

# Membership Agreement

Account Disclosures & Agreements





**This document contains important legal information, disclosures and terms you should know.  
Please retain this document for your records.**

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## Foreward

This Membership Agreement (referred to as “Membership Agreement” or “Agreement”) is the legal agreement that governs your relationship with us, your accounts with us and related products and services and replaces all prior agreements with Redstone Federal Credit Union regarding them.

The purpose of this Membership Agreement is to disclose information, terms, conditions, and the various laws and regulations relating to your accounts to help you better understand your rights and obligations as a member of Redstone Federal Credit Union.

Throughout this Membership Agreement, the words “you,” “your,” and “yours” mean each and all of those (whether one or more persons) who are subject to the Membership Agreement as a result of signing and/or otherwise authorizing an application for services or any other application or document in connection with the opening of any account with Redstone Federal Credit Union, and any such person(s) who maintains an account with us, or any other person(s) authorized to use or has access to any such account or is named as an account holder on an account. The words “we,” “us,” or “Credit Union” mean Redstone Federal Credit Union. By using your account or any product or service we provide, you and anyone else identified on the account agree to the terms of this Membership Agreement. You should retain a copy of this Membership Agreement (and any information Redstone Federal Credit Union provides you regarding changes to this Agreement) for as long as you maintain your account with us.

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## Part I. Arbitration and Waiver of Class Action

You and the Credit Union agree that we shall attempt to informally settle any and all disputes arising out of, affecting, or relating to your accounts or the products or services the Credit Union has provided, will provide or has offered to provide to you, and/or any aspect of your relationship with the Credit Union (hereafter referred to as the “Claims”). Attempts to informally settle the Claims shall include a written exchange of information describing the Claims, the basis for the Claims, and the relief sought, and then an in-person meeting (or a meeting by Zoom or similar electronic means) to discuss, in good faith, potential resolution of the Claims. If the Claims cannot be resolved informally, then you agree that any and all Claims that are threatened, made, filed or initiated after the Effective Date (defined below) of this Arbitration and Waiver of Class Action provision (“Arbitration Agreement”), even if the Claims arise out of, affect or relate to conduct that occurred prior to the Effective Date, shall, at the election of either you or us, be resolved by binding arbitration administered by the American Arbitration Association (“AAA”) in accordance with its applicable rules and procedures for consumer disputes (“Rules”), including rules applicable to mass arbitrations, whether such Claims are in contract, tort, statute, or otherwise. The Rules can be obtained on the AAA website free of charge at [www.adr.org](http://www.adr.org); or, a copy of the Rules can be obtained at any Credit Union branch upon request. Either you or we may elect to resolve a particular Claim through arbitration, even if one of us has already initiated litigation in court related to the Claim by: (a) making written demand for arbitration upon the other party, (b) initiating arbitration against the other party, or (c) filing a motion to compel arbitration in court. **AS A RESULT, IF EITHER YOU OR WE ELECT TO RESOLVE A PARTICULAR CLAIM THROUGH ARBITRATION, YOU WILL GIVE UP YOUR RIGHT TO GO TO COURT TO ASSERT OR DEFEND YOUR RIGHTS UNDER THIS MEMBERSHIP AGREEMENT (EXCEPT FOR CLAIMS BROUGHT INDIVIDUALLY WITHIN SMALL CLAIMS COURT JURISDICTION, SO LONG AS THE CLAIM REMAINS IN SMALL CLAIMS COURT).** This Arbitration Agreement shall be interpreted and enforced in accordance with the Federal Arbitration Act set forth in Title 9 of the U.S. Code to the fullest extent possible, notwithstanding any state law to the contrary, regardless of the origin or nature of the Claims at issue. This Arbitration Agreement does not prevent you from submitting any issue relating to your accounts for review or consideration by a federal, state, or local governmental agency or entity, nor does it prevent such agency or entity from seeking relief on your behalf. This Arbitration Agreement shall not apply to Claims: (i) that are or can be initiated in or transferred to small claims court or a comparable court of limited monetary jurisdiction, so long as they are prosecuted individually; (ii) initiated by or against “covered borrowers” under the Military Lending Act; (iii) involving residential mortgage secured loans covered by Regulation Z; or (iv) where arbitration is prohibited by law.

**1. Selection of Arbitrator:** The Claims shall be resolved by a single arbitrator. The arbitrator shall be selected in accordance with the Rules and must have experience in the types of financial transactions at issue in the Claims. In the event of a conflict between the Rules and this Arbitration Agreement, this Arbitration Agreement shall supersede the conflicting Rules only to the extent of the inconsistency. If AAA is unavailable to resolve the Claims, or declines to administer the Claims for any reason, and if you and we do not agree on a substitute forum, then you can select the forum for the resolution of the Claims.

**2. Effective Date:** This Arbitration Agreement shall be effective on the day it is provided to you or the day you opened your account, whichever is earlier (“Effective Date”).

**3. Claims Arising Prior to Effective Date: THIS ARBITRATION AGREEMENT APPLIES TO ALL CLAIMS THAT ARE FILED OR**

**INITIATED AFTER THE EFFECTIVE DATE, EVEN IF THE CLAIM ARISES OUT OF, AFFECTS, OR RELATES TO CONDUCT THAT OCCURRED PRIOR TO THE EFFECTIVE DATE.** If a Claim is filed or initiated prior to the Effective Date, this Arbitration Agreement will not apply to such Claim.

**4. Arbitration Proceedings:** At the time of initiating arbitration, the party seeking to initiate arbitration must provide the other party with the demand for arbitration and identify the account holder(s) and account(s) at issue, including the account number(s), and provide a short and plain statement of the claims asserted and the relief sought. The arbitration shall be conducted within fifty (50) miles of your residence at the time the arbitration is commenced. Any claims and defenses that can be asserted in court can be asserted through arbitration. The arbitrator shall be entitled to award the same remedies that a court can award, including any kind of injunctive relief that could be awarded by a court. The arbitrator shall not be permitted to make errors of law. Discovery shall be available for non-privileged information to the fullest extent permitted under the Rules. The arbitrator’s award can be entered as a judgment in any state or federal court that would have jurisdiction over the Claims and parties. Except as provided in applicable statutes, and except with respect to an error of law, the arbitrator’s award is not subject to review by the court and it cannot be appealed. The Credit Union will pay for any filing, administration, and arbitrator fees imposed on you by the AAA or any other applicable arbitration forum, except if you are the claimant seeking relief, in which case you shall be responsible for: the first \$225 of the filing fees, whatever amount is required by AAA as a filing fee, or the amount you would be required to pay to file a claim in the applicable court, whichever is greatest. You will be responsible for your own attorney’s fees. Nothing contained in this Arbitration Agreement shall prevent either you or us from applying to any court of competent jurisdiction for provisional prejudgment relief, such as a temporary restraining order, a temporary protective order, an attachment or any other pre-judgment remedies. Nor shall it preclude applicable self-help remedies, such as set-off and repossession. To the extent allowed by applicable law, our agreements, and the rules of the applicable arbitration forum, the arbitrator may award attorneys’ fees and costs to the prevailing party.

Any determination as to whether this Arbitration Agreement is valid or enforceable in part or in its entirety will be made solely by the arbitrator, including without limitation any issues relating to whether a Claim is subject to arbitration; provided, however, the enforceability of the Class Action Waiver set forth below shall be determined by a court of competent jurisdiction.

**5. Class Action Waiver: ANY ARBITRATION OF A CLAIM WILL BE ON AN INDIVIDUAL BASIS. YOU UNDERSTAND AND AGREE THAT YOU ARE WAIVING THE RIGHT TO PARTICIPATE AS A CLASS REPRESENTATIVE OR CLASS MEMBER IN A CLASS ACTION LAWSUIT.**

**6. Severability:** In the event that the Class Action Waiver in this Arbitration Agreement is found to be unenforceable for any reason, the remainder of this Arbitration Agreement shall also be unenforceable. If any provision in this Arbitration Agreement, other than the Class Action Waiver, is found to be unenforceable, the remaining provisions will remain fully enforceable.

**7. Survival:** This Arbitration Agreement will survive termination of the Membership Agreement.

**FOR MORE DETAILS** or if you have questions, you may call us or visit a branch. If you have questions about AAA procedures, you should check AAA’s website, [www.adr.org](http://www.adr.org), OR call AAA at (800) 778-7879.

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## Part II. Share Account Agreement and Truth in Savings Disclosure

### Section 1: General Terms and Conditions Applicable to All Accounts

#### Opening and Maintaining Accounts

1. You must be and remain a member in good standing to maintain any account.
2. In order to become a member, you must sign and/or otherwise authorize an application for services, a membership officer must approve your application, and you must make an initial minimum payment of \$5 in a Share Account (Savings) to purchase one (1) share in the Credit Union. You may be terminated from membership at the end of a dividend period if: (A) you fail to complete payment of one (1) share within six (6) months of your admission to membership, (B) you reduce your Share Account balance below the par value of one (1) share and do not increase the balance to at least the par value of one (1) share within six (6) months of the reduction, or (C) you fail to complete payment of one (1) share within six (6) months from the increase in the par value of shares.
3. The Credit Union reserves the right, at any time, to require members to give not more than sixty (60) days written notice of the member's intention to withdraw the whole or any part of the amounts so paid in by them.
4. As required by law, the identity of each person seeking to open an account (including joint owners) must be verified, and we must maintain records of the information used to verify each person's identity. You agree to provide us with any information requested regarding owners or persons who have control of accounts and certify their accuracy upon request by us. We may deny membership, decline to open an account, or close an account if we are prohibited from extending membership or opening an account under applicable law or if we are unable to satisfactorily verify the identity of any account owner or person having control of the account.
5. In addition to providing us with your name, residential address, phone number and date of birth, we will require you to provide us with current government issued picture identification and a Social Security Number (SSN) or Employer Identification Number (EIN) (generically referred to as a Taxpayer Identification Number or TIN). We will further require you to certify for IRS reporting purposes that the SSN or EIN matches the name and address, and indicate whether you are currently subject to backup withholding and whether you are a U.S. citizen or U.S. person. If the IRS indicates that there is a problem with the name and number provided by you for the account or otherwise notifies us, your account may become subject to backup withholding, which will require us to withhold and pay a portion of the dividends, interest or other payment to the IRS. Upon the death of the primary owner, we must be provided with the estate's or successor's TIN or we may either refuse to pay dividends earned on the account since the date of the death or withhold a portion of the dividends that have been earned on the account since the date of the death.
6. Our relationship with you concerning your account is that of debtor and creditor; no fiduciary, quasi-fiduciary, or special relationship exists between us and you.
7. We reserve the right to refuse to open any account, to provide any service in connection with an account, or to accept additional deposits to an existing account.
8. If you apply for and open a Share Account (Savings) electronically through our online membership application, the following restrictions apply to you: (a) at the time you submit the online membership application, you are limited to a maximum total initial deposit of \$530, regardless of the number or types of accounts you choose to open; and (b) for seven (7) days after your Share Account (Savings) is opened, you will not be able to open any other share accounts through Online Banking or Mobile Banking.
9. All accounts are subject to the **current version** of our *Fee Schedule*, which accompanies this Membership Agreement and is incorporated by this reference. We will debit such charges against any account you own (including accounts on which you are a joint owner) except your IRA without prior notice to you. Only fees related to an IRA will be deducted from an IRA. If sufficient funds are not available, the charges are payable on demand and, for checking accounts, will be treated as an overdraft.

#### Operation of Accounts

10. Member accounts in this Credit Union are federally insured by the National Credit Union Share Insurance Fund.

11. Except for Share Draft (Checking), Share Draft Checking Trust Fund, and Estate Checking accounts, Credit Union shares are not transferable, except on the books of the Credit Union. Credit Union membership cannot be transferred. Shares in a share draft account may be transferred from one member to another only by written instrument in such form as the Credit Union may prescribe in its sole discretion.

12. You may be required to request changes to your accounts in writing. We are not required to act upon instructions received by facsimile, and we have the right to require additional information from you before we act on any request. We shall have no liability or responsibility to you or to your heirs, executors, assignees, representatives, or agents when acting upon the reasonable interpretation of your requests.

13. You are able to personalize your account(s) at the Credit Union by giving each account a unique name. When choosing the personalized name for your account(s), please refrain from using any word which could be considered profane, vulgar, obscene, or offensive to others. The Credit Union reserves the right to change any account name that it determines to be inappropriate. Failing to adhere to these conditions could result in termination of your online banking service.

14. Without prior notice, we may refuse to follow any of your instructions, accept any deposit, or process any transaction, that in our sole judgment are illegal, fraudulent, inconsistent with our policies (or those of any of our third party processors) or would expose us to potential liability. Alternatively, we may require adequate security or invoke other security measures in our sole judgment and without prior notice to protect us from all losses and expenses incurred if we follow your instructions. You agree to reimburse us for any damages, losses, liabilities, expenses, and fees (including, but not limited to, reasonable attorneys' fees) that we incur in connection with your account if we take an action in accordance with your, or what purports to be your, oral, written, or electronic instructions.

15. There are many reasons why we may decline or prevent transactions to or from your account, but we generally do it to protect you or us, or to comply with legal requirements. We may decline or prevent any or all transactions to or from your account. We may refuse, freeze, reverse or delay any specific withdrawal, payment or transfer of funds to or from your account, or we may place an administrative hold on funds in your account pending investigation, including one or more of the following circumstances: (1) your account is involved in any legal or administrative proceeding; (2) we receive conflicting information or instructions regarding account ownership, control or activity; (3) we suspect that you may be the victim of fraud, scam or financial exploitation, even though you have authorized the transaction(s); (4) we suspect that any transaction may involve illegal activity or may be fraudulent; (5) we are complying in our sole judgement, with any federal or state law or regulation, including federal asset control and sanction rules, and anti-money laundering rules, and/or with our policies adopted to ensure that we comply with those laws; or (6) we reasonably believe that doing so is necessary to avoid a loss or reduce risk to us. We may also limit cash deposits to, or withdrawals from, any of your accounts, or who may make deposits, in order to reduce risk and/or allow us to comply with applicable law. We will have no liability for any action we take under this section.

16. If there is a dispute between any person and/or private or government organization over your account or the funds in any of your accounts, or we are uncertain who is entitled to access an account or the funds in any of your accounts, including, but not limited to, disputes between or relating to joint owners, payees, trust account beneficiaries, business owners, association or business directors, members, or trustees, or a payable on death account, you agree that we may, without liability to you or your beneficiaries and in our sole and absolute discretion, take one or more of the following actions: (1) restrict the account and deny access to all until such time as the conflicting claims are resolved to our satisfaction; (2) close the account and send the funds to the owner or owners of the account, according to our records, at the statement mailing address; (3) interplead all or any portion of the funds from an account into an appropriate court for resolution; or (4) restrict access to the account until our receipt of either written instructions as to the distribution of funds signed by all affected parties or an order from a court of proper jurisdiction authorizing or directing us to distribute the funds. We may charge your account for expenses (including attorneys' fees and expenses) and fees we incur.

17. We may recognize the signature of anyone who has signed and/or otherwise approved an application for services as authorized to transact business on that account. Any payment made on your account by us in good faith and in reliance on the terms and conditions of this Membership Agreement and/or an application for services will be valid and discharge us from liability. Without limitation to the foregoing, we may honor checks drawn against your account by authorized

signors, even if the checks are made payable to them, to cash or for deposit to their personal accounts. We have no duty to investigate or question withdrawals or the application of funds. In addition, if we receive written notice from any account owner that withdrawals, in accordance with the terms of the account, should not be permitted, we may refuse, without liability, to pay any sums on deposit pending determination of the rights of the owners. Such written notice(s) will become effective only upon receipt and after we have had a reasonable opportunity to act thereon; however, our release of amounts to an account owner in contravention to any instructions from another account owner shall not result in liability for us.

18. We have a security interest in your present and future deposits (except deposits in Individual Retirement Accounts and Keogh Accounts) and we have the right to apply such deposits to any money you owe. We may, without prior notice and when permitted by law, exercise our right of setoff against any of the funds in any of your accounts against any debt (whether or not matured, due, payable, in default or accelerated) or obligation that you owe us, now or in the future, by any of you having the right of withdrawal. We will not be liable for the dishonor of any check, the rejection of any transaction, or any fees incurred due to processing or rejecting a transaction when the dishonor, rejection, or fee occurs because we set off a debt against your account. You agree to indemnify and hold us harmless from and against any and all claims, damages, losses, liabilities, expenses, and fees (including reasonable attorneys' fees) arising out of or relating to the exercise of our right of setoff.

We will also have the right to place an administrative hold on such funds pending setoff. We may apply all funds in a joint account to satisfy a debt owed to us by any one or more of the joint owners. In addition, we may, after the death of any account owner, setoff against a joint account or an account with payable-on-death beneficiaries the debts and obligations of the deceased account owner, up to the full amount in the account at the time of the account owner's death.

Moreover, you knowingly consent and expressly agree that the application of an offset of funds in any account includes the offset of government benefits (such as Social Security and other public benefit funds) deposited in your account to the maximum extent permitted by applicable state and federal law.

This right of setoff does not apply if prohibited by law. For example, we will not exercise our right of setoff against an Individual Retirement Account (IRA) or similar tax-deferred account, or if the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest).

## Notifications and Records

19. You can contact us about your accounts and services at the addresses and numbers listed in this paragraph:

- **Change of Address:** Notify us in writing at 220 Wynn Drive, Huntsville, AL 35893 or by telephone at 256-837-6110 or 800-234-1234
- **Revoke Consent to Automatic Telephone Dialing:** Notify us in writing at 220 Wynn Drive, Huntsville, AL 35893 or by telephone at 256-837-6110 or 800-234-1234
- **Lost or Stolen Checks:** Notify us in writing at 220 Wynn Drive, Huntsville, AL 35893 or by telephone at 256-837-6110 or 800-234-1234
- **Lost or Stolen Access Device/PIN:** Notify us in writing at 220 Wynn Drive, Huntsville, AL 35893 or by telephone at 256-837-6110 or 800-234-1234
- **Lost or Stolen Card:** Notify us in writing at 220 Wynn Drive, Huntsville, AL 35893 or by telephone at 256-837-6110 or 800-234-1234
- **Questions about Electronic Services:** Notify us in writing at 220 Wynn Drive, Huntsville, AL 35893 or by telephone at 256-837-6110 or 800-234-1234
- **Overdraft Privilege Opt Out or Opt-In:** Notify us in writing at 220 Wynn Drive, Huntsville, AL 35893 or by telephone at 256-837-6110 or 800-234-1234
- **General Account Information /Opening and Closing Accounts:** Notify us in writing at 220 Wynn Drive, Huntsville, AL 35893 or by telephone at 256-837-6110 or 800-234-1234

20. Except as expressly provided otherwise in this Membership Agreement, we will mail, send electronically, or otherwise make available to you, your periodic statements, notices and other information regarding your account (collectively "account-related information") to the postal or electronic address of the owner as reflected in our records for your account. If there is more than one owner on your account, we may send account-related information to any one of them. If your

account is in a combined statement, your statement will be sent to the address associated with the share account in the combined statement. Mailed account-related information will be deemed to have been delivered when it was mailed to you. Account-related information made available electronically will be deemed to have been delivered when we make it available to you.

You will exercise reasonable care and promptness in examining your statements. You must promptly notify us of, and reimburse us for, any erroneous credit to your account. Within thirty (30) days after we mail or otherwise make statements available to you, you must notify us of any claim for credit or refund due to an unauthorized transaction (unless the unauthorized transaction is the result of an electronic fund transfer, then the provisions of the Part V of this Membership Agreement regarding electronic fund transfers will apply). For purposes of this Membership Agreement, an unauthorized transaction is a transaction that was not authorized by you. However, if you provided someone authorization to transact on your account, any transaction by that person is considered authorized even if he or she exceeded any authority you provided. An unauthorized transaction includes but is not limited to an erroneous or unauthorized debit; it might include a missing signature, an unauthorized signature, an alteration, or otherwise a transaction that was not authorized by you or someone you authorized. If you fail to uphold these duties, you understand and agree that you are precluded from asserting the error or unauthorized payment against us if: (1) we suffer a loss on the item because of your failure; or (2) we pay on another item presented by the same wrongdoer if the payment was made before you properly notified us.

21. In order for us to service your account or to collect any amounts you owe, you agree that we and our service providers may from time to time make calls and/or send text messages to you at any telephone number(s) associated with your account, including residential and wireless telephone numbers that could result in data usage and charges to you. By giving us your telephone number, you are affirming that you have the right to provide consent for us and any related affiliates, third parties, and our service providers to contact you on the residential and/or wireless number. The manner in which these calls or text messages are made to you may include, but is not limited to, the use of prerecorded/artificial voice messages and/or an automatic telephone dialing system. You further agree that, in order for us to service your account or to collect any amounts you owe, we may send emails to you at any email address you provide to us. You understand that you are not required to provide consent as a condition to receiving our products or services. You may revoke this consent at any time by notifying us in writing at Redstone Federal Credit Union, Attn: Member Support Services, 220 Wynn Drive, Huntsville, Alabama 35893; calling us at 256-837-6110 or 800-234-1234; emailing us at [info@redfcu.org](mailto:info@redfcu.org); or visiting a branch near you.

22. Unless otherwise prohibited by the laws governing your account, if account-related information documents are returned, if your address on file is invalid, or, in the case of online statement email notifications the email notice is returned undeliverable or otherwise bounces back, we may classify your account as having a "bad address." This means we may discontinue sending and may destroy account-related information sent to you until you provide a valid postal or electronic address to us.

23. Any written notice you give to us is effective when it is actually received by us. Any written notice we give to you is effective on the date we deposit such notice in the U.S. Mail, postage prepaid, and addressed to you at your statement mailing address, or, if you have agreed to receive notices from us in an electronic format, any notice we give to you is effective on the date we make the notice available to you in electronic format. Notice to any one account owner is considered notice to all owners of the account.

24. You agree to notify us promptly of any change of address. In the event that you fail to do this, an Address Locator Fee may be assessed to your Share Account (Savings), Share Savings Trust Fund Account, Estate Savings Account, or your share draft account if sufficient funds are not available in your Share Account, Share Savings Trust Fund Account, or Estate Savings Account for the cost of a necessary locator service paid to a person or business normally engaged in providing such service and incurred in determining your address. This fee will be set forth in the *Fee Schedule*. You authorize us to destroy any statements, notices, and vouchers we sent you that are returned undelivered by the U.S. Postal Service.

25. You agree to notify us immediately of the death or court declared incompetence of any owner of your account. You agree to inform each owner of your account of the obligation to notify us of such an event as well. If you die or are declared legally incompetent by a court, we can continue to accept and collect items deposited to your account until we know of your death or court declared incompetency and have a reasonable opportunity to act.

26. You understand and agree that we must comply if we are served with any facially valid notice of garnishment or of attachment, tax or child support levy (including without limitation, any "notice of levy"), receivership, withholding

order, injunction, restraining order, search warrant, government agency request for information, forfeiture, seizure, subpoena, or other legal process relating to your account that we know or otherwise believe in good faith is valid, whether served in person, by mail, or by electronic notification. You authorize us to comply with any such facially valid notice of legal process. Furthermore, you authorize us not to contest any such facially valid notice of legal process and understand that we are under no obligation to notify you of the legal process unless required by applicable law and will not notify you if prohibited by law. You agree that you must contest any such legal process or our compliance with it directly with the third party issuing the legal process, and not with us.

We may hold and turn over funds or other property to the court, creditor, or as otherwise directed by the legal process, subject to our right of offset and any security interest we have in the funds or other property. If we hold or turn over funds, we may return checks and other items unpaid and refuse to permit withdrawals from your account and you agree we will have no liability to you for doing so. If the legal process applies to a share certificate account, we may charge the applicable early withdrawal penalty for funds taken from the share certificate.

We may charge a Legal Item Processing fee for each legal process and we may assess this fee against any account you maintain with us, including the account that is the subject of the legal process, without prior notice to you. If we are not fully reimbursed for our fees and expenses in responding to any legal process such as record research, photocopying, handling costs, and attorneys' fees, by the party that served any legal process, we may charge such costs to your account.

You understand and agree that if a facially valid subpoena or other legal process requires us to release information about an owner or signer on an account, we must comply with such request and the information released pursuant to such subpoena or legal process may include information about other owners or signers on the account, even if their information was not expressly requested by the subpoena or legal process. If the subpoena or other legal process directs us to release information about one or more, but not all, accounts that are reported on a combined statement, we may release the entire combined statement, even though other accounts reported on the combined statement are not covered by the legal process.

You agree to release us from liability and hold us harmless, and to reimburse us for losses, costs, and damages associated with our compliance with any process that we know or otherwise believe in good faith to be valid.

**27. You agree to advise us of any changes in your financial condition, which may adversely affect your creditworthiness. You authorize us to gather whatever credit, account and employment information we consider appropriate from time to time, including obtaining your credit report for legitimate business purposes such as, but not limited to, servicing your account or verifying eligibility for the accounts and services requested. You understand that this will assist us, for example, in determining your initial and ongoing eligibility for your account and/or in connection with making future credit opportunities available to you. You authorize us to give information concerning our experiences with you to others.**

28. We may report information about your accounts or loans to credit reporting agencies. Late payments, missed payments, returned payments, overdrafts, defaults, or other negative information on your accounts or loans may be reported. You have the right to dispute the information that we have provided to credit reporting agencies with us and/or the credit reporting agencies if you believe it is inaccurate or incomplete.

29. You acknowledge and agree that we may, at our option, create and retain electronic copies of original account records and any other records, and thereafter dispose of the originals. You further agree that electronically scanned and stored images of records will have the same effect as the original records.

30. We agree to retain and furnish to you, if requested, photocopies of certain records pertaining to your account and that these records will be available to you for the time period required by law. You agree to pay applicable fees as listed in our *Fee Schedule*.

31. We will maintain the confidentiality and privacy of your account information in accordance with our Privacy Policy and, as applicable, our Online Privacy Policy. We may treat all or any joint account owners, pay on death beneficiaries after the death of all account owners, successor trustees, or administrator(s) of the estate of an individual who died while an account owner as an owner for the purposes for accessing historical information (including statements and transaction information) about your accounts. We will disclose information to third parties about your account or transfers you make in the following circumstances:

- When it is necessary to complete a transaction, including an electronic transaction;

- In order to verify the existence and condition of your account for a third party, such as a consumer reporting agency or merchant;
- In order to comply with a government agency, court orders, or any other legal process;
- If you give us permission in writing;
- As otherwise disclosed in our Privacy Policy or, if applicable, our Online Privacy Policy; or
- As otherwise allowed by applicable laws or regulations.

Please refer to our Privacy Policy, attached at the end of this Agreement, and our Online Privacy Policy, which can be found on our website at <https://olbregistration.redfcu.org/OnlinePrivacyPolicyPage> for more information regarding our privacy practices.

### Closing Accounts, Disputes, and Restrictions on Services

32. We may close any of your accounts at any time. We are not liable for any damages or liabilities resulting from the termination of an account relationship.

Subject to any rights we may have with respect to advance notice of withdrawal from your account, you may close any of your account(s) at any time. If you would like to close any of your accounts with us, you must visit any branch location, or notify us in writing by emailing us at [info@redfcu.org](mailto:info@redfcu.org) or writing us at Redstone Federal Credit Union, Attn: Member Support Services, 220 Wynn Drive, Huntsville, Alabama 35893. For accounts containing funds less than \$100, you may telephone us at telephone at (256)837-6110 or (800)234-1234 during member service hours. If your request includes an address change, your signed written request must be notarized.

If your account is overdrawn when it is closed, you agree to promptly pay all amounts owed to us. We are not required to close your account at your request if you have any pending transactions, the account is overdrawn, or your account is subject to legal process (such as a garnishment, attachment, levy, or similar order). In those cases, we will restrict your account against all future withdrawals other than under legal process until pending transactions are paid or returned, the balance is no longer negative, and any legal restriction has been released. If an account is closed, we may send the collected balance on deposit in your account less any fees, claims, setoffs, or other amounts you are responsible for, by regular mail to your most recent address shown in our records. After your account is closed, we have no obligation to accept deposits or pay any outstanding checks. We will not be liable for refusing to honor any check drawn on a closed account. We have the right to inform consumer reporting agencies if we close any of your accounts for misuse, such as overdrafts.

Items presented for payment after the account is closed may be dishonored. We may require you to close your account and apply for a new account if: (1) there is a change in owners or authorized signors; (2) there has been a forgery or fraud reported or committed involving your account; (3) there is a dispute as to the ownership of the funds in your account; (4) any checks are lost or stolen; or (5) we deem it necessary in order to prevent a loss to us.

33. You understand and agree that we may terminate account products at our option without written notice to you. We may also suspend offering account products from time to time at our discretion without notice to you.

34. You agree that you will not use your accounts or our services to conduct any illegal transaction or engage in any activity which is illegal under local, state, or federal law. Restricted transactions are prohibited from being processed through your account or banking relationship with us. "Restricted transactions" are transactions involving the knowing transmittal or receipt of credit, funds, checks, instruments or other proceeds to or from another person engaged in the business of wagering or betting in connection with unlawful Internet gambling. If you do engage in an Internet gambling business and open a new account with us, we will ask that you provide evidence of your legal capacity to do so.

35. You understand and agree that if you are not a member in good standing, or have caused a financial loss to the Credit Union, we may limit your access to member services and products.

### Additional General Terms

36. Except as otherwise provided herein, we reserve the right to change any provision of or establish new provisions to this Membership Agreement at any time, as determined in our sole discretion. We may amend, modify, add to, delete, or change this Membership Agreement. We may add new terms or provisions and delete or amend existing terms or provisions. This includes, without limitation, adding new products or services, making changes to your accounts and services, the related fees, rates, balance, and rate computation methods, as well as discontinuing

or replacing such accounts and services at our discretion, and making changes to further clarify the terms of our products and services. We also reserve the right to amend other forms and/or disclosures provided to you in connection with your account. Where required by applicable law, we will notify you of such changes by email, regular mail, or by posting the updated Membership Agreement on our website. When we amend or change this Membership Agreement, the then-current version of this Membership Agreement supersedes all prior versions and governs your account(s) and services. If you continue to use your account or keep it open after the effective date of a change, you are deemed to accept and agree to the change and are bound by the change. If at any time you do not agree with the terms and conditions of the Membership Agreement, you may close your account(s).

The Funds Availability Policy in Part III is subject to change upon thirty (30) days written notice where required by law.

If you have an account with us through which electronic funds transfers (EFTs) are being processed, we may provide notice of a change in terms regarding the processing of or operations regarding EFTs at least twenty-one (21) days prior to the effective date of the change(s), or as otherwise provided by law.

37. You agree that your telephone and electronic communications with us may be monitored and recorded to improve member service and security, as well as other purposes consistent with our privacy policies and applicable law.

38. You understand that you may elect from time to time to use the Credit Union's or other parties' social media tools and sources; that there is no claim of privacy or privilege regarding information you share or information discernible from such use or sharing; and the use of such information by us does not violate your privacy or other rights.

39. Our failure to enforce or delay in enforcing any of the terms and conditions of this Membership Agreement will not prohibit us from enforcing such terms and conditions at a later date. Any waiver by us shall not be deemed a waiver of other rights or of the same rights at another time. You hereby waive diligence, demand, presentment, protest, and notice of every kind, except as set forth in this Membership Agreement.

40. If a disaster occurs there may be an unforeseen delay in our ability to make funds available and to process deposits or otherwise perform under this Membership Agreement. In addition to natural disasters, the failure of communication or computer systems can also cause unforeseen delays. We will not be liable to you for any losses incurred by you with respect to any unforeseen delays or delays that are beyond the reasonable control of us.

41. An action or proceeding by you to enforce an obligation, duty, or right arising under this Membership Agreement or by law with respect to your account must be commenced within one (1) year after the cause of action accrues. If you have failed to examine your statement and report any unauthorized item one (1) year or more after your statement or the item has been made available to you, you cannot recover from us even if we failed to exercise ordinary care in paying the item.

42. Except as otherwise provided above in Part 1, if any of the provisions of this Membership Agreement are determined to be void or invalid, the remainder of the Membership Agreement shall remain in full force and in effect.

43. You agree to pay our costs of collection, including reasonable attorneys' fees and court costs, with regard to any check drawn on us by you or any item you deposit with us that causes us to incur a loss.

44. You acknowledge that we may be obligated to report cases of actual or suspected financial abuse of elders, vulnerable adults, or dependent care adults. If we suspect such financial abuse, you understand and agree that, in addition to reporting such abuse as may be required by applicable law, we have the right to restrict access to the account, refuse to complete transactions on the account, or to take any other action(s) that we deem appropriate under the circumstances. You agree to indemnify and hold us harmless from and against any and all claims, damages, losses, liabilities, expenses, and fees (including reasonable attorneys' fees), arising out of or related to any action or inaction related to the matters described in this paragraph.

45. You agree to indemnify, defend, and hold the Credit Union, its subsidiaries and affiliates, successors and assigns, officers, directors, employees, consultants, agents, service providers, and licensors, harmless from and against any and all claims, demands, actions, costs, losses, liability, expenses and fees (including, without limitation reasonable attorneys' fees, collection costs, skip-tracing fees, and outside services fees) which we incur by acting in accordance with this Membership Agreement or as a result of your failure to abide by its terms, including but not limited to those arising from:

- A third party claim, action, or allegation of infringement, misuse, misappropriation, or violation of the rights of others (i.e., privacy rights)

based on information, data, files, or other materials submitted by you (or anyone permitted by you) to us;

- Any fraud, manipulation, or other breach of this Membership Agreement by you;
- Your violation of any law or rights of a third party; or
- The connection to, provision of, or use of your account(s), services, or electronic services by you or any third party.

46. We reserve the right, at our own expense, to assume the exclusive defense and control of any matter otherwise subject to indemnification by you, in which event you will cooperate with us in asserting any available defenses. You will not settle any action or claims on our behalf without our prior written consent. This indemnification is provided without regard to whether the Credit Union's claim for indemnification is due to the use of accounts or the electronic services by you or a joint account owner or other authorized person.

The foregoing obligations shall survive termination of this Agreement.

**47. YOU UNDERSTAND AND AGREE THAT WE WILL NOT BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, INDIRECT OR PUNITIVE DAMAGES IN ANY CLAIM OR ACTION ARISING FROM THIS MEMBERSHIP AGREEMENT, REGARDLESS OF WHETHER YOU HAVE ADVISED US OF THE POSSIBILITY THAT YOU MAY INCUR SUCH DAMAGES.**

48. You understand and agree that accounts and electronic services are provided "as-is." Except as otherwise provided in this Membership Agreement or as required by law, the Credit Union assumes no responsibility for the timeliness, deletion, mis-delivery, or failure to store any communications, personalization, or electronic settings. You understand and expressly agree that the use of electronic services is at your sole risk, and that any material and/or data downloaded or otherwise obtained through the use of electronic services is downloaded or obtained at your own discretion and risk, and that you will be solely responsible for any damages, including without limitation damage to your computer system or mobile device or loss of data that results from the download or the obtaining of such material and/or data.

49. EXCEPT AS EXPRESSLY SET FORTH IN THIS MEMBERSHIP AGREEMENT OR AS REQUIRED BY LAW, THE CREDIT UNION DISCLAIMS ALL REPRESENTATIONS, WARRANTIES, AND CONDITIONS OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, OR NON-INFRINGEMENT OF INTELLECTUAL PROPERTY OR THIRD PARTY RIGHTS, REGARDING ITS SERVICES, INCLUDING ELECTRONIC SERVICES. NO LICENSE TO YOU IS IMPLIED IN THESE DISCLAIMERS. THE CREDIT UNION MAKES NO WARRANTY OR REPRESENTATION REGARDING THE RESULTS THAT MAY BE OBTAINED FROM THE USE OF ELECTRONIC SERVICES, THE ACCURACY OR RELIABILITY OF ANY INFORMATION OBTAINED THROUGH ELECTRONIC SERVICES, THE ACCURACY OF ANY INFORMATION RETRIEVED BY YOU FROM THE ACCOUNTS OR THAT THE ELECTRONIC SERVICES WILL MEET ANY USER'S REQUIREMENTS, BE UNINTERRUPTED, TIMELY, SECURE, OR ERROR FREE.

Some jurisdictions do not allow the exclusion of certain warranties. Accordingly, some of the above limitations may not apply to you.

50. In the event of wrongful dishonor that occurs by mistake, our liability shall be limited to actual damages. The measure of damages for failure to exercise ordinary care in handling a check is the amount of the item reduced by an amount that could not have been realized by the use of ordinary care.

51. You may not assign this Membership Agreement to any other party. The Credit Union may assign this Membership Agreement at any time in its sole discretion. The Credit Union may also assign or delegate any of its rights and responsibilities under this Membership Agreement to independent contractors or other third parties.

52. Headings in this Membership Agreement are for convenience only and will not control or affect the meaning or construction of any of the provisions of this Agreement.

53. This Membership Agreement as well as all of your share accounts will be interpreted and subject to applicable federal law and the laws of the State of Alabama, without resort to Alabama's conflicts of law rules and to the extent that Alabama law is not inconsistent with federal law, provided, however, that Alabama state law will not supersede federal laws to the extent of federal preemption.

54. State law establishes procedures under which unclaimed property must be

surrendered to the state. Unclaimed property can include funds in your accounts, property in a safe deposit box you leased or rented from us, physical checks or other negotiable instruments in our possession and belonging to you, or any other property belonging to you that is held by us or located on our premises. For example, in the State of Alabama and Tennessee, funds in your account are considered unclaimed if a period of three (3) years has elapsed since the last time you communicated with us or otherwise indicated an interest in the account, such as if you:

- a. Increased or decreased the amount of funds on deposit with us or presented an appropriate record for crediting of dividends or cashed a dividend check from any of your accounts with us; or
- b. Corresponded in writing or electronically with us concerning the funds on deposit; or
- c. Otherwise indicated an interest in the funds on deposit as evidenced by a memorandum on file with us.

The funds in your share account will not be surrendered to the state if, during the previous three (3) years, you have owned another share account (or individual retirement or similar account) with us and, with respect to that share account, you have done any of the acts described in paragraphs (a), (b), or (c) above (or, with respect to an individual retirement or similar account, you have increased or decreased the principal, accepted payment of principal or income, or corresponded electronically or in writing concerning the property or otherwise indicated an interest), and, with regard to the funds in the share account that would otherwise be surrendered to the state, we have “communicated” (i.e., sent account statements or statements of dividends paid for federal and state income tax purposes) electronically or in writing with you at the address to which communications regarding the other share account are regularly sent.

When we surrender an owner’s unclaimed property to the state, we may charge the owner an Escheat Fee as set forth in our *Fee Schedule*. The Escheat Fee will be deducted from the unclaimed property prior to surrender, and the owner’s account(s) will be closed. To recover funds turned over to the state, you must file a claim with the state. Once funds are surrendered to the state, we no longer have any liability or responsibility with respect to the funds.

## Section 2: General Terms Regarding Account Ownership, Agents, and Beneficiary Designation for All Accounts

1. These rules apply to your accounts depending on the form of ownership and beneficiary designation, if any, specified on the account records. We reserve the right to refuse some forms of ownership on any or all of our accounts. We may also refuse to open an account or add an additional owner or beneficiary for any reason, or otherwise refuse to do business with an individual. We make no representations as to the appropriateness or effect of the ownership and beneficiary designation, except as they determine to whom we pay the account funds. You may open an account either by yourself, referred to as an “individual account,” or with another person or persons, referred to as a “joint account.”

2. We may rely solely on our records to determine the form of ownership of your account. We may presume that any person named in addition to you in our records for your account owns the funds in your account with you as a joint owner, unless our records indicate that the person has some other relationship to the account. Ownership for all accounts will be established and determined by the most recent application for services or other document(s) evidencing such account(s). A different form of ownership may be established by executing a new application for services and a new account number may be assigned.

3. If you want to change your account in any way, you must properly complete additional forms provided by us, which shall not be effective until delivered to and accepted by us. We are authorized to rely solely on the documentation we have in our possession. On behalf of yourself, your beneficiaries, and your heirs, you hereby agree to indemnify us and hold us harmless from any and all liability upon our reliance on such documentation.

4. The word “owner(s)” on an application for services or in this Membership Agreement means the owner in the case of an individual account, trust account or estate account, and it means the owners (both as an individual and as a group) in the case of a joint account.

5. **Individual Account:** An individual account is an account owned by you alone, which you as the account owner use during your lifetime.

6. **Joint Account:** A joint account is an account owned by two or more persons. All joint owners agree with each other and with us that all sums now or hereafter paid in by any one or all account owner(s), including all dividends thereon, if any, are and will be owned by all account owner(s) jointly and equally regardless of their net contributions with a right of survivorship and will be subject to withdrawal

or receipt by any of the account owner(s) or the survivor(s) of any of the account owner(s). A right of survivorship arising from the express terms of a joint account cannot be changed by a will. We are not obligated to inquire as to the source of funds received for deposit to a joint account or to inquire as to the proposed use of any sums withdrawn from the account for the purpose of establishing net contributions.

Being a joint owner of a member’s account does not constitute Credit Union membership for the joint owner. Joint owners may be non-members. Any non-member joint owner who uses an account, requests or uses a service and/or signs an application for services, agrees to the terms, responsibilities and accompanying liabilities of this Membership Agreement.

Unless otherwise agreed in writing between you and us, each joint owner, without the consent of any other joint owner, may, and hereby is authorized by every other joint owner, to conduct any transaction permitted under this Agreement, including without limitation: (1) to withdraw all or any part of the account funds, except for the minimum balance requirements of the Share Account (Savings); (2) to pledge the account funds as collateral to us for any obligation, whether that of one or more joint owners; (3) to endorse and deposit checks and other items payable to any joint owner; (4) to give stop payment orders on any check or item, whether drawn by that joint owner, or not; (5) to consent to or revoke consent to payment of service charges on overdrafts that result from Automated Teller Machine (“ATM”) transactions or one-time debit card transactions under the Overdraft Privilege Service; and (6) except for Share Accounts (Savings), to close the account, with the disbursement of account proceeds as instructed by the joint owner. While any owner may change, add or close a joint account and/or a service acting alone, except as stated above, we may require all joint owners to consent in writing to the addition or removal of any owner to or from the account. All owners agree that we have no duty to notify the owners of the account of any transaction, change, addition or closure of an account or service by any owner acting alone.

All account owners, jointly and severally, are liable for all transactions, changes, additions or closure of an account or service, and for any charges, fees, losses or liabilities incurred for any transaction, change, addition or closure of an account or service regardless of which owner conducted or benefited from the transaction, change, addition or closure. If any owner owes us money for any reason, we may enforce our right of setoff against all funds in any account on which that person is an owner, regardless of which owner deposited the funds in the account.

The Credit Union reserves the right to limit the number of joint owners per account number and the number of accounts on which an individual may be designated as a joint owner. Members may not name as joint account owners or co-borrowers anyone who has caused the Credit Union a loss.

7. **Payable-on-Death Designation:** A payable-on-death (POD) account designation is an instruction to the Credit Union that an account so designated is payable to the owner or owners during their lifetime, and upon the death of the primary account owner, payable first to us to the extent of any outstanding matured or unmatured debts owed to us by you, and second, to your designated POD payee(s). Accounts payable to more than one surviving beneficiary are owned jointly by such beneficiaries without rights of survivorship and disbursement will be made in equal shares to each of the beneficiaries. Any POD designation will not apply to Individual Retirement Accounts (IRAs) which will be governed by a separate beneficiary designation. The Credit Union does not have any obligation whatsoever to notify any beneficiary of the existence of any account or the vesting of the beneficiary’s interest in any account. You understand that it is your responsibility (and not ours) to inform any person or organization that he, she or it is a POD beneficiary on your account(s). If a POD beneficiary on the account dies before you, it is your responsibility to notify us and change the account accordingly.

### 8. Rights at Death.

a. **Individual Account Without Payable-on-Death Designation:** Upon your death, the funds in the account will go to your estate and can be claimed by your legal representative or claimant subject to the terms of this Membership Agreement. You understand that it is your responsibility (and not ours) to inform your legal representative(s) about your account(s) with us.

b. **Individual Account with Payable-on-Death Designation:** Upon your death, the POD beneficiary will be entitled to the funds in the account (subject to the terms of this Membership Agreement) upon proof of your death and the POD beneficiary’s identification. If you designate more than one POD beneficiary on the account, each will be entitled to his or her (or its) equal share of the funds in the account, which will be determined by dividing the amount of the funds in the account by the number of POD beneficiaries designated on the account, and each will own those funds without right of survivorship. You understand that it is your responsibility (and not ours) to inform your legal representative(s) about

your account(s) with us.

**c. Joint Account without Payable-on-Death Designation:** When one owner dies, his or her interest in the account and the funds in the account are owned by the surviving owner or owners of the account, subject to the terms of this Membership Agreement. If the primary owner dies and joint owners remain on the account, the account will be closed and any joint owners will be required to open a new account under a new account number, if eligible. Upon the death of the final owner, the funds in the account belong to that owner's estate and can be claimed by that owner's legal representative or claimant subject to the terms of this Membership Agreement. You understand that it is your responsibility (and not ours) to inform your legal representative(s) about your account(s) with us.

**d. Joint Account with Payable-on-Death Designation:** If the primary owner dies and joint owners remain on the account, the account must be closed by a surviving joint owner and the POD account designation will be void. Any joint owners will be required to open a new account under a new account number, if eligible, and designate new POD payees if they choose to do so. Upon the death of the primary owner, the POD beneficiary will be entitled to the funds in the account (subject to the terms of this Membership Agreement) upon proof of death and the POD beneficiary's identification. If you designate more than one POD beneficiary on the account, each will be entitled to his or her (or its) equal share of the funds in the account, which will be determined by dividing the amount of the funds in the account by the number of POD beneficiaries designated on the account, and each will own those funds without right of survivorship. You understand that it is your responsibility (and not ours) to inform your legal representative(s) about your account(s) with us.

9. For joint accounts, a surviving owner's ownership interest is subject to the Credit Union's right of setoff for the deceased owner's obligations, and to any security interest or pledge granted by a deceased owner, even if a surviving owner did not consent to it.

10. **POA:** If you choose to appoint an attorney-in-fact or agent to act on your behalf pursuant to a power of attorney ("POA"), we may rely on instructions provided by the attorney-in-fact or agent and will have no liability or responsibility to verify the transactions. The POA must be properly executed, facially valid under applicable law, and the form of appointment must be acceptable to us. In accordance with the terms of the POA, the attorney-in-fact or agent you designate to act on your behalf will be authorized to transact business on your account(s) pursuant to the terms of such POA. We may rely on the POA so provided and shall have no liability for the transactions performed by the attorney-in-fact or agent on your account(s).

Notwithstanding the foregoing, we reserve the right to contact you as the principal under the POA, to verify your intent, prior to acting under the authority of the POA. You further agree that unless prohibited by law, we may refuse, with or without cause, to accept or otherwise act under a POA, which you grant to others.

If we choose to accept the POA, you understand and agree that we may act under the terms of such POA and, to the extent permitted by law, revocation of the POA will not become effective until we have received written notification thereof. You agree to indemnify and hold us harmless for any claims that may arise against us because of our reliance on a POA.

We are not liable for any transactions by an attorney-in-fact or agent for a deceased or incompetent account owner, unless we have written notice provided in accordance with applicable law that you, as the principal under the POA are deceased, have revoked the powers of the attorney-in-fact or agent, or you are adjudicated totally or partially incapacitated by a court of competent jurisdiction, and we have had time to act on that notice.

11. **Terms and Conditions Applicable to Trust Accounts:** At our option, you may open an account to hold the funds of your trust and be named as trustee on our trust account application for services ("Trust Account Application"). Each trustor must be a Credit Union member and any named trustor or trustee may not have caused the Credit Union a loss. A person named as a trustee on the Trust Account Application has the same rights, responsibilities, and liabilities as an owner of an account under this Membership Agreement to open, change, add, or close an account or service. If two (2) or more persons are named as trustee, they will have equal authority with respect to the entire account during their lifetime. Upon the death of any trustee, the surviving trustee(s) shall have equal rights to the total amount in the share account. Each trustee understands that any trustee acting alone may change, add, or close the account and/or a service, and that his or her signature on the Trust Account Application or continued use of an account or service confirms his or her agreement to any later change, addition or closure of an account and/or service by any other trustee on the account. While any trustee may change, add, or close the account and/or a service acting alone, we may require all trustees to consent in writing to the addition or removal of any trustee to or from

the account. All trustees agree that we have no duty to notify the trustees of the account of any transaction, change, addition or closure of an account or service by any trustee acting alone.

a. Trustee(s) affirms that the successor trustee(s) are bound under the trust instrument to serve and are authorized and fully qualified to act as trustee(s) in the event that all of the trustee(s) named in the Trust Account Application resign, die, become incapacitated, or otherwise become unable to act as trustee(s) of the Trust. If a successor trustee is not eligible for membership, such as in the case of a corporate trustee, the trust account(s) will be closed.

b. We require that you provide us with a trust certification confirming your power as a trustee prior to opening the account or making changes to the account. At any time, the Credit Union may require each trustee or beneficiary to execute certain documents or provide additional facts or information as the Credit Union may require in its sole discretion and may rely on the information so provided (which shall control in the event of any conflict with any term of the Trust).

c. We are not required to know, understand, interpret, or enforce the terms of your written trust document. The Credit Union is not required to keep any trust instrument in its files and is not liable for the contents of a trust instrument. **THE CREDIT UNION HAS NOT RECEIVED A COPY OF THE TRUST INSTRUMENT AND SHALL IN NO EVENT BE LIABLE FOR ITS CONTENTS.**

d. You agree that if we make payment to any trustee or successor trustee, or at the direction of any one of the trustees or successor trustees named, that payment will be valid and discharge us from any liability for the sums paid.

e. You acknowledge that the account is governed by the applicable terms and conditions set forth in this Membership Agreement and by the terms and conditions set forth in the Trust Account Application that you will be asked to sign when the account is opened.

**f. You agree that we will have no fiduciary responsibility or obligation in connection with any such account beyond our obligations set forth in this Membership Agreement, and that we will serve solely as a depository for the trust funds.**

g. Trust accounts are not subject to the Multiple Party Accounts law.

h. Funds in a Share Savings Trust Fund or Share Draft Checking Trust Fund account may not be pledged as security for any loan(s).

i. The Credit Union may recover any attorney's fees associated with defending the Credit Union's interest where the interest of the Credit Union is adverse to that of the Trust, the Trustee, the Trustor, the beneficiary or any other party claiming an interest in the account.

## 12. Terms and Conditions Applicable to Fiduciary Accounts:

a. At our option, accounts may be opened by a person acting in a fiduciary capacity. A fiduciary is someone who is appointed to act on behalf of and for the benefit of another. This account may be opened and maintained by a person or persons named as an executor, administrator, conservator, or guardian under court orders. By the authority vested in you as a fiduciary, you, acting individually or jointly, are authorized and empowered to transact business in connection with this account to the extent of your authority. We reserve the right to request any documents we deem necessary to satisfy us that you are authorized to open and use the account, including withdrawing the funds. We do not have to permit any withdrawal from the account until we receive all requested documents.

b. Under no circumstance will the Credit Union be liable for the actions of you or obligated to ensure that your actions are in accordance with any instructions, guidance or directives provided to the Credit Union. Your authority will continue in force until written notice to the contrary is received by us.

c. If the account is opened as a court-ordered blocked account, you understand and agree that you will file with the court appropriate documentation confirming an agreement with us that the funds in the account, including any dividends, may not be withdrawn or pledged except upon court order.

d. You acknowledge that the account is governed by the applicable terms and conditions set forth in this Membership Agreement and by the terms and conditions set forth in the application for services that you will be asked to sign when the account is opened.

e. Funds in a fiduciary account may not be pledged as security for any loan(s).

f. Fiduciary accounts are not subject to the Multiple Party Accounts law.

g. Only the fiduciary may be named on the account. No joint owners or

beneficiaries are permitted to be added to a fiduciary account.

h. The Credit Union reserves the right to limit the number of fiduciaries per account number and the number of accounts on which an individual may be designated as a fiduciary. The Credit Union will not allow a fiduciary to open or be added to an account if they have caused the Credit Union a loss.

i. A representative of an Estate Account (“Estate Representative”) may be removed from the account one time without incurring a fee. After the first request, a Remove Joint Fee as set forth in the *Fee Schedule* may be charged each time the same Estate Representative is added to the account within a six-month period.

### Section 3: General Terms Regarding Access, Transactions, Withdrawals, and Deposits to All Accounts

1. You may make deposits to or withdraw from your accounts only in accordance with Credit Union policy.

#### Withdrawals

2. You understand and agree that we have the right in our sole discretion to restrict the amount of cash each member may transfer or withdraw in a 24-hour period.

3. We reserve the right to require you to give not less than seven (7) and up to sixty (60) days written notice of your intention to withdraw funds from any account except checking accounts.

4. There is a minimum amount that you may withdraw from any account through an ATM or Interactive Teller Machine (“ITM”).

5. For the safety of both staff and members, the Credit Union does not keep large amounts of cash at branch locations. Arrangements for large cash withdrawals may be made with the Branch Manager at the branch location of our choice. Large cash withdrawal requests may require advance notice to process subject to approval by the Credit Union in its sole discretion. You understand and agree that you may be asked to sign a form releasing us from any liability for large cash withdrawals.

#### Deposits

6. You authorize us to accept deposits to your account at any time, from any party, made in any manner, without questioning the authority of the person making the deposit, and to give cash back to any authorized signer(s) or designated agent on any check payable to any one or more of the account owners, whether or not it is endorsed by you. The Credit Union reserves the right, however, to refuse to accept all or any part of any deposit.

7. We are not responsible for delays in a deposit due to improper identification on the deposit envelope or improper keying of your transaction. Information accompanying a deposit should include your name, member number, and the account number where you want your deposit to go.

8. You understand and agree that we may refuse to accept for deposit checks payable to anyone other than an owner on the account (third party checks).

9. All deposits are subject to verification. You agree that if our count differs from yours, our determination of the amount of a deposit will be considered the correct one.

10. Deposits will be made available for withdrawal by you or to cover other payments in accordance with Part III below regarding Funds Availability.

11. You agree that we will not be responsible for any damages you incur in the event you deposit an item with us which is subsequently returned unpaid by the paying bank and that return is “late” due to markings on the back of the item caused by you or a prior endorser.

12. All payees listed on a check must sign the check that is deposited or cashed and present a valid government-issued identification or have their endorsements guaranteed by another financial institution. All multiple party checks without proper identification are subject to being returned. Notwithstanding the foregoing, you authorize us, in our discretion, to accept checks and other items for deposit into any of your accounts (collectively, “item”) if they are made payable to, or to the order of, any one or more joint owners on the account, whether or not they are endorsed by all payees. You authorize us to supply missing endorsements of any account owners on any item that we take for collection, payment, or deposit to your account (which we may supply in our sole discretion). You also authorize us to collect any unendorsed item that is made payable to you without first supplying your endorsement, provided the item was deposited to your account. If you deposit items which bear the endorsement of more than one person or persons that are not known to us or that require endorsement of more than one payee, we may refuse the item or require all endorser to be present, have valid identification, or to have

their endorsements guaranteed before we accept the item.

13. You understand and agree that we use automated means to process checks and other items written on or deposited to your account. This means that we do not individually examine all of your items to determine if the item is properly completed, signed and endorsed or to determine if it contains any information other than what is encoded in the Magnetic Ink Character Recognition (MICR) line at the bottom of the check or item which contains your account number, amount of check and check number. Although we may manually review checks or other items drawn on your account, you understand and agree reasonable commercial standards do not require us to do so. Our use of automated means to process checks and other items prevents us from inspecting or looking for special instructions or “restrictive legends” on checks (e.g., “Void after 6 months,” “Void over \$50,” “Payment in Full,” and the like), whether on the front or back, in any form or format. For this reason, we are not required to honor any restrictive legend placed on checks you write unless we have agreed in writing to the restrictions. If you cash or deposit an item or write a check with such notation, you agree that it applies only between you and the payee or maker. The notation will have no effect on us, and you agree to accept responsibility for payment of the item. You agree to indemnify and hold us harmless from any claim or alleged loss of any maker or payee involving such notations, whether you are the maker or payee or the funds are otherwise deposited into an account in which you have an interest.

14. We may refuse to accept for deposit or collection an item that is payable in currency other than U.S. dollars or an item that is not drawn on a financial institution chartered in the U.S. (each, a “non-U.S. item”). If we accept a non-U.S. item for deposit or collection, you accept all risks associated with foreign currency fluctuation (exchange rate risk) and with any late return of the item. You agree that we may use our current buying and selling rate, as applicable when processing a non-U.S. item and we may recover from any account you maintain with us any loss incurred by us as a result of our processing such an item for you. We reserve the right to place longer holds on non-U.S. items than the time frames specified in our Funds Availability Policy.

15. We have the right to charge back to or otherwise debit any account you maintain with us for any deposited item that is returned (and assess any associated fees and to reverse or recover any associated dividends that may have accrued or been paid), even if you have made withdrawals against it. This right of charge back or debit is not affected by the expiration of any applicable midnight deadline, provided we do not have actual knowledge that such deadline has expired or, having such knowledge, we conclude that: (a) the deposited item is returned in accordance with the laws governing your account or rule (including a clearing house rule); and/or (b) we have received a breach of warranty claim in connection with the deposited item.

We have the right to pursue collection of such deposited item, even to the extent of allowing the payor bank to hold the deposited item beyond the midnight deadline in an attempt to recover payment. We may, without notice to you, redeposit a returned deposited item and represent it for payment by any means (including electronic means), unless we have received instructions from you not to redeposit such deposited item. We will have no liability for taking or failing to take any action to recover payment of a returned deposited item.

If one of your deposited items is returned with a claim that there is a breach of warranty (for example, a claim that it bears a forged endorsement or is altered in any way), we may debit your account for the amount of the item (plus any associated fees) and pay the amount to the claiming party. We are under no duty to question the truth of the facts that are being asserted, to assess the timeliness of the claim, or to assert any defense.

We need not give you any prior notification of our actions with respect to the claim. We may create substitute checks from your deposited items to facilitate the forward collection of such items. You agree to indemnify and hold us harmless from and against any and all claims, damages, losses, liabilities, expenses, and fees (including reasonable attorneys’ fees) arising out of or in any way connected with such substitute check, including without limitation, any claim based on the image quality of such substitute check.

16. We may rely on the account number that you verbally provide to us or that is on any instrument, deposit slip, or similar record we receive from you, even if that account number is associated with a name that is different from the name you have provided. It is not our responsibility to detect any inconsistency between the account number you provide and the name. If you make a deposit, we may provide a receipt, but the amount on your deposit receipt is based entirely on the information you provide us and/or the deposit slip you complete. We may confirm the funds you deposit and, after review, may adjust your account for any errors including any errors on your deposit slip. We are not required to adjust your account for discrepancies of \$.01 or less. We may not adjust your account unless you notify us of the discrepancy within one (1) year of the date of your periodic

statement that reflects the deposit. If you do not notify us of the error during this notice period, the deposit amount will be considered final. This means that if the actual amount deposited was less than the amount stated on the deposit receipt, the difference will become your property, and if the actual amount deposited was more than the amount stated on the deposit receipt, the difference will become our property.

17. In processing items you have deposited to your account, we act only as a collecting agent and we do not assume any responsibility beyond the exercise of ordinary care. Any deposit that we accept and credit to your account is provisional and subject to our receipt of final payment. If final payment is not received, we reserve the right to charge your account for the amount of the deposit and impose a Chargeback Fee as set forth in the *Fee Schedule*. We are not responsible for any deposit sent by mail or made at an unstaffed facility (for example, an ATM that is not at a branch) until we actually receive the deposited item or money. We are not liable for the negligence or default of any third party we use for the collection of items, including responsibility for lost items. You agree to indemnify and hold us harmless from and against any and all claims, damages, losses, liabilities, expenses, and fees (including reasonable attorneys' fees) arising out of or relating to an item placed for collection.

### Checks and Other Items or Access Devices

18. You acknowledge that we do not sell checks. You can order checks through our approved vendor in online banking, visiting a Credit Union branch, by calling us at (256)837-6110 or (800) 234-1234 during member service hours, emailing us at info@redfcu.org, or writing us at Redstone Federal Credit Union, Attn. Member Support Services, 220 Wynn Dr NW, Huntsville, AL 35893. As a convenience to you, we will submit your initial check order and any reorders for personalized checks ordered through us to our approved check vendor. If the check vendor accepts the initial order and any reorders, the check vendor will mail the checks directly to you. You authorize us to charge your checking account for the cost of checks ordered through us, plus applicable sales tax and shipping costs, which charge will vary according to the type of checks you order as set forth in the *Fee Schedule*. You are responsible for verifying the accuracy of all information shown on your checks, whether you order them through us or elsewhere. You agree to imprint only those names of authorized owners on your checks. If you have not ordered checks through our approved check vendor, we are not responsible for the quality of any check copy that you request. In addition, we are not responsible for any checks not paid as a result of quality or printing errors.

19. We may provide you with a limited number of temporary checks that include the exact MICR line, including routing number and account number, necessary for the proper processing of your checks. You are responsible for ensuring that any checks you use to draw on your account include this same MICR encoding. The Credit Union reserves the right to limit the number of temporary checks provided to you. You understand that it is your responsibility to ensure that checks you order from any third party printer are printed in accordance with applicable standards set by the American National Standards Institute (ANSI) for font, paper, toner, and positioning. You understand that if checks you write do not have the correct routing number, they may not be properly posted, and that if any other part of the encoding is incorrect, posting of the checks may be delayed.

20. We may pay and charge to your applicable account checks or other debit items ("items") drawn by and payable to any person, organization, association or corporation whom you have authorized by providing sample MICR encoded information identifying your account, provided there are sufficient funds in your account to pay such items. You agree that our rights in respect to such items will be the same as if it were an item drawn and signed by you personally. This authority will remain in effect until revoked by you in writing (to us and to the agency to whom the sample MICR writing was provided) and we have had a reasonable opportunity to act on it. You agree that we will be fully protected in honoring such items. You further agree that if any such item is dishonored, whether with or without cause, and whether intentional or inadvertent, we will have no liability whatsoever, even though such dishonor results in the forfeiture of insurance, or other loss or damage to you of any kind.

21. **Stop Payments.** You, or any joint owner on the account, may request a stop payment of any check payable against your account, provided your request is timely and affords us a reasonable opportunity to act upon it under our rules. You may request a stop payment through our CALL-24 system, our Online Banking system, or you may ask us orally. Your stop payment request must include your name, the date of the check, the payee of the check, the check number, your account number, exact amount (dollar and cents) of the check, and the reason for the request. This information must be exact because stop payment orders are processed using automated means. We will not be liable for paying a check over a stop payment request if the request is incomplete or incorrect. A stop payment fee will be assessed for each stop payment order or renewal thereof as set forth in our

Fee Schedule. If you make a stop payment request orally, the request will be valid for only fourteen (14) days thereafter unless confirmed in writing. Stop payments initiated using Online Banking are not considered accepted until we provide a stop payment confirmation to you. The ability to place a stop payment on a check through Online Banking or our automated phone system may be limited by system availability. If the system is not available to accept your stop payment order, the stop order may be placed by contacting any Redstone branch during normal business hours.

Written requests will be valid no longer than six (6) months but may be renewed for additional six (6) month periods by written notice given during the time that the stop payment order is in effect. We are not obligated to notify you when a stop payment order will or has expired. You have the burden of establishing the fact and amount of loss resulting from payment contrary to a binding stop payment request. You should be aware that anyone holding the item may be entitled to enforce payment against you despite the stop-payment order. You agree to indemnify, defend, and hold us harmless from and against any and all claims, damages, losses, liabilities, expenses, and fees (including reasonable attorneys' fees) arising out of or relating to our action in stopping payment of any check pursuant to your request.

22. We are not liable if we pay a check which you have requested us to stop payment on as long as we act in good faith and exercise ordinary care. In any event, any damages that we might otherwise be liable for shall not exceed the amount of the involved check. If we do pay a check for which you have requested stop payment and as a result any other item is returned unpaid by us due to nonsufficient funds, we are not liable for any consequences resulting from such action; however, if we fail to stop payment on a check and you provided us with sufficient time to stop payment and sufficiently identified the check, we will re-credit your account for the lesser of the amount of the check you requested a stop payment for or the amount of your loss. In the event we re-credit your account, you agree to use all rights against the payee or holder of the check to facilitate subrogation under the Uniform Commercial Code.

23. We must be notified if you or a joint account owner dies or becomes incapacitated. Your death or incompetence will not revoke our authority to accept, pay or collect a check or to account for proceeds of its collection until we know of the fact of death or court declared incompetence and have a reasonable opportunity to act on it. Even with knowledge, we may for ten (10) days after the date of death or incapacity, pay or guarantee checks drawn on or prior to that date unless ordered in writing to stop payment by a person claiming an interest in the account under rules established by us.

24. We are neither given notice, or otherwise affected by, a restrictive endorsement of any person or entity except our immediate transferor.

25. "Remotely created checks" are created when an account holder authorizes a payee to draw a check on the account, but instead of the account holder's actual signature, the check identifies that the account holder authorized the check. If you deposit a remotely created check, you guarantee it was authorized by the account holder for payment in the amount it shows.

26. We may pay a check bearing any form of facsimile or computer-generated signature. If you use a facsimile or computer-generated signature, or if you authorize us to accept any such signature, you will be solely responsible for any check bearing a similar signature, regardless of your negligence or whether the signature was the same one you previously used.

27. If we have paid a check under circumstances giving you a basis for objection, we shall be subrogated to the rights of: (a) Any holder in due course on the check against the drawer or maker; (b) The payee or any other holder of the check against the drawer or maker, either on the item or under the transaction out of which the item arose; and (c) The drawer or maker against the payee or any other holder of the check with respect to the transaction out of which the check arose.

28. You authorize us to accept and pay any check without regard to the date of the check. You understand that post-dating a check will have no effect on whether or not it is honored prior to or after the date of any such check. In addition, we are under no obligation to pay a check which is presented more than six (6) months after its date (a stale-dated check). You agree that we are not required to identify post-dated or stale-dated checks or seek your permission to pay them. We may pay or refuse to pay any post-dated or stale-dated check or other item presented for payment on your account without any liability.

29. All checks written on your account must be drawn in U.S. dollars.

30. Our measure of damages for failure to exercise ordinary care in handling a check will not exceed the amount of the item.

31. You will notify us immediately if your checks are lost or stolen. You agree that you will be responsible for losses caused by a delay in your notification to us.

32. It is your responsibility to protect the account numbers and electronic access devices (e.g., a debit card) we provide to you for your account(s). You agree not to disclose your account number(s) to anyone unless you are willing to give them full use of your money. If you disclose your account number(s) or provide your access device to another person (a family member or friend, for example) in connection with granting authority to that person to conduct funds transfers, and that person then exceeds that authority, you are liable for the transfers unless we have been notified that transfers by that person are no longer authorized.

Your account number can also be used to electronically withdraw money from your account. For example, if you provide your account number to an online merchant to purchase a service or merchandise, funds can be electronically withdrawn from your account. If you disclose your account number(s) to an online merchant, and that merchant exceeds that authority, you are liable for the funds withdrawn from your account unless we have been notified that withdrawals by that person are no longer authorized.

You must also take precaution in safeguarding your blank checks. Notify us at once if you believe your checks have been lost or stolen. We are not responsible for any loss or damage which results from your negligence, including without limitation, your failure to adequately safeguard your blank checks or other personal information or means of access to your account.

33. The federal law dealing with funds availability requires the financial institution's endorsement area on the back of a check be kept clear or unobstructed. This rule is designed to prevent unnecessary delays in processing your deposits as well as to promote speedier returns of dishonored checks. Only the 1-1/2 inch space from the "trailing edge" (the left edge of the check when it is facing you) can be used by you for endorsements or any other markings.

In the event that you draw a check on your checking or loan account with us, you are responsible for any delay or misrouting of the check caused by markings placed on the check by you that obscure any depository endorsements placed by us or our agent and you agree to hold us harmless and indemnify us from any liability due to such delay or misrouting.

34. Access to your account(s) through electronic means or Cards (as defined herein) is dictated by the provisions related to electronic funds transfers contained in Part V.

### **Corrections, Disputes, and Additional Terms Regarding Transactions**

35. If a deposit or other credit is made in error to your account that you are not entitled to (whether by check, cash, automated clearing house transfer, wire transfer or otherwise), you understand that we may debit your account for the amount of the erroneous deposit, and may do so without notice to you, regardless of when the original deposit took place. If you withdraw any or all of the funds erroneously deposited to your account, you agree that you are obligated to reimburse us for the amount of the erroneous deposit or credit, and any costs and fees as stated in this Agreement and the *Fee Schedule*. Your withdrawal of erroneously deposited funds may result in an overdraft of your account.

36. You agree to pay our costs of collection, including reasonable attorneys' fees and court costs, with regard to any check drawn on us by you or any item you deposit with us that causes us to incur a loss.

37. You agree that if a depositor (e.g., a government agency) demands we return any sums directly deposited to your account during the month of or after the death of any account holder on your account, we must honor such a demand and may debit your account for all amounts returned to the depositor.

38. We agree to investigate any transaction you have reported to us as unauthorized (a "claim of unauthorized transaction"). You agree to: (1) submit your claim of unauthorized transaction in writing to us by completing a declaration under penalty of perjury describing your claim of unauthorized transaction (in an affidavit form approved by us, if so requested); (2) file a police report; (3) complete and return to us any documents requested of you; and (4) in all respects, cooperate fully with us in our investigation of your claim of unauthorized transaction.

We reserve the right to reverse any credit made to your account if you fail to sign such documents, cooperate fully with our investigation of your claim of an unauthorized transaction or if we determine that the transaction that gave rise to your claim of an unauthorized transaction was proper. This paragraph does not apply to "electronic fund transfers", as defined in the federal Electronic Fund Transfer Act.

39. You understand and agree that you are not permitted to place a stop payment on an official check unless such check is lost, stolen, or destroyed. In the event that an official check is lost, stolen or destroyed, in order to effectuate a stop payment, you must execute and deliver to us a written declaration of loss and/or indemnity

agreement ("Declaration of Loss") in a form acceptable to us that describes the check with reasonable certainty and in time for us to have a reasonable time to act on it before the check is paid. You further understand and agree that the Declaration of Loss is not immediately enforceable upon your submission. Specifically, you understand and agree that we will not process your claim until the later of (1) the time the Declaration of Loss form is properly delivered to us by you, or (2) the 90th day following the date of the acceptance of the official check. We may, however, in our sole and absolute discretion, process your request sooner. You agree to indemnify and hold us harmless from and against any and all claims, damages, losses, liabilities, expenses, and fees (including reasonable attorneys' fees) arising out of or relating to our attempt to, or stopping payment on, such official check.

### **Section 4: Payment of Dividends**

1. The frequency and conditions upon which dividends are paid on all accounts are in accordance with the Bylaws of this Credit Union, the Federal Credit Union Act, and the Truth-in-Savings Act and Regulations. Dividends are paid from current income and available earnings after required transfers to reserves at the end of a dividend period.

2. For all dividend bearing accounts except IRA Certificate Accounts and Share Certificate Accounts, the dividend rate and Annual Percentage Yield (APY) may change monthly as determined by the Credit Union's Board of Directors. Current rate information is set forth in the Account Rate Sheet accompanying this Membership Agreement. You may also obtain current rate information by calling the Credit Union or visiting our website.

3. **Compounding and Crediting for all Accounts:** Dividends on Share Account (Savings), Christmas Club Share, Estate Savings and Brighter Day Savings will be calculated daily and compounded and credited quarterly. For these accounts, the dividend period is quarterly. For example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is March 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the ending date of a dividend period, and for this example is March 31.

Dividends on "You Name It" Savings, Share Savings Trust Funds, Money Market Share Accounts and Money Market Share Accounts for Trusts are calculated daily and compounded and credited monthly. For these accounts, the dividend period is monthly. For example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the ending date of a dividend period, and for this example is January 31.

4. **Balance Computation Method:** Dividends are calculated by the daily balance method, which applies a daily periodic rate to the balance in the account each day.

Dividends will begin to accrue on the business day you deposit non-cash items (e.g., checks) to your account.

If you close any of your dividend earning accounts before dividends are credited you will receive the dividends due at the time the account is closed, but dividends will not be earned for the day the account is closed.

### **Section 5: Terms and Conditions Applicable to Share Draft Checking Accounts**

1. We offer the following types of share draft checking accounts: Easy Checking Account, Rewards Checking Account, and Safeguard Checking Account. We no longer offer new Liberty Checking Accounts and Privilege Checking Accounts, but the terms of such accounts are included below for those members who have maintained an existing Liberty Checking Account or Privilege Checking Account. We also offer a share draft checking account for trust funds called Share Draft Checking Trust Fund and for representatives of a decedent's estate called Estate Checking.

2. A member must be thirteen (13) years old or older to open a share draft checking account with a parent or legal guardian as a joint owner. Only a Safeguard Checking Account may be opened by a minor aged sixteen (16) years or older without a joint owner. A minor cannot open an Easy or Rewards Checking Account without a joint owner. Joint ownership on minor accounts is limited to the minor's parent or legal guardian; however, the account ownership is not required to be the same on all minor accounts. The parent or legal guardian will remain responsible for the account and any electronic service activated or applied for by the minor until written notice is received by the Credit Union requesting removal from the account.

3. We may close or limit your share draft account at any time due to inactivity,

fraud, or other reasons we deem appropriate.

4. A joint owner may be removed from a share draft checking account one-time without incurring a fee. After the first request, a Remove Joint Fee as set forth in the *Fee Schedule* may be charged each time the same joint is added to the account within a six-month period.

### Easy Checking

5. The Easy Checking Account is a non-dividend bearing account.

6. A minimum opening deposit of \$25 is required to open an Easy Checking Account. There is no minimum balance required to maintain this account.

7. Please see the current *Fee Schedule* for a list of applicable fees and charges that may be assessed against this account. The Easy Checking Maintenance Fee for this account will be waived for the month if you make at least four (4) point of sale debit card purchase transactions per calendar month from this account or have at least one (1) direct deposit transaction per calendar month credited to this account. The debit card transactions must post to this account during the calendar month to qualify for waiving that month's Easy Checking Maintenance Fee. The Easy Checking Maintenance Fee is also waived for accounts on which the primary account owner is age twenty-four (24) years or younger.

### Rewards Checking Accounts

8. The Rewards Checking Account is a non-dividend bearing account.

9. A minimum opening deposit of \$25 is required to open a Rewards Checking Account. There is no minimum balance required to maintain this account.

10. Please see the current *Fee Schedule* for a list of applicable fees and charges that may be assessed against this account. The Rewards Checking Maintenance Fee for this account will be waived if you make at least four (4) point of sale debit card purchase transactions per calendar month from this account or have at least one (1) direct deposit transaction per calendar month credited to this account. The debit card transactions must post to this account during the calendar month to qualify for waiving that month's Rewards Checking Maintenance Fee. The Rewards Checking Maintenance Fee is also waived for accounts on which the primary account owner is age twenty-four (24) years or younger.

### Safeguard Checking Accounts

11. The Safeguard Checking Account is a non-dividend bearing account.

12. A minimum opening deposit of \$25 is required to open a Safeguard Checking Account. There is no minimum balance required to maintain this account.

13. Please see the current *Fee Schedule* for a list of applicable fees and charges that may be assessed against this account. The Safeguard Checking Maintenance Fee for this account varies, depending on member age and receipt/maintenance of eStatements, as detailed in the *Fee Schedule*. The Safeguard Checking Maintenance Fee is waived for accounts on which the primary account owner is age twenty-four (24) years or younger. Members can enroll in eStatements through online banking.

14. Checks should not be used on the Safeguard Checking Account, and Overdraft Privilege is also not available on this account. Transactions on your Safeguard Checking Account will be declined if there are insufficient available funds in the account or any linked share account(s) to cover the transaction. If transactions do post to the Safeguard Checking Account when there are insufficient available funds (this can happen when a merchant-requested preauthorization must be honored by the Credit Union), you will not be charged an Overdraft Privilege Fee or Insufficient Funds Charge.

### Liberty Checking Accounts and Privilege Checking Accounts

15. These accounts are no longer offered for new account requests. They are both non-dividend bearing accounts.

16. There is no minimum balance required to maintain either of these accounts. Please see the current *Fee Schedule* for a list of applicable fees and charges that may be assessed against these accounts.

### Share Draft Checking Trust Fund

17. The Share Draft Checking Trust Fund Account is a non-dividend bearing account. A minimum opening deposit of \$1 is required to open this account. There is no minimum balance required to maintain this account.

18. Please see the current *Fee Schedule* for a list of applicable fees and charges that may be assessed against this account.

### Share Draft Estate Checking

19. The Share Draft Estate Checking account is a non-dividend bearing account. A minimum opening deposit of \$1 is required to open this account. There is no minimum balance required to maintain this account.

20. Please see the current *Fee Schedule* for a list of applicable fees and charges that may be assessed against this account.

### General Terms and Conditions Applicable to all Checking Accounts

21. Funds in checking accounts may not be pledged as security for any loan(s).

22. We may, at our discretion, pay funds from this account, without obligation or liability for refusal to pay:

- a. When such payment would draw the account below the minimum balance for the account we establish from time to time.
- b. If drawn by means not authorized in advance by us.
- c. Against checks or electronic debits presented over six (6) months past their issue dates.

23. All checking accounts are truncated checking accounts meaning that check copies are not returned with statements. Both sides of checks are electronically stored for seven (7) years from date of posting. Upon request, we will provide you with a photocopy of a requested item within a reasonable time. Copies will be subject to a fee as disclosed in the *Fee Schedule*.

24. An Easy Checking, Rewards Checking, Safeguard Checking, Liberty Checking, Privilege Checking, Estate Checking, and Shared Draft Checking Trust Fund account will be considered dormant if it is inactive for 180 days and has no member-initiated activity. Direct deposits, preauthorized transactions, automatic deductions, payroll deductions, and similar transactions are not considered member-initiated activity. Any such account with a zero balance and no member-initiated activity for 180 days may be closed by the Credit Union. A monthly Dormant Checking Fee will be charged on inactive checking accounts as disclosed in the *Fee Schedule*. No fees will be charged if the checking account balance is zero. The Credit Union will not allow the Dormant Checking Fee to draw the checking account balance below zero.

### Section 6: Terms and Conditions Applicable to Share Accounts

1. **Rate Information:** Dividends rates and annual percentage yields may change every month as determined by the Credit Union Board of Directors. Please see the current Account Rate Sheet for a list of dividend rates and annual percentage yields that may apply to share accounts.

2. **Fees Information:** Please see the current *Fee Schedule* for a list of applicable fees and charges that may be assessed against share accounts.

3. **Bylaws Requirements:** A minimum deposit of \$5, which is the par value of one share, is required to open a Share Account (Savings) and become a member of the Credit Union. If the balance of your Share Account (Savings) is subsequently reduced to less than the par value and remains so after six (6) months, we may close the account and the funds in the account below \$5 will be forfeited. If your Share Account (Savings) balance is reduced to less than the par value of a share, we may transfer enough funds from any other share account you may have with us in order to bring your account balance up to the par value of a share.

4. **Inactive Accounts:** A Share Account (Savings), Brighter Day Savings, "YOU NAME IT" Savings Account, Money Market Share Account, Christmas Club Share Account, or Share Savings Trust Fund will be considered dormant if it is inactive for 365 days and has no member-initiated activity. Direct deposits, preauthorized transactions, automatic deductions, payroll deductions, and similar transactions are not considered member-initiated activity. Any such account with a zero balance and no member-initiated activity for 365 days may be closed by the Credit Union. A Share Account (Savings) may be closed only if certain other conditions are met (including, but not limited to, the member does not have any active loans or other accounts under his/her member number).

5. **Removal of Joint Owners:** A joint owner may be removed from a share account one-time without incurring a fee. After the first request, a Remove Joint Fee as set forth in the *Fee Schedule* may be charged each time the same joint is added to the account within a six-month period.

6. **Pledges Shares:** No member may withdraw shareholdings that are pledged as required as security on loans without the written approval of a loan officer, except to the extent that such shares exceed the member's total primary and contingent liability to the Credit Union. No member may withdraw any shareholdings below

the amount of his/her primary or contingent liability to the Credit Union, if he/she is delinquent as a borrower, or if borrowers for whom the member is a comaker, endorser, or guarantor are delinquent, without the written approval of a loan officer.

### Share Account (Savings)

7. A minimum initial payment amount of \$5, which represents one (1) share, is required to open this account. A minimum daily balance of \$5 must be maintained in this account. No minimum balance is required to earn dividends.

Note that a Savings Reopening Fee as stated in the *Fee Schedule* will be assessed to those eligible persons who open a share account within six (6) months of closing a previous share account.

### Visa® Secured Share Account

8. Each person who requests a Share Secured Visa Traditional Credit Card ("Visa Credit Card") and who has signed and/or authorized the Share Secured Visa Traditional and Visa Secured Shares Account Application requests that the Credit Union establish a designated Visa Secured Shares Account as security for any balance owed on the Visa Credit Card if approved. You pledge, under the Uniform Commercial Code, this Visa Secured Share Account and agree to be bound by the terms set forth in this Membership Agreement and policies adopted from time to time by the Board of Directors. This Membership Agreement covers any designated Visa Secured Shares Account held by you now or in the future, unless notified by the Credit Union of any change in terms if required by law.

9. Credit limits on this account range from \$250 to \$5,000. Credit limit increases cannot exceed \$5,000.

10. This is a non-dividend bearing account.

11. The minimum balance amount required to open this account will be equal to the amount of the credit limit on the Visa Credit Card.

12. No overdraft transfers are allowed with this account. CALL-24, online banking and ATM access are not available with this account.

13. No joint owners are allowed on this account; however, up to 3 authorized users may be listed on the Visa Credit Card.

14. Once this account is opened, you understand and agree that pledged monies will not be accessible for withdrawal and no deposits may be made to the account unless we approve a credit limit increase; in such case, you will deposit additional funds in the account equal to the amount of the increase you requested and the Credit Union will hold this amount, in addition to that amount already held, in the account. No other deposits may be made to this account. You understand and agree not to withdraw or attempt to withdraw pledged monies, unless the following conditions are fulfilled: (a) you are paying the Visa Credit Card balance in full including pending authorizations, including providing written notice to close it, and surrendering all cards; or (b) the Visa Credit Card balance is zero and your written notification of cancellation has been received. You understand and agree that pledged monies may be held for 30 days after receipt of cancellation date.

Should you dispute charges owed to us, you understand and agree not to rescind this Membership Agreement or withdraw or attempt to withdraw monies from this pledged account until such disputes are resolved. You agree that the Credit Union reserves the right to transfer pledged monies from this account at any time the Visa Credit Card is past due, is inactive for a period of time, upon written notice that either you or we terminate or suspend your credit privileges, or you are otherwise in default. Upon these occurrences, this account and the Visa Credit Card will be closed. Any available balance in the account will be transferred to your Share Account (Savings). However, we reserve the right to distribute available funds to you via cash, check, or transfer to another account.

### "You Name It" Savings Share Accounts

15. A minimum opening deposit of \$1 is required to open this account. A minimum daily balance of \$500 must be maintained in this account to earn dividends. If your balance falls below the minimum daily balance, you will not earn any dividends for the period the balance is below the minimum daily balance.

### Christmas Club Share Accounts

16. A minimum opening deposit of \$1 is required to open this account. No minimum balance is required to maintain this account or earn dividends.

17. If an account is closed before November 1<sup>st</sup>, the member will receive dividends due at the time the account is closed. Dividends will not be earned for the day the account is closed. The first week of November each year, the Credit Union may transfer the amount in your Christmas Club Share Account, including accrued dividends, to the Share Account (Savings) or Share Draft (Checking).

18. Deposits to your Christmas Club Share Account can be made by direct remittance, payroll allocation, or automatic shares transfer.

### S.T.A.R. CLUB®

19. The S.T.A.R. Club account is a regular share savings account with S.T.A.R. Club benefits that is specifically designed for young members between the ages of 0-12 years old. (Please refer to the Share Account (Savings) section in this Membership Agreement for the account disclosures.) The S.T.A.R. Club is a youth program intended to start a foundation for good money management and encourage savings for their future. Special gifts and surprises will be available periodically for club members. Various prizes may be offered to S.T.A.R. Club members depending on the promotion current at that time. These prizes may have an aggregate value in excess of \$10 per year depending on the number of deposits made into this account.

20. Occasionally, the Credit Union may sponsor special drawings where S.T.A.R. Club members are eligible to enter for a chance to win prizes. The number of winners and the types of prizes will vary per promotion. These prizes may have a value in excess of \$10 per year.

21. This account must be opened by a minor age twelve (12) years or younger in conjunction with a parent or guardian of the minor, a parent or guardian of the minor must be a joint owner on the account, and all other requirements of the Share Account (Savings) must be met.

### Brighter Day Savings Accounts

22. A minimum opening deposit of \$1 is required to open this account. No minimum balance is required to maintain this account or to earn dividends.

23. Brighter Day Savings Accounts earn dividends based on a tiered rate structure, under which the stated dividend rate and APY will be paid only on the portion of your daily balance that falls within the applicable Brighter Day Savings Account tier. The following two daily balance tiers apply: (a) \$0 to \$2,500; and (b) \$2,500.01 and above.

24. Only one (1) Brighter Day Savings Account is allowed per member.

### Money Market Share Accounts and Money Market Share Accounts for Trusts

25. A minimum opening deposit of \$1 is required to open a Money Market Share Account and Money Market Share Account for Trusts. You must maintain a minimum daily balance of \$2,000 to earn dividends and obtain the disclosed APY stated on the current version of the Account Rate Sheet. If your balance in this account falls below the minimum daily balance, you will not earn dividends for the length of time that your balance was below the minimum daily balance.

The Money Market Share Account and Money Market Share Account for Trusts earns dividends based on a tiered rate structure, under which you must maintain an end-of-day balance of at least the lowest amount on each tier in order to obtain the disclosed APY on your entire balance for that tier for any day during the dividend period. If your daily balance is more than the minimum balance required on a tier as disclosed in our most recent version of the Account Rate Sheet, but does not exceed the maximum daily balance on the same tier, the dividend rate paid on the entire balance in your account will be the rate offered for that tier as also disclosed in our current version of the Account Rate Sheet. [For example, a \$5,600 daily balance would earn the dividend rate offered for the \$5,000 to \$49,999.99 tier for the entire \$5,600 balance.] The following daily balance tier levels apply:

- Daily Balance Level 1: \$2,000.00 to \$4,999.99
- Daily Balance Level 2: \$5,000.00 to \$49,999.99
- Daily Balance Level 3: \$50,000.00 to \$99,999.99
- Daily Balance Level 4: \$100,000.00 to \$249,999.99
- Daily Balance Level 5: \$250,000.00 to \$499,999.99
- Daily Balance Level 6: \$500,000.00 to \$999,999.99
- Daily Balance Level 7: \$1,000,000.00 and above

### Share Savings Trust Fund

26. A minimum opening deposit of \$1 is required to open this account. The trustee must maintain a minimum daily balance of \$500 to earn dividends and obtain the disclosed APY stated on the Account Rate Sheet. If the balance in this account falls below the minimum daily balance, the account will not earn dividends for the length of time that the balance was below the minimum daily balance.

## Estate Savings Account

27. The minimum balance to open this account is \$5.

28. No minimum balance is required to maintain this account or to earn dividends.

Note that a Savings Reopening Fee as stated in the *Fee Schedule* will be assessed to those eligible persons who open a share account within six (6) months of closing a previous share account.

## Section 7: Terms and Conditions Applicable to Certificates

The terms and conditions applicable to all Certificate Accounts are provided in the Truth in Savings disclosure supplement for the applicable certificate account.

## Part III. Funds Availability Policy and Substitute Checks Disclosure

### Section 1: Your Ability To Withdraw Funds

1. This Part III “Funds Availability Policy and Substitute Checks Disclosure” states our policy as to the availability of funds in “transaction accounts” as defined in federal Regulation CC and Regulation D, which generally include accounts from which the depositor or account holder is permitted to make transfers or withdrawals by negotiable or transferable instrument (such as a check), payment order of withdrawal, telephone transfer, electronic device (including a debit card), or other similar device for the purpose of making payments or transfers. This policy does not apply to checks drawn on banks located outside the United States or checks drawn in a foreign currency. The Credit Union reserves the right to delay the availability of funds deposited to accounts not governed by Regulation CC and Regulation D for periods longer than those disclosed in this policy. Please ask us if you have a question about which accounts are affected by this policy disclosure.

2. Our policy is to make funds from your cash deposits to such accounts available to you on the same business day of your deposit and to delay the availability of funds deposited by checks and certain other instruments, except as described later in this Part III. During the delay (hold period), funds will not be available for withdrawal (e.g., cash, debit card, etc.) or used to pay checks drawn on the account. As stated below, longer delays may apply. Deposits to your account by way of a person-to-person transfer service (for example a Zelle transfer) will be available in accordance with the terms and conditions for that service. Please ask us if you have a question about when the funds will be available.

3. The length of the delay is counted in business days from the day of 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 on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit on a day we are not open, we will consider that the deposit was made on the next business day we are open. The length of the delay varies depending on the type of deposit and is explained below.

4. The accrual of dividends is not delayed even though there may be a delay in the availability of funds. Dividend calculations begin on the day of deposit into a dividend bearing account.

### Section 2: Same-Business Day Availability

1. Funds from electronic direct deposits (for example ACH deposits) to your account will be available on the day we receive the deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written.

2. If you make the deposit in person to one of our employees, funds from the following deposits will be available at some point in time on the same business day of your deposit:

- Cash.
- Checks drawn on Redstone Federal Credit Union.
- State and local government checks that are payable to you.
- Cashier’s, certified, and teller’s checks that are payable to you.
- Federal Reserve Bank checks, Federal Home Loan Bank checks, and postal money orders, if these items are payable to you.

If you do not make your deposit in person to one of our employees (for example, if you mail the deposit), your deposit will be subject to hold until verification of

## Section 8: Terms and Conditions Applicable to Individual Retirement Accounts (“IRAs”)

As to all IRAs, the Credit Union is a platform provider only, and does not undertake to provide individual investment advice. The terms and conditions applicable to all Credit Union IRAs are provided in the Truth in Savings disclosure supplement for the applicable IRA as well as additional disclosures.

the deposit can be made on the next business day after the day we receive your deposit.

With respect to check deposits made through our Remote Deposit Capture Service, such check deposits are considered deposits made directly to one of our employees under this policy.

3. Funds from the following deposits are available at some point in time on the same business day of your deposit:

- U.S. Treasury checks that are payable to you.
- Wire transfers, including pre-authorized credits, such as social security benefits and payroll payments.

### Section 3: Deposits at ATMs

Funds from deposits (cash or checks) made at automated teller machines owned and operated by the Credit Union will generally be available by the next business day after the day of your deposit, or when funds can be verified, subject to our check hold policy stated in this policy disclosure.

### Section 4: Other Check Deposits

For checks other than those identified above, our policy is to make funds available as follows:

The first \$225 from a deposit of checks will be available at the time of the deposit on the business day of your deposit. The remaining funds will be available no later than 9 a.m. Central time on the second business day after the day of your deposit. For example: If you deposit a check for \$700 on Monday, \$225 of the deposit is available immediately on Monday. The remaining \$475 is available no later than 9 a.m. Central time on Wednesday.

### Section 5: Longer Delays May Apply

1. Funds you deposit by check may be delayed for a longer period under the following circumstances:

- a. We believe a check you deposit will not be paid.
- b. You deposit checks totaling more than \$5,525 on any one day.
- c. You redeposit a check that has been returned unpaid.
- d. You have overdrawn your account repeatedly in the last six (6) months.
- e. There is an emergency, such as failure of computer or communications equipment.

2. We will notify you in writing if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh (7th) business day after the day of your deposit. If your deposits are not made directly to one of our employees or if we decide to take this action after you have left the premises, we will mail you the notice by the next business day after we receive your deposit.

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

### Section 6: Special Rules for New Accounts

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

2. Funds from cash and electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of wire transfers and the

first \$5,525 of a day's total deposits of U.S. Treasury, cashier's, certified, 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 (and you may have to use a special deposit slip). The excess over \$5,525 will be available on the ninth (9th) 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 (2nd) business day after the day of your deposit.

3. Funds from all other check deposits will be available on the fifteenth (15th) business day after the day of your deposit. Longer hold periods may apply in certain circumstances.

## Section 7: Substitute Checks and Your Rights

### Substitute Checks and Your Rights

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

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

### What are Your Rights Regarding Substitute Checks?

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

result of the withdrawal (for example, bounced check fees).

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

If you use this procedure, you may receive up to \$2,500 of your refund, plus dividends if your account earns dividends, within ten (10) business days after we receive your claim and the remainder of your refund, plus dividends if your account earns dividends, not later than forty-five (45) calendar days after we received your claim. We may reverse the refund (including any dividends on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

### How Do You Make a Claim for a Refund?

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us at (800) 234-1234 or (256) 837-6110, or write us at Redstone Federal Credit Union, Attn: Member Support Services, 220 Wynn Drive, Huntsville, Alabama 35893. You must contact us within forty (40) calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed such as electronically) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include:

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

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## Part IV. Account Balances and Liability for Overdrafts

### Section 1: General

1. You are responsible for keeping track of the funds in your account that are available for you to use before you write a check, make a cash withdrawal at an ATM, or use your debit card for a transaction. Among other things, you should keep a running balance that reflects all of your transactions. It is imperative that you keep track of the transactions you may have authorized (such as outstanding checks or automatic bill payments you have authorized), as your available balance (discussed in more detail below) will not reflect these transactions until they are paid from your account.

2. "Overdrawing" your account means that there are not sufficient available funds in your account to pay for a transaction, but the transaction is paid under either an optional overdraft protection plan or the Overdraft Privilege Service, which results in a negative "overdrawn" balance. Some transactions that can result in an overdraft in your checking account include, but are not limited to: (1) the payment of checks, electronic fund transfers, telephone-initiated transfers, preauthorized payments under our Bill Payment Service, or other withdrawal requests authorized by you; (2) the return (unpaid) of items deposited by you; (3) the assessment of service charges by us; or (4) the deposit of items that are treated as not yet "available" according to our Funds Availability Policy.

3. This Part IV discusses in Section 2 how to determine and manage your account balances. Section 3 then discusses how we will post transactions to your account. Based on these policies, your transactions can result in transaction(s) being presented for processing when your account's available balance is insufficient to pay the transaction(s). Sections 4 and 5 discuss the two kinds of services the Credit Union offers to allow for the payment of these transactions.

### Section 2: Your Account Balance

1. Your account has two kinds of balances: the "current" balance and the "available" balance. Both can be checked when you review your account online, at

a Credit Union-owned ATM, 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.

2. Your current balance is the amount of money that is actually in your account at any given time, but not all funds included in the current balance are considered available for transactions on your account. The current balance is also referred to as your "actual" balance in certain circumstances. Your current balance reflects transactions that have posted to your account, but not transactions that have been authorized and are pending, while pending deposits that are subject to holds under our Funds Availability Policy will be reflected in the current balance even though they are not yet "available." While the term "current" may sound as though the number you see is an up-to-date indication of what is in your account that you can spend, that is not always the case. Your current balance will not reflect any purchases, holds, fees, other charges, or deposits made on your account that have not yet posted. For example, if you have a \$50 current balance, but you just wrote a check for \$40, then your current balance is \$50 but it does not reflect the pending check transaction. So at that point, you have a current balance of \$50, but you have already spent \$40.

3. Your available balance is the amount of money in your account that is available to you to use without incurring an overdraft fee. The available balance takes into account factors such as holds placed on deposits and pending transactions (such as pending debit card purchases) that the Credit Union has authorized but that have not yet posted to your account. For example, assume you have a current balance of \$50 and an available balance of \$50. If you were to use your debit card at a restaurant to buy lunch for \$20, then that merchant could ask us to preauthorize the payment in that amount (or even a different amount). Under this example, if the merchant requested preauthorization in the amount of \$20, we may place a "hold" on your account for \$20 (referred to as an "authorization hold"). Your current balance would still be \$50 because this transaction has not yet posted, but your available balance would be \$30 because of the restaurant's preauthorization request that resulted in an authorization hold on \$20 in your account. When the restaurant submits its bill for payment (which could be a few days later and for a different amount than the amount of the authorization hold), our system will generally release the authorization hold, post the transaction to your account, and

reduce your current balance by the amount of the posted transaction; however, there are circumstances when our system might not match the posted transaction and the authorization hold, in which case the authorization hold will continue to apply until released as stated in the “Authorization Holds for Debit Card Transactions” section below.

4. We use your available balance to determine whether your account is overdrawn and whether fees will be assessed. Your account is considered overdrawn when the available balance in your account is negative (less than \$0).

5. For debit card transactions involving merchant authorization holds, our system will generally look at the available balance at the time the transaction is posted to your account to determine whether the transaction results in an overdraft and potential related fees. Even if your available balance is insufficient when a debit card payment is posted to your account, there will not be an overdraft fee if the available balance was sufficient at the time of the authorization hold. However, there may be circumstances when our system may charge an overdraft fee even if your account’s available balance was sufficient at the time a merchant authorization hold was applied, if the transaction later posts when the available balance is insufficient to pay the transaction.

The following example illustrates how this generally works:

Assume your current and available balance are both \$50, and you use your debit card at a restaurant for \$20. If the restaurant requests preauthorization in the amount of \$20, an authorization hold is placed on \$20 in your account, so your available balance is only \$30. Your current balance would remain \$50. Before the restaurant charge is sent to us for payment, a check that you wrote for \$40 clears. Because your available balance is only \$30 (due to the authorization hold of \$20), your account will be overdrawn by \$10, even though your current balance is \$50. In this case, we may pay the \$40 check, but you will be charged an Overdraft Privilege Fee as disclosed in our *Fee Schedule*. That fee will be deducted from your account, further increasing the overdrawn amount. However, in general, no Overdraft Privilege Fee will be charged on the debit card transaction since your available balance was sufficient to pay it at the time of preauthorization. Please note that there are circumstances in which our system may also charge a fee on the debit card transaction, as described above.

**6. YOU ACKNOWLEDGE THAT YOU MAY STILL OVERDRAW YOUR ACCOUNT EVEN THOUGH THE AVAILABLE BALANCE APPEARS TO SHOW THERE ARE SUFFICIENT FUNDS TO COVER A TRANSACTION THAT YOU WANT TO MAKE.** This is because your available balance may not reflect all your outstanding checks, automatic bill payments that you have authorized, or other outstanding transactions that have not yet been paid from your account. In the example above, the outstanding check will not be reflected in your available balance until it is presented to us and paid from your account.

7. Also, your available balance may not reflect all of your debit card transactions. For example, if a merchant obtains our prior authorization but does not submit a one-time debit card transaction for payment within three (3) days of authorization (or for up to thirty (30) days for certain types of debit card transactions, including but not limited to car rental transactions and international transactions), we must release the authorization hold on the transaction. The available balance will not reflect this transaction once the hold has been released until the transaction has been received by us and paid from your account. Refer to the section entitled “Authorization Holds for Debit Card Transactions” below for information about how authorization holds affect your available balance.

8. Finally, your available balance may not reflect the most recent deposits to your account. Refer to Part III (Funds Availability) for information regarding the availability for withdrawal of your deposits. You should not assume that you can avoid overdrawing your account by making a deposit before a check or other item is presented for payment because your deposit may not be immediately available for withdrawal.

A transaction can still result in an overdraft or non-sufficient funds (NSF) transaction even if it posts on the same day as a deposit to your account that is sufficient in amount to cover the transaction, if the deposit posts after the transaction has already posted and resulted in an overdraft fee or NSF fee or if the deposited funds are subject to a hold (please see our Funds Availability Policy disclosure for information regarding holds on deposits). You acknowledge that it is your responsibility to deposit funds that are available to cover all of your transactions within sufficient time to pay such transactions.

### Authorization Holds for Debit Card Transactions

9. When you use your debit card to pay for goods or services, the merchant may seek preauthorization from us for the transaction. When we preauthorize the transaction, we commit to make the requested funds available when the transaction finally posts and as such, we generally place a temporary hold against the funds in

the account linked to your debit card based on the amount of the preauthorization request from the merchant. We refer to this temporary hold as an “authorization hold,” and the amount of the authorization hold will be subtracted from your available balance as authorization requests are received by us throughout each day. Until the transaction finally settles or we otherwise remove the hold (for example, we may remove the hold because it exceeds the time permitted, as discussed below, or we determine that it is unlikely to be processed), the funds subject to the hold will not be available to you for other purposes. At some point after you sign for or otherwise authorize the transaction, it is processed by the merchant and submitted to us for payment. This can happen hours or sometimes days after you signed for/authorized 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.

10. The amount of an authorization hold may differ from the actual transaction amount because the actual transaction amount may not yet be known to the merchant when the preauthorization request is submitted. For example, this can happen in connection with transactions where your debit card is swiped before your actual transaction amount is known, such as at a restaurant or gas station (e.g., at a restaurant, you may choose to add a tip to the transaction amount). For these types of transactions, there may be no authorization hold, or the amount of the authorization hold may be different from the transaction amount. In some other cases we may not receive an authorization request from the merchant, and there will be no authorization hold reflected in your available balance. We cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for payment.

11. We are permitted to place an authorization hold on your account for up to three (3) days (or for up to thirty (30) days for certain types of debit card transactions) from the time of the authorization or until the transaction is paid from your account. However, if the transaction is not submitted for payment, we will release the authorization hold, which will increase your available balance until the transaction is submitted for payment by the merchant and finally posted to your account. If this happens, we must honor the prior authorization and will pay the transaction from your account.

12. In certain instances, when the amount of the authorization hold is either more or less than the amount of the actual transaction, we may maintain the authorization hold even after the purchase amount is actually paid from your account. However, in these instances, we will not maintain an authorization hold for longer than three (3) business days (or for up to thirty (30) business days for certain transactions).

### Section 3: How Transactions Are Posted to Your Account

1. There are 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.

2. We can receive credit and debit transactions in different forms at various times each business day. We reserve the right to determine the timing and order in which such transactions are posted to your account to the extent permitted by law. We determine the order in which we process and post credits and debits to your account based on a number of factors.

3. We may pay or authorize some transactions and decline or return others, in any order we deem appropriate to the extent permitted by law. When the available balance in your account is not sufficient to cover all of the transactions presented that day, some posting orders can result in more returned items and more overdraft and returned fees than other posting orders.

4. Some items are received by us individually and others are received in batches at various times each business day. Items that we currently receive individually include ATM withdrawals, point-of-sale (POS) transactions, teller transactions, and “on-us” checks that are received in-person. These individual items are generally posted to your account as they are received by us each business day. Items that we currently receive in batches include checks drawn on your account presented by other financial institutions, “on us” checks (except as noted above), and ACH transactions. If multiple checks and/or ACH transactions are presented on any given day in a single batch, they are cleared in low-to-high dollar amount.

5. The order in which items are posted to your account will depend on a number of factors, such as (i) different posting orders for items within each category, and (ii) a change in the timing of when items are posted during the day and whether they are posted individually or in batches. Except to the extent limited by applicable law, we have the right to change any of the factors described in (i) and (ii) listed in this Paragraph at any time without notice to you. There are several types of debit transactions. Each type of debit transaction is described generally below in Section 4. Keep in mind that debits are most often presented for payment by merchants,

and the Credit Union is not in control of when transactions are received.

## Section 4: Payment of Overdrafts

### Payment of Overdrafts

1. We are not obligated to pay any item presented for payment if your account does not contain sufficient available funds. If we pay a transaction that overdraws your account, we are not obligated to continue paying such transactions in the future. We may pay all, some, or none of your overdrafts, without notice to you. If we do not authorize and pay an overdraft, then we decline or return the transaction unpaid. The *Fee Schedule* for your account identifies the type of fee we charge for overdraft and for declined or returned items and the dollar amount of the fees. Please review your *Fee Schedule* for your account carefully. You are liable to us to repay any overdrafts on your account whether you created them or not. If you do not pay us, and we take collection action against you, you agree to pay for our costs of collection. We may close, without notice, any account with excessive insufficient funds activity, and report the account to a consumer reporting agency.

2. We assess a fee for each item that we either pay, which results in an overdraft, or do not pay, which would have resulted in an overdraft had we paid it (i.e., item was returned for insufficient funds). If we pay an item in accordance with our Overdraft Privilege Service (described in more detail below), we will charge an Overdraft Privilege Fee as disclosed in the *Fee Schedule*. If we do not pay an item and the item is returned for insufficient funds, we will charge an Insufficient Funds Charge as disclosed in the *Fee Schedule*. If we decline to authorize a one-time debit card payment transaction or ATM withdrawal, you will not be charged an Insufficient Funds Charge.

3. We do not limit the number of Insufficient Funds Charges and Overdraft Privilege Fees we charge in a business day.

4. We recommend that you enroll in one of the optional overdraft protection plans described below. These plans can help you avoid overdrafts and returned items. While fees may apply when you use an optional overdraft protection plan, the fees under the plan are generally less expensive than Insufficient Funds Charges and Overdraft Privilege Fees.

5. **Transfers to Cover Overdrafts:** You understand and agree that we have the right to transfer available funds to your checking account from any of your other account(s) with us (excluding IRAs and certificate accounts), including account(s) upon which you are a joint owner, in an amount equal to the overdraft and related fees.

6. If we pay an item drawn against insufficient funds on an account with more than one (1) member on the application for services, each member, and agent if applicable, drawing or presenting the item creating the overdraft, shall be jointly and severally liable for such overdrafts including Overdraft Privilege or Insufficient Funds Charges (if any).

7. **NSF Transactions:** We are not obligated to pay any item presented for payment if your account does not contain sufficient available funds. If we do not authorize and pay an overdraft, then we decline or return the transaction or item unpaid and charge a related Insufficient Funds Charge as stated in our *Fee Schedule*; however, an Insufficient Funds Charge will not be charged if a one-time debit card payment transaction or ATM withdrawal is declined. You are responsible for ensuring that your account includes sufficient available funds to pay the transactions you initiate or authorize when they are processed for payment from your account, and you also acknowledge that the Credit Union is not in control of the timing of when merchants or payees submit transactions to us for payment and that such timing may vary.

If your account does not have sufficient available funds when a transaction or item is presented to us for payment and, as a result, returned unpaid, the merchant or payee of your transaction or item may choose to resubmit the same transaction or item, and may do so multiple times; this may also occur when you initiate payments through the Credit Union's Online Bill Payment Service and your account lacks sufficient available funds at the time the transaction or item is presented for payment, as we may return as unpaid the transaction or item, charge an Insufficient Funds Charge, and then resubmit the same transaction or item at a later time in an attempt to process your requested transaction. In the event a transaction or item is resubmitted for payment at a time when your account lacks sufficient available funds to pay it and we decline it, we may charge a related Insufficient Funds Charge for each such resubmitted item each time that same transaction or item is returned unpaid or an Overdraft Privilege Fee if a resubmitted transaction or item is paid when your account lacks sufficient available funds to pay it, even if the transaction or item was previously returned and a fee was previously charged.

## Optional Overdraft Protection Plans

8. We offer optional overdraft protection plans that you may apply for, such as a personal line of credit loan account where your line of credit is used for overdraft protection, and an Overdraft Protection Transfer Service where funds from a linked savings or other eligible account are used for overdraft protection. If you qualify for these optional services, we will look first to these services for overdraft protection before applying our discretionary Overdraft Privilege Service when your account is overdrawn. A personal line of credit and the Overdraft Protection Transfer Service plan may save you money on the total fees you pay us for overdraft protection.

- **Personal Line of Credit:** This is a revolving line of credit, which is available to members meeting certain credit requirements. With this plan, you authorize us to automatically advance the exact amount of your overdraft from your personal line of credit (linked to your checking account) to cover your overdraft, up to your credit limit. You must repay what you have borrowed in full or in minimum monthly payments (in addition to any applicable late charges, finance charges and fees). If you are approved for a personal line of credit, you will be provided with separate terms and conditions applicable to the personal line of credit.

- **Overdraft Protection Transfer Service:** With this service, you authorize us to make transfers of available funds automatically from your eligible savings or other eligible account to cover overdrafts in your checking account. Transfers from your savings or other eligible account are made in the exact amount of the overdraft. You are automatically enrolled in this service. You may opt-out at any time by 1) sending written notification to Redstone Federal Credit Union, Attn: Member Support Services, 220 Wynn Drive, Huntsville, Alabama 35893; (2) calling us at 256-837-6110 or 800-234-1234; (3) emailing us at [info@redfcu.org](mailto:info@redfcu.org); or (4) visiting a branch near you. Overdraft Protection Transfers may not be available on all savings accounts. Only overdrafts paid by a transfer from an Estate Savings Account or Share Savings Trust Fund Account are subject to an OD Protection Transfer Fee and/or UC Protection Transfer Fee as disclosed in the *Fee Schedule*.

9. If you do not have sufficient available credit on your personal line of credit or the funds in your savings or other eligible account are not sufficient to pay the overdraft on your checking account, then you understand that the overdraft may be paid by our Overdraft Privilege Service, subject to the terms and conditions of the Overdraft Privilege Service section below, if you are eligible for the Overdraft Privilege Service. If you are not eligible for the Overdraft Privilege Service, then the item causing the overdraft will be returned or the transaction declined. If you decline to utilize any of the optional overdraft protection plans and you are not eligible for our Overdraft Privilege Service, and there are insufficient funds in your checking account to pay an item, your items will not be paid, they will be returned, and an Insufficient Funds Charge will be charged for each transaction or item returned. An Insufficient Funds Charge will not be charged if a one-time debit card payment transaction or ATM withdrawal is declined. Transfers will appear on your periodic statements for each applicable account.

10. **Limits on Overdraft Protection:** We will not transfer more than the available account balance in a linked savings or other eligible account or the available credit (as of the end of the previous business day) on a personal line of credit account, even if the amount of the overdraft is more than the available amount. If the available balance in a linked savings or other eligible account is not enough to pay the transactions you have initiated on any day, we will transfer the available funds to pay part of the overdraft transaction. Any transactions that are not paid by the transfer will either be paid or returned, and an Overdraft Privilege Fee or Insufficient Funds Charge will be charged as if you did not have overdraft protection.

11. **Termination of Optional Overdraft Protection Plans:** We may terminate optional overdraft protection services at any time with or without notice to you and without reason or cause. Any owner of the checking account, any owner of a linked savings or other eligible account used for overdraft protection, or any borrower on a personal line of credit account used for overdraft protection may cancel overdraft protection by telephone, in person, or in writing. Cancellation will be effective after we have received notice and have had a reasonable time to act on it.

## Section 5: Overdraft Privilege Service

1. In accordance with our commitment to provide valued service and benefits, we may, at our discretion, pay your overdrafts that would cause your eligible checking account to have a negative balance. We refer to this service as our Overdraft Privilege Service (hereinafter referred to as the "Service"). The Service is different than the personal line of credit and the Overdraft Protection Transfer

Service plans. The Service is a backup to your existing overdraft protection plans and will only be activated if funds are not available from those plans, although we reserve the right to not pay any overdraft transaction at our sole discretion.

**2. What Overdraft Transactions are Covered?** The Service is available only for the payment of checks, electronic transfers, telephone-initiated transfers, preauthorized payments under our Bill Payment Service, recurring debit card transactions, and ACH drafts and debits. The Service is not available for ATM transactions and one-time debit card transactions, unless you opt-in, as described in the next section.

**3. Optional Overdraft Transactions:** If you would like to include ATM transactions and one-time debit card transactions in the Service, you are required to “opt-in” (in other words, you must provide us with your affirmative consent). Choosing not to opt in may result in these transactions being declined.

If you want the Credit Union to authorize and pay overdrafts for ATM and one-time debit card transactions, you must provide us with your consent by contacting us as follows: (1) sending written notification to Redstone Federal Credit Union, Attn: Member Support Services, 220 Wynn Drive, Huntsville, Alabama 35893; (2) calling us at 256-837-6110 or 800-234-1234; (3) emailing us at [info@redfcu.org](mailto:info@redfcu.org); or (4) visiting a branch near you. You may also authorize us to pay your ATM and one-time debit card transactions through Online Banking.

You may revoke your authorization to have us pay your ATM and one-time debit card transactions at any time by contacting us as stated above or through Online Banking. Your decision to opt in does not guarantee that we will always pay your ATM transactions or one-time debit card transactions when there are insufficient available funds in your account to cover the transaction.

**4.** We only charge overdraft fees for ATM and one-time debit card transactions if you “opt-in” to payment of overdrafts resulting from such transactions. Check, ACH, and recurring debit card transactions do not require an opt-in, although we reserve the right to not pay any overdraft transaction at our sole discretion. Unfortunately, sometimes merchants that you transact with may designate a one-time debit card transaction as a “recurring” debit card transaction and such transaction may result in an overdraft and related overdraft fee even if you have not opted in to payment of one-time debit card transactions; for example, a rideshare service may designate all transactions through your use of that service as “recurring” even though each individual ride you paid for is an individual one-time transaction, which is likely in differing amounts from other transactions through the rideshare service. You acknowledge and agree that we are entitled to rely on a merchant designating a transaction as “recurring” even if each individual transaction is considered a one-time debit card transaction, as our system will rely on the merchant designation in such instances, and that we have no liability for the merchant incorrectly coding the transaction as a recurring debit card transaction.

**5. Eligibility for the Service:** The Service is not a credit product and requires no application or credit approval process; it is a feature that is automatically included with eligible checking accounts (unless you opt out of the Service entirely as described below). Eligibility is at the sole discretion of the Credit Union and is based on you managing your checking account in a responsible manner and meeting the criteria listed below, and we reserve the right at our sole discretion to suspend or permanently revoke the Service at any time without prior notice to you. The Service is available for consumer checking accounts primarily used for personal, household, and family purposes. Minor Accounts, Trust Accounts, and Safeguard Checking Accounts are not eligible for the Service. We reserve the right to restrict the number of accounts eligible for the Service to one (1) account per household.

**6.** The negative balance to which you can overdraw your account by using the Service is determined by us in our sole and absolute discretion. While we provide the Service at our discretion and can reject payment of any overdraft transaction, we provide different overdraft coverage amounts depending on members meeting certain eligibility requirements (referred to as “Overdraft Privilege Limit”) as set forth herein. Under the Service, we may cover up to \$700 in overdrafts (including applicable fees) if you meet the following eligibility requirements related to Credit Union services: (a) your eligible checking account has been open for at least 180 days; (b) you continue to make deposits consistent with your past practices, and deposit at least \$800 in your account within each thirty (30) day period; (c) you are not in default on any loan obligation; (d) you bring your account to a positive balance (not overdrawn) at least once every thirty (30) days; (e) your account is not the subject of any legal or administrative order or levy; and (f) you have a Credit Union Visa debit card, recurring monthly direct deposit, and a personal line of credit and/or credit card. If you meet the foregoing eligibility requirements, except that you do not have a personal line of credit and/or credit card, we may only cover up to \$400 in overdrafts (including applicable fees). If you do not meet the foregoing eligibility requirements, we may cover up to \$100 in overdrafts (including applicable fees) under the Service if you meet the following eligibility requirements related to Credit Union services: (a) your eligible checking account

has been open for at least thirty (30) days; (b) you continue to make deposits consistent with your past practices, and deposit at least \$400 in your account within each thirty (30) day period; (c) you are not in default on any loan obligation; (d) you bring your account to a positive balance (not overdrawn) at least once every thirty (30) days; and (e) your account is not the subject of any legal or administrative order or levy. You acknowledge and agree that we reserve the right to further limit the number and amount of checks or other items/transactions that may be paid by us through the Service during any given month.

**7. The Service is a benefit. Any payment made by us under the Service will be made on a case-by-case basis, in our sole and absolute discretion. The Service does not constitute an actual or implied agreement between you and the Credit Union, nor does it constitute an actual or implied obligation of the Credit Union. The Service is a privilege that the Credit Union provides from time to time and which may be withdrawn, limited, or withheld by the Credit Union at any time, without prior notice, reason or cause.**

**8. How the Service is Administered:** In our sole discretion, we may notify you by mail, or, if you have agreed to receive notices from us in an electronic format, you may be notified electronically, of any nonsufficient funds checks, items or other transactions that have been paid or returned; however, we are not required to so notify you. You also acknowledge and agree that we have no obligation to notify you before we pay or return any check, item or other transaction. We may refuse to pay any overdrafts without first notifying you even though your account is in good standing and even if we have paid previous overdrafts.

**9. When is the overdraft payment due?** The total of the overdraft (negative) balance in your checking account, including any and all fees and charges, is due and payable upon demand, and you are required to immediately deposit sufficient funds to cover the overdraft paid by us and pay the related fees.

**10. Overdraft Privilege Fees:** An Overdraft Privilege Fee will be charged to your checking account, in accordance with our *Fee Schedule*, for each overdraft that is authorized and paid through the Service. This means that more than one Overdraft Privilege Fee may be assessed against your checking account per day depending upon the number of overdrafts authorized and paid through the Service. You understand that your Overdraft Privilege Limit that is available will be reduced by the amount of each overdraft paid by us through the Service and the amount of the related Overdraft Privilege Fee imposed until such amounts are repaid by you as set forth herein, at which time we may replenish your Overdraft Privilege Limit that is available by the amount of the repayment. If we choose not to pay the item/transaction under the Service, you are subject to an Insufficient Funds Charge for each such item in accordance with our *Fee Schedule* (except for one-time debit card payment transactions or ATM withdrawals). Your periodic statement will itemize Overdraft Privilege Fees and Insufficient Funds Charges for each cycle, as well as the year-to-date total of fees.

**11. Your Right to Opt Out of the Service:** If you prefer not to have the Service, contact us as follows: (1) send written notification to Redstone Federal Credit Union, Attn: Member Support Services, 220 Wynn Drive, Huntsville, Alabama 35893; (2) call us at 256-837-6110 or 800-234-1234; (3) email us at [info@redfcu.org](mailto:info@redfcu.org); or (4) visit a branch near you. We will remove the Service from your checking account. You may also opt out of the Service through Online Banking. If you opt out of the Service, you will still be charged our Insufficient Funds Charge for each item returned (except for one-time debit card payment transactions or ATM withdrawals).

**12. Default:** You will be in default under the terms of this Part IV if you fail to live up to any of the terms and conditions set forth herein or you are in default on any loan obligation with us and/or a negative balance exists in any share account with us on which you are an owner. If you are in default, in addition to any other rights we may have, we may temporarily suspend overdraft or Overdraft Privilege privileges, terminate the Service or close your checking account and demand immediate payment of the entire unpaid negative balance.

**13. Termination; Suspension:** We may terminate or suspend the Service at any time without prior notice, reason or cause. In no event will any termination relieve you of your other obligations under this Agreement, including your obligations to repay any negative account balance, overdraft fees, collection costs, and attorneys’ fees, if any.

**IF YOU DO NOT UNDERSTAND ANY PROVISION IN THIS PART IV, OR IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT US MONDAY THROUGH FRIDAY DURING BUSINESS HOURS AS FOLLOWS: (1) SEND WRITTEN NOTIFICATION TO REDSTONE FEDERAL CREDIT UNION, ATTN: MEMBER SUPPORT SERVICES, 220 WYNN DRIVE, HUNTSVILLE, ALABAMA 35893; (2) CALL US AT 256-837-6110 OR 800-234-1234; (3) EMAIL US AT [INFO@REDFCU.ORG](mailto:INFO@REDFCU.ORG); OR (4) VISIT A BRANCH NEAR YOU.**

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## Part V. Electronic Fund Transfers

This Part V of the Membership Agreement sets forth the terms and conditions governing electronic fund transfers. Electronic fund transfers (“EFTs”) are electronically initiated transfers of money involving a share account at the Credit Union and multiple access options, such as online account access, mobile banking, direct deposits, ATMs, debit card and CALL-24 automated telephone banking. Your acceptance, retention, or use of a debit card, Personal Identification Number (“PIN”), EFT, or other electronic service hereunder constitutes an agreement between us and you to be bound by the additional terms and conditions contained in this Part V. Where not in conflict with the terms of this Part V, the general terms and conditions elsewhere in this Membership Agreement, or such other agreements under which electronic services may be provided remain in full force and effect and continue to be applicable, except as specifically modified by this Part V.

These disclosures are given by us in compliance with the Electronic Fund Transfer Act (15 USC § 1693 et seq.) and Regulation E (12 CFR Part 1005) to inform you of certain terms and conditions for use of the electronic services described in this Membership Agreement.

At the present time, we offer the following electronic services:

- Preauthorized deposits of paycheck;
- Payroll deductions;
- Preauthorized deposits of pension checks and federal recurring payments (for example, Social Security payments);
- Preauthorized withdrawals for bill payments and other recurring payments;
- At Credit Union-owned and operated (proprietary) ATMs and on Shared Network ATMs such as the CO-OP Network and Presto, and such other systems as may be added from time to time;
- CALL-24 Automated Telephone Banking;
- Online Banking;
- Bill Payment Service;
- Debit Card;
- Electronic Check Transactions;
- Transactions at a Point-of-Sale (“POS”) terminal whether or not an access device is used; and
- Mobile Banking.

General disclosures applicable to all electronic services offered by us is given below, with certain specific disclosure information for each service following in separate sections.

### Section 1: General Disclosures Applicable to All Electronic Services

1. The Electronic Access Systems are the electronic methods by which you may access certain account information as provided in the Online Services Agreement. These may consist of the online banking, CALL-24, bill payment, or other methods we may add from time to time.
2. “Card” means the debit card. “Access Code” means a password or identification number used to access your account(s) or Electronic Access Systems. “PIN” means a personal identification number; you may be issued a PIN for access to your Card(s) or any other Electronic Access Systems.
3. Your use of the electronic services is subject to our approval.
4. **Business Day Disclosure:** Our business days are Monday through Friday, except for federal banking holidays. Branch hours, business hours, and holiday schedules may be obtained through our website or by contacting us at our general information line. Hours and branch locations are subject to change without prior notice. Our proprietary ATMs are generally available 24 hours a day, 7 days a week, with minor interruptions for system maintenance or technical difficulties. CALL-24, online banking and the bill payment system are generally available for your convenience 24 hours a day, 7 days a week,

with minor interruptions for system maintenance or technical difficulties, including those of the Internet service provider and Internet software.

### 5. Right to Receive Documentation of Transactions:

a. **Terminal Transfers:** In most cases, you will receive a receipt at the time you make any transfer to or from your account using an ATM or when you make a purchase using a POS terminal. You should retain this receipt to compare with your statement from us. Federal law provides that for certain small dollar transactions at merchant locations, you may not receive a receipt.

b. **Periodic Statements:** You will receive a monthly account statement for each month in which an EFT is made (but at least a quarterly statement if no transfers are made). You agree to immediately review each periodic statement mailed or otherwise made available to you to ensure that each and every transaction has been authorized by you and to promptly report any alleged unauthorized transactions. Your failure to promptly report any allegedly unauthorized transaction may result in future allegedly unauthorized transactions to be considered authorized.

6. **In case of errors or questions about your electronic services transactions:** In case of errors or questions about your electronic services transactions, notify us immediately by: telephone at (256)837-6110 or (800)234-1234 during business hours, email at [info@redfcu.org](mailto:info@redfcu.org), or writing us at Redstone Federal Credit Union, Attn. Member Support Services, 220 Wynn Dr NW, Huntsville, AL 35893. If you think your periodic statement or receipt is wrong or if you need more information about a transaction listed on your periodic statement or receipt, you can also contact us as provided above. We must hear from you no later than sixty (60) days after we send you the FIRST periodic statement on which the problem or error appeared. You must:

- a. Tell us your name and account number;
- b. Describe the error or the transaction you are unsure about and explain, as clearly as you can, why you believe it is an error or why you need more information; and
- c. Tell us the dollar amount of the suspected error.

If you tell us verbally, we may require that you send us your complaint or question in writing within ten (10) business days after your verbal notification.

We will determine whether an error occurred within ten (10) business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to forty-five (45) days to investigate your complaint or question. If we decide to do this, we will provisionally credit your account within ten (10) business days for the amount you think is in error so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within ten (10) business days, we may not provisionally credit your account.

In accordance with Visa Operating Rules and Regulations, you will receive provisional credit for Visa debit card losses for unauthorized use within five (5) business days after you have notified us of the loss. However, refer to the “Your Liability For Unauthorized Transactions and Advisability of Prompt Reporting” section of this Membership Agreement for further details regarding Visa debit card transactions initiated through a non-Visa debit network.

For errors involving new accounts, point-of-sale, or transactions initiated outside of the United States, we may take up to ninety (90) days to investigate your complaint or question. For new accounts, we may take up to twenty (20) business days to credit your account for the amount you think is in error. Your account is considered a “new account” for the first thirty (30) days after the first deposit is made, unless you already have an established account with us before this account is opened.

We will tell you the results within three (3) business days after completing our investigation. If we decide that there was no error, we will send you a written explanation and, if we provisionally credited your account, we will reverse the provisional credit and notify you of the date we reversed the credit and the amount of the debit. You may ask for copies of the documents that we used in our investigation.

## 7. Your Liability for Unauthorized Transactions and Advisability of Prompt Reporting:

You are responsible for all transfers you authorize using the electronic services described in this Membership Agreement. If you permit other persons to use your Card, PIN(s), and/or Access Code, you are responsible for any transactions that person authorizes or conducts on any of your accounts, even if that person exceeds your authority. However, you must tell us AT ONCE if you believe your Card, PIN(s), and/or Access Code have been lost or stolen or if you believe that an EFT has been made without your permission using information from your check. Telephoning is the best way of minimizing your possible losses. A written notification to us should follow your telephone call.

You could lose all the money in your account (plus your maximum overdraft personal line of credit, if you have one). However, if you believe your Card, PIN(s), and/or Access Code has been lost or stolen, and you tell us within two (2) business days after you learn of the loss or theft, you can lose no more than \$50 if someone used your Card, PIN(s), and/or Access Code to access your account without your permission.

If you do NOT tell us within two (2) business days after you learn of the loss, theft, or unauthorized use of your Card, PIN(s), and/or Access Code and we can prove we could have stopped someone from using your Card, PIN(s), and/or Access Code without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, including those made by Card, PIN, Access Code, or other means, you must tell us at once. If you do NOT tell us within sixty (60) days after the statement was mailed or delivered to you (i.e., by eStatement), you may not get back any money you lost after the sixty (60) days if we can prove that we could have stopped someone from taking the money if you had told us in time.

If you can document that a good reason (such as a long trip or hospital stay) kept you from telling us, we will extend the time period.

If you are using a debit card for transactions that take place on the Visa network system, Visa Operating Rules and Regulations provide for zero liability for unauthorized transactions under certain conditions. This does not apply to transactions that are not processed through the Visa network. *These exceptions do not apply to transactions originating from your negligence and/or fraudulent use of your debit card, and you must have exercised reasonable care in safeguarding your card from risk of loss or theft. Zero liability is also not provided for commercial card, ATM or PIN-based transactions not processed by Visa (such as when a merchant processes your debit card PIN transaction over the STAR network).*

**8. You Are Responsible For Transactions You Initiate:** You understand and agree that you will be responsible for all transactions that you make and/or initiate, including transactions where you initiate the transaction but are the victim of fraud or transactions you initiate in error.

**9. How to Notify the Credit Union in the Event of an Unauthorized Transaction:** If you believe your Card(s), PIN(s), or Access Code(s) have been lost or stolen or that someone will or may use it to transfer money from your account(s) without your permission, you must telephone the Credit Union at (256) 837-6110 or (800) 234-1234, or write to us at: Redstone Federal Credit Union, Attn: Member Support Services, 220 Wynn Dr NW, Huntsville, AL 35893.

You should also call the number or write to the address listed above if you believe a transfer has been made using the information from your check without your permission.

**10. Our Liability for Failure to Make or Complete Electronic Fund Transfers:** If we do not properly complete an EFT to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses and damages. However, there are some exceptions. We will not be liable, for instance, if:

- a. Circumstances beyond our control (such as fire, flood, tornado or earthquake; computer system failure; telecommunication outages; postal strikes; equipment, power, or electrical failure; malfunction of central data processing facility, etc.) prevent the transaction, despite reasonable precautions that we have taken;
- b. Delays in processing and/or payment are caused by third-party software and/or services;

- c. Through no fault of ours, you do not have sufficient available funds in your account (or sufficient collected funds) to complete the transaction(s);
- d. The funds in your account are subject to an uncollected funds hold, legal process, or other circumstances restricting such transaction or payment;
- e. We received incorrect or incomplete information from you or from third parties (e.g., the U.S. Treasury, an automated clearing house, or a terminal owner);
- f. The ATM, electronic terminal, or network system was not working properly and you knew about this breakdown when you started the transaction;
- g. The ATM or electronic terminal where you were conducting the transaction did not have enough cash or cash in the denominations you requested;
- h. Your Card, PIN, or Access Code you provide is incorrect or incomplete, has been reported lost or stolen, has expired, is damaged so that the mechanical device cannot read the encoding strip or chip, is inactive due to non-use, is retained by us due to your misuse or suspected fraudulent activities, is retained by us at your request, or your Card, PIN, or Access Code has been repeatedly entered incorrectly;
- i. The transaction would exceed an unused line of credit limit, go over the credit limit of your overdraft protection, or would exceed other account transaction limits;
- j. Our failure to complete the transaction or the placement of a block on your account is done to protect the security of your account and/or the electronic terminal system;
- k. You make an error in keying your deposit at an ATM or through the Online Banking system (and if you make such error, we are not responsible for bounced checks, forfeited dividends, and other consequences which may result);
- l. The payee mishandles or delays a payment;
- m. You have not provided us or our service provider with the correct names, phone numbers, or account information for those persons or entities to whom you wish to direct payment;
- n. Your account(s) has been closed;
- o. If the transfer would create, and require our approval to pay, an overdraft per our discretionary Overdraft Privilege Service and we choose in our sole discretion to not approve payment of such overdraft; or
- p. Any transaction is prohibited by law, regulation, court order, or would be considered illegal activity.

There may be other exceptions not specifically mentioned above.

Provided that no exceptions to the service performance obligations are applicable, if we cause an incorrect amount of funds to be debited from your account, or caused funds from your account to be transferred to a person or entity which does not comply with your bill payment instructions, we will be responsible for returning the improperly transferred funds to your account and for directing to the proper recipient any previously misdirected bill payments or transfers.

**THE FOREGOING CONSTITUTES OUR ENTIRE LIABILITY AND YOUR EXCLUSIVE REMEDY. IN NO EVENT WILL WE BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR EXEMPLARY DAMAGES, INCLUDING LOSS OF PROFITS (EVEN IF ADVISED OF THE POSSIBILITY THEREOF) ARISING IN ANY WAY OUT OF THE INSTALLATION, USE, OR MAINTENANCE OF ANY EQUIPMENT, SOFTWARE, AND/OR SERVICE.**

**11. PIN and Access Code Use and Security:** You understand that you cannot use your Card, Electronic Access Systems, or other electronic transactions contemplated hereunder without a signature or the applicable PIN or Access Code. You are responsible for the safekeeping of your PIN(s) or Access Code provided by us or selected by you and for all transactions by use of a PIN or Access Code. Your use of a PIN or Access Code is your authorization to us to withdraw funds from your Share (Savings) account or checking account to cover such transactions. Your PIN(s) and Access Code

are confidential and should not be disclosed to third parties or recorded. You will notify us immediately and send written confirmation if your PINs or Access Code are disclosed to anyone other than the joint owner of your account. You understand and agree that you must change the PIN or Access Code immediately to prevent transactions on your account(s) if anyone not authorized by you has access to the PIN or Access Code. If you disclose your PIN(s) or Access Code to anyone, however, you understand that you have given them access to your account(s) and you are responsible for any such transaction. If you authorize anyone to use your PIN or Access Code in any manner that authority will be considered unlimited in amount and manner until you specifically revoke such authority by notifying the Credit Union and changing your PIN or Access Code immediately. You are responsible for any transactions made by such persons until you notify us that transactions and access by that person are no longer authorized and your PIN or Access Code is changed.

**12. Card Safety Precautions:** YOU MUST KEEP YOUR CARD IN A SAFE PLACE AND PERMIT NO UNAUTHORIZED PERSON TO USE IT. YOU MUST NOT DISCLOSE YOUR PIN OR ACCESS CODE TO ANY UNAUTHORIZED PERSON OR WRITE IT ON YOUR CARD, CARRY IT IN YOUR WALLET OR PURSE, OR OTHERWISE MAKE IT AVAILABLE TO ANYONE ELSE; YOU WILL IMMEDIATELY REPORT ANY LOSS OR THEFT OF YOUR CARD. IF YOU AUTHORIZE US TO ISSUE A CARD (OR ANY OTHER ACCESS DEVICE) TO ANYONE ELSE, YOU AUTHORIZE THAT INDIVIDUAL TO WITHDRAW FUNDS FROM YOUR ACCOUNT(S) WHICH CAN BE ACCESSED BY THE CARD REGARDLESS OF WHETHER THAT INDIVIDUAL IS AUTHORIZED TO WITHDRAW MONEY FROM THE ACCOUNT BY ANY MEANS OTHER THAN BY USE OF THE CARD.

13. If you fail to maintain the security of your Card, PIN or Access Code and the Credit Union suffers a loss, we may terminate your use of the Card immediately and the Credit Union may, in its sole discretion, choose not to reissue another Card to you.

14. All transactions affected by use of Electronic Access Systems, Electronic Check Transactions (as defined below), Cards, or other electronic transaction contemplated hereunder which would otherwise require your actual signature, or other authorization, will be valid and effective as if actually signed and/ or authorized by you when accomplished by use of an Electronic Check Transaction, the Card(s) and/or PIN(s), or as otherwise authorized under this Membership Agreement.

**15. Fees for EFTs:** All fees associated with your EFTs are disclosed in our *Fee Schedule*. Any fees charged will be deducted from your checking or savings account. The Credit Union reserves the right to increase or add new fees at a future date after we give you notice of such fees if required by law.

16. If you have been issued an additional Card for a joint owner on your account, any applicable transaction fees outlined in our *Fee Schedule* will be based on combined transactions. Withdrawals from more than one account or additional withdrawals from the same account during a single access will be counted as multiple withdrawals. Generally, transaction fees will be charged to your account within two (2) business days from the day they are incurred. The fee may not be recorded on the transaction receipt produced by the ATM, but it will be itemized on your monthly statement.

17. If you use an ATM that is not operated by us (a “non-proprietary ATM” or “non-RFCU ATM”), you may be subject to additional fee(s) imposed by another financial institution, merchant, and/or by an automated transfer network. We have no control over these fees. You may be charged a fee for a balance inquiry even if you do not complete a funds transfer. This practice is known as “surcharging” and is in addition to any ATM fees charged by us.

18. The Credit Union will also charge fees as disclosed in the *Fee Schedule* for each transaction you perform at non-proprietary owned ATMs; for example, if you check your balance and withdraw money at a non-proprietary ATM, you will be charged fees for both transactions.

### Termination or Suspension of Electronic Services

19. You may, by written request, terminate any of the electronic services provided for in this Membership Agreement. Termination by any one account owner will be binding on all account owners and we are not required to notify other account owners of the termination; however, if you ask us to terminate

your account or the use of any electronic service, you will remain liable for subsequent transactions performed by any other party to your account. Termination of electronic service(s) does not terminate your accounts or agreements with us and will not affect your authorization for transfers and payments made prior to termination. Upon termination of electronic services, the Credit Union will endeavor to cancel any applicable account transactions you have previously authorized, provided that the Credit Union makes no guarantee that it will be able to do so. You will be solely responsible for any fees that apply to any such cancellation.

20. We reserve the right to terminate your access to the electronic services, in whole or in part, at any time and for any reason. In addition, electronic services may be suspended, without advance notice, if there are insufficient funds in any one of your accounts or if any of your accounts are not in good standing. After suspension, electronic services may be reinstated, at our discretion, once there are sufficient funds in your account(s) to cover any fees and other transfers and debits.

### Section 2: Additional Disclosures Applicable to Debit Cards

1. The disclosures in this section apply to the use of your debit card (“Card”) to conduct EFTs, including, but not limited to, use of the Card at ATMs and point of sale (“POS”) terminals. By use of your Card at a participating POS terminal, you authorize us to make withdrawals from your designated account for cash advances and/or purchases. Access to ATMs is through the use of a Card and a personal identification number (“PIN”).

**2. Ownership of Card:** The Card remains our property, and you agree to surrender the Card to us upon demand. We may cancel, modify, or restrict the use of any Card at any time upon proper notice. We may also cancel, modify, or restrict the use of any Card without notice if: (a) any of your accounts have a negative balance that is not paid within the time provided in this Membership Agreement; (b) you use your Card in a manner which may cause a loss to us; (c) your account is inactive, which for the purposes of this paragraph is defined as an account that has had no member-initiated transaction activity for one hundred and eighty (180) consecutive days; (d) any mail sent to your address is returned to us as undeliverable; (e) any email sent to you by us is returned as undeliverable; (f) your account has one (1) or more NSF items or transactions; (g) we are aware that you have violated any term of this Membership Agreement, whether or not we suffer a loss; or (h) where necessary to maintain or restore the security of your account(s) or the POS system. We also reserve the right to recall the Card through retrieval by any of the ATMs.

3. If your accounts are eligible for use with a Card, you may request one (1) Card to access your account(s) without charge.

4. The following transactions are available when using the Card and PIN at Credit Union ATMs or ITMs:

- a. Deposits, withdrawals, or transfers to or from your account(s);
- b. Certain loan payments made by cash, check, or by transferring funds from your Share Account(s), Money Market Account(s), or Checking Account(s);
- c. Loan payments to a Redstone Federal Credit Union loan;
- d. Advances on your approved line of credit.

All such transactions will access your primary account(s) unless otherwise designated.

**5. Limitations on Frequency and Dollar Amounts of Transactions:** For security reasons (i.e., in the event your Card or PIN is lost or stolen), there are limits on the dollar amount of transactions you can make on the ATM System. Provided you have enough money in your share/share draft checking account(s), you may withdraw up to a maximum of \$1,000 during any day, including Saturday and Sunday, when using an ATM. However, the amount that you may withdraw daily or in any single use of the ATM may be different at network ATMs, where limits are determined by each individual participating financial institution.

**6. Safety Tips for Using an ATM or POS Terminal:** When using your Card you should observe the following precautions:

- a. Be aware of your surroundings, particularly at night;

- b. Consider having someone accompany you when using the ATM or POS terminal after dark;
- c. Have your Card ready in your hand as you approach the ATM, rather than waiting to get to the ATM or POS terminal to take it out of your purse or wallet;
- d. Be careful that no one can see you enter your PIN, by using your other hand or body to shield the ATM/POS terminal keyboard as you enter your PIN;
- e. Put away cash as soon as the transaction is completed, do not display it, and do not count the cash until later in the safety of your vehicle or home;
- f. If you notice anything suspicious when approaching the ATM, defer the transaction until later or use another ATM or POS terminal;
- g. If you notice anything suspicious while transacting business, immediately cancel the transaction and put your Card away;
- h. Visually inspect the ATM for possible skimming devices. Potential indicators can include sticky residue or evidence of an adhesive used by criminals to affix the device, scratches, damaged or crooked pieces, loose or extra attachments on the card slot, or noticeable resistance when pressing the keyboard;
- i. To keep your account information confidential, always take your receipts or transaction records with you; and
- j. Immediately report all crimes to the ATM or POS terminal operator and local law enforcement officials.

**7. Right to Receive Documentation of Transactions:** Generally, you will receive a receipt at the time you make an ATM transaction. You should retain this receipt and compare it with your statement.

**8. Visa Account Updater (VAU):** Your Credit Union debit card has been automatically enrolled in VAU, as required by Visa, which automatically updates your debit card information you have provided to certain merchants for recurring payments (e.g., gym memberships or utility bills) if a new card is issued to you, such as after your debit card expires or is lost or stolen. You should still provide merchants your new card information, because not all merchants participate in the VAU service, to ensure your merchant payments continue uninterrupted. You can opt out of the VAU service by calling us at (800)234-1234 or (256)837-6110.

**9. Making Electronic Funds Transfers:** You agree to follow the instructions posted or otherwise given by us or the network ATM systems concerning the use of the ATMs.

10. You understand and agree that we accept deposits at our proprietary ATMs (i.e., Redstone operated ATMs) subject to verification and collection by us and such deposits may only be credited or withdrawn in accordance with our Funds Availability Policy. Transactions accomplished after the close of business each day may be deemed to have occurred on our next business day.

### Foreign Transactions and Charges

11. Purchases and cash advances processed outside of the United States or in a foreign currency will be billed to your account in U.S. dollars. The conversion to U.S. dollars will be made in accordance with Visa regulations for international transactions. In the event that an international transaction is converted to U.S. dollars, the exchange rate between the transaction currency and the billing currency used for processing international transactions will be: (1) a rate selected by Visa from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Visa itself receives; or (2) the government-mandated rate for the applicable central processing date. The processing date on which the exchange rate is applied may differ from the date you used your debit card. When a credit to the account does not fully offset a charge to the account due to changes in the rate, you are responsible for the difference.

We charge an International Conversion Fee/International Service Assessment (ISA) Fee as stated in the current version of the *Fee Schedule* for the ATM and debit card transactions settled outside the United States, regardless whether a currency conversion is required. Please note that your transactions that are initiated by you here in the United States but processed by a merchant in another country will be subject to the International Conversion/International

Service Assessment even though you initiated the transaction here (such as an Internet transaction) in the United States.

### Additional Disclosures Applicable to Point-Of-Sale (“POS”) Transactions

12. The limitation on dollar amounts of transactions described hereunder apply to each debit card for transactions in aggregate on the account associated to the debit card.

13. You may not stop payment on a completed electronic POS transaction debiting your account.

**14. Types of Available Transactions and Limits on Transactions:** By use of your Card with your PIN or signature at a participating POS terminal, you authorize us to make withdrawals from your share draft checking account for cash advances and/or purchases. You understand that overdraft protection may not be available for such transactions for funds availability or authorization purposes.

**15. Account Access:** You may use your Card to withdraw cash from your checking account by way of a cash advance from merchants, financial institutions, or others who honor the Card. You understand that your Card is not a credit card and does not provide “credit.”

**16. Limitations on Debit Card Transactions:** Debit cards may be used to access your checking accounts from any merchant location that accepts the debit card. The merchant may be required to obtain an authorization from us for any transaction over a certain dollar amount. The available balance in your account will be reduced by the amount of any transaction for which the merchant receives authorization from us, even if we have not yet received or processed the documentation evidencing the transaction. When the document has cleared through us, any hold placed on your account for the amount of the transaction will be released and your account will be debited for the amount of the transaction. We are not responsible if we do not authorize or if we dishonor other POS, ATM, or check transactions drawn on your account while a hold is placed on your account.

**17. Limitations on Frequency and Dollar Amounts of Debit Card Transactions:** You may make cash advances and purchases only to the extent that you have available funds in your share draft checking account subject to applicable limitations. You understand that the debit card has a cumulative daily transaction limit of \$7,500 which is in addition to the \$1,000 daily limit on cash withdrawals at an ATM.

**18. Right to Receive Documentation:** Generally, you will receive a receipt from the merchant or financial institution at the time you make a purchase or obtain a cash advance from your checking or regular share account. You should retain these receipts to compare with your statement.

**19. Card Claims and Transaction Questions:** When you authorize other parties to debit your account, you are responsible for these transactions. Thus, you may have to contact these parties directly if you have questions or complaints about your transactions. Any claims concerning property or services that you purchased with your Card should be resolved by you directly with the merchant or seller who accepted the Card. We will not be able to help you because we only have the information received from the other party. Any claim or defense that you assert will not relieve you of your obligation to pay us the total amount of the sales slip. You are not permitted to stop payment on any purchase made through the use of your Card.

**20. Debit Card Purchase Returns and Adjustments:** Any refund to you by a merchant or seller of goods or services may be made on a credit voucher signed by you and submitted to us by the merchant or seller, or through a cash refund. If a refund is made by credit voucher, the amount of your credit will be indicated on your checking account statement.

**21. Use of Debit Card:** The use of your debit card shall be through PIN activation or your signature. You agree that all transactions made with your authorized PIN or signature utilization are made by you, and you accept all financial liability for such transactions. You also agree to sign your signature in the space provided on your debit card for additional security and protection. You agree to keep your PIN protected as described hereunder.

**22. Transaction Fees:** Merchants and institutions other than the Credit Union may charge transaction fees for your transactions with them. These fees will be included in the amount of the transaction as it appears on your statement.

### Section 3: Additional Disclosures Applicable to Electronic Check Transactions

1. If you have authorized a one-time transfer of funds from your account via ACH where you have provided a paper check or check information to a merchant or other payee in person, by telephone, or via the Internet, to capture the routing, account, and serial numbers to electronically initiate the transfer (an "Electronic Check Transaction"), the following information applies to you:

2. **Types of Available Transactions:** You may authorize a merchant or other payee to make a one-time Electronic Check Transaction from your checking account using information from your check to (1) pay for purchases or (2) pay bills. You may also authorize a merchant or other payee to debit your checking account for returned check fees or returned debit entry fees. Please do not use the same check for more than one transaction. If you use the same check for more than one transaction, and have a problem with one of the transactions, we may have difficulty investigating the problem because the same check number would appear more than once on your statement.

3. You may make such a payment via ACH where you have provided a paper check to enable the merchant or other payee to capture the routing, account, and serial numbers to initiate the transfer, whether the check is blank, partially completed, or fully completed and signed; whether the check is presented at POS or is mailed to a merchant or other payee or lockbox and later converted to an EFT; whether the check is retained by the consumer, the merchant, other payee, or the payee's financial institution; or you have provided the merchant or payee with the routing, account, and serial numbers by telephone or via the Internet to make a payment or a purchase.

4. **Account Access:** Electronic Check Transactions may only be made from your checking account.

5. **Limitations on Dollar Amounts of Transactions:** You may make Electronic Check Transactions only to the extent that you have available funds in your checking account.

### Section 4: Additional Disclosures Applicable to ACH Transactions

1. **Account Access:** You may use our ACH services to make one-time and recurring ACH deposits and payments. If you schedule your preauthorized payment due date to occur on a non-business day, it will be sent out on the next business day.

2. **Types of Transactions:** You may use our ACH services to perform the following transactions:

- Make a deposit to your share or share draft account;
- Pay bills directly from your share or share draft account in the amounts and on the day you request;
- Make loan payments;
- Authorize a merchant or other payee to make a one-time electronic payment from your share draft account using information from your check to pay bills or pay for purchases; and
- Authorize a merchant or other payee to debit your share draft account for returned check fees or returned debit entry fees.

All payments and deposits are subject to later verification by us.

3. **Direct Deposit:** If you have arranged to have direct deposits made to your account at least once every sixty (60) days from the same person or company, you can use our CALL-24 services, Online Banking, or call us at (256)837-6110 or (800)234-1234 to find out whether or not the deposit has been made. For accounts that can only be accessed by preauthorized or direct deposits, we will provide a periodic statement to you at least monthly.

4. **Right to Stop Payment and Procedure for Doing So:** You can place a stop payment on a recurring payment by calling us at (256) 837-6110 or (800) 234-1234, or by writing to us at Redstone Federal Credit Union, Attn: Member Support Services, 220 Wynn Drive, Huntsville, AL 35893, or you may ask us orally at least three (3) business days or more before the next payment from your account is scheduled to be made. If you call or tell us orally, we may also require you to put your request in writing and get it to us within fourteen

(14) days after you call or the stop payment order will cease to be binding. We will charge you a fee for each stop payment order you give as set forth in our *Fee Schedule*.

If you stop payment on a preauthorized payment from your account and that payment is a recurring debit, the stop payment applies only to that particular payment. You are not revoking authorization for the third party to receive the recurring payment. If you have requested to cancel the entire preauthorized payment authorization, you understand and agree that you must also contact the third party to cancel (revoke) the entire preauthorized payment authorization and provide us with a copy of your written revocation notice to the third party.

5. **Initial Authorization:** You can get copies of the preauthorized payment documentation from the payee at the time you give them the initial authorization.

6. **Notice of Varying Amounts:** If recurring payments vary in amount, the payee is required to tell you the amount and date of the next payment at least ten (10) days before the payment due date. You may choose to get this notice from your payee only when the payment would differ by more than a certain amount from the previous payment or when the amount would fall outside certain limits that you set.

7. **Our Liability for a Failure to Stop Payment:** If you place a stop payment order three (3) or more business days or more before the transfer is scheduled, and we still pay, we will be liable for your losses or damages.

### Section 5: Additional Disclosures Applicable to CALL-24 Transactions

1. **Account Access:** You may use our CALL-24 services to access your accounts using your Access Code. You may also authorize the joint owner(s) of the account to utilize CALL-24 by disclosing the Access Code to your joint owner, but you acknowledge and agree that the Access Code grants access to all share and loan accounts you own (even if the joint owner is not the owner of some of these accounts), and you accept responsibility for all transactions your joint owner conducts using the Access Code on CALL-24.

2. **Types of Transactions:** You may use our CALL-24 services to perform the following transactions:

- Review account balance and transaction information, including transfers, withdrawals, dividends, loan payoff and interest amounts, checks cleared, and payment due date information;
- Transfer funds between your checking, share, and loan accounts, including making loan payments and taking loan advances;
- Withdraw funds from your Share Draft (Checking) and Share Account (Savings) by check, made payable to you and mailed to you at your mailing address of record;
- Request a stop payment (we will charge you a fee for each stop payment order you give as set forth in our *Fee Schedule*);
- Change your Access Code; and
- Other transactions as offered and permitted in the future.

3. **CALL-24 Limitations:** CALL-24 requires use of touchtone and is generally available seven (7) days a week, twenty-four (24) hours a day, subject to interruption due to scheduled maintenance, technical issues, or for security reasons.

## ADDENDUM — PRIVACY POLICY

rev. June 2023

<b>FACTS</b>	<b>WHAT DOES REDSTONE FEDERAL CREDIT UNION® DO WITH YOUR PERSONAL INFORMATION?</b>
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<b>Why?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
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<b>What?</b>	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>Social Security number and income</li> <li>Payment history and credit card and other debt</li> <li>Credit history and checking account information</li> </ul> <p>When you are <i>no longer</i> our member, we continue to share your information as described in this notice.</p>
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<b>How?</b>	All financial companies need to share members’ personal information to run their everyday business. In the section below, we list the reasons financial companies can share their members’ personal information; the reasons Redstone Federal Credit Union chooses to share; and whether you can limit this sharing.
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Reasons we can share your personal information	Does Redstone Federal Credit Union share?	Can you limit this sharing?
<b>For our everyday business purposes</b> – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes</b> – to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	Yes	No
<b>For our affiliates’ everyday business purposes</b> – information about your transactions and experiences	Yes	No
<b>For our affiliates’ everyday business purposes</b> – information about your creditworthiness	No	We don’t share
<b>For our affiliates to market to you</b>	Yes	Yes
<b>For nonaffiliates to market to you</b>	Yes	Yes

<b>To limit our sharing</b>	<ul style="list-style-type: none"> <li>Visit us online: <a href="http://optout.redfcu.org">optout.redfcu.org</a> or</li> <li>Mail the form below</li> </ul> <p><b>Please note:</b> If you are a <i>new</i> member, we can begin sharing your information 30 days from the date we sent this notice. When you are <i>no longer</i> our member, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.</p>
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<b>Questions?</b>	Call toll-free 1-800-234-1234 or go to <a href="http://www.redfcu.org/contact-page">www.redfcu.org/contact-page</a>
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Mail-in Form
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	<p>Mark any/all you want to limit:</p> <p><input type="checkbox"/> Do not allow your affiliates to use my personal information to market to me.</p> <p><input type="checkbox"/> Do not share my personal information with nonaffiliates to market their products and services to me.</p> <p><input type="checkbox"/> Do not share my personal information with the Association of the United States Army (“AUSA”) to market their products and services to me.</p> <p><input type="checkbox"/> Except for sharing with AUSA, do not share my personal information with nonaffiliates to market their products and services to me.</p>									
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="background-color: #cccccc;">Name</td> <td></td> </tr> <tr> <td style="background-color: #cccccc;">Address</td> <td></td> </tr> <tr> <td style="background-color: #cccccc;">City, State, Zip</td> <td></td> </tr> <tr> <td style="background-color: #cccccc;">Member Number</td> <td></td> </tr> </table>	Name		Address		City, State, Zip		Member Number		<p>Mail to:</p> <p>Redstone Federal Credit Union 220 Wynn Drive Huntsville, AL 35893</p>
Name										
Address										
City, State, Zip										
Member Number										

Who we are	
Who is providing this notice?	Redstone Federal Credit Union
What we do	
How does Redstone Federal Credit Union protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does Redstone Federal Credit Union collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>• apply for a loan or open an account</li> <li>• pay your bills or use your debit or credit card</li> <li>• make deposits and withdrawals from your account</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>• sharing for affiliates' everyday business purposes – information about your creditworthiness</li> <li>• affiliates from using your information to market to you</li> <li>• sharing for nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>
What happens when I limit sharing for an account I hold jointly with someone else?	Your choices will apply to everyone on your account.
Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>• <i>Our affiliates include financial companies such as Redstone Services Group<sup>SM</sup>, LLC, Redstone Services Group, LLC DBA Redstone Insurance Services<sup>SM</sup>, Redstone Family Realty, LLC, and Redstone Title Services, LLC and nonfinancial companies such as Redstone Consulting Group, LLC, RS Alliance Group LLC, and Ascent Security Group, LLC.</i></li> </ul>
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>• <i>Nonaffiliates we share with can include nonprofit organizations.</i></li> </ul>
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>• <i>Our joint marketing partners include insurance providers, financial service providers, credit card companies, product and service marketing companies, and retailers.</i></li> </ul>

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800-234-1234 • [redfcu.org](http://redfcu.org)

RFCU is federally insured by NCUA.  
Equal Credit Opportunity Lender

