

SHARE ACCOUNT AGREEMENT



Effective 9/1/08

TERMS AND CONDITIONS OF YOUR ACCOUNT

The Membership Application/Signature Card you submitted shows that you promise to be bound by the terms and conditions of this Share Account Agreement and Disclosures (called the "Agreement") which govern your share accounts (collectively, whether one or more, "account") with Bank-Fund Staff Federal Credit Union® (BFSFCU®).

The rights and obligations of you and us as to your account shall be governed by this Agreement, the Application/Signature Card, BFSFCU's Schedule of Fees, Funds Availability Disclosure, Electronic Funds Transfer Agreement and Disclosure, and Truth in Savings Disclosure, all of which you acknowledge receiving when you submitted the Application. It shall also be governed by the Share Certificate Account Agreement and Disclosure, if you are opening a share certificate account. These Agreements are subject to the applicable laws of the United States, the rules and regulations of the Board of Governors of the Federal Reserve System and various Federal Reserve Banks, the rules and regulations of the National Credit Union Administration and the laws of the District of Columbia. The account is deemed to "reside" in the District of Columbia. If any of the terms of this Agreement come into conflict with applicable laws or regulations, those terms will be nullified to the extent that they are inconsistent with the law, and the applicable law will govern. If any provision of this Agreement is declared invalid, unenforceable or illegal, that part will not affect the validity of the other provisions.

As used throughout this Agreement, the terms "you" and "your" refer to all persons or entities who sign or are designated on the Application/Signature Card (except as the powers of that person are expressly limited by the terms of the application) and to each of them, unless the context clearly indicates otherwise. The terms "our", "us", "the Credit Union" and "we" refer to BFSFCU. Negotiable orders of withdrawal, checks, substitute checks, drafts, demand drafts, other orders, other items and other withdrawal or transfer requests used to withdraw or transfer funds out of your account by any means (subject to any withdrawal limitations or penalties for your account) are referred to throughout this Agreement as "Order(s)". Funds (whether by cash, check, draft, other order, other item, or other deposit request) cashed or added to your account by receiving cash for any of these things or by the deposit or telephone, wire or electronic transfer of any of these things to your account are referred to throughout this Agreement as "Deposit(s)". Unless it would be inconsistent to do so, words and phrases used in this document should be construed so the singular includes the plural and the plural includes the singular.

In this Agreement, "address" means a street location, post office box or electronic address specified by you or us for the purpose

described unless the context clearly indicates otherwise. If we must take legal action to collect amounts you owe us in connection with your account, you shall pay our attorneys' fees and other costs of collection or enforcement. Also, you shall be liable for all collection costs and reasonable attorneys' fees incurred by us in the enforcement of this Agreement.

1. ACCOUNT INFORMATION VERIFICATION PROGRAM—We have adopted reasonable and practicable procedures to verify the identity information provided by each application for membership and/or new services as required by Section 326 of the USA PATRIOT Act. You agree that we may require you to present two forms of identification acceptable to us in our sole discretion when conducting financial transactions. Circumstances may further require that the identification you present be approved by management. You agree that we may make such inquiries as are necessary in our opinion to verify the information you provide and, to the extent not prohibited by applicable law, make copies for our records of any documents provided by you or others to confirm information about your identity. You also agree that we may secure a copy of your credit report and/or contact employers or other third parties to verify information about you as part of our USA PATRIOT Act compliance procedures. If we cannot verify your identity or the identity of other parties to the accounts, we may open the account and restrict the use of the account while we take those actions we deem necessary to verify your identity or the identity of other parties to the account. If we cannot verify your identity or the identity of other parties to the account(s), you understand and agree that we may, in our sole discretion, close the account(s) and return any deposit(s), at any time, subject to such notice as may be required by law. Other parties may include, but are not limited to, joint owners, attorneys-in-fact, co-signers, co-borrowers and trustees.

2. BYLAWS—Our bylaws, which we may amend from time to time, establish basic rules about our Credit Union policies and operations which affect your account and membership. You may obtain a copy of the bylaws upon request. Membership is subject to review and approval by a membership officer of the Credit Union. A person is eligible for membership if the person is within BFSFCU's field of membership as specified in our charter. To become a member, a person must submit an application, have that application for membership approved for admittance into BFSFCU and complete payment of one share in BFSFCU. A member who fails to complete payment of one share within 90 days of admission to membership, or a member who reduces the share balance below the par value of one share and does not increase the balance to at least the par value of one share within six months of the reduction will be terminated from membership. No member may withdraw shareholdings that are pledged as required 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 BFSFCU. No member may withdraw any shareholdings below the amount of the primary and contingent liability to BFSFCU without the written approval of a loan officer if the member is delinquent as a borrower, or if the borrowers for whom the

member is a co-maker, endorser, or guarantor are delinquent.

3. LIABILITY—You agree, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this Account Agreement, Application/Signature Card, BFSFCU's Schedule of Fees, Funds Availability Disclosure, Electronic Funds Transfer Agreement and Disclosure and the Truth in Savings Disclosure applicable to the account(s) you open. You authorize us to deduct any amount and/or service fees directly from the account balance as accrued. You will pay any additional reasonable charges for services you request which are not covered by this agreement.

If any item deposited in a joint account is returned unpaid or an account is overdrawn, or if we do not receive final payment on any transaction, each of the multiple account owners is jointly and severally liable to the Credit Union for the amount of the returned item, overdraft or unpaid amount, and any charges and transaction fees, regardless of who created the overdraft, deposited or cashed the item, or benefited from or initiated the transaction. A joint owner shall be responsible for returning to the Credit Union any unused checks or access devices of any joint owner removed from the account. If any account owner is indebted to the Credit Union, the Credit Union may enforce its rights against any or all funds in the joint account regardless of who contributed the funds to the joint account.

4. DEPOSITS—We will act as your agent for the collection of all Deposits to your account. Deposits will be verified and handled by us consistent with our usual practices and applicable law and regulations and we are not responsible for any Deposit until actually received by us. We have the right to supply your endorsement to any non-cash deposits and to refuse all or any part of a Deposit you wish to make. We may, without liability, accept Deposits payable to one or more owners who have since died until we have actual notice of the death(s) and a reasonable opportunity to act on that notice. BFSFCU may, in our sole discretion, provide a receipt for any Deposit presented to one of our tellers, subject to later proof and verification. In those instances we may perform such proof and verification after normal business hours. You will be notified of any Deposit discrepancies. We may accept Deposits from any source, and we need not question the authority of the person making the Deposit. We may refuse to accept a Deposit without prior notice. We may refuse to cash a check against an account and require the check to be deposited. We are not obligated to accept any deposit dated six months or more prior to the time it is deposited, but we may do so in our sole discretion. We also are not obligated to accept any Deposit before the date listed on the Order, but we may do so in our sole discretion. We are not obligated to accept any deposit unless you write your account or other identifying number we find acceptable on the Deposit, but we may do so in our sole discretion, and you authorize us to write such number on the Deposit on your behalf. We will give only provisional credit until collection is final for any items, other than cash, we accept for deposit (including items drawn "on us"). Our rules on the availability of Deposits are set forth in our Funds Availability Disclosure, a copy of which was provided at the time your account

was opened. Actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars. We are not responsible for transactions by mail or outside depository until we actually receive them. We will not provide notices of transactions credited to or charged against your account. Information regarding transaction activity will be provided to you in your account periodic statement. We will treat and record all transactions received after our "daily cutoff time" on a business day we are open, or if received on a day we are not open for business, as if initiated on the next business day that we are open. If a claim is made against us for the recovery of all or any part of any Deposit (including any items cashed by you) after final payment by us on the grounds that such Deposit was altered, bore a forged signature or endorsement, or was not properly payable, we may withhold or withdraw the amount of such claim from your account until resolution of the claim.

5. WITHDRAWALS—Negotiable orders of withdrawal, checks, substitute checks, drafts, demand drafts, other orders, other items and other withdrawal or transfer requests used to withdraw or transfer funds out of your account by any means (subject to withdrawal limitations or penalties for your account) are referred to throughout this Agreement as Withdrawals or Orders. Unless clearly indicated otherwise on the account records, any owner or authorized representative may withdraw or transfer all or any part of the account balance at any time, except that to maintain membership a balance of \$5.00 must be maintained in the Membership Share Savings Account at all times. We are not obligated to pay any Order presented against your account if the balance in the account is insufficient or uncollected. Also, we may refuse to honor any withdrawal request if: there is a dispute about your account; the account is garnished, attached, pledged, or subject to a right of offset; we cannot verify the availability of funds in the account; any document we require has not been given to us; or as otherwise specified in this Agreement or in our Funds Availability Disclosure. We may charge your account for an Order even though payment was made before the date of the Order, unless we have received written notice of the postdating in time to have a reasonable opportunity to act. We may refuse any withdrawal or transfer request which you attempt on forms not approved by us, by any method we do not specifically permit, which is greater in number than the frequency permitted, or which is for an amount greater or less than any withdrawal limitations. Even if we honor a nonconforming Order, we may treat continued abuse of the stated limitations (if any) as your act of closing the account. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply the frequency limitations. The fact that we may honor withdrawal requests that overdraw the available account balance does not obligate us to do so later. In all cases, where an Order is presented against insufficient or uncollected funds, whether or not we pay it, you are responsible for paying a fee as disclosed in our Schedule of Fees and you authorize us to deduct it from any account from which you are entitled to withdraw funds. See the Funds Availability Disclosure for information about when you can withdraw funds you deposit. For those accounts for which our Funds Availability Disclosure does not apply, you can ask us when you make a deposit when those funds will be available for withdrawal. If we reason-

ably believe that any withdrawal request or order represents unusual activity on your account, you authorize us to reject the order and return it unpaid. Even if the returned order was properly payable, you agree to hold us harmless from any claims, losses, or damages as a result of our not paying the Order.

6. OVERDRAFT PROTECTION—BFSFCU provides a **SafetyLink Checking Overdraft Protection** service available upon request that permits payment of a check, order, withdrawal or electronic debit (via ATM, Debit Card, ACH debit) that may otherwise be refused or returned for non-sufficient or uncollected funds from a Credit Union account you designate. Upon request, the Credit Union will link your Checking account to your designated Savings account within the same member number to establish overdraft protection. In the event there are non-sufficient or uncollected funds available in the designated Savings account, the check or electronic debit will be returned unpaid and an NSF fee may be charged.

If your request for this service is approved and you currently maintain a Line of Credit/Reserve, you must designate your preferred sequence for handling overdrafts. If no preference is provided, the default sequence will be Line of Credit/Reserve first, then Safety Link.

Federal law limits the number of transfers that may be made by electronic means, including automatic transfers from savings accounts. These limitations can be found in the Truth-In-Savings Disclosure for your savings account. Any transfer request in excess of those permitted will not be processed, will be returned for insufficient funds and be subject to an NSF fee, as listed on our Schedule of Fees, if your Line of Credit/Reserve is also insufficient. We are not required to notify you when funds are transferred.

7. OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION—Except as otherwise provided by law, these rules apply to this account 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 and all of our accounts. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine to whom we pay the account funds.

Individual Account—By opening an account designated as an individual account, you are considered by the Credit Union as the sole owner and the only person authorized to use the account.

Joint Account—If you designate a joint owner on any deposit account, it is co-owned equally by you and the joint owner. Joint ownership means that the shares and accumulated dividends may be withdrawn or transferred by you or the joint owner, or pledged as collateral against a loan (share savings or share certificate) by you or the joint owner (if the joint owner is also a member) at any time. Persons opening joint accounts will be treated by the Credit Union as joint tenants with right of survivor-

ship and not as tenants in common. BFSFCU is not liable for carrying out the requests of any owner. A joint owner cannot be removed from an account without his/her written permission. Any owner on a multiple party account can close the account, except that the Membership Share Savings Account can be closed only by the member.

Joint Tenants by the Entirety—This account is held by husband and wife together and is recognized by applicable state law where the account is opened. This ownership designation on the Credit Union records requires your specific written request to be effective. Upon the death of one of the spouse owners, the account will belong to the surviving spouse. The shares and accumulated dividends may be withdrawn by any means we make available or transferred by either of you; shares and accumulated dividends may be pledged as collateral by you or the joint spouse (if the spouse is also a member) at any time. A spouse owner cannot be removed from an account without his/her written permission. Any spouse owner can close the account, except that the Membership Share Savings Account can be closed only by the member. Each owner authorizes the Credit Union to exercise its right of offset and enforce BFSFCU's security interest in the entire account even though only one of you is the debtor; these rights exist regardless of who contributed the funds to the account. Similarly, we can enforce overdraft liability in the account against any owner individually.

RIGHTS AT DEATH—Individual Account—At the death of a party, ownership passes as part of the party's estate.

Joint Account With Right of Survivorship—at death of party, ownership passes to surviving parties. If two or more parties survive, the account will remain a joint ownership account and the survivors each will own the account with full survivorship rights if at least one survivor is a member of BFSFCU or is eligible for membership. If the survivor (or all survivors if more than one) is not a member or eligible for membership, we will pay the balance to the survivor (or in equal pro rata shares to the survivors if more than one).

Individual Account With Pay-on-Death Designation—At death of the party, ownership passes to the designated pay-on-death beneficiaries and is not part of the party's estate.

Joint Account With Right of Survivorship and Pay-on-Death Designation—At death of last surviving party, ownership passes to the designated pay-on-death beneficiaries and is not part of the last surviving party's estate.

Fiduciaries—Any person identified on the Membership Application/Signature Card as a guardian, UTMA custodian, trustee, representative payee, or executor/personal representative, acts in that capacity pursuant to contract, state or federal law, regulation or judicial authority for the benefit of the named minor/ward, UTMA minor, person under disability, trust/beneficiary or estate/decendent named on the account. If a successor UTMA custodian is identified on the Membership Application/Signature Card, or is subsequently appointed, that person will have the rights and obligations of the Fiduciary on the account only upon the last of the identified UTMA custodians' resignation,

death, incapacity or removal. The account is subject to the order of the Fiduciary, subject to the limitations imposed by any judicial order of which we have had prior notice and a reasonable opportunity to act. If a Fiduciary executes a power of attorney to appoint another person to act as the attorney-in-fact for the Fiduciary, we have the right, in our sole discretion, not to accept the power of attorney until the Fiduciary proves to our satisfaction that the Fiduciary has the right to delegate authority to others through a power of attorney. The Fiduciary certifies that any funds deposited into or withdrawn from the account are properly within the Fiduciary's custody and may be lawfully deposited into or withdrawn from the account in accordance with authority duly vested in the Fiduciary and that we have no duty to verify the authority of the Fiduciary to make particular deposits or withdrawals (except as expressly provided otherwise by judicial order of which we have had prior notice and a reasonable opportunity to act). The Fiduciary promises to keep records in good faith and in the ordinary course of business which detail the interests of the true beneficial owner(s) of the account at all times.

Beneficiaries—Any person identified on the Membership Application/Signature Card as a minor/ward, UTMA minor, person under disability, trust/beneficiary or estate/decendent is named on the account pursuant to that person's status under contract, state or federal law, regulation or judicial authority. Withdrawals from the account may be made only by the Fiduciary(ies) named on the account. We have no duty to verify the authority of the Fiduciary(ies) to make particular deposits to or withdrawals from the account except as expressly provided otherwise by a judicial order on which we have had prior notice and a reasonable opportunity to act.

Account for Minors (Non-Custodial)—The account is owned by the minor who establishes the account. In addition, in our sole discretion, we may require the account to have a joint owner who is at least 18 years of age, making the account a joint account subject to all applicable joint owner provisions in this Agreement. We may allow the minor to make deposits, withdraw funds or otherwise act in connection with the account without regard to the minor's age, but we reserve the right to deny the minor such activities in our discretion. All owners of this account agree that if the minor's guardian gives written notice requesting that we withhold payments to the minor and we have had reasonable opportunity to act, we may honor that request but we are not obligated to do so. Unless the minor's guardian is also a joint owner, the guardian has no right to access the account. We have no duty to inquire as to the use or purpose of any transaction by the minor or joint owner.

8. AGENTS—If you allow another person to access your account or to sign, endorse, process, control disposition, or otherwise act on your behalf with respect to your account, including with respect to Deposits or Orders, including electronic transactions (ATM, Debit Card, ACH debits and credits, periodic payments), then they must be designated to the Credit Union as such on the Membership Application/Signature Card and you are fully responsible for that person's actions. You will be liable

for any loss including fees to BFSFCU and attorneys' fees incurred as a result of the actions or inactions of that person and you cannot hold us liable for any part of that loss.

9. POWER OF ATTORNEY—We reserve the right not to recognize a Power of Attorney to act on an account, in our sole discretion. If we do recognize a Power of Attorney, the attorney-in-fact named acts in that capacity pursuant to contract, state or federal law, or regulation for the benefit of the named owner(s) of the account. The attorney-in-fact certifies that any funds deposited into or withdrawn from the account are properly within the attorney-in-fact's custody and may be lawfully deposited into or withdrawn from the account in accordance with authority duly vested in the attorney-in-fact and that we have no duty to verify the authority of the attorney-in-fact to make particular deposits or withdrawals. The attorney-in-fact is not an owner of the account, no funds in the account belong to the attorney-in-fact by reason of that capacity, and the attorney-in-fact has no right of survivorship in the account. The attorney-in-fact promises to keep records in good faith and in the ordinary course of business which detail the interests of the named owner(s) of the account at all times. If a Power of Attorney is recognized, revocation or termination of the Power of Attorney shall be effective as to us only after our receipt of written notice of revocation or termination, or receipt of a death certificate or court order, and only after we have had a reasonable time to act upon such notice.

10. BUSINESS ACCOUNTS—Earnings in the form of interest, dividends, or credits will be paid only on collected funds, unless otherwise provided by law or our policy. We may require the governing body of the legal entity opening the account to give us a separate authorization telling us who is authorized to act on its behalf. We will honor the authorization until we actually receive written notice of a change from the governing body of the legal entity.

11. STOP PAYMENTS—At your risk, upon your request, and subject to the provisions outlined below, we will accept a stop payment request on an Order drawn on your account. Special rules apply to stop payments for electronic transactions and you should refer to our Electronic Funds Transfer (EFT) Agreement and Disclosures for those EFT rules. To the extent this paragraph is inconsistent with those rules, the special rules for EFT apply. If you stop payment on an Order we may return it unpaid in any manner consistent with Federal Reserve and clearing house procedures. You agree to pay our fee for stop payment, which may be deducted from your account, and to defend, indemnify and hold us harmless from all expenses and costs incurred by us, including attorneys' fees, in stopping payment. You must provide us with the exact: (a) amount of the Order; (b) payee; (c) Order number; (d) account number; and (e) any other information we may require. You agree that if all of this information is not correctly provided by you, we will not be liable if the Order is paid. Our liability for improper payment of a stopped Order is limited to your actual losses, up to the amount of the Order, unless payment of the Order was a result of our gross negligence or willful and intentional disregard of your request. We will not be liable

for incidental or consequential damages. If we recredit your account after paying an Order over a valid and timely stop payment order, you agree to transfer to us all of your rights against the payee or other holder of the Order and to assist us in legal action taken against that person at a subsequent time.

A stop payment request becomes effective only after we have had a reasonable opportunity to act upon it. Our receipt of your stop payment request is not timely and comes too late if (a) we have paid or indicated in any manner that we will pay or honor the Order as drawn (for example, notice comes too late if the order has been certified or negotiated); (b) the Order is already in our processing system; or (c) we do not have a reasonable time to act upon it and you and we agree that the receipt of your stop payment request subsequent to our stop-payment cutoff time, which is one hour after the opening of the next banking day after the banking day on which we receive the item, does not give us reasonable time.

A stop payment request may be cancelled or revoked only after we receive your written request and we have had a reasonable opportunity to act upon it.

12. NOTICE OF POSTDATING—At your risk, upon your request, and subject to the provisions outlined below, we will accept a proper and timely notice of postdating to prevent the payment of an Order before the date written on it. A notice of postdating may be given by the person who signed the Order or any other owner of the account. You agree to pay our fee for notice of postdating, which may be deducted from your account. If the Order is presented before the date written on it, we may return it unpaid in any manner consistent with Federal Reserve and clearing house procedures. You understand that any holder in due course of the Order, including us, may be entitled to enforce payment against you despite your notice of postdating. A notice of postdating will cease to be effective at the earlier of the date written on the Order or the expiration of the notice of postdating, and the Order may be paid by us and charged against your account if presented to us after that time. A notice of postdating may be made in any or all of the following ways: by oral or written request. If you fail to renew any type of notice of postdating before it has expired, you shall be deemed to have consented to payment of the Order.

Our receipt of your notice of postdating is not timely and comes too late if: (a) we have paid or indicated in any manner that we will pay or honor the Order as drawn (for example, notice comes too late if the Order has been certified or negotiated with a check guarantee); (b) the Order is already in our processing system; or (c) we do not have a reasonable time to act upon it. Your notice of postdating must provide us with the exact: (a) date written on the Order; (b) amount of the Order; (c) payee; (d) Order number; (e) account number; and (f) any other information we may require. You agree that if all of this information is not correctly provided by you, we will not be liable if the Order is paid before the date written on the Order. If we comply with a notice with respect to a postdated Order, you agree to defend and hold us harmless from and against any claims, demands,

suits or other disputes resulting from or relating in any way to that notice and to indemnify us for the amount of any such claims, demands, suits or other disputes and any related costs and expenses, including attorneys' fees and the costs of litigation to the extent permitted by applicable law.

13. CASHIER'S CHECKS—Cashier's checks are drawn by us on our own account. Also, you may purchase a cashier's check, subject to our Schedule of Fees, and we will make it payable to the person you indicate. Because cashier's checks are drawn by BFSFCU, they are BFSFCU's direct obligation to the payee and you have no right to direct us to place a stop payment on the cashier's check. If any type of cashier's check is lost, stolen or destroyed, you may be entitled to recover the funds by filing a declaration of loss with us in a form we require. However, as provided by law, we will not issue a replacement check until the later of 90 days after the date of check or acceptance by you of the cashier's check. Presentment by any person to which/whom the cashier's check is properly payable extinguishes any right you have to issuance of a replacement cashier's check even though you have filed a declaration of loss.

14. WAIVER OF NOTICE—By signing the Membership Application/Signature Card or continuing to use your account after the date printed on this Agreement, you waive any notice of non-payment, dishonor or protest regarding items credited to or charged against your accounts. For example, if a check or draft which you deposited is dishonored and returned to us, we are not required to notify you of the dishonor.

15. WAIVER BY CREDIT UNION—We reserve the right to waive the enforcement of any of the terms of this Agreement with you with respect to any transaction or series of transactions. Any such waiver will not affect our right to enforce any of our rights with respect to other members or to enforce any of our rights with respect to later transactions with you and is not sufficient to modify the terms and conditions of these Agreements.

16. ELECTRONIC COMMUNICATIONS/SIGNATURES/SECURITY—To the extent permitted by applicable Federal and District of Columbia law, you authorize the Credit Union to provide disclosures, agreements, periodic statements and other communications to you electronically. We may require that you demonstrate the ability to receive the electronic communication before we rely on that method of communication. To the extent permitted by applicable Federal and District of Columbia law, you authorize the Credit Union to accept, honor, rely upon and enforce agreements which you have signed electronically. Your electronic or digital signature is recognized as your signature for purposes of the law of contracts and negotiable instruments including your checking/share draft account. If the Credit Union assigns or allows you to select a Password or Personal Identification Number (PIN) you agree to keep it confidential. If you fail to keep confidential your Password or PIN(s), the Credit Union is under no obligation to provide you with another Password or PIN so that you may continue to accept services made available electronically through the use of the PIN which was compromised.

17. TELEPHONE TRANSFERS—A telephone transfer of funds for this account to another account with us, if otherwise arranged for or permitted, may be made by the same persons and under the same conditions generally applicable to withdrawals made in writing. Unless a different limitation is disclosed in writing, we restrict the number of transfers from a savings account to another account or to third parties, to a maximum of six per month (less the number of "preauthorized transfers" during the month). Other account transfer restrictions may be described elsewhere.

18. AMENDMENTS—The Credit Union reserves the right to modify the terms of this Agreement at any time and from time to time in our sole discretion. Unless otherwise required by law, the Credit Union may modify this Agreement by mailing to you, in your statement or to your mailing address, including e-mail address, as reflected in the Credit Union's records, a written notice of the modification. Any such modification will be effective on the date specified in the notice, but that date will be no less than 10 days following the date of mailing unless you specifically consent to an earlier date or a greater period of notice is required by law. Notice from us to any one of you is notice to all of you. Rules governing changes in rates are provided separately in BFSFCU's Truth in Savings Disclosure and Rate Sheet.

19. NOTICES—Except as provided elsewhere, all notices, questions and other communications concerning your account should be directed to the Credit Union using the address or telephone number shown below:

Bank Fund Staff Federal Credit Union
PO Box 27755
Washington, DC 20038-7755
202 212 6400
Fax: 202 683 2380

20. STATEMENTS—You will receive a statement concerning your activity, or, if you agree, an electronic notice of the availability of your statement, at least quarterly. You agree that items we have paid are not returned to you, but you may obtain copies of some items at such fees as set forth in the Schedule of Fees. You agree that sending periodic statements to a single street location, post office box or electronic address constitutes notice to all of you and that any of you may change the address specified in our records for where to send statements. You agree to examine your statement of account with "reasonable promptness". If you discover (or reasonably should have discovered) any unauthorized transactions, signatures or alterations, you must promptly notify us of the relevant facts. As between you and us, if you fail to do either of these duties, you will have to either share the loss with us, or bear the loss entirely yourself (depending on whether we used ordinary care and, if not, whether we substantially contributed to the loss). The loss could be not only with respect to items on the statement but other items with unauthorized signatures or alterations by the same wrongdoer.

You agree that the time you have to examine your statement and report to us will depend on the circumstances, but will not, in any

circumstance, exceed a total of 30 days from when the statement is first sent or made available to you.

You further agree that if you fail to report any unauthorized signatures, alterations, forgeries, or any other errors in your account within 60 days of when we first send or make the statement available, you cannot assert a claim against us on any items in that statement, and as between you and us the loss will be entirely yours. This 60-day limitation is without regard to whether we used ordinary care. The limitation in this paragraph is in addition to that contained in the first paragraph of this section and in the Uniform Commercial Code for the District of Columbia.

You agree that you will inform us immediately of any change to your residential and/or mailing address, including email address, by writing to us at P.O. Box 27755, Washington, D.C. 20038-7755. Your notification to us must contain your authorized signature and a contact telephone number for verification. You may also contact us at 202 212 6400.

21. ACCOUNT TRANSFER—This account may not be transferred except to another account or member at BFSFCU and then only as permitted by us. Nor can this account be assigned without our prior written consent.

22. DIRECT DEPOSITS—If, in connection with a direct deposit plan, we deposit any amount in an account which should have been returned to the Federal Government or other payor for any reason, you authorize us to deduct the amount of our liability to the Federal Government or other payor from the account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of our liability.

23. RIGHT TO REPAYMENT OF INDEBTEDNESS—You each agree that we may (without prior notice and when permitted by law) charge against and deduct from this account any due and payable debt owed to us now or in the future, by any of you having the right of withdrawal, to the extent of such persons' or legal entity's right to withdraw. If the debt arises from a note, "any due and payable debt" includes the total amount of which we are entitled to demand payment under the terms of the note at the time we charge the account, including any balance the due date for which we properly accelerate under the note.

In addition to those contract rights, we may also have rights under a "statutory lien". A "lien" on property is a creditor's right to obtain ownership of the property in the event a debtor defaults on a debt. A "statutory lien" is one created by federal or state statute. If federal or state law provides us with a statutory lien, then we are authorized to apply, without prior notice, your shares and dividends to any debt you owe us, in accordance with the statutory lien.

Neither our contract rights nor rights under a statutory lien apply to this account if: (a) it is an Individual Retirement Account or other tax-deferred retirement account, or (b) 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), or (c) the debtor's right of withdrawal arises only in a representative capacity. We will not be liable for the dishonor of any check or draft when the dishonor occurs because we charge and deduct an amount you owe us from your account. You agree to hold us harmless from any claims arising as a result of our exercise of our right to repayment.

24. LEGAL PROCESS AGAINST ACCOUNT—We have the right to comply with any tax levy or garnishment request from the Internal Revenue Service or any other governmental agency. You agree to pay us a fee for legal process as disclosed in our Schedule of Fees and you authorize us to deduct the fee from any account from which you are entitled to withdraw funds. We may honor such levy or garnishment requests to the extent that we have no claim to the money. We may freeze your account or otherwise hold the funds as directed by the legal process until we are instructed to release the levy or garnishment or until we remit the funds to the appropriate party.

If we receive any notice of lien, process, garnishment, execution, or other proceeding relating to you or your account, we may withhold payment of as much of the balance in your account as may be the subject of such notice or process and pay such amount to the court, creditor, or other party in accordance with applicable law. We may also place a hold on your account or otherwise hold your funds for a reasonable period of time to permit the parties or us an opportunity to file any additional legal proceedings or to resolve the action informally. We are not liable for dishonoring Orders because of insufficient funds due to a hold placed on the account or your funds or resulting from service charges, setoffs, levies, garnishments, lien claims, or other legal process. If we incur any expenses, including internal costs and attorneys' fees in responding to any legal proceeding relating to you or your account, we may charge such expenses to your account without prior notice. Those expenses may be in addition to the fee we may charge you as disclosed in our Schedule of Fees. If there are insufficient funds in your account, you are liable for your balance.

You are liable to us for any losses, costs, or expenses, including reasonable attorneys' fees, the costs of litigation, and the costs to prepare or respond to legal papers, that we incur as a result of any dispute involving your account. You authorize us to deduct any such losses, costs, or expenses from your account without prior notice. This includes disputes between you and us and situations where we become involved in a dispute between you and an authorized signer or a third party claiming an interest in the account. It also includes situations where you or a third party take action with respect to the account that causes us in good faith, to seek the advice of counsel, whether or not we actually become involved in the dispute.

25. AGENCY DESIGNATION (Individual Accounts only)—A single individual is the owner. An agent may make account transactions for parties, but has no ownership or rights at death unless named as a pay on death beneficiary. If you allow

another person to access your account or to sign, endorse, process, control disposition, or otherwise act on your behalf with respect to your account, including with respect to Deposits or Withdrawals (including ATM, Debit Card, ACH debit and credits, and periodic payments), then you are fully responsible for that person's action. We undertake no obligation to monitor transactions to determine that they are on the owner's behalf. You will be liable for any loss including fees to BFSFCU and attorneys' fees incurred as a result of the actions or inactions of that person and you cannot hold us liable for any part of the loss.

26. RESTRICTIVE LEGENDS—We are not required to honor any restrictive legend on checks you write unless we have agreed in writing to the restriction, but we may do so in our sole discretion. Examples of restrictive legends are "must be presented within 90 days" or "not valid for more than \$1,000.00".

27. PAYMENT ORDER OF ITEMS—The law permits us to pay items (such as checks or drafts) drawn on your account in any order. To assist you in handling your account with us, we are providing you with the following information regarding how we process the items that you write. When processing items drawn on your account, our policy is to pay them according to the dollar amount. We pay the largest items first. The order in which items are paid is important if there is not enough money in your account to pay all of the items that are presented. Our payment policy will cause your largest, and perhaps more important, items to be paid first (such as your rent or mortgage payment), but may increase the overdraft or NSF fees you have to pay if funds are not available to pay all of the items. If an item is presented without sufficient funds in your account to pay it, we may, at our discretion, pay the item (creating an overdraft) or return the item (NSF). The amounts of the overdraft and NSF fees are disclosed in BFSFCU's Schedule of Fees. We encourage you to make careful records and practice good account management. This will help you to avoid writing checks or drafts or authorizing electronic debits against insufficient or uncollected funds and incurring the resulting fees.

28. PLEDGES—Unless we agree otherwise in writing, any natural person owner of this account may pledge all or any part of the available funds in it for any purpose to which we agree. Any pledge of this account must first be satisfied before the rights of any surviving account owner or account beneficiary become effective.

29. ACH AND WIRE TRANSFERS—This agreement is subject to Article 4A of the Uniform Commercial Code—Fund Transfers as adopted by the District of Columbia. If you originate a fund transfer for which Fedwire® is used, and you identify by name and number a beneficiary financial institution, an intermediary financial institution or a beneficiary, we and every receiving or beneficiary financial institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a financial institution, person or account other than the one named. You agree to be bound by automated clearing house association rules and accept and agree to our security procedure. These rules provide, among other things that pay-

ments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A of the Uniform Commercial Code. If we do not receive such payment, we are entitled to a refund from you in the amount credited to your account and the party originating such payment will not be considered to have paid the amount so credited. If we receive a credit to an account you have with us by wire or ACH we are not required to give you any notice of the payment order or credit.

Your request for domestic and international funds transfer will be subject to the following transfer terms and conditions.

BFSFCU provides access to domestic and international funds transfers via "eWires" through our Online Banking Service to members in good standing. Funds transfer requests may also be requested in person, at one of our branches, and/or in writing.

By making a funds transfer request you authorize the Credit Union to initiate the transfer of funds and charge the account indicated for the amount of the funds transfer and the wire transfer fee, as stated in our Schedule of Fees. You acknowledge that there is an inherent risk in the transfer of funds and release the Credit Union, its agents and its correspondents from all responsibility, obligation and/or costs associated with other financial institution's actions, fees or failure to deliver funds.

You accept and understand that any fees, charges or commissions levied by other banks with respect to such transactions are the responsibility of you, the Beneficiary, or both.

DEFINITIONS

As used in the Request for a domestic or international transfer of funds, the following terms shall have the following meanings:

- a) "Remitter" or "Originator" shall mean you or any individual authorized by you.
- b) "Account" shall mean your account at the Credit Union.
- c) "Request" shall mean your request submitted to the Credit Union to transfer funds from your account.
- d) "Beneficiary" or "Ultimate Beneficiary" shall mean the person or company to receive the funds.
- e) "Beneficiary Bank" or "Ultimate Beneficiary's Financial Institution" shall mean the institution where the Beneficiary's account is located.
- f) "Intermediary Financial Institution" shall mean any financial institution used to forward the funds transfer to the Ultimate Beneficiary's Financial Institution.
- g) "Business Day" shall mean Monday through Friday, 8:30 a.m. to 3:30 p.m., excluding holidays.
- h) "Transfer" shall mean the sending of funds to the Originator, any account of the Originator or a third party by wire or international draft in response to your Request.

- i) "Security Procedure" shall mean our procedures for verifying that a payment order or communication amending or cancelling a payment order is that of the originator; or, for detecting errors in the transmission or content of the payment order or communication.

AUTHORIZATION

We will act upon your Request if all of the following conditions exist at the time the Transfer is to be initiated; other conditions may apply from time to time:

- a) The Credit Union has been given sufficient information to complete the transfer;
- b) The Credit Union is satisfied that the Request is valid and the identity of the Remitter has been sufficiently proven to the Credit Union;
- c) There are sufficient funds in the Account to complete the transfer and pay the applicable fee;
- d) There are no restrictions on the account preventing the withdrawal of funds; and
- e) The transfer would not, in the sole estimation of the Credit Union, violate any applicable law, regulation or Credit Union policy.
- f) The request complies with the Credit Union's Security Procedures.

TRANSFERS

The Credit Union may use correspondent relationships with other organizations to initiate transfers to banks located outside the United States.

The Credit Union may process and act upon Requests received in any order that is convenient to the Credit Union.

The Credit Union will act on your instructions to enter your Request into the funds transfer system and initiate this transfer. The Credit Union undertakes no responsibility other than for acts taken pursuant to this Request.

The Credit Union may initiate the Transfer using whatever means deemed suitable at the time of the Request.

The Credit Union may request the Receiving Financial Institution to return a Transfer, which has been initiated in error. The Receiving Financial Institution may, but is not obligated to, honor the request for return of funds.

LIABILITY

You will be liable for the Transfer in accordance with the terms of your Request.

The Credit Union shall use ordinary care in the exercise of its responsibilities under your Request, but shall not be liable for

losses or damages sustained by the Originator, Beneficiary or other third party resulting from:

- a) Circumstances beyond the control of the Credit Union including, but not limited to, the unavailability of wire service, the weather, power failure, communication failure or the length of time taken for the Beneficiary to receive the funds;
- b) The insolvency, neglect, misconduct, mistake or default of a third party; or
- c) A Beneficiary or Receiving Financial Institution's refusal to honor any request for the return of funds.

The Credit Union shall provide you confirmation of receipt of instructions by mail or other means.

The Credit Union, its correspondents, and its agents shall be liable only for your direct damages resulting from negligent performance or non-performance of its obligations under this Request.

IN NO EVENT SHALL THE CREDIT UNION BE LIABLE FOR ANY CONSEQUENTIAL, SPECIAL OR INDIRECT LOSSES OR DAMAGES WHICH MAY BE INCURRED OR SUFFERED BY REASON OF YOUR REQUEST OR THE SERVICES PROVIDED IN ACCORDANCE TO SUCH REQUEST OR ANY ERRORS MADE BY INTERMEDIARY OR BENEFICIARY FINANCIAL INSTITUTIONS, WHETHER OR NOT THE LIKELIHOOD OF SUCH LOSSES OR DAMAGES WAS KNOWN BY THE CREDIT UNION.

You agree to indemnify and hold harmless the Credit Union and its correspondents against any and all claims of any third party arising from or in connection with your Request or the services provided in accordance to such request.

MISCELLANEOUS

You will pay the Credit Union fees for the services provided for this service in accordance with the Credit Union's published Schedule of Fees.

The terms of your Request are in addition to and do not replace the terms and conditions of any agreement between you and the Credit Union covering the Account.

Your Request shall be construed in all respects in accordance with the laws of the District of Columbia.

Your Request shall take effect upon acceptance by the Credit Union.

30. FACSIMILE SIGNATURES—You authorize us, at any time, to charge you for all checks, drafts, or other orders, for the payment of money, that are drawn on us regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen filed with us, and contain the required number of signatures for this purpose.

31. SUSPICIOUS ACTIVITY AND/OR DISPUTE AMONG OWNERS

In the event we reasonably believe that the signers, owners, or persons acting on behalf of the signers or owners of an account are in dispute concerning any aspect of the account or we believe there is suspicious activity involving the account, we may, in our sole discretion, do any or all of the following things: 1) continue to act as set forth in this Agreement based upon the signature of any authorized signer as shown in our records; 2) freeze the funds in the account pending resolution of the dispute or activity to our satisfaction; or 3) except as expressly limited by law, regulations or our bylaws, deposit the funds from the account into the registry of an appropriate court pending court order establishing the parties who are authorized to withdraw funds from the account or the rights of the parties to the funds.

32. CLOSING OF ACCOUNTS

We may give notice to you requiring you to withdraw the entire amount on deposit in your account, or any part thereof. Such notice shall also advise you that we reserve the right after the date specified in our notice not to make payment on any Withdrawal or Order drawn on your account. After the date specified, we shall not be obligated to make any payment from such account except for the purpose of closing your account. You or we also may close your account at any time and in such case, you may withdraw or we will provide all of the collected funds in the account, less any fees or charges due from you which will be charged against the account. If you are a member of BFSFCU and all of your accounts are closed, you will cease to be a member. We will not close your account(s) or give you notice to do so if prohibited by law, regulation or our bylaws.

33. MEMBERS IN GOOD STANDING AND DENIAL OF SERVICES

If you are a member in good standing, you may be entitled to additional services, including the reduction of certain fees that would otherwise be assessed. A "member in good standing" is a member who has never caused BFSFCU a credit loss through bankruptcy or delinquency; maintains at least the par value of a BFSFCU share in a Membership Savings account; maintains the minimum account balance as applicable to each account; maintains accounts in a manner appropriate to standard banking relationships so not to create a financial or reputation loss of any kind; is not late in payment or in default in connection with any financial obligation owed to us; is not physically or verbally abusive to BFSFCU staff and volunteers. If you do not maintain a Member in Good Standing designation, as described in the preceding statement, we may, in our sole discretion terminate all services to you, including closure of your accounts, except we will not terminate your Membership Share Savings account.

34. INACTIVE/ABANDONED ACCOUNTS

If your account falls below the established minimum balance and you have not made any transactions within the established period of time as described in our Schedule of Fees, we will classify your account as Inactive and assess a monthly Inactive Account fee. Under the laws of the District of Columbia applicable to your account, all funds remaining in an account may be turned over

to the custody of the appropriate state after the account has been presumed abandoned because of inactivity and notice is sent to the member at that member's last known address. For share certificate accounts, the period giving rise to the presumption of abandonment begins after the maturity date of the initial term; for retirement accounts, the period begins after distributions from the account are mandatory. An account will be presumed abandoned if, for the period of time specified by applicable law, no owner has: (a) increased or decreased the amount in the account; (b) presented evidence of the account for the crediting of dividends; (c) written to us about the account, including signing up for new services or asking for address changes; (d) engaged in a credit share or other deposit transaction with us; or (e) otherwise indicated an interest in the account as evidenced by a memorandum on file with us. You agree that as permitted under applicable law, abandoned accounts may be subject to reasonable service charges which will be set forth in our Schedule of Fees. You agree that we are relieved of all responsibility if your account balance is turned over to a state as provided by applicable law.

35. RELEASE OF INFORMATION AND OBTAINING INFORMATION ABOUT YOU

To open an account or utilize the services of BFSFCU, you must qualify for membership and maintain the par value of \$5.00 in a Membership Savings account. To verify your current and continued eligibility for membership and identification as required under the USA Patriot Act, you authorize us to obtain information from third parties to include, but not limited to, other financial institutions with which you have done business and certain reporting agencies. **We may report information about you to credit bureaus/reporting agencies, or as otherwise required or permitted by law. Late payment, missed payments or other defaults on your account may be reflected in your credit report.** Under federal law, you have the right to notify us if you believe we have reported inaccurate information about your account to credit reporting agencies. If you believe the information reported is in error, send written notification to:

1750 H Street, N.W., Suite 300
Washington, D.C. 20006
Telephone: 202 212 6450

36. DIVIDENDS AND INFORMATION REPORTING

Dividends paid to your account must be approved by the Board of Directors of BFSFCU and are based on our current income and available earnings, after required transfer to reserves, at the end of each dividend period and, thus, cannot be guaranteed. Federal regulations prohibit payment of dividends in excess of available earnings. BFSFCU complies with Internal Revenue Service reporting requirements as they relate to dividends paid and interest charged to members.

37. FORMS AND DEVICES FOR ACCESSING YOUR ACCOUNT AND RIGHT TO MAKE DEPOSITS AND WITHDRAWALS

You agree to use only those forms, methods, and devices approved by us for accessing, maintaining, and

charging your account. You understand that those forms, devices, and methods may change from time to time. We reserve the right to return unpaid or unprocessed any unauthorized form of Order or any authorized form of Order which is incompletely or defectively drawn. You are responsible for the condition of any Order or Deposit drawn on or deposited to your account, including but not limited to, the encoding on checks that you have purchased from an independent third party. You agree to indemnify us for damages resulting from any claim arising out of or relating to the inability to handle any Order or Deposit in a timely or proper manner under applicable law because of the condition of the Order or Deposit. We reserve the right, at our sole discretion, to refuse Orders from or Deposits into an existing account. We reserve the right, at our sole discretion, to discontinue or limit the practice of allowing withdrawals by negotiable orders or other types of devices or methods.

38. YOUR OBLIGATIONS—As a member of BFSFCU, you may apply for our deposit and loan products and services and vote, in accordance to our by-laws, at our annual meeting. You agree to abide by the rules established for these products and services, safeguard your account, account information, access devices and order forms. You agree to maintain your account in a satisfactory manner, make your loan payments on time and not cause a loss to the Credit Union.



BANK-FUND STAFF FEDERAL
CREDIT UNION

1818 H Street NW
Washington DC 20433

T 202 212 6400
F 202 683 2380

Mailing Address
PO Box 27755
Washington DC 20038-7755

BFSFCU.org

General e-Mail: memberservices@bfsfcu.org

These terms and conditions are subject to change.

03/09 SC/MP



Your savings federally insured to at least \$250,000
and backed by the full faith and credit of the United States Government

NCUA

National Credit Union Administration, a U.S. Government Agency