

MEMBERSHIP AGREEMENT

Please read this entire agreement carefully so that you understand your rights and obligations as a member. It is important that you keep this agreement in convenient place for future reference.

This Agreement covers your rights and responsibilities and the rights and responsibilities of the Credit Union concerning your membership, and where applicable any loan or deposit accounts you may own. In this Agreement, the words "you," "your," and "yours" mean you in reference to you as a member of the Credit Union. The words "we," "us," and "our" mean the Credit Union.

By signing the Membership Account Card, you agree to the terms and conditions in this Agreement, and any disclosures accompanying this Agreement, the Credit Union Bylaws, policies, and any amendments made to these documents from time to time that collectively govern your membership.

1. IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT - To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who established an account relationship, which includes membership in the Credit Union.

What this means for you: When you apply for membership or to open an account, we will ask for your legal name, address, date of birth, Taxpayer Identification Number (TIN) and other information that will allow us to identify you. We may validate the information you provide to us to ensure we have reasonable assurance of your identity. We may require one or more forms of unexpired photo identification.

2. MEMBERSHIP ELIGIBILITY - Membership is limited to individuals who live, work, worship, or attend school in the State of Michigan and the following six counties in the State of Ohio: Cuyahoga, Lake, Lucas, Sandusky, Summit and Wood Counties; immediate family members of individuals who are members; or employees of the Credit Union. Your application for membership in the Credit Union is an acknowledgement of these eligibility criteria and an affirmation that you qualify for membership. In the event we determine you were not eligible for membership at the time of application or later become ineligible for membership, we reserve the right to suspend all services and/or terminate your membership. Suspension of services or termination of membership does not terminate or effect any legal obligation you may have to the Credit Union.

3. AUTHORIZATION TO VERIFY QUALIFICATIONS - 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 and qualifications for membership, and any other accounts, products or services or services you request and for other accounts, products, or services we may offer you or for which you may qualify. We may deny your application for membership or other accounts, products or services should we identify information that allows us to form a reasonable belief that you do not meet the eligibility criteria or other conditions of membership.

4. MEMBERSHIP SHARE - As a condition of membership, you must maintain one (1) membership share, which has a par value of \$1.00 and represents your ownership in the Credit Union. Your membership share is non-transferable, may not be jointly owned with any other individual or entity, may not be withdrawn, and is subject to forfeiture upon termination of your membership.

5. STATUTORY LIEN / RIGHT OF OFFSET AND PLEDGE - State law gives us a lien ("statutory lien") on all deposits and interest, if any, in accounts you have with us now and in the future. Except as limited by federal or state law, the statutory lien gives us the right to apply the balance of all your accounts to any obligation on which you are in default ("right of offset"). After you are in default, we may exercise our statutory lien rights without further notice to you. If we do not exercise our right of offset to satisfy your obligation, we may freeze funds in your account(s) to protect our statutory lien rights and may offset the funds in your account(s) to the amount you owe us at a later time.

By joining the Credit Union, you pledge and grant as security for all obligations you may have now or in the future, except obligations secured by your principal residence, all deposits and interest in all accounts you have with us now and in the future. If you pledge a specific dollar amount in your account(s) for a loan, funds pledged and lien are subject to the loan agreement. Where this pledge and any loan agreement are in conflict, the terms and conditions of the loan agreement and lien are applicable.

The statutory lien and your pledge do not apply to any account type that would lose special tax treatment under federal or state law if given as security, or to any funds in any accounts designated as exempt by applicable state or federal law. By not enforcing our right to apply or offset funds in your account(s) to your obligations that are in default, we do not waive our right to enforce these rights at a later time.

6. LEGAL PROCESS - "Legal Process" means any subpoena, search warrant, levy, restraining order, garnishment, tax withholding order, government agency request for information, forfeiture, or similar order.

We may accept and comply with any legal process related to your membership and any account(s), products or services you have with us, regardless of the means by which it is served. You direct us not to contest the legal process. We may, but are not required to, provide you with notice of the legal process. We will not provide you with notice if we believe we are legally prohibited from doing so. We have no liability to you if we accept and comply with legal process as set forth in this section or provided by law.

We may hold and turn over funds or other property as directed by legal process, subject to our right of offset, your pledge, or any other security interest we have in the funds or other property. We may refuse to turn over funds and hold them until a dispute is resolved as permitted by law. We will not pay interest on any funds subject to legal process during the time they are held. We may, without any liability to you, return items unpaid and restrict access to accounts subject to legal process.

You agree to pay us for fees and expenses (including administrative expenses and attorney fees) that we incur in responding to any legal process related to your membership or account(s). If the 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 are not subject to the legal process. If the legal process directs us to release information about one or more, but not all, account owners or authorized signers, we may release information about joint owners and authorized signers even though they are not subject to the legal process.

We may produce documents held at or provide access to property that is located in any of our facilities or any facilities operated by third parties on our behalf, even if the facility is not designated as the place to be searched in the legal process.

7. ACCOUNT INFORMATION - Upon request, we will give you the name and address of each agency from which we obtain a credit report regarding your account and any other accounts you may have with us. We agree not to disclose account information to third parties except when: (1) it is necessary to complete a transaction; (2) the third party seeks to verify the existence or condition of your account in accordance with applicable law; (3) such disclosure complies with the law or a government agency or court order; or (4) you give us written permission.

8. CONTACT INFORMATION - You understand that "contact information" includes name, street address, phone number (including mobile phone numbers), and email address. When you apply for membership you give us contact information about yourself and confirm that it is correct. We enter that information into our records and rely on its accuracy until you notify us of a change and we have a reasonable time to act on the new information you provide. You agree to notify us of any change to your contact information. If you fail to notify us of such a change, we may continue to send notices, statements, or other correspondence to you as agreed and according to the contact information maintained in our records. In such case, you agree to indemnify and hold us harmless for doing so.

9. NOTICES AND COMMUNICATIONS - Please promptly review all notices, statements, and other communications we send to you. You may have all communications sent to you electronically through our online/mobile banking services or by authorizing us to do so via our E-Sign Consent to Use Electronic Records and Signatures Disclosure. If you do not authorize such electronic communications, we will send all communications to the street address you have provided to us (see section 8 below). Any notice you give us is effective when we receive it. Any notice we give to you is effective when it is provided electronically or is deposited in the U.S. mail and addressed to you at your street address, whether or not received by you.

We may: 1) address communications to only one account owner associated with your membership (a notice addressed to any account owner is considered notice to all account owners), 2) destroy communications that are sent to you and returned to us as undeliverable, along with any accompanying checks or other items, 3) authorize the U.S. Postal Service or an agent to destroy communications, along with any accompanying checks or other items, that the U.S. Postal Service informs us are undeliverable, and 4) stop sending communications to you until a new address is provided to us if one or more communications we send to you are returned as undeliverable.

10. AUTHORIZED CONTACTS; CONSENT, MONITORING AND RECORDING - When you directly provide us with a telephone number, or place a call to us, you authorize us and/or any of our third-party providers to place calls to you at that number. You understand and agree that "telephone number" includes a mobile number, and "calls" include voice communications and text messages to or from any telephone number. As examples we may place calls to you about fraud alerts, transactions on your accounts, and amounts that you owe us (collections calls). When we place calls to you, we may use automatic dialers, artificial voice, text or pre-recorded messages. We may provide you with notice and opportunity to withdraw your consent to be contacted as required by law.

You authorize us to monitor, and to record, conversations or other electronic communications you have with us and with our representatives for reasonable business purposes, including security and quality assurance. We may not remind you that we are monitoring or recording communications unless required by law to do so.

11. TERMINATION OF MEMBERSHIP; SUSPENSION OF SERVICES - You may terminate your membership by giving us written notice or by closing all of your accounts. We may act to terminate your membership as permitted by applicable law and policies of the credit union. We may suspend services, restrict account access, or close any accounts at any time without notice to you as permitted by applicable law and policies of the credit union. Termination of membership or suspension of services have no effect on any outstanding obligations you may have to the credit union, including repayment of all loans in accordance with any loan agreements. If we act to terminate membership or suspend services, you may appeal this action to the Board of Directors within 90-days of the termination or suspension.

12. COMPLIANCE AND PROHIBITION ON ILLEGAL ACTIVITIES - You agree to comply with all laws and regulations applicable to your membership and any accounts or services. This includes economic sanctions issued by the U.S. Department of Treasury, Office of Foreign Assets Control (OFAC) and any Executive Orders issued by the President of the United States.

You agree that you will not use your membership or any accounts or services for any illegal activity, for example transactions prohibited by the Unlawful Internet Gambling Enforcement Act. We may terminate your membership or any account relationships if you engage in illegal activities.

You agree to indemnify us from every action, proceeding, claim, loss, cost and expense suffered or incurred by us due to any U.S. or foreign government entity seizing, freezing or otherwise asserting or causing us to assert control over any accounts or funds in any accounts, caused by, or arising out of your action or inaction. This will apply whether or not such action is ultimately determined to be authorized under the laws of the U.S. or any foreign jurisdiction. We are not required to inquire or determine the authority taken by the U.S. or foreign government prior to acting upon any legal process initiated by the U.S. or foreign government.

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

14. 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 amount due under or to enforce this Agreement, we shall be entitled, subject to applicable law, to payment of reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post judgment collection actions.

15. GOVERNING LAW - Except as otherwise set forth in the Resolving Claims section (Section 18), this Agreement is governed by the following, as amended from time to time: the Credit Union's bylaws; local clearinghouse and other payment system rules; federal laws and regulations, including applicable principles of contract law; and the laws and regulations of the state of Michigan. As permitted by applicable law, you agree that any legal action regarding this Agreement shall be brought in the county in which the Credit Union is located.

16. LIMITATION OF LIABILITY - EXCEPT WHERE REQUIRED BY LAW OR THIS AGREEMENT SPECIFICALLY PROVIDES OTHERWISE, WE WILL NOT BE LIABLE FOR ANY ACTION OR INACTION EXCEPT FOR OUR INTENTIONAL MISCONDUCT OR GROSS NEGLIGENCE. EXCEPT AS MAY BE OTHERWISE REQUIRED BY LAW, YOU AGREE THAT IN NO EVENT SHALL THE CREDIT UNION'S LIABILITY TO YOU EXCEED YOUR ACTUAL DAMAGES OR THE SUM OF \$10,000.00 WHICHEVER IS LESS. IN NO EVENT WILL THE CREDIT UNION BE LIABLE FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF ANTICIPATED PROFITS OR OTHER ECONOMIC LOSS IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT.

17. NEGATIVE INFORMATION NOTICE - We may report information about your loan, share, or deposit accounts to credit bureaus. Late payments, missed payments, or other defaults on your accounts may be reflected in your credit report.

18. RESOLVING CLAIMS - If a claim arises from your relationship with us, and the claim cannot be resolved ourselves, then you agree the claim will be resolved as provided in this section. This is a RESOLUTION OF DISPUTES BY ARBITRATION provision – please read it carefully.

What is a claim? – “Claim” means any claim, dispute, or controversy by either you or us against the other, or against any employees of the Credit Union, arising from or relating in any way to your membership or any account(s) related to your membership with us. A claim may be made under a statute, contract or agreement, tort or otherwise and may be for money damages, penalties, declaratory or other relief.

How are claims resolved? You have a right to compel us at your option, and we have a right to compel you at our option, to resolve a claim relating to your membership or account(s) by binding arbitration. If neither you or we decide to compel arbitration, then the claim will be resolved in court by a judge and without a jury, as permitted by law. Arbitration or trial by a judge will take place on an individual basis without resort to any form of class or representative action.

Claims excluded from the Arbitration

- Claims you have against us or we have against you that are subject to the jurisdiction of a small claims court, so long as such claim remains in such court through its resolution.
- Our claims against you if you are a “Covered Borrower” pursuant to the Military Lending Act.
- Our Claims or disputes against you arising from your status as a borrower under any loan agreement with the Credit Union or to collect any funds you may owe us.

JURY TRIAL WAIVER

YOU AGREE AND UNDERSTAND THAT BOTH YOU AND THE CREDIT UNION ARE GIVING UP THE RIGHT TO A TRIAL BY JURY.

CLASS ACTION WAIVER

YOU AGREE AND UNDERSTAND THAT BOTH YOU AND THE CREDIT UNION ARE GIVING UP ANY RIGHT TO PARTICIPATE IN ANY CLASS ACTION OR REPRESENTATIVE ACTION OR JOINING OR CONSOLIDATING CLAIMS WITH OTHER PERSONS.

BINDING ARBITRATION: ARBITRATION REPLACES THE RIGHT TO GO TO COURT, INCLUDING THE RIGHT TO A JURY TRIAL AND THE RIGHT TO PARTICIPATE IN A CLASS ACTION OR SIMILAR PROCEEDING. IN ARBITRATION, THE DISPUTE IS SUBMITTED TO A NEUTRAL PARTY, AN ARBITRATOR, INSTEAD OF A JUDGE OR JURY. ARBITRATION PROCEDURES MAY BE MORE LIMITED THAN RULES APPLICABLE IN COURT.

All Claims are subject to arbitration regardless of legal theory or remedy (damages or injunctive or declaratory relief). Claims include any claims made by you individually or anyone associated with your membership, or as part of a class action, private attorney general or other representative action. You understand and agree that the arbitration of such claims must proceed on an individual (non-class, non-representative) basis and the arbitrator may award relief only on an individual basis. Disputes also include claims relating to the enforceability or interpretation of any of these arbitration provisions. Any questions about whether disputes are subject to arbitration shall be resolved by interpreting this arbitration provision in the broadest way the law will allow it to be enforced. If a party initiates a proceeding in court regarding a claim or dispute which is included under this Resolution of Disputes by Arbitration provision, the other party may elect to proceed in arbitration pursuant to this Resolution of Disputes by Arbitration provision.

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

Credit Union ONE
Attention: Compliance and Risk
400 E. Nine Mile Road
Ferndale, MI 48220

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

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

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

The arbitration shall be conducted in the same city as the U.S. District Court closest to your home address, unless the parties agree to a different location in writing.

Governing Law. You and we agree that our relationship involves interstate commerce and governed by the Federal Arbitration Act (“FAA”). To the extent state law is applicable, the laws of the State of Michigan shall apply.

Administration of Arbitration. The arbitration shall be decided by a single, neutral arbitrator. The arbitrator will be an active or retired judge or an attorney with at least ten years of experience selected in accordance with the rules of the arbitration forum. The arbitrator shall decide questions of law and fact and will resolve the dispute. The arbitrator will follow applicable substantive law to the extent consistent with the FAA. The decision of the arbitrator shall be in writing. At your or our request, the Arbitrator shall provide a written explanation for the decision and the basis for any award.

After a decision is given by an arbitrator, and where the amount of the claim exceeds \$100,000, either you or we can appeal the arbitrator’s decision to another arbitrator. If the amount of the claim exceeds \$500,000, either you or we can appeal the arbitrator’s decision to a panel of three arbitrators. No decision may be appealed unless the appeal is filed in writing to the arbitration forum within fifteen days of the decision, and the arbitrator who heard the matter first makes a finding that the claim could reasonably have exceeded \$100,000 or \$500,000. Any arbitrator who hears an appeal will be selected according to the rules of arbitration forum.

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

Right to Resort to Provisional Remedies Preserved. This agreement to arbitrate does not limit or constrain our right to resort to self-help remedies, such as the right of set-off or the right to restrain funds in an account, to interplead funds in the event of a dispute, to exercise any security interest or lien we may hold in property, to comply with legal process, or to obtain provisional remedies such as injunctive relief, attachment, or garnishment by a court

having appropriate jurisdiction; provided, however, that you or we may elect to arbitrate any dispute related to such provisional remedies, except in an action by us against you that has been initiated by us to collect funds that you may owe to us.

Arbitration Award. Judgment upon the award given may be entered in any court having jurisdiction. The arbitrator's award shall be final and binding except for any right of appeal granted by the FAA or under this Agreement.

Severability, Survival. These arbitration provisions shall survive (a) termination of your membership; (b) termination or changes to your accounts or any related services; (c) the bankruptcy of any party; and (d) the transfer or assignment of your accounts or any related services. If any portion of these arbitration provisions is deemed invalid or unenforceable, the remaining provisions shall remain in force.

Right to Reject this Resolution of Disputes by Arbitration provision. YOU MAY CHOOSE TO REJECT THIS RESOLUTION OF DISPUTES BY ARBITRATION PROVISION BY SENDING US WRITTEN NOTICE AS DESCRIBED BELOW:

If you do not agree to be bound by these arbitration provisions, you must send us written notice that you reject the arbitration as a means of resolving claims within 30 days of joining the credit union or receiving this notice, whichever is sooner, in accordance with the following instructions:

- a. Your written notice must include: your name, as listed on your account, your account number, and a statement that you reject the Resolution of Disputes by Arbitration provision, and;
- b. You must send your written notice to us at the following address:

Credit Union ONE
Attention: Compliance and Risk
400 E. Nine Mile Road
Ferndale, MI 48220