



BUSINESS ACCOUNT AGREEMENT AND DISCLOSURE (FOR BUSINESS CHECKING ACCOUNTS, BUSINESS SAVINGS ACCOUNTS AND BUSINESS CERTIFICATES)

Welcome to ESL Federal Credit Union. Thank you for opening a new account with us. This Agreement describes the relationship between you and ESL Federal Credit Union. This is an important document. Please read it, and keep it in a safe place. You should ask us any questions you have about this Agreement.

GENERAL TERMS AND CONDITIONS FOR SHARE ACCOUNTS, SHARE DRAFT ACCOUNTS AND CERTIFICATES

1. This Agreement (the "Agreement") establishes your rights and responsibilities regarding your accounts at ESL Federal Credit Union and the obligations of ESL Federal Credit Union to you. In this Agreement, ESL Federal Credit Union may be referred to as "ESL", "the credit union", "we", "our" or "us". You may be referred to as "account holder", "member", "business member", "you" or "yours". The word "account" or "accounts" means any one or more share (savings), share draft (checking), certificate or other accounts you have with ESL.

This Agreement, along with any other documents we give you pertaining to your accounts, is a contract between ESL and you that establishes rules which control your accounts with us. It will, along with the credit union's charter, bylaws and policies, govern all relationships between you and all other business members of ESL who have accounts at the credit union. Please read this carefully. If you sign the signature card or account agreement or open, deposit funds, withdraw funds or otherwise use or continue to have your accounts with us, you agree to these rules. You will receive a separate schedule for rates, qualifying balances, and fees if they are not included in this Agreement.

This Agreement, and the relationship between you and ESL, is subject to applicable federal laws and rules including, but not limited to, the Federal Reserve System, the National Credit Union Administration and the National Automated Clearing House Association, and the laws of the state of New York (except to the extent that this Agreement can and does vary such rules or laws). The body of state and federal laws governs our relationship with you, however is too large and complex to be reproduced here. The purpose of this document is to: (i) summarize some laws that apply to common transactions; (ii) establish rules to cover transactions or events which the law does not regulate; (iii) establish rules for certain transactions or events which the law regulates but permits variation by agreement; and (iv) give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

If any provision of this document is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect.

All questions or communications to us should be sent to:

ESL Federal Credit Union
P.O. Box 92714
Rochester, NY 14692-8814

2. To join the credit union, you must complete payment of one share (\$1.00) in your Business Membership Savings Account and have your application approved by an ESL authorized officer. You must retain a credit union Business Membership Savings Account to remain a member in good standing.

3. You may lose your membership if your account carries a zero (\$0.00) balance for a period of six months or longer. If you have not caused ESL a financial loss, you may establish a new membership at any time if you remain eligible for membership.

4. ESL reserves the right not to accept into membership any entity or person who caused ESL or any other financial institution a loss or previously abused the privileges of ESL membership. You authorize us to check your accounts and credit history and obtain reports from third parties, including credit reporting agencies, to verify your eligibility for the accounts and services you request.

5. You represent and warrant that the accounts will be used for business purposes only, and will not be used for personal, family or household purposes. You further agree to implement reasonable measures to ensure that the account is used for business purposes only.

6. You agree not to use any of your accounts to initiate any type of electronic gambling transactions through the Internet.

7. The following are persons authorized ("Authorized Persons") to establish and act on behalf of the business member with respect to accounts held at the credit union:

- If the business member is a sole proprietor, the business owner and any other person designated by the business owner;
- If the business member is a partnership, each partner or general partner in the case of a limited partnership and any person designated by the partners;
- If the business member is an organization or is an unincorporated organization or association, the individuals vested with the power to make decisions concerning the operation of the business member must designate the Authorized Persons to establish accounts at the credit union and transact business on such accounts on behalf of the business member.

8. Authorized Persons are vested with the authority to open and close accounts, obtain loans, sign notes and credit agreements, pledge, assign, mortgage or otherwise grant a security interest on behalf of the business member, and transact any business of any nature on such accounts including but not limited to the following:

- Depositing, withdrawing and transferring funds into, out of and between one or more accounts;
- Signing drafts, checks and other orders of payment or withdrawals;
- Issuing instructions regarding orders of payment or withdrawals;
- Endorsing any check, draft, share certificate and other instrument or order for payment owned or held by the business member; and
- Receiving information of any nature about the account.

Authorized Persons may execute additional agreements and documents we require to access, transact business on and otherwise exercise authority over your accounts.

We have no obligation to inquire as to the use of any funds or the purpose of any transaction made on your account by an Authorized Person and are not responsible for any unauthorized transaction by an Authorized Person.

We will not be liable for refusing to honor any item or instruction if we believe the signature is not genuine. It is your responsibility to provide us with specimen signatures of all Authorized Persons and to inform us immediately in writing of any changes.

You and any Authorized Persons agree to the terms of this Agreement and the Business Banking Fee Schedule. You authorize us to deduct these charges directly from the account balance as accrued. You will pay any additional charges for services you request which are not covered by this Agreement.

You and any Authorized Persons agree to be jointly and severally liable for any account shortage resulting from charges or overdrafts, whether caused by you or another with access to this account. This liability is due immediately, and can be deducted directly from the account balance whenever sufficient funds are available. You have no right to defer payment of this liability and you are liable regardless of whether you signed the item or benefited from the charge or overdraft. This includes liability for our costs to collect the deficit including, to the extent permitted by law, our reasonable attorney's fees.

9. You may choose to terminate your membership in the credit union by withdrawing all shares from the accounts your business has an ownership interest in, including all shares in your Business Membership Share Account, and indicating to an ESL representative, either verbally or in writing, that you intend to terminate your business membership. However, we reserve the right to require you to give us seven days notice in writing before an intended withdrawal. In certain circumstances, we may require your signature to close your account.

If after you terminate your membership you choose to open accounts with us, you will need to prove that your business remains eligible for membership at ESL.

10. ESL reserves the right to terminate any of your business accounts at any time without notice to you or may require you to close any of your business accounts and apply for new accounts if:

- a. There has been a forgery or fraud reported or committed involving your account;
- b. There is a change in the legal structure of your business;
- c. Any Authorized Persons are no longer authorized to bind the business to legal agreements;
- d. There is a dispute as to the ownership of an account or the funds in an account;
- e. There has been any misrepresentation or any other abuse of any of your accounts;
- f. It is deemed necessary to prevent a loss to the credit union;
- g. It is reported that an access device has been lost or stolen, including but not limited to the following access devices: your business checks, ESL Visa® Business Debit Card or both your business identification number and password(s) for TEL-E\$L or Business Online/Mobile Banking;

h. There are excessive returned unpaid items not covered by any overdraft services.

11. If either ESL or you close any of your accounts and you have periodic payments deposited to your account or pre-authorized withdrawals (also known as debits) taken from your accounts, you must notify the third parties initiating the transaction that your account is being closed. ESL will not be liable to you for any damages you incur due to your failure to notify third parties that your account was closed. After your account is closed, we will return to the originating financial institution any debits or payments we receive.

12. Any termination of this Agreement, either by us or by you, will not release you from any fees or other obligations you incurred before termination or you incur in the process of closing your account. ESL is not responsible for payment of any check, withdrawal or any other item after your account is terminated; however, if we pay an item after termination, you agree to reimburse the credit union.

13. Accounts are not transferable or assignable by you or any Authorized Person without the expressed written approval of an authorized officer of the credit union.

14. If you and/or an Authorized Person have caused ESL a loss, behaved abusively toward ESL employees or members, persistently and egregiously violated commonly accepted standards of personal hygiene or public manners, or participated in any unsafe or unsound practice through which the interests of ESL or its members has been or could be jeopardized, you and/or the Authorized Person may have all or some credit union services reduced or denied within the limits of applicable law which pertain to the loss incurred. You will maintain the right to a dividend bearing membership share account. Deposits may be made only by mail. Withdrawals may be made only by mail with a credit union check made payable to you mailed to your address of record.

To have services reinstated, you must submit in writing an explanation of the circumstances that caused the loss or your prior behavior and the specific services you wish to have reinstated. ESL must be reimbursed for any loss, including but not limited to, late charges and collection fees, including court costs and reasonable attorney's fees.

To find out if you are eligible to have either your ESL membership or services reinstated, please contact us at 585.336.1000 or 800.848.2265, use ESL Live Chat Banking at esl.org or visit one of our branches.

15. We may impose a fee as set forth in the Business Banking Fee Schedule or in this Agreement if an account has no activity initiated for a specified period of time. If your account is inactive for the period of time defined by New York State law, ESL is required to turn over the funds in the account to the appropriate state department. Once funds have been sent to the state, we have no further liability to you for such funds.

16. When ESL receives items for deposit or collection, ESL acts as a collection agent and assumes no responsibility beyond the exercise of ordinary due care. If you request special handling instructions, you must place these instructions in writing to ESL at the same time you present the item. We will not give effect to any special instructions given to us through an ATM.

17. Any financial service provided by ESL may be used for any transaction permitted by law. You agree that illegal use of any financial service will be deemed an action of default and breach of the terms and conditions of this Agreement and will cause such service and other related services to be terminated by the credit union. You further agree, should illegal use occur, to waive any right to sue ESL for such illegal use or any activity directly or indirectly related to it. Additionally, you agree to indemnify and hold ESL harmless from any suits or other legal action or liability, directly or indirectly, resulting from such illegal use. Even if you use your accounts for an illegal use, you agree to be responsible for all amounts and charges incurred in connection with the illegal use.

18. You agree to pay any service fees that apply to your account. We pay account earnings and assess fees against your accounts as set forth in the Business Banking Fee Schedule. We may change the Business Banking Fee Schedule at any time and will notify you as required by law.

19. Your failure to furnish a correct Taxpayer Identification Number (TIN) or meet other requirements may result in backup withholding. If your account is subject to backup withholding, we must withhold and pay to the Internal Revenue Service a percentage of dividends, interest and certain other payments. If you fail to provide your correct TIN, we (i) reserve the right to suspend opening your account; or (ii) reserve the right to close your account and return the balance to you, less any applicable service fees.

20. If the account is in the name of an individual person or a business that is organized as a sole proprietorship, we may continue to honor all transfer orders, withdrawals, deposits and other transactions on an account until we are notified of the Account Owner's death. Once we are notified of an Account Owner's death, we may pay drafts or honor other payments or transfer orders authorized by the Account Owner for a period of 10 days after that date unless we receive instructions from any person claiming an interest in the account to stop payment on the drafts or other items. We may require anyone claiming a deceased Account Owner's account funds to indemnify us for any losses resulting from our honoring that claim.

This Agreement will be binding upon any heirs or legal representatives of any Account Owner that is an individual or organized as a sole proprietorship.

21. You agree to reimburse ESL for any loss caused by the use of any of your accounts, including but not limited to, late charges and collections fees, including court costs and reasonable attorney's fees. You authorize ESL to deduct any such costs from any share account you have with the credit union.

22. The terms and conditions of our bylaws, this Agreement and/or Business Banking Fee Schedule may change from time to time to the extent permitted by law. Change in terms notices regarding specific accounts will be made in accordance with applicable law and regulation through normal ESL communications. These include, but are not limited to, our website (esl.org), emails if you have chosen to receive electronic periodic statements and disclosures or our periodic statements. A reasonable period of time will be given before any changes become effective.

We may modify, terminate or suspend the Courtesy Pay service at any time without prior notice, and we reserve the right to limit the Courtesy Pay service to one account per member without notice of reason or cause. In no event shall any modification, termination or suspension relieve you of your obligation to repay such sums already overdrafted and other fees related to this service. We can delay enforcing any of our rights under this Agreement without losing them.

23. You are responsible for promptly notifying us of any address or name change. The credit union is only required to attempt to communicate with you at the most recent address you have provided to us. Any change of address notification received from the U.S. Postal Service will be treated as if you notified us. We may, if we choose, accept oral notices of a change in address and may require any other notice from you to us be provided in writing. If we attempt to locate you, we may impose a service fee as set forth on our Business Banking Fee Schedule. You agree to notify us at least annually of changes to your address or name change.

Any written notice you give us is effective when we receive it. Except as required by law, 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 and will be effective whether or not received by you. Notice to you is considered notice to all account owners and Authorized Persons.

If you have agreed to receive notices electronically we may send you notices electronically and discontinue mailing paper notices to you until you notify us that you wish to reinstate receiving paper notices.

24. You are responsible for examining each and every statement sent to you for each account. If you discover (or reasonably should have discovered) any unauthorized 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 in the loss with us, or bear the loss entirely yourself (depending on whether we used ordinary care and if not 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 examined 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.

If we mail you a statement, we will send it to the last known address shown on our records. If you have requested that we send your statement electronically, we will send it to the last email address shown on our records.

25. All deposit items are provisionally credited to your account and subject to final payment. If you deposit an item denominated in foreign currency, final credit will be determined by the exchange rate in U.S. dollars in effect at the time when ESL receives final payment. ESL may charge back any item to your account at any time before final payment. If after final payment, someone makes a claim that an item was altered, forged, unauthorized or should not have been paid for some other reason, we may hold the funds until a final determination has been made as to ownership of the funds. Any fees we incur may be charged to your account. We are not responsible for transactions by mail or outside depository until we actually record them. If you make a deposit on a day we are closed or on a day we are open but after our business hours, we will consider that the deposit was made on the next business day we are open. We reserve the right to refuse or return any item or funds transfer.

26. Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs in the space designated for signatures on the signature card may withdraw or transfer all or any part of the account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person signing the signature card to endorse any item payable to you or your order for deposit to this account or any other transaction with us. We may charge your account for a check even though payment was made before the date of the check.

27. 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 request, we may treat continued abuse of 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. See the Funds Availability Policy section of this Agreement for information about when you can withdraw funds you deposit. For those accounts for which our Funds Availability Policy does not apply, you can ask us when you make a deposit when those funds will be available for withdrawal.

28. Withdrawal Restrictions. We reserve the right to restrict withdrawals or transfers from your account and shall not be liable for any restrictive action we take regarding (i) withdrawals or transfers; or (ii) payments or non-payments of a share draft, except for those damages which may arise solely as a result of the credit union's failure to exercise ordinary care.

29. We permit withdrawals only if your account has sufficient available funds to cover the full amount of the withdrawal. Drafts or other transfers or payment orders which are drawn against insufficient funds may be subject to a service charge as set forth in our Business Banking Fee Schedule. If there are sufficient funds to cover some, but not all, of your withdrawal, we may allow those withdrawals for which there are sufficient funds.

30. We may limit or refuse a withdrawal in some situations, and will advise you accordingly; for example: (i) a dispute involving the account (unless a court has ordered the credit union to allow the withdrawal); (ii) a legal garnishment or attachment is served; (iii) the account secures any obligation to us; (iv) required documentation has not been presented; (v) you fail to repay a credit union loan on time; (vi) if (non-corporate account) a depositor is deceased or (corporate account) the corporation is in bankruptcy proceedings or has been dissolved and the required disposition of the account has not been made; (vii) someone with authority to do so requests us not to permit the withdrawal; or (viii) there are other circumstances which do not permit us to make the withdrawal. We also reserve the right to refuse any withdrawal which is attempted by any method not specifically permitted by us. We may require you to give written notice of seven days to 60 days before any intended withdrawals.

31. You may withdraw or transfer funds from your account in any manner we permit (e.g. in person or by ATM, Point of Sale device, automatic transfer, ACH, Business Online/Mobile Banking, other available electronic means, mail or telephone). Transfer of funds from one of your accounts into 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.

32. You must authorize direct deposits and pre-authorized transfers by filling out a separate document. You must notify us at least 30 days in advance to cancel or change a direct deposit or pre-authorized transfer. Upon a bankruptcy filing, unless you cancel a direct deposit or pre-authorized transfer, we will continue making direct deposits in accordance with your authorization on file with us. If in connection with a direct deposit plan, we deposit any amount in an account which should have been returned to the Federal Government for any reason, you authorize us to deduct the amount of our liability to the Federal Government 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.

33. ESL may pay checks or other instruments drawn on the account on the day they reach us no matter what the date of the check or instrument. ESL may at its discretion elect not to pay a draft that is more than six months old. ESL may pay drafts that have been postdated and have not yet matured unless the member provides specific advance notice that the draft should not be honored until the posted date. If the draft is paid against your account, the credit union shall have no liability for such payment.

34. ESL may charge back at any time prior to midnight on its second banking day following the day of receipt, any item drawn on ESL which is ascertained to be drawn against insufficient funds or otherwise not good or payable. All other items are credited subject to the receipt of final payment in cash or solvent credits by ESL at our own office. Deposit and collection of all items shall be governed in other respects by applicable law. ESL shall not be liable for any damage caused by its premature payment of a postdated check, through accident or inadvertence, whether such damages arise from dishonor of a check subsequently presented or otherwise. ESL shall have all the rights of a purchaser and holder-in-due-course of a postdated check for which it pays out money or gives other value, in good faith, before the date of the instrument.

35. You agree to use only the checks or other instruments approved by ESL for the accounts. ESL shall not be liable for any loss, expense, fee or damage caused by your use of unapproved checks or other instruments. The credit union may return as unpaid any check that is not drawn on a form provided by the credit union. You agree to protect your blank checks and other instruments from theft or loss, and to notify us promptly if any blank checks or other instruments are lost or stolen. You further agree to register a complaint of any theft of checks or other instruments or any unauthorized use of this account with a local law enforcement agency and to provide ESL with a copy of the law enforcement agency's official report.

36. If you voluntarily give information about your account (such as the credit union's routing number or your account number) to a third party, ESL presumes that you have authorized the receipt of that information to initiate debits to your account, even if a particular transaction may not be authorized. ESL will honor such debits until you take the actions required by law to stop them.

37. All drafts drawn on your account shall be payable in currency of the United States of America. You agree not to draw a draft payable in any foreign currency. If you give us an order to pay the draft in foreign currency, we shall have the right to return the draft unpaid. If, however, we should pay the draft we shall not be responsible for the currency conversion and any

fees assessed for collection, and you shall be bound by our determination of the currency conversion rate and the data and manner in which we make the conversion.

38. ESL will not pay a check when funds are not available to cover it and a fee may be assessed. Refer to the Business Banking Fee Schedule for the exact fee charged. We are only required to make one determination of the account balance. If that determination reveals insufficient available funds to pay the check or other item and you have requested the Business CheckOK Overdraft service, unless prohibited by law and in our sole discretion, we may honor the check or other item and transfer the amount of overdraft from your Business Savings Account or Business Money Maker Account and a fee may be assessed (refer to the Business Banking Fee Schedule for the exact fee charged); if you have been approved for a Business Overdraft Line of Credit that is attached to your account, we will honor checks drawn on insufficient funds and add the amount of the overdraft to your Business Overdraft Line of Credit up to your approved credit limit; or, we may honor Items drawn on insufficient funds pursuant to our Courtesy Pay agreement (refer to the Courtesy Pay Section of this Agreement). ESL is not required to send you prior notice before a check is returned for insufficient funds. You may want to ensure that you are covered by taking advantage of our Business CheckOK Overdraft or Business Overdraft Line of Credit overdraft protection programs.

39. We may redeposit items taken for deposit, cash or other value, or we may return the item to you and charge your account. If your account does not contain sufficient funds to reimburse us for the amount of the item, you must repay us for the amount we are unable to collect from your account. If we choose to redeposit an item, we are not required to notify you that the item was returned unpaid. We may charge your account and/or seek recovery directly from you for any item that is returned due to your breach of warranty under the Uniform Commercial Code as adopted in New York State or is returned for any other reason.

40. You may make withdrawals or transfers from your account in any manner which is permitted by the credit union (such as check, ATM, in person, by mail, by telephone and automatic transfer, as applicable). Withdrawals are generally made first from finally collected funds and, unless prohibited by law or the credit union's Funds Availability Policy, ESL reserves the right to refuse to pay any check or other item drawn against uncollected funds, impose a fee for such item or both. The credit union may pay checks or other items drawn upon your account (including those payable to the credit union or on which the credit union may be liable) in any order determined by the credit union, even if paying a particular check or item results in an insufficient balance in your account to pay one or more other items that otherwise could have been paid out of your account.

41. You recognize that the credit union has adopted the general standard of the financial services industry of automated collection and payment procedures so that it can process the greatest volume of checks and other items at the lowest possible cost to all its members. In recognition of this, you agree that in paying or taking an item for collection, the credit union may disregard all information on the item other than information that is encoded onto the item in magnetic ink according to general banking standards, whether or not that information is consistent with other information on the item. You agree to reimburse the credit union for any loss or expense, including without limitation court costs and reasonable attorney's fees to the extent permitted by law that we incur because you issue or deposit an item containing incorrect or insufficient information. You also agree we do not fail to exercise good faith and ordinary care in paying an item solely because our procedures do not provide for sight examination of items.

42. Funds may be deposited to accounts in any manner approved by the credit union in accordance with the requirements set forth on our Business Banking Fee Schedule. If you request that we accept for deposit a substitute check not created by a financial institution or a check that has already been deposited at a financial institution but returned, we are under no obligation to accept that check for deposit. If we do, however, you agree to hold us harmless from any loss or liability, including consequential damages, attorney's fees and expenses which may arise because of our acceptance of the item. In any event, at our discretion, we may refuse any deposit, limit the amount which may be deposited, accept all or any part of a deposit for collection only, return all or any part of any deposit, or close the account subject to applicable regulations. Deposits made by mail, at night depositories or at unstaffed facilities are not our responsibility until we receive them.

43. ESL is a voluntary not-for-profit cooperative institution. As a member, you are also an owner. On accounts that offer dividend payments, the dividend payments made to you represent your return on your investment in this financial cooperative.

Dividends are paid from current income and available earnings, after required transfers to reserves at the end of a dividend period. Your dividend rate paid and annual percentage yield may change after the account is opened. At our sole discretion, we may change the dividend rate on your account by any amount at any time. Earning in the form of dividends or credits will be paid only on collected funds, unless otherwise provided by law or our policy.

From time to time the board of directors may, in its sole discretion, declare an extraordinary dividend (such as the Owners' Dividend) on some or all member accounts. Payment of an Owners' Dividend is not guaranteed.

44. If any legal action is taken against your account, including but not limited to attachment, garnishment or levy, ESL reserves the right to impose a fee against funds on deposit and to refuse to allow any withdrawals from the account until the matter is resolved. If ESL incurs any costs (including court costs and reasonable attorney's fees) relating to the account because of such legal process, you agree to reimburse ESL. ESL reserves the right to exercise its statutory and contractual

liens and any right of offset against your account, if applicable, as a result of receiving an attachment, garnishment or levy against your account.

45. If we do not properly complete a transaction according to this Agreement, we will be liable for your losses or damages not to exceed the amount of the transaction, except as otherwise provided by law or elsewhere in this Agreement. We will not be liable if: (i) your account contains insufficient funds for the transaction; (ii) circumstances beyond our control prevent the transaction; (iii) your loss is caused by you or another financial institution's negligence; or (iv) your account funds are subject to legal process or other claim. We are not liable if drafts or other items were forged or altered so that the forgery or alteration could not be reasonably detected. We will not be liable for consequential damages. We are not responsible even though a draft is paid by us if we acted in a commercially reasonable manner and exercised ordinary care. We exercise ordinary care if our actions or non-actions are consistent with applicable state law, Federal Reserve regulations and operating letters, The Automated Clearing House rules, and general banking practices followed in the area we serve. You grant us the right, in making payments of deposited funds, to rely exclusively on the form of the account and the terms of this Agreement. Any conflict between what you or our employees may say or write will be resolved by reference to this Agreement.

46. As part of this Agreement, you and any Authorized Person grant to us as security for all obligations you have or may have in the future, a right to and a lien on all funds in any account, except as prohibited by law, which you and any Authorized Person hold, either in your name or as a joint account owner at ESL. (This right or lien is sometimes called the right of setoff or offset.) The credit union may use the funds to pay a debt owed to the credit union even if the withdrawal results in a dividend penalty or the dishonor of checks. In the case of a joint account, each joint owner agrees that the credit union may use all the funds in the account to satisfy any of his or her individual obligations. Similarly, each joint owner agrees that the credit union may use the money in their individual account to satisfy obligations in any joint accounts. We may apply these funds in any order, without prior notice to you, to pay off your indebtedness. If we choose not to enforce this right or lien, we do not waive our right to enforce the right or lien at a later time. You and any Authorized Person permit us to exercise this right or lien without any further notice to you, other than any notice required by law, to satisfy any amount owed us by you, including without limitation, loans in default, fees, charges and costs, including court costs and reasonable attorney's fees, associated with our services. You and any Authorized Person agree to pay us for expenses and costs, including reasonable attorney's fees, that we may incur in defending or enforcing our right to exercise our lien against your indebtedness to us. You and any Authorized Person agree that, with regard to any indebtedness owing to us secured by your principal residence, our lien on shares and deposits shall not be construed so as to diminish or forfeit any security interest in or indebtedness secured by such residence, nor shall our lien be construed so as to permit the modification of any claim we may have under 11 U.S.C. §1322(b)(2), and to the extent that this lien is so construed, it is hereby waived and shall be void.

47. We reserve the right to waive any term in the Agreement. Any waiver shall not affect our right to future enforcement and is not sufficient to modify the terms of this Agreement.

48. If any terms of this Agreement come into conflict with applicable law or a court of competent jurisdiction holds any portion of this Agreement to be invalid or unenforceable, those terms will be nullified to the extent they are inconsistent with the law. All other terms of this Agreement will be valid and enforceable and continue in full force and effect.

49. This Agreement supersedes any prior agreement regarding your accounts between you and ESL. Continued use of the credit union products and services is consent to and acceptance of the terms and conditions in this Agreement.

ELECTRONIC FUNDS TRANSFERS

1. The terms and conditions set forth in this section supplement and should be read in conjunction with the Business Electronic Funds Transfer Agreement, the ESL Cash Management Terms and Conditions and the respective agreements for Remote Deposit Capture, ACH and/or Wire Transfer. If there is a discrepancy between this section and any of the above-referenced agreements, the above-referenced agreements shall govern.

2. Except as amended by this Agreement, electronic funds transfers we permit are subject to Article 4A of Uniform Commercial Code as adopted by New York State. Originations and receipts of wire transfers are governed by our ESL Cash Management Terms and Conditions and the respective Wire Transfer agreement.

3. We may execute certain Automated Clearing House ("ACH") transactions at your request. ACH transactions are subject to rules of the National Automated Clearing House Association, the ESL Business Electronic Funds Transfer Agreement, the ESL Cash Management Terms and Conditions and the respective ACH agreement.

4. Any Authorized Person is authorized to make or order electronic funds transfers to or from your account as stated in your ESL Cash Management Authorization form.

5. Unless we agree otherwise in writing, we reserve the right to refuse to execute any order to transfer funds to or from your account. We are not obligated to execute any order to transfer funds out of your account if the amount of the requested transfer plus applicable fees exceeds the available funds in your account. We are not liable for errors, delays, interruptions

or transmission failures caused by third parties or circumstances beyond our control including mechanical, electronic or equipment failure.

6. We will not provide you with next-day notice of ACH, wire transfers and other electronic payments credited to your account. You will receive notice of such credits on your account statements. You may contact us to determine whether a payment has been received.

7. We will not be responsible under any circumstances for any special, indirect, exemplary or consequential damages of any kind arising out of a wire transfer transaction even if we have been advised of the possibility of such damages. We are not required to pay dividends on any amount we may owe to you due to an unauthorized wire transfer arising out of our error unless you exercise ordinary care to discover the unauthorized transfer and promptly advise us of the relevant facts within the time period set forth in this Agreement. Any rate of dividend that we might be obligated to pay to you as a matter of law for a delay or incorrect transfer arising out of our error will be the lower of the federal funds rate at the time of the correction, or the dividend rate which we pay on the account to or from which the funds transfer should have occurred.

8. If we credit your account for an ACH entry or wire transfer, the credit is provisional until we receive final settlement for the payment order. If we do not receive final settlement, or if we credit your account by mistake, we are entitled to a refund of the amount credited and you agree that, at our option we may reverse the credit or require that you reimburse us by way of direct deposit.

9. Payment orders we accept will be executed within a reasonable time of receipt. Unless we have agreed otherwise in writing, a payment order may not necessarily be executed on the date it is received or on a particular date you specify. Cut-off times may apply to the receipt, execution and processing of funds transfers, payment orders, cancellations and amendments. Funds transfers, payment orders, cancellations and amendments received after a cut-off time may be treated as having been received on the next business day. Information about any cut-off times is available upon request.

10. When you initiate a wire transfer or ACH transaction, you may identify the recipient and any financial institution by name and by account or identifying number. The credit union and any other financial institutions facilitating the transfer may rely strictly on the account or other identifying number even if the number identifies a different person or financial institution. You agree that neither we nor any other institution involved in the transaction have a duty to determine whether the number given matches the intended recipient or the named financial institution.

11. Any Authorized Person may amend or cancel a payment order regardless of whether that person initiated the order. We may refuse requests to amend or cancel a payment order that we believe will expose the credit union to liability or loss. Any request to amend or cancel a payment order that we accept will be processed within a reasonable time after it is received. You agree to hold us harmless from and indemnify us for all losses and expenses resulting from any actual or attempted amendment or cancellation of a payment order.

12. We may require you to follow a security procedure to execute a payment order or certain electronic funds transfer transactions. We will notify you of any such security procedures. Unless we permit you to establish a different security procedure, you agree that the security procedures contained in the credit union's policies are commercially reasonable verification of payment orders and other electronic funds transfers. If we permit you to establish a different security procedure, you agree that procedure is a commercially reasonable method of verifying electronic funds transfers.

13. Transfers, payment orders and communications canceling or amending payment orders received after 2:00 p.m. Eastern Time on each weekday we are open which is not a holiday may be treated as having been received on the next business day and processed accordingly. If you request that we send a wire transfer, the wire transfer may not be processed until the next business day following the business day of your request.

14. We are not liable for a failure to execute a payment order according to your instructions if an interruption in communication facilities or some other circumstance beyond our control such as fire or flood prevents the transfer, despite reasonable precautions we have taken.

15. You agree that only our forms, methods and procedures may be used. You also agree that in the event of an error, we may correct any such error without prior approval by you. Any authorization you make to initiate paperless debit or credit entries will remain in effect until we receive written notice from you that your authorization has been revoked, in a manner and in time to provide us with a reasonable opportunity to act on it.

FUNDS AVAILABILITY POLICY

General Policy: Our policy is to make your funds available to you as expeditiously as possible using safe and sound business practices.

In some cases, we will not make all of the funds that you deposit by check immediately available to you. Electronic direct deposits will be available on the day we receive the deposit. Depending on the type of check and the number of checks that you deposit, funds may not be available until the second business day after the day of your deposit.

Generally, the first \$275 of your deposit will be available on the business day of your deposit.

If you deposit more than 20 checks at one time (a "batch deposit"), the first \$275 of your deposit will be available on the business day of your deposit, notwithstanding the types of checks that are included in the batch deposit.

However, the first \$1,000 of your deposit, including a batch deposit, will be available on the business day of your deposit if:

- You have been a member of ESL for at least 31 days, AND
- You are a member in good standing, AND
- You have an average monthly share balance of at least \$100 OR you have a current secured loan serviced by ESL.

The full amount of your deposit, including a batch deposit, will be available on the business day of your deposit if:

- You have been a member of ESL for at least five years, AND
- You are a member in good standing, AND
- You have an average monthly share balance of at least \$5,000 OR you have a current secured loan serviced by ESL.

If we are not going to make all of the funds immediately available to you, depending on the reason for withholding the funds, we will provide you with either a one-time exception hold notice or we will provide you with a notice at the time you make the deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit. If you need the funds right away, you should ask us when the funds will be available.

Longer Delay May Apply: Funds you deposit by check may be delayed for longer periods under the following circumstances:

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$6,725 on any one day.
- You deposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the past six months.
- There is an emergency, such as a failure of communication or computer equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. Funds will generally be available no later than the seventh business day after the day of your deposit.

Special Rules for New Accounts: If you are a new business member, the following special rules will apply during the first 30 days your account is open:

The first \$275 of your deposit will be available on the business day of your deposit for checks other than Special Checks. For Special Checks, the full amount will be immediately available on the day we receive your deposit if the checks are payable to you. Amounts in excess of the \$275 for checks other than Special Checks will be available on the second business day after the day of deposit.

Specific Availability Policy: Funds will be available as indicated in the general policy and the following schedule:

Special Checks: The full amount of checks deposited by the payee will be available immediately. Special Checks include:

- U.S. Treasury checks payable to you.
- Federal Reserve Bank checks, Federal Home Loan checks and U.S. Postal Money Orders payable to you.
- Cashier's checks, certified checks and teller checks payable to you.
- State and local government checks payable to you.
- Checks or share drafts drawn on ESL Federal Credit Union.
- Checks issued by Eastman Kodak Company Savings and Investment Plan.
- Annuity checks issued by a life insurance company.
- Checks issued by employers within the credit union's Field of Membership.

All Checks: Amounts over the immediate availability amount will generally be available on the second business day after the day of deposit.

Third-Party Special Checks (Special Checks which are not payable to you): Amounts over the immediate availability amount will be available as follows:

- All checks will generally be available on the second business day after the day of deposit.

Automatic Teller Machine (ATM) Deposits: Cash deposited at an ATM will be available immediately. Generally, the first \$275, \$1,000 or the full amount (as described above) of your deposit will be available immediately. The remainder of your deposit will be available no later than the second business day after the day of the deposit (additional delays may apply).

ATMs do not recognize Special Checks and holds may apply. Accrual of dividends on ATM deposits will begin on the day you make the deposit. A maximum of six ATM deposits is allowed each calendar day.

Electronic Deposits: Funds from electronic wire transfers will be made available on the business day we receive the deposit. ACH transactions will be made available on the business day ESL credits the transaction to your account. Accrual of dividends on electronic deposits will begin on the day we receive the deposit.

Mobile Deposits: Generally, the first \$275 or \$1,000 (as described above) of your deposit will be available no later than the second business day after we receive the deposit (additional delays may apply). Deposits made through the Business Mobile Deposit Service are subject to the deposit limits set forth in the ESL Federal Credit Union Business Mobile Deposit Service Agreement. The Business Mobile Deposit Service does not recognize Special Checks and holds may apply. Accrual of dividends on deposits made through the Business Mobile Deposit Service will begin on the day we receive the deposit.

Definition of Business Day: For determining the availability of your deposit, every day is a business day except Saturdays, Sundays and federal holidays. If you make a deposit at a branch on a business day we are open during our business hours, we will consider that day to be the day of your deposit. However, if you make a deposit on a day we are closed or on a day we are open but after our business hours, we will consider that the deposit was made on the next business day we are open.

Drop Box Deposits: If you make a deposit on a day that is not a business day or after the time posted on the drop box, we will consider that the deposit was made on the next business day we are open.

If your deposit is a check where the ESL Funds Availability Policy would normally be delayed, we may make funds from the deposit available for withdrawal immediately, but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

One Time Hold Notice for Redeposited Check Exception Holds: If you redeposit a check that has been returned unpaid into your account, the funds will generally be available on the second business day after the day of deposit for all checks.

BUSINESS SHARE DRAFTS (CHECKING ACCOUNTS) AND BUSINESS SHARE (SAVINGS) ACCOUNTS

1. All transactions relating to your checking accounts are accepted subject to later verification, and correcting entries may be made if any errors are discovered. ESL shall not be responsible for payment of items which are presented the same day deposits are made, unless there is already a sufficient balance in the account in addition to such deposits.

2. ESL is not required to honor any restrictive legends on checks you write unless we have agreed in writing to the restriction. Examples of restrictive legends are "void after 90 days", "not valid for more than \$1,000", or "two signatures required".

3. 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 who 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.

4. Like any standard check or draft, a remotely created check (sometimes called a telecheck, pre-authorized draft or demand draft) is a check or draft that can be used to withdraw money from an account. Unlike a typical check or draft, however, a remotely created check is not issued by the paying bank and does not contain the signature of the account owner (or a signature purported to be the signature of the account owner). In place of a signature, the check usually has a statement that the owner authorized the check or has the owner's name typed or printed on the signature line.

You warrant and agree to the following for every remotely created check we receive from you for deposit or collection; (i) you have received express and verifiable authorization to create the check in the amount and to the payee that appears on the check; (ii) you will maintain proof of authorization for at least two years from the date of authorization, and supply us with the proof if we ask; and (iii) if a check is returned, you owe us the amount of the check, regardless of when the check is returned. We may take funds from your account to pay the amount you owe us, and if there are insufficient funds in your account, you will owe us the remaining balance. You agree to indemnify and hold the credit union harmless from all costs, including attorney's fees, damages or claims related to our refusing payment of an item, including claims of any account owner, payee, or endorsee in failing to stop payment of an item as a result of incorrect information provided by you.

5. ESL may assess an Inactive Account/Low Balance Fee of up to \$5.00 each month, close your account(s) and change your status to Inactive Member on accounts if:

- a. You have not initiated activity for one year, AND
- b. The aggregate balance in all your share accounts is less than \$100.00, AND
- c. You have no active loans.

compounded monthly and are credited on the last day of each month. If you close your account before the dividends are credited, you will receive the dividends accrued at the time of closing.

The minimum balance requirement to open the account is \$1.00. There is a monthly service charge for this account (refer to the Business Banking Fee Schedule for the exact fee charged).

Your first 500 transactions (“threshold”) are free. Once you exceed the threshold, a per item fee will be charged for each transaction. Refer to the Business Banking Fee Schedule for a list of transactions, fees and charges.

9. IOLA Checking

Our IOLA Checking Account is a variable rate account. Your dividend rate paid and APY may change after the account is opened. We use the daily balance method to calculate dividends on your account. This method applies a daily periodic rate to the principal and dividends in the account each day. At our sole discretion, we may change the dividend rate on your account at any time. Dividends begin to accrue on the business day your deposit, including non-cash items (for example, checks) is credited to your account. Dividends are compounded monthly and are credited to the IOLA Fund **on the last day of each month**. If you close **your account before the dividends are credited, any dividends accrued at the time of closing will be credited to the IOLA Fund**.

The minimum balance requirement to open the account is \$1.00. There are no monthly service charges for this account, however check printing fees will be charged, if applicable. Refer to the Business Banking Fee Schedule for check printing fees.

The account holder can view transactions within Business Online Banking; however, monthly statements are not available within Business Online Banking. Monthly statements will be mailed to the account holder.

10. Business Analyzed Checking

The minimum balance requirement to open the account is \$1.00. There is a monthly service charge for this account (refer to the Business Banking Fee Schedule for the exact fee charged).

No dividends are paid on this checking account. This account features an earnings credit which is applied to reduce or eliminate some fees on the account. If the earned credit exceeds the fees for any period, you will be assessed none of those fees but you will not be paid, carry forward or otherwise receive credit for any excess earned credits. The earnings credit is applied against all standard monthly transaction fees.

The earnings credit rate is variable and may change after the account is opened. The credit is calculated using the following formula: (earnings credit rate X average collected balance) / 365 X number of days in monthly cycle.

No transaction limitations apply to this account.

Refer to the Business Banking Fee Schedule for a list of transactions, fees and charges.

11. Business Analyzed Checking Plus

The Business Analyzed Checking Plus Account is a variable rate account with dividends paid on the excess balance not needed to offset service charges.

If your daily balance is	The dividend rate paid on the entire balance is	With an Annual Percentage Yield (APY) of
\$1 - \$49,999.99	%	%
\$50,000 - \$249,999.99	%	%
\$250,000 and greater	%	%

Your dividend rate paid and APY may change after the account is opened. We use the daily balance method to calculate dividends on your account. This method applies a daily periodic rate to the excess balance calculated at the end of each day. At our sole discretion, we may change the dividend rate on your account at any time. Dividends begin to accrue on the business day your deposit, including non-cash items (for example, checks) is credited to your account. Dividends are compounded monthly and are credited by the tenth day of the following month. If you close your account before the dividends are credited, you will receive the dividends accrued at the time of closing.

The minimum balance requirement to open the account is \$1.00. There is a monthly service charge for this account (refer to the Business Banking Fee Schedule for the exact fee charged).

This account features an earnings credit which is applied to reduce or eliminate some fees on the account. If the earnings credit exceeds the fees for any period, you will be assessed none of those fees but you will not be paid, carry forward or otherwise receive credit for any excess earnings credits. The earnings credit is applied against all standard monthly transaction fees.

The earnings credit rate is variable and may change after the account is opened. The credit is calculated using the following formula: (earnings credit rate X average daily collected balance) / 365 x number of days in monthly cycle.

The excess balance is calculated using the following formula: average available balance – balance required to offset service charges. The balance required to offset service charges is calculated using the following formula: service charges/earning credit rate x 365 x number of days in monthly cycle.

No transaction limitations apply to this account.

Refer to the Business Banking Fee Schedule for a list of transactions, fees and charges.

12. Courtesy Pay

Pursuant to our commitment to provide valued service and benefits, we may pay checks or other items/transactions (“Item” or “Items”), which would cause your business share draft account to have a negative (or further negative) balance (herein “overdraft”), pursuant to the terms and conditions of this Agreement.

The Courtesy Pay service is not a loan or other credit product and requires no application or credit approval process. The Courtesy Pay service is for businesses and will only be applied to your business share draft (checking) account(s) if:

- You maintain your membership in good standing;
- Your business share draft account was opened for more than 60 days;
- Your business share draft account was funded with at least \$1.00 for a period not less than 30 days before the item was presented to ESL for payment;
- Your loan and credit card accounts you have with us are current;
- Your business share draft account is brought to a positive end-of-day available balance at least once every 20 days;
- There are no legal or administrative orders, including attachments, garnishments or levies against your accounts with us;
- There are no pending bankruptcies or financial counseling arrangements;
- There is no negative balance on any other share account on which you are an owner.

ANY SUCH PAYMENT WILL BE MADE ON A CASE BY CASE BASIS, AT OUR SOLE DISCRETION. However, we shall not pay any item if your negative checking account balance is, or if we were to make payment pursuant to this Agreement would become, greater than \$500 in a Business Classic Checking Account or \$1,000 in a Business Premier or Business Analyzed Checking Account excluding any applicable fees. You will be notified of any nonsufficient funds Item that has been paid or returned; however, you understand that ESL has no obligation to notify you before we pay or return any item. **We may refuse to pay any overdrafts without first notifying you even though your account is in good standing and even if we have paid previous overdrafts.**

For any overdrafts created, you promise to pay us upon demand all sums, including the fees and charges for this service, advanced to you or any other person you permit to use your business share draft account and who causes an overdraft on your share draft account.

If ESL authorizes or pays a transaction using ESL Courtesy Pay, then ESL will charge you a Courtesy Pay Overdraft Fee for each overdraft item that is cleared on your business share draft account as provided in ESL’s current Business Banking Fee Schedule. An Insufficient/Uncollected Funds fee may be charged by ESL for each “insufficient funds” (NSF) item presented for payment and returned unpaid on a business share draft account.

You will be in default under the terms of this Agreement if you do not comply with any of the terms and conditions of this Agreement or you are in default on any loan obligation with us or a negative balance default exists in any other share account with us on which you are an owner. If you are in default, we may temporarily suspend overdraft privileges or terminate the Courtesy Pay service or close your business share draft account and demand immediate payment of the entire unpaid negative balance.

If you receive a direct deposit of your monthly Social Security payment into your business checking account and do not want the Courtesy Pay service, you must inform us in writing to stop ESL from paying your overdrafts with these funds.

13. Business Membership Savings

Our Business Membership Savings Account is a variable rate account. Your dividend rate paid and APY may change after the account is opened.

If your daily balance is	The dividend rate paid on the entire balance is	With an Annual Percentage Yield (APY) of
\$1 - \$9,999.99	%	%
\$10,000 and greater	%	%

Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day. At our sole discretion, we may change the dividend rate on your account at any time. Dividends begin to accrue on the business day your deposit, including non-cash items (for example, checks) is credited to your account. Dividends are compounded monthly and are credited on the last day of each month. If you close your account before the dividends are credited, you will receive the dividends accrued at the time of closing.

You must deposit \$1.00 to open this account.

ESL reserves the right to require at least seven days notice prior to withdrawal or transfer of any funds in this account.

14. Business Money Maker

Our Business Money Maker Account is a variable rate account.

If your daily balance is	The dividend rate paid on the entire balance is	With an Annual Percentage Yield (APY) of
\$1 - \$9,999.99	%	%
\$10,000 - \$49,999.99	%	%
\$50,000 - \$99,999.99	%	%
\$100,000 - \$249,999.99	%	%
\$250,000 - \$499,999.99	%	%
\$500,000 - \$999,999.99	%	%
\$1,000,000 and greater	%	%

Your dividend rate and APY may change after the account is opened. Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day. At our sole discretion we may change the dividend rate on your account at any time. Dividends begin to accrue on the business day your deposit, including non-cash items (for example, checks) is credited to your account. Dividends are compounded monthly and credited on the last day of the month. If you close your accounts before the dividends are credited, you will receive the dividends accrued at the time of closing.

You must deposit \$2,500 to open this account. If your average daily balance falls below \$2,500 for the calendar month, you will be charged a fee (refer to the Business Banking Fee Schedule for the exact fee charged).

ESL reserves the right to require at least seven days notice prior to withdrawal or transfer of any funds in this account.

BUSINESS CERTIFICATES

Certificates are automatically renewed at maturity. If you permit the certificate to renew at maturity, your certificate will renew for a new term based on the following chart:

<u>Current Certificate Term</u>	<u>Rollover Certificate New Term</u>
Business 7-day	Business 7-day
Business 14-day	Business 14-day
Business 21-day	Business 21-day
Business 31-day	Business 31-day
Business 60-day	Business 60-day
Business 3 through 5-month	Business 3-month
Business 6 through 11-month	Business 6-month
Business 12 through 17-month	Business 12-month
Business 18 through 23-month	Business 18-month
Business 24 through 35-month	Business 24-month
Business 36 through 47-month	Business 36-month
Business 48 through 59-month	Business 48-month
Business 60 through 71-month	Business 60-month
Business 72 through 83-month	Business 72-month
Business 84 through 95-month	Business 84-month
Business 96 through 107-month	Business 96-month
Business 108 through 119-month	Business 108-month
Business 120-month	Business 120-month

This means that if you permit your certificate to renew, the renewal term may be different than your current term. The dividend rate paid on your certificate and the corresponding Annual Percentage Yield if you permit it to renew will be based on the new term.

If you permit the certificate to renew at maturity and do not withdraw the dividends, the dividends will become part of the principal for the renewed certificate. If you permit the certificate to renew at maturity and the maturity date is a Sunday or another non-business day, your certificate will renew at the rate in effect on the next business day.

You may withdraw funds any time ESL is open for business during the Grace Period without being charged a penalty. You may also change ownership of an account without being charged a penalty only during the Grace Period. **The Grace Period is defined as the maturity date of the certificate plus the six calendar days following the maturity date.** If your certificate's maturity date is Sunday or another non-business day, your certificate principal and dividend will be available for withdrawal on the next business day within the Grace Period.

We will impose a penalty if you withdraw any or all of the deposited funds before the maturity date. This penalty applies to all certificates and certificate terms disclosed in this Agreement. The fee imposed will be seven days of dividends for all certificate terms ranging from 7 to 21 days, 30 days of dividends for all certificate terms ranging from 30 to 60 days, 90 days of dividends for all certificate terms ranging from 90 days to 12 months (or 365 days); and 180 days of dividends for all certificate terms greater than 12 months. The penalty amount applies, whether dividends have been earned equal to that amount or not, on the amount withdrawn at the current rate being paid on fixed rate certificates and the average rate paid on variable rate certificates regardless of the length of time the funds withdrawn have remained on deposit. If the withdrawal causes the amount to fall below the account's minimum required balance for the certificate, the entire account will be considered withdrawn and the penalty will be calculated on the total balance. Prior to the certificate renewing, dividends may be withdrawn at any time after it is paid to the account without penalty. Additional deposits of \$500 or more may be made to your certificate only during the Grace Period.

7-Day through 31-Day Fixed-Rate Certificate:

These accounts are a fixed-rate certificate. **Refer to your Certificate Renewal Notice for the information about the date your certificate will mature, the dividend rate paid on your account and the corresponding annual percentage yield (APY).** You will be paid this rate until the maturity date of the certificate. The APY assumes dividends remain on deposit until maturity or for one year, whichever is longer. A withdrawal will reduce earnings. Dividends begin to accrue on the business day your deposit, including non-cash items (for example, checks) is credited to your account. We use the daily balance method to calculate the dividends on your account. This method applies a daily periodic rate to the principal in the account each day. Dividends are paid only as a credit to the account balance on the maturity date and do not compound.

The minimum balance required to open the account for a non-IRA certificate is \$5,000. The maximum balance for this account is \$1,000,000. For this non-IRA account a \$5,000 minimum balance is required in your account every day to maintain the account and to obtain the APY on your Certificate Renewal Notice.

60-Day through 120-Month Fixed-Rate Certificate:

These accounts are a fixed-rate certificate. **Refer to your Certificate Renewal Notice for the information about the date your certificate will mature, the dividend rate paid on your account and the corresponding annual percentage yield (APY).** You will be paid this rate until the maturity date of the certificate. The APY assumes dividends remain on deposit until maturity. A withdrawal will reduce earnings. Dividends begin to accrue on the business day your deposit, including non-cash

items (for example, checks) is credited to your account. We use the daily balance method to calculate the dividends on your account. This method applies a daily periodic rate to the principal in the account each day. For the 60-day certificate term, dividends are paid only as a credit to the account balance on the maturity date and do not compound. For certificate terms 90-days through 120-months, dividends are compounded and paid to the account on the last day of each quarter.

The minimum balance required to open this account is \$1,000. The maximum balance allowed in this account is \$1,000,000. This account requires a \$1,000 minimum balance in your account every day to maintain the account and to obtain the APY listed on your Certificate Additional Disclosure or Certificate Renewal Notice.

BUSINESS CERTIFICATE HELD FOR LETTER OF CREDIT

This Certificate is used solely as collateral for an ESL Standby Letter of Credit (“Letter of Credit”) and will automatically renew to a Business Certificate Held for Letter of Credit at maturity. If the certificate renews at maturity, your certificate will renew for a new term based on the following:

Current Certificate Term
Business Certificate Held
for Letter of Credit

Rollover Certificate New Term
Business Certificate Held
for Letter of Credit

If the certificate renews at maturity and you do not withdraw the dividends, the dividends will become part of the principal for the renewed certificate. If you permit the certificate to renew at maturity and the maturity date is a Sunday or another non-business day, your certificate will renew at the rate in effect on the next business day.

The beneficiary on your Letter of Credit may withdraw funds any time ESL is open for business and by specifically complying with the terms of the Letter of Credit.

We will impose a penalty on you if the beneficiary on your Letter of Credit withdraws any or all of the deposited funds before the maturity date. The fee imposed will be 90 days of dividends for the certificate term. The penalty amount applies, whether dividends have been earned equal to that amount or not, on the amount withdrawn at the current rate being paid on fixed rate certificates and the average rate paid on variable rate certificates regardless of the length of time the funds withdrawn have remained on deposit. If the withdrawal causes the amount to fall below the account’s minimum required balance for the certificate, the entire account will be considered withdrawn and the penalty will be calculated on the total balance. Prior to the certificate renewing, dividends may be withdrawn at any time after it is paid to the account without penalty. Additional deposits of \$500 or more may be made to your certificate only during the Grace Period.

12-Month Fixed-Rate Certificate:

This account is a fixed-rate certificate. **Refer to your *Certificate Renewal Notice* for the information about the date your certificate will mature, the dividend rate paid on your account and the corresponding annual percentage yield (APY).** You will be paid this rate until the maturity date of the certificate. The APY assumes dividends remain on deposit until maturity. A withdrawal will reduce earnings. Dividends begin to accrue on the business day your deposit, including non-cash items (for example, checks) is credited to your account. We use the daily balance method to calculate the dividends on your account. This method applies a daily periodic rate to the principal in the account each day. Dividends are compounded and paid to the account on the last day of each quarter.

The minimum balance required to open this account is \$1,000. The maximum balance allowed in this account is \$5,000,000. This account requires a \$1,000 minimum balance in your account every day to maintain the account and to obtain the APY listed on your Certificate Additional Disclosure or Certificate Renewal Notice.