

PRINCETON FEDERAL CREDIT UNION (PFCU) TERMS AND CONDITIONS OF YOUR ACCOUNT

This Agreement covers the rights and responsibilities concerning your account(s) and the rights and responsibilities of the Credit Union providing this Agreement. In this Agreement the words “you” and “yours” mean anyone signing a Membership Application (or any other account opening document) and the words “we,” “us” and “our” mean the Credit Union. By signing any account card, each of you jointly or severally agree to the terms and conditions in this Agreement, the Credit Union’s bylaws and policies and any amendments to these documents from time to time which collectively govern your membership and accounts.

Membership Eligibility

To join you must meet the membership requirements, including purchase and maintenance of the minimum required shares, as set forth in the Credit Union’s bylaws. The par value of one (1) share is \$5.00. You authorize us to check your account, credit and employment history and obtain reports from third parties including credit reporting agencies, to verify your eligibility for the accounts and services you request.

Individual Accounts

This is an account owned by one individual. If the account owner dies, the interest passes, subject to applicable law, to the account owner’s estate or Payable on Death (POD) beneficiary/payee, subject to other provisions of this Agreement governing our protection for honoring transfer and withdrawal requests of an owner prior to notice of an owner’s death and to any security interest or pledge granted by the account owner and subject to our statutory lien rights.

Joint Accounts

This is an account owned by two or more persons. Unless otherwise stated on the Membership Application, a joint account includes rights of survivorship. This means when one owner dies, all sums in the account will pass to the surviving owner(s). A surviving owner’s interest is subject to the Credit Union’s statutory lien for the deceased owner’s obligations and to any interest or pledge granted by the deceased owner, even if the surviving owner did not consent to it. Any owner is authorized to act for any other owner and may instruct us regarding transactions and other account matters. Each owner guarantees the signature of any other owner. Any owner may withdrawal all funds, stop payment on items or transfer all or any part of the shares without the consent of the other owner(s). We have no duty to notify any owner about any transaction. If an item deposited in a joint account is returned unpaid, the account is overdrawn or we do not receive final payment on a transaction, the owners jointly and severally are liable to us for the amount and any charges, regardless of who initiated or benefited from the transaction. If any account owner is indebted to us, we may enforce our rights against any account of the indebted owner, including all funds in the joint account regardless of who contributed the funds. A joint accountholder may be classified as either a joint owner or a joint member. A joint member must be eligible for membership, must designate additional membership shares in the account and is eligible to vote. A joint owner does not.

Payable on Death (POD) Accounts

This account designation is an instruction to the Credit Union that the funds are payable to the individual owner during his/her lifetime and when the owner dies the account is payable to all surviving beneficiaries/payees. If there is more than one surviving beneficiary/payee, the account is owned equally and jointly by them.

Accounts for Minors

We may require any account established by a minor to be a joint account with an owner who has reached the age of majority under state law, and who shall be jointly and severally liable to us for any returned item, overdraft or unpaid charges or amounts on such accounts. We will not change the account status when the minor reaches the age of majority unless authorized in writing by all account owners.

Agency Designation on an Account

An agency designation is an instruction to us that the owner authorizes another person to make transactions as agent for the account owner. An agent has no ownership interest or credit union voting rights. We have no duty to inquire about the use or purpose of any transaction made by the agent. This agreement will continue until we have been informed in writing or receive notice of your death.

Deposit of Funds Requirements

Deposits made by mail, at night depositories, in ATMs or at unstaffed facilities are not our responsibility until we receive them. We reserve the right to refuse or return any deposit. We may send any item for collection and items drawn on an institution outside the United States are handled on a collection basis only. Any fees we are assessed in processing such items will be passed on to you. All items or Automated Clearing House (ACH) transfers credited to your account are provisional until we receive final payment. If final payment is not received, we may charge your account for the amount of such items/transfers and impose a return item fee on your account. Any collection fees we incur may be charged to your account. We reserve the right to refuse or return any item or funds transfer. We may offer preauthorized deposits or preauthorized transfers from other accounts. You must authorize Direct Deposits or preauthorized transfers by filling out a separate form. You must notify us at least thirty (30) days in advance to cancel or change a Direct Deposit or transfer option. If your account is overdrawn you authorize us to deduct the amount your account is overdrawn from any deposit including deposits of government payments or benefits such as social security. Upon a bankruptcy filing, unless you cancel the authorization, we will continue applying payments from Direct Deposits in accordance with your authorization on file with us. If we are required to reimburse the U.S. Government for any benefit payment directly deposited into your account, we may deduct the amount returned from any of your accounts, unless prohibited by law. Deposits made after the deposit cut-off time and deposits made on either holidays or days that are not our business days will be credited to your account on the next business day.

Account Access

Your signature on the Membership Application authorizes your account access. We will not be liable for refusing to honor any item or instruction if we believe the signature is not genuine. You may withdraw or transfer funds from your account in any manner we permit. We may return as unpaid any check drawn on a form we do not provide and you are responsible for any loss we incur handling such a check. We have the right to review and approve any form of power of attorney and may restrict account withdrawals or transfers. We are under no obligation to honor any power of attorney.

There are no charges for use of Call 24 and Internet Banking services. You may withdraw one check per day from each account. All balance inquiries and transfer requests should be made through Call 24 or Internet Banking.

ACH and Wire Transfers

You may order electronic funds transfers to or from your account. We will debit your account for the amount of an electronic funds transfer and will charge your account for any fees related to the transfer. We reserve the right to refuse to execute any order to transfer funds to or from your account. We are not liable for errors, delays, interruptions or transmission failures caused by third parties or circumstances beyond our control including mechanical, electronic or equipment failure. We will not provide you with next day notice of ACH, wire transfers and other electronic payments credited to your account, but you will receive notice on your account statement. If we fail to properly execute a payment order, and such action results in a delay in payment to you, we will pay you dividends for the period of delay as required by applicable law. Payment orders we accept will be executed in a reasonable time of receipt but may not necessarily be executed on the date they are received. Cut-off times may apply to the receipt, execution and processing of funds transfers, payment orders, cancellations and amendments and if received after a cut-off time, may be treated as having been received on the next following funds transfer business day. Information about cut-off times is available upon request. When you initiate a wire transfer, you may identify the recipient and any financial institution by name and by account or any identifying number. The Credit Union and any other financial institution facilitating the transfer may rely strictly on the account or identifying number, even if the number identifies a different person or financial institution. Any account owner may amend or cancel a payment order, even if they did not initiate the order. We may refuse

requests to amend or cancel an order that we believe will expose the Credit Union to liability or loss. You agree to hold us harmless from and indemnify us for all losses and expenses resulting from any actual or attempted amendment or cancellation of a payment order. We may require you to follow a security procedure to execute a payment order or certain electronic funds transfer transactions. Electronic funds transfers are subject to Article 4A of the Uniform Commercial Code and Federal Reserve Regulation J.

Uniform Commercial Code Article 4A

Provisional Payment: Credit given by us to you with respect to an automated clearing house credit entry is provisional until we receive final settlement for such entry through a Federal Reserve Bank. If we do not receive such final settlement, you are hereby notified and agree that we are entitled to a refund of the amount credited to you in connection with such entry, and the party making the payment to you via such entry (i.e. the originator of the entry) shall not be deemed to have paid you in the amount of such entry.

Notice of Receipt of Entry: Under the operating rules of the National Automated Clearing House Association, which are applicable to ACH transactions involving your account, we are not required to give next day notice to you of receipt of an ACH item and we will not do so. However, we will continue to notify you of the receipt of payments in the periodic statement we provide to you. **Choice of Law:** We may accept on your behalf payments to your account that have been transmitted through one or more Automated Clearing Houses ("ACH") and that are not subject to the Electronic Funds Transfer Act and your rights and obligations with respect to such payments shall be construed in accordance with and governed by the laws of the state of New York, unless it has otherwise specified in a separated Agreement that the law of some other state shall govern.

Transaction Limitations

We will pay checks, permit withdrawals and make transfers from available funds in your account. The availability of funds in your account may be delayed as described in our Funds Availability Policy Disclosure. We may refuse to allow a withdrawal if, for example, there is a dispute between account owners; a legal garnishment or attachment is served; the account secures any obligation with us; required documentation has not been presented; or you fail to pay a credit union loan on time. We may require you to give us written notice of seven (7) to sixty (60) days before any intended withdrawals. We may limit the dollar amount or the number of transfers from your account. Please consult your Truth-in-Savings Disclosure or your Electronic Funds Transfer Agreement.

Overdrafts

If, on any day, the available funds in your account are not sufficient to pay the full amount of the transaction plus an applicable fee ("overdraft"), we may pay or return the overdraft. Our determination of an insufficient available account balance may be made at any time between presentation and the Credit Union's midnight deadline with only one review of the account required. We do not have to notify you if your account does not have sufficient available funds to pay an overdraft. Your account may be subject to a charge for each overdraft regardless of whether we pay or return the overdraft. If we do pay the overdraft we may discontinue covering overdrafts at any time without notice. If we pay an overdraft or impose a fee that overdraws your account, you agree to pay the overdraft amount in accordance with your overdraft protection plan, or if you do not have such a plan, in accordance with our overdraft policy. Checks and other transactions may not be processed in the order that you make them or in the order that we receive them.

We will honor checks drawn on insufficient funds in your checking account by transferring the necessary funds from your regular savings account to your checking account (if the funds are available and you have not exceeded your monthly transaction limitations), if you have opted in to this service. The fee for this type of transfer is set forth in our Fee Schedule. If you would like to designate an alternate account to be used as an overdraft account, you must notify the Credit Union of this in writing. Transfers from a deposit account will be governed by this agreement. Transfers from a line of credit account will be covered by the applicable loan agreement.

Order of Payment

Checks, drafts, items and other transactions may not be processed in the order that you make them or in the order that we receive them. We may, at our discretion, pay a check, draft or item and execute other

transactions on your account in any order we choose. The order in which we process and execute transactions on your account may affect the total amount of overdraft fees that may be charged to your account. Please contact us if you should have any questions about how we pay checks or drafts and process transfers and withdrawals.

Right of Set-Off

We may charge any of your accounts (including certificates) for any debts or liabilities you owe us. This includes secured and unsecured debts and debts you owe individually or jointly. All joint owners are jointly and severally liable for the payment of any overdraft to the joint account. This is without regard as to which owner created or was responsible for the overdraft or whether any joint owner received any benefit from the transaction creating the overdraft. We will not be liable for the dishonor of any check when the dishonor occurs because we exercised our right of set-off. You agree to hold us harmless because we exercised our right of set-off. You also agree to reimburse us for any costs we incur to collect any deficit including, to the extent permitted by law, our reasonable attorney fees. This right of set-off does not apply to an Individual Retirement Account or other tax deferred retirement account. It also does not apply if the debt was created by a consumer credit card transaction under a credit card plan, or if the debtor is a party to the account in a representative capacity.

Postdated and Stale-Dated Checks

You agree not to issue any check that is postdated. If you do so and we pay it before that date, you agree that we shall have no liability to you for payment. You agree not to deposit checks before they are payable. We are not obligated to pay any check drawn on your account that is presented more than six (6) months past its date.

Stop-Payment Orders

Any owner may request a stop payment on any check drawn on the owner's account. To be binding, the order must be in writing, dated, signed and must accurately describe the check including the exact account number, check number and amount. If we receive incorrect or incomplete information, we will not be responsible for failing to stop payment on the check. In addition, we must receive sufficient advanced notice of the stop payment order to allow us a reasonable opportunity to act on it. You may make an oral stop payment order, which will lapse within fourteen (14) days unless confirmed in writing within that time. Written stop payment orders are effective for six (6) months for share drafts and may be renewed for an additional six (6) months if requested in writing within the initial six (6)-month time frame. For ACH electronic items, stop payment orders shall remain in effect until (1) written notice is received from the account holder to revoke the stop payment order or (2) payment of the entry has been stopped, whichever occurs first. Fees for stop payment orders are set forth in our Fee Schedule. Although payment of an item may be stopped, you may remain liable to any item holder, including us. You agree to indemnify and hold the Credit Union harmless from all costs related to our refusing payment of an item or failing to stop payment of an item as a result of incorrect information provided by you. You may not stop payment on any certified check, cashier's check, teller's check, money order or any other check or payment guaranteed by us.

Credit Union Liability

If we do not properly complete a transaction according to this Agreement, we will be liable for your losses or damages not to exceed the amount of the transaction, except as otherwise provided by law. We will not be liable if: your account contains insufficient funds for the transaction; circumstances beyond our control prevent the transaction; your loss is caused by you or another financial institution's negligence; or your account funds are subject to legal process or other claim. We will not be liable for consequential damages, except liability for wrongful dishonor.

In the event a deposit is made to an account in error, we reserve the right to withdraw the errantly deposited funds to correct the error. We will make every attempt to notify you prior to making the correction.

Checks Presented for Payment in Person

We may refuse to accept any check drawn on your account that is presented for payment in person. Such refusal shall not constitute a wrongful dishonor of the check and we shall have no liability for refusing payment.

Notices

You are responsible for notifying us of any address or name change. We are only required to attempt to communicate with you at the most recent address you have provided to us. We require any name and address changes to be provided in writing with proper identification. If mail is returned, we may assess a monthly 'bad address' fee as set forth in our Fee Schedule. Any written notice you give us is effective when we receive it. Any written notice we give to you is effective when it is deposited in the U.S. Mail, postage prepaid and addressed to you at your statement mailing address. Notice to any account owner is considered notice to all account owners.

Inactive Accounts

Accounts that have had no activity for a period of one (1) year may be classified as inactive or dormant. We may charge a service fee as set forth in our Fee Schedule for processing your inactive account. If a deposit or withdrawal has not been made on the account and we have had no other sufficient contact with you within the period specified by state law, the account will be assumed to be abandoned. Funds in abandoned accounts will be reported and remitted in accordance with state law. Once funds have been turned over to the state, we have no further liability to you for such funds and if you choose to reclaim such funds, you must apply to the appropriate state agency.

Termination of Account

We may terminate your account at any time without notice to you or we may require you to close your account and apply for a new account if: there is a change in owners; there has been a forgery or fraud committed involving your account; there has been a dispute as to the ownership of the account or the funds in the account; any checks are lost or stolen; there are excessive returned unpaid items not covered by an overdraft protection plan; there has been any misrepresentation or any other abuse of any of your accounts; or we reasonably deem it necessary to prevent a loss to us. You may terminate an account with us by giving written notice and providing proper identification.

Death of Account Owner

We may continue to honor all transfer orders, withdrawals, deposits and other transactions on an account until we know of a member's death. Once we know of a member's death, we may pay checks or honor other payment or transfer orders authorized by the deceased member for a period of ten (10) days after that date unless we receive instructions from any person claiming an interest in the account to stop payment on the item. We may require anyone claiming a deceased owner's account funds to indemnify us for any losses resulting from our honoring that claim. This Agreement will be binding upon any heirs or legal representatives of any account owner.

Enforcement

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

Negative Information Notice

We may report information about your loan, share or deposit accounts to credit reporting agencies. Late payments, missed payments or other defaults on your account may be reflected in your credit report.