

Business Membership and **Account** Agreement



Business Membership and Account Agreement

This Business Membership and Account Agreement (“Agreement”) covers the rights and responsibilities concerning accounts held by a business or organization account owner (“Account Owner”) and Chartway Federal Credit Union, also known as “Credit Union,” providing this agreement. 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 (“Account Card”) or for which membership and/or service requests are otherwise approved. The words “we,” “us,” and “our” mean the Credit Union. The word “account” means any one or more share or deposit accounts you have with the Credit Union.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT — To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, address, date of birth, if applicable, and other information that will allow us to identify you. We may also ask to see your driver’s license or other identifying documents.

1. CONTRACT — Your account with the Credit Union is held individually in the name of the Account Owner. By signing an Account Card or authenticating your request, or by adding, changing or continuing to use your accounts and services, you agree to the terms and conditions in this Agreement, the Account Card, any Funds Availability Policy Disclosure, rate sheet, fee schedule, Account Receipt or other disclosure we provide to you, the Credit Union Bylaws or Code of Regulations (Bylaws), Credit Union 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, local banking customs and clearinghouse rules.

2. MEMBERSHIP ELIGIBILITY — To join the Credit Union, the Account Owner must meet the membership requirements including, purchasing and maintaining a minimum share balance (hereinafter membership share) and/or paying a membership fee, as set forth in the Credit Union’s Bylaws or established from time to time by the Credit Union’s Board of Directors. 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.

3. REQUIREMENT TO MAINTAIN MEMBERSHIP — You agree that when you sign an account card, authenticate a request for an account opening, purchase a share, obtain a loan or other financial product, or become a member, you agree that you will, once qualified for membership, be and remain a member for so long as your account remains open, your share exists, or your loan or financial product remains outstanding. By way of example, if you obtain a loan from the Credit Union, whether directly or indirectly, you agree that you will, once qualified for membership, become a member and remain a member of the Credit Union until your loan is repaid in full.

4. ACCOUNT ACCESS

a. Authorized Persons. The following are deemed Authorized Persons who may establish accounts at the Credit Union and act on behalf of the Account Owner with respect to such accounts:

- If the Account Owner is a sole proprietorship, the business owner and any person designated by the business owner;
- If the Account Owner is a partnership, each partner (or, for a limited partnership, the general partner or those partners as otherwise established by the partnership agreement) and any person designated by the partners; or
- If the Account Owner has any other form of organization or is an unincorporated organization or association, the individuals vested with the power to make decisions concerning the operation of the Account Owner must designate the persons authorized to establish accounts at the Credit Union and transact business on such accounts on behalf of the Account Owner.

b. Authority. Authorized Persons are vested with authority to open and close accounts on behalf of the Account Owner 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 signature of any Authorized Person, we may honor any document that appears to bear the facsimile signature.

c. 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 as a result of handling such a check or draft will be charged to your account.

d. 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.

5. DEPOSIT OF FUNDS REQUIREMENTS — Funds may be deposited to your accounts in any manner approved by the Credit Union and in accordance with any requirements set forth on our 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 them.

a. 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 signature of an Authorized Person. Endorsements must be made on the back of the check or draft within 1½ inches from the top edge, although we may accept endorsements outside this space. However, 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.

b. 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 payor financial institution extra time beyond any midnight deadline limits.

c. Restrictive Legends. Some checks and drafts contain restrictive legends or similar limitations on the front of the item. Examples of restrictive legends include “two signatures required,” “void after 60 days,” and “not valid over \$500.00.” 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 unless we have specifically agreed in writing to the restriction or limitation.

d. 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 the amount of 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.

e. 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.

f. Crediting of Deposits. Deposits will be credited to your account on the day we consider them received as stated in our Funds Availability Policy Disclosure.

6. FUNDS TRANSFERS — Funds transfers we permit that are subject to Article 4A of the Uniform Commercial Code, including Automated Clearinghouse (ACH) credit transactions and wire transfers, will be subject to such provisions of the Uniform Commercial Code as enacted by the Commonwealth of Virginia. ACH transfers are subject to rules of the National Automated Clearinghouse Association (Nacha). If we execute requests for funds transfers by Fedwire, such transfers are subject to the Federal Reserve Board's Regulation J.

a. 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.

b. 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. Notwithstanding anything to the contrary, we will not be liable for any consequential, special, punitive or indirect losses or damages.

c. 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.

d. Interest Payments. If we fail to properly execute a payment order and such action results in a delay in payment to you, applicable law may require that we pay you interest for the period of delay. Based on your account type, we will pay you such interest in the form of dividend or interest payments, whichever applies. You agree that the dividend or interest rate paid to you will be based on the lowest nominal dividend or interest rate we were paying on any account during that period.

e. 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.

f. 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 cut-off times is available upon request. From time to time, we may need to temporarily suspend processing of a transaction for greater scrutiny or verification in accordance with applicable law. This action may affect settlement or availability of the transaction.

g. Identifying Information. If your payment order identifies the recipient and any financial institution by name and account or other identifying number, the Credit Union 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.

h. 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.

i. 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 the Credit Union 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.

j. 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.

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

7. 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 as required by law. Copies of the current versions of these documents are posted on, or linked, on our website.

8. 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 as a result of the Credit Union's negligence.

a. 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.

b. 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, messenger 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.

9. CERTIFICATE ACCOUNTS — Any term share, share certificate, time deposit or certificate of deposit account, that 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.

10. OVERDRAFTS

a. Payment of Overdrafts. The Credit Union's determination of an insufficient available account balance may be made at any time between presentation and the Credit Union's midnight deadline with only one (1) review of the account required. If an item is returned because the available balance in your account is not sufficient to cover the item and the item is presented for payment again, we will charge a Non-Sufficient Funds Fee each time we return the item because it exceeds the available balance in your account. If, on representation of the item, the available balance in your account is sufficient to cover the item we may pay the item.

Overdraft Protection applies to all transactions and may help prevent overdrafts by automatically transferring funds to your checking account from another account or line of credit you may have with us for a fee or finance charge. Please note that overdraft lines of credit are subject to credit approval.

Except as otherwise agreed in writing, if we exercise our right to use our discretion to pay an overdraft, we do not agree to pay overdrafts in the future and may discontinue covering overdrafts at any time without notice. If we pay an overdraft or impose a fee that overdraws your account, you agree to pay the overdrawn amount in accordance with your overdraft protection plan or, if you do not have such a plan with us, in accordance with our overdraft payment policy.

We authorize and pay transactions using the available balance in your account. We may place a hold on deposited funds in accordance with our Funds Availability Policy Disclosure, which will reduce the amount in your available balance. The available balance for checks, ACH items, and recurring debit card transactions is comprised of the ledger balance, less any holds on deposited funds and any debit card holds, plus the amount of any Overdraft Privilege line of credit.

We will place a hold on your account for any authorized debit card transaction until the transaction settles (usually within two business days) or as permitted by payment system rules. In some cases, the hold may exceed the amount of the transaction. When the hold ends, the funds will be added to the available balance in your account. If your account is overdrawn after the held funds are added to the available balance and the transaction is posted to the available balance, an Overdraft Fee may be assessed.

When you deposit a check into your account, the entire amount is not always immediately available for your use in writing checks or making withdrawals or purchases. Availability of funds from a check deposit depends upon several factors, including the type of account you have, what bank the check is drawn on, and any holds or pledges.

Also, if you have been using your Debit or ATM card, that purchase amount is not always withdrawn from your account immediately. It is very important to record all purchases and track them against what is showing in your online balances. When using your online banking service, please refer to your **Account Summary** tab to help reconcile to your personal records. This summary will show both total balances and available balances. Club memberships, such as gym dues, can also cause your account to become overdrawn.

b. Payment Order of Items. The following list (inclusive of items #1-9) describes the posting order for purposes of determining overdrafts. Our general policy is to post items throughout the day and to post credits before debits. Credits post first, then force-paid items from prior day processing (as arrived), wire transfers, teller cash withdrawals, over-the-counter items (in serial number order), POS/debit card

(as arrived), ACH (as arrived), checks (in serial number order), automatic debit transactions, and fees; however, holds on funds (described herein) and the order in which transactions are posted may impact the total amount of Non-Sufficient Funds Fees assessed. The posting order is as follows:

1. Internal credit transfers: credit transfers you make, either online, by ATM, or by telephone from one of your accounts at the Credit Union to another, your deposits, and other credit transactions (such as ACH and wire credit transfers, teller-credited items and ATM deposits), and credit transfers made by the Credit Union (such as corrections and fee reversals).
2. System-generated interest transfers.
3. Wire transfers.
4. Debit transactions: over-the-counter withdrawals, transactions you initiate with your ATM or debit card that are authorized by the Credit Union at the time of the transaction based on your account having available funds sufficient to cover the transaction, adjustments, and debits used to close your account.
5. Teller-cashed checks, teller-initiated debits, and charge-backs: teller-cashed checks are checks you write that the payee cashes with a teller; charge-backs are items you deposit to your account that are subsequently returned by the paying bank or financial institution, and "charged back" to your account.
6. Debit transactions resulting from credit reversals made by the Credit Union.
7. Internal debit transactions: debit transfers you make, either online, by telephone, automatic transfer or ATM, from one of your accounts at the Credit Union to another.
8. All other debits: debits you initiate or that you have pre-authorized, including ACH debits and checks or checks by phone.
9. Credit Union debits for fees, services, and other account charges

NOTE: Please be aware that holds placed on your account for pending electronic transactions, such as hotel or rental car deposits, reduce your available balance and may cause your account to become overdrawn.

11. 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.

12. POSTDATED AND STALEDATED 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.

13. 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 manner in which we make the conversion.

14. STOP PAYMENT ORDERS

a. 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.

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.

b. Duration of Order. You may make an oral stop payment order 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 is 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. In certain states, we have the right to refuse to accept oral stop payment orders and may require that all stop payment orders be made in writing or in a record as allowed by applicable law.

c. 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.

15. CREDIT UNION LIABILITY — If we do not properly complete a transaction according to this Agreement, we will be liable for your losses or damages not to exceed the amount of the transaction, except as otherwise provided by law or elsewhere in this Agreement. We will not be liable if, for example: (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.

16. UNAUTHORIZED USE OF CHECK OR DRAFT WRITING AND FACSIMILE SIGNATURE EQUIPMENT — You are responsible for maintaining the security of all facsimile 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 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 signature.

17. PLEDGE, RIGHT OF OFFSET AND STATUTORY LIEN — Unless prohibited by law, as security for all obligations you may have now or in the future, except obligations secured by your principal residence, you pledge and grant a security interest in 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 or state 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 state or 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 do 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.

18. TRANSFER OF ACCOUNT — All accounts are nonassignable and nontransferable to third parties except by us.

19. 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.

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

21. NOTICES

a. 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. If we attempt to locate you, we may impose a service fee as set forth on our business account fee schedule.

b. 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.

c. 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 in writing that you wish to reinstate receiving paper notices.

22. AMENDMENTS — Except as prohibited by applicable law, we may change the terms of this Agreement at any time. 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. We reserve the right to waive any terms of this Agreement. Any such waiver shall not affect our right to future enforcement.

23. 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.

24. STATEMENTS

a. 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.

b. Examination. You are responsible for promptly examining each statement upon receiving it and reporting any irregularities to us. If you fail to report to us, within a reasonable time after receiving your statement, any irregularities, such as forged, altered, unauthorized, unsigned, or otherwise fraudulent items drawn on your account, erroneous payments or transactions, or other discrepancies that are reflected on your statement we will not be responsible for your loss. In addition, we will not be responsible for any such items, payments, transactions, or other

discrepancies reflected on your statement if you fail to notify us within 33 days of the date we sent or otherwise provided the statement to you. We also will not be liable for any items that are forged or altered in a manner not detectable by a reasonable person, including the unauthorized use of facsimile signature equipment.

c. 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.

d. 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.

25. 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 any 12 month 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.

26. 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.

27. 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 not consistent with the Credit Union's bylaws 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.

28. 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.

29. 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.

30. 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 anytime shall not be deemed to be a waiver of any other rights or a waiver of the same rights at a future time.

31. 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.

32. 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.

33. 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 Commonwealth of Virginia.

34. AGREEMENT AS TO LOCATION OF LEGAL PROCEEDINGS — As permitted by applicable law (and except as otherwise governed by Section 37 "RESOLUTION OF DISPUTES BY ARBITRATION" below), you agree that, regardless whether the plaintiff in any legal action is you or the Credit Union, (a) any legal action regarding this Agreement must be brought in the Circuit Court for the City of Virginia Beach, Virginia or in the United States District Court for the Eastern District of Virginia, Norfolk division, (b) each such court has proper jurisdiction over you and any such legal action and (c) you may not assert any defense to the venue of any such court on the basis of forum non conveniens.

35. 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.

36. 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.

37. RESOLUTION OF DISPUTES BY ARBITRATION —

THIS SECTION CONTAINS IMPORTANT INFORMATION REGARDING YOUR ACCOUNTS AND ALL RELATED SERVICES. IT PROVIDES THAT EITHER YOU OR WE CAN REQUIRE THAT ANY DISPUTES BE RESOLVED BY BINDING ARBITRATION. ARBITRATION REPLACES THE RIGHT TO GO TO COURT, INCLUDING THE RIGHT TO A JURY TRIAL AND THE RIGHT TO PARTICIPATE IN A CLASS ACTION OR SIMILAR PROCEEDING. IN ARBITRATION, THE DISPUTE IS SUBMITTED TO A NEUTRAL PARTY, AN ARBITRATOR, INSTEAD OF A JUDGE OR JURY. ARBITRATION PROCEDURES MAY BE MORE LIMITED THAN RULES APPLICABLE IN COURT.

AGREEMENT TO ARBITRATE DISPUTES — EITHER YOU OR WE MAY ELECT, WITHOUT THE OTHER'S CONSENT, TO REQUIRE THAT ANY DISPUTE BETWEEN US CONCERNING YOUR ACCOUNTS AND THE SERVICES RELATED TO YOUR ACCOUNTS BE RESOLVED BY BINDING ARBITRATION, EXCEPT FOR THOSE DISPUTES SPECIFICALLY EXCLUDED BELOW.

NO CLASS ACTION OR JOINDER OF PARTIES — YOU ACKNOWLEDGE THAT YOU AND WE AGREE THAT NO CLASS ACTION, CLASS-WIDE ARBITRATION, PRIVATE ATTORNEY GENERAL ACTION, OR OTHER PROCEEDING WHERE SOMEONE ACTS IN A REPRESENTATIVE CAPACITY, MAY BE PURSUED IN ANY ARBITRATION OR IN ANY COURT PROCEEDING, REGARDLESS OF WHEN THE CLAIM OR CAUSE OF ACTION AROSE OR ACCRUED, OR WHEN THE ALLEGATIONS OR FACTS UNDERLYING THE CLAIM OR CAUSE OF ACTION OCCURRED. UNLESS MUTUALLY AGREED TO BY YOU AND US, CLAIMS OF TWO

OR MORE PERSONS MAY NOT BE JOINED, CONSOLIDATED, OR OTHERWISE BROUGHT TOGETHER IN THE SAME ARBITRATION (UNLESS THOSE PERSONS ARE JOINT ACCOUNT HOLDERS OR BENEFICIARIES ON YOUR ACCOUNT AND/OR RELATED ACCOUNTS, OR PARTIES TO A SINGLE TRANSACTION OR RELATED TRANSACTION), WHETHER OR NOT THE CLAIM MAY HAVE BEEN ASSIGNED.

DISPUTES COVERED BY ARBITRATION — YOU ACKNOWLEDGE THAT IN ARBITRATION THERE WILL BE NO RIGHT TO A JURY TRIAL. ANY CLAIM OR DISPUTE RELATING TO OR ARISING OUT OF YOUR ACCOUNTS OR OUR RELATIONSHIP WILL BE SUBJECT TO ARBITRATION, REGARDLESS OF WHETHER THAT DISPUTE AROSE BEFORE OR AFTER THE EFFECTIVE DATE OF THIS NOTICE. DISPUTES INCLUDE CLAIMS MADE AS PART OF A CLASS ACTION, PRIVATE ATTORNEY GENERAL OR OTHER REPRESENTATIVE ACTION, IT BEING EXPRESSLY UNDERSTOOD AND AGREED TO THAT THE ARBITRATION OF SUCH CLAIMS MUST PROCEED ON AN INDIVIDUAL (NON-CLASS, NON-REPRESENTATIVE) BASIS AND THE ARBITRATOR MAY AWARD RELIEF ONLY ON AN INDIVIDUAL (NON-CLASS, NON-REPRESENTATIVE) BASIS. DISPUTES ALSO INCLUDE CLAIMS RELATING TO THE ENFORCEABILITY OR INTERPRETATION OF ANY OF THIS RESOLUTION OF DISPUTES BY ARBITRATION PROVISIONS. ANY QUESTIONS ABOUT WHETHER DISPUTES ARE SUBJECT TO ARBITRATION SHALL BE RESOLVED BY INTERPRETING THIS RESOLUTION OF DISPUTES BY ARBITRATION PROVISIONS IN THE BROADEST WAY THE LAW WILL ALLOW IT TO BE ENFORCED.

All disputes are subject to arbitration, no matter what legal theory they are based on, or what remedy (damages, or injunctive or declaratory relief) they seek. Disputes include any unresolved claims concerning any services relating to your accounts. Disputes include not only claims made directly by you, but also made by anyone connected with you or claiming through you, such as a joint account holder, account beneficiary, employee, representative, agent, predecessor or successor, heir, assignee, or trustee in bankruptcy. Disputes include not only claims that relate directly to Chartway Federal Credit Union, but also its parent, affiliates, successors, assignees, employees, and agents, and claims for which we may be directly or indirectly liable, even if we are not properly named at the time the claim is made. Disputes include claims based on any theory of law, contract, statute, regulation, tort (including fraud or any intentional tort), or any other legal or equitable ground, and include claims asserted as counterclaims, cross-claims, third-party claims, interpleaders or otherwise; and claims made independently or with other claims. If party initiates a proceeding in court regarding a claim or dispute which is included under this Resolution of Disputes by Arbitration provisions, the other party may elect to proceed in arbitration pursuant to this Resolution of Disputes by Arbitration provision.

Disputes Excluded from Arbitration — Disputes filed by you or by us individually in a small claims court are not subject to arbitration, so long as the disputes remain in such court and advance only an individual (non-class, non-representative) claim for relief. However, if a matter in small claims court is removed, transferred, or appealed to a non-small claims court, that claim shall be subject to this Resolution of Disputes by Arbitration provisions.

Commencing an Arbitration — The arbitration must be filed with one of the following neutral arbitration forums and follow its rules and procedures for initiating and pursuing an arbitration: American Arbitration Association or JAMS. If you initiate the arbitration, you must notify us in writing at: **5700 Cleveland Street, Virginia Beach, Virginia 23462**

If we initiate the arbitration, we will notify you in writing at your last known address on file. You may obtain a copy of the arbitration rules for these forums, as well as additional information about initiating an arbitration by contacting these arbitration forums:

American Arbitration Association
1-800-778-7879 (toll-free)
www.adr.org

JAMS
1-800-352-5267 (toll-free)
www.jamsadr.com

The arbitration shall be conducted in the City of Virginia Beach, Virginia.

Administration of Arbitration — The arbitration shall be decided by a single, neutral arbitrator. The arbitrator will be either a lawyer with at least ten years' experience or a retired or former judge selected in accordance with the rules of the arbitration forum. The arbitrator shall follow procedures and rules of the arbitration forum in effect on the date the arbitration is filed unless those rules and procedures are inconsistent with this Resolution of Disputes by Arbitration provisions in which case this Resolution of Disputes by Arbitration provisions will prevail. Those provisions and rules may limit the discovery available to You or Us. The arbitrator will take reasonable steps to protect member account information and other confidential information if requested to do so by you or by us. The arbitrator shall decide the dispute in accordance with applicable substantive law consistent with the Federal Arbitration Act and applicable statutes of limitations, will honor claims of privilege recognized at law, and will be empowered to award any damages or other relief provided for under applicable law. The arbitrator will not have the power to award relief to, or against, any person who is not a party to the arbitration. An award in arbitration shall determine the rights and obligations between the named parties only, and only in respect of the claims in arbitration, and shall not have any bearing on the rights and obligations of any other person, or on the resolution of any other dispute. You or we may choose to have a hearing and be represented by counsel. The decision rendered by the arbitrator shall be in writing. At your or our request, the Arbitrator shall issue a written, reasoned decision following applicable law and relief granted must be relief that could be granted by the court under applicable law. Judgment on the arbitration award may be entered by any court of competent jurisdiction.

Costs — The party initiating the arbitration shall pay the initial filing fee. If you file the arbitration and an award is rendered in your favor, we will reimburse you for your filing fee. If there is a hearing, we will pay the fees and costs of the arbitration for the first day of that hearing. All other fees and costs will be allocated in accordance with the rules of the arbitration forum. However, we will advance or reimburse filing and other fees if the arbitrator rules that you cannot afford to pay them or finds other good cause for requiring us to do so, or if you ask us in writing and we determine there is good reason for doing so. Each party shall bear the expense of their respective attorneys, experts, and witnesses and other expenses, regardless of who prevails, but a party may recover any or all costs (including attorneys' fees) and expenses from another party if the arbitrator, applying applicable law, so determines.

Right to Resort to Provisional Remedies Preserved — Nothing herein shall be deemed to limit or constrain our right to resort to self-help remedies, such as the right of set-off or the right to restrain funds in an account, to interplead funds in the event of a dispute, to exercise any security interest or lien we may hold in property, or to comply with legal process, or to obtain provisional remedies such as injunctive relief, attachment, or garnishment by a court having appropriate jurisdiction; provided, however, that you or we may elect to arbitrate any dispute related to such provisional remedies.

Arbitration Award — The arbitrator's award shall be final and binding unless a party appeals it in writing to the arbitration forum within fifteen days of notice of the award or pursuant to the rules of the arbitration forum, whichever is later. The appeal must request a new arbitration before a panel of three neutral arbitrators selected in accordance with the rules of the same arbitration forum. The panel will consider all factual and legal issues anew, follow the same rules that apply to a proceeding using a single arbitrator, and make decisions based on the vote of the majority. Costs will be allocated in the same manner as allocated before a single arbitrator. An award by a panel is final and binding on the parties after fifteen days of notice of the award or pursuant to the rules of the arbitration forum, whichever is later. A final and binding award is subject to judicial intervention or review only to the extent allowed under the Federal Arbitration Act or other applicable law. A party may seek to have a final and binding award entered as a judgment in any court having jurisdiction.

Governing Law — You and we agree that our relationship includes transactions involving interstate commerce and that these arbitration provisions are governed by, and enforceable under, the Federal Arbitration Act. To the extent state law is applicable, the laws of the Commonwealth of Virginia as set forth in the “**33. GOVERNING LAW**” section of this Agreement shall apply.

Severability, Survival — This Resolution of Disputes by Arbitration provisions shall survive (a) termination or changes to your accounts or any related services; (b) the bankruptcy of any party; and (c) the transfer or assignment of your accounts or any related services. If any portion of this Resolution of Disputes by Arbitration provisions is deemed invalid or unenforceable, the remainder of this Resolution of Disputes by Arbitration provisions shall remain in force.

Applicability — The provisions of this Resolution of Disputes by Arbitration provisions shall not be applicable or enforceable against you in connection with any consumer credit transaction if (i) at the time of the attempted enforcement of this provision, you are a “covered borrower” within the meaning of the Military Lending Act, 10 U.S.C. 987, or (ii) you are a “covered borrower”, as so defined, at the time of your agreement to this Membership and Account Agreement.

YOU MAY CHOOSE TO REJECT THIS MANDATORY ARBITRATION OF DISPUTES PROVISIONS BY SENDING US WRITTEN NOTICE AS DESCRIBED BELOW:

1. If you agree to be bound by this Resolution of Disputes by Arbitration provisions, then no action is needed on your part. If you take no action, then effective immediately your accounts will be bound by this Resolution of Disputes by Arbitration provisions.
2. If you do not agree to be bound by this Resolution of Disputes by Arbitration provisions, you must send us written notice via mail at **5700 Cleveland Street, Virginia Beach, VA 23462**, or e-mail at **ArbitrationOptOut@Chartway.com** that you reject the Resolution of Disputes by Arbitration provisions within 30 days of account opening or within 30 days of receiving this notice, whichever is sooner, including the following information:

Your name, as listed on your account, the last four digits of your account number, the date, and a statement that you reject this Resolution of Disputes by Arbitration provisions.

38. WAIVER OF JURY TRIALS — EXCEPT AS PROHIBITED BY APPLICABLE LAW, YOU AND WE HEREBY IRREVOCABLY, KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE ANY RIGHT EITHER YOU OR WE MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF EITHER YOU OR US. THIS WAIVER OF JURY TRIAL RIGHTS IS SUBJECT TO THE ARBITRATION PROVISIONS SET FORTH IN THIS AGREEMENT AND DOES NOT PROVIDE YOU OR US WITH ANY RIGHTS TO LITIGATE ANY DISPUTE EXCEPT AS EXPRESSLY SET FORTH IN THE ARBITRATION PROVISIONS (UNLESS YOU PROPERLY OPTED OUT OF THE ARBITRATION PROVISIONS IN ACCORDANCE WITH THE EXPRESS OPT-OUT TERMS SET FORTH THEREIN).

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