closing all of your accounts. If your account is a dividend or interest-bearing account, any deposit or part of a deposit that we have returned or attempted to return to you upon termination of your account will no longer bear dividends or interest, as applicable. When the account is closed, you will receive the balance remaining in the account after we have made all appropriate deductions and charges. The termination of this Agreement and the account does not release you from the obligation for payment of accrued fees or your liability for any checks or drafts in process.

24. **Termination of Membership; Limitation of Services** – You may terminate your membership by giving us written notice or by withdrawing your minimum required membership share, if any, and closing all of your accounts. You may be expelled from membership for any reason allowed by applicable law. We may restrict account access and services without notice to you when your account is being misused; you have demonstrated conduct which is abusive in nature; as outlined in any policy we have adopted regarding restricting services; or as otherwise permitted by law.

25. **Death of Account Owner** – If an account is held in the name of an individual person or a business that is organized as a sole proprietorship, we may continue to honor all transfer orders, withdrawals, deposits and other transactions on the account until we are notified of the Account Owner's death. Once we are notified of an Account Owner's death, we may pay checks or drafts or honor other payments or transfer orders authorized by the Account Owner for a period of ten days after the Account Owner's death unless we receive instructions from any person claiming an interest in the account to stop payment on the checks, drafts or other items. We may require anyone claiming a deceased Account Owner's account funds to indemnify us for any losses resulting from our honoring that claim. This Agreement will be binding upon any heirs or legal representatives of any Account Owner that is an individual or business organized as a sole proprietorship.

26. **Unlawful Internet Gambling and Other Illegal Activities** – You agree that you are not engaged in unlawful internet gambling or any other illegal activity. You agree that you will not use any of your accounts, access devices or services for unlawful internet gambling or other illegal activities. We may terminate your account relationship if you engage in unlawful internet gambling or other illegal activities.

27. **Waiver of Rights** – We reserve the right to waive or delay the enforcement of any provision of this Agreement with respect to any transaction or series of transactions. A waiver or delay of our rights at any time shall not be deemed to be a waiver of any other rights or a waiver of the same rights at a future time.

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

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

30. **Governing Law** – This Agreement is governed by the following, as amended from time to time: the Credit Union's bylaws; local clearinghouse and other payment system rules; federal laws and regulations, including applicable principles of contract law; and the laws and regulations of the state of Tennessee.

31. **Waiver of Trial By Jury and Agreement as to Location of Legal Proceedings** – As permitted by applicable law, you agree that any legal action regarding this Agreement shall be brought in Coffee County, Tennessee. You and we agree to waive any right to trial by jury in any legal proceeding or lawsuit involving the account.

32. **Negative Information Notice** – **We may report information about your loan and deposit accounts to credit bureaus. Late payments, missed payments, or other defaults on your accounts may be reflected in your credit report.**

33. **Monitoring and Recording Communications** – We may monitor and record communications between you and us, including telephone conversations, electronic messages, electronic records, or other data transmissions that affect your accounts or other products and services. Except as otherwise provided by applicable law, you agree we may monitor and record such communications without your approval or further notice to you.

34. **Consent To Contact** – By signing or otherwise authenticating the Business Account Card, the Account Owner and Authorized Person(s) agree we and/or our third-party providers, including debt collectors, may contact the Account Owner or Authorized Person(s) by telephone or text message at any telephone number associated with the account, including cell phone numbers which could result in charges to the Account Owner or Authorized Person(s), in order to service the account or collect any amounts owed to us. The Account Owner and/or Authorized Person(s) further agree(s) methods of contact may include use of pre-recorded or artificial voice messages, and/or use of an automatic dialing device. If the Account Owner or Authorized Person(s) have provided a wireless telephone number(s) on or in connection with any account, the Account Owner and Authorized Person(s) represents and agrees they are the wireless subscriber or customary user with respect to the wireless telephone number(s) provided and has the authority to give this consent. Furthermore, the Account Owner or Authorized Person(s) agrees to notify us of any change to the wireless telephone number(s) which they have provided to us.

Business Debit Card Agreement

These rules govern the relationship between us, you and each person you authorize to be issued with and/or use the business debit card. We may change the terms and/or conditions of this agreement without notifying you unless required by law to do so. When you use your card for any type of account, you are bound by the terms of that account.

Acceptance, retention, or use of the card by you constitutes an agreement between you and the credit union as follows:

Use and Ownership of Card
You have asked the credit union to issue you a card, and replacement of it from time to time at our option. You have also asked that the card be encoded and validated so that the card may be used to purchase goods and services in point-of-sale (POS) transactions at places that have agreed to accept the card. The card remains the property of the credit union and shall be surrendered immediately to the credit union upon request. We may terminate your privilege of using the card and may withhold approval of any transaction at any time.

Overdrafts
If use of your Card overdraws your account, you will be notified and you agree to make immediate payment to us of the amount of any such overdrafts together with such service charges as we may impose in accordance with applicable laws and Ascend's practices. You also agree to pay all costs of collection, including but not limited to, attorney fees. Whenever your account is overdrawn, we have the right to return unpaid checks or other orders on your account which are presented to us and assess a service fee per item (see "Business Rate and Fee Addendum"). If your account has an overdraft line of credit associated with it, the terms and conditions contained in your Credit Agreement (or other applicable agreement) will control, with respect to overdrafts of your account, regardless of whether they result from POS transactions, cash withdrawals, use of checks or any other card or device. See Overdraft Disclosures.

Authorization to Debit or Credit Account
Each time your Card is properly used, you authorize Ascend to debit or credit your account (whichever is appropriate) for the total amount shown on any sales check, withdrawal order or credit voucher originated by use of the Card, whether or not signed by you, and Ascend is permitted to handle such checks, orders, and vouchers in the same way it handles authorized checks drawn on your account.

Refunds on POS Transactions
Cash refunds will not be made on any POS transactions made with your Card. If the merchant involved with one of your POS transactions gives you any credit adjustment for the goods or services you purchased, the merchant will do so by sending us a credit slip which we will apply to your account. You must deal directly with the merchant on any claim or defense with respect to goods or services purchased by a POS transaction in dispute, plus any other appropriate charges we may be authorized to make. Ascend has no responsibility for issues arising from POS transactions.

Agreement to Comply with Rules
Your retention of, signature on, or use of the Card constitutes your agreement to comply with these rules and the additional rules as outlined in the Electronic Funds Transfer Disclosure Statement in this Agreement, and any amendments thereof. This Agreement and your use of the Card will be governed by the laws of the State of Tennessee and any other applicable laws.

Availability of Funds Disclosure

Our policy is to make funds from your deposits available to you as set forth earlier and subject to below.

When you make a deposit with a representative at an Ascend branch or Interactive Teller Machine (ITM), you can withdraw some or all the funds in cash and we will use the funds to pay checks that you have written or debits/withdrawals you have made. When you make a deposit at one of our Automated Teller Machines (ATMs), cash deposits (daily maximum of $9,999) and check deposits under $275 will generally be made available to you immediately. Checks over $275 will generally have the remaining amount available on the first business day after the day we receive your deposit. For determining the availability of your deposits, every day is a business day except Saturdays, Sundays, and federal holidays.

If you make a deposit with a representative at one of our branches on a business day before 5:00 pm, central time, or with a video representative at an Ascend ITM before 7:00 pm, central time, or at an Ascend ATM on a business day before 11:59 pm, central time, we will consider that day to be the day we received your deposit. If you do not make your deposit in person to one of our employees (for example, you use the night drop), or if you make a deposit on a day that is not a business day, or make a deposit at an ATM after 11:59 pm central time, we will consider the deposit to have been received when it is processed on the next business day.

All deposits made by mail to P.O. Box 1210 Tullahoma, TN 37388-1210, will be considered received by Ascend Federal Credit Union on the business day we process the deposit.

Longer Delays May Apply

In some cases, we will not make all of the funds that you deposit by check available to you as described above. Funds may be put on hold and not be available until the second business day after the day of your deposit or later in certain cases. However, the first $275 of your deposit will be available immediately if you make a deposit to one of our employees, or on the first business day after the day of your deposit if you make a deposit at an ATM.

If we are not going to make all of the funds from your deposit available as described above, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice no later than the first business day following the day the facts become known or your deposit is received, whichever is later.

If you will need the funds from a deposit right away, ask us when the funds will be available.

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

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than $5,525 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- There is an emergency, such as failure of communications or computer equipment.
- You have a new account.
- We will notify you if we delay your ability to withdraw funds for any of these reasons above or for a later period than two business days, 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 deposits of cash, payroll, cashier's checks, certified checks and electronic direct deposits will be available on the day we receive the deposit.

Funds from electronic direct deposits to your account, including wire transfers, will be available on the day we receive the deposit. and the first $5,525 of a day's total deposits of teller's, traveler's, and federal, state and local government checks will be available on the first 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 $5,525 will generally 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 $5,525 will not be available until the second business day after the day of your deposit.

Applicable for All Accounts
Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit, including overdraft fees if applicable.