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## BUSINESS MEMBERSHIP AND ACCOUNT AGREEMENT

This Business Membership and Account Agreement ("Agreement") covers the rights and responsibilities concerning accounts held by a business or organization account owner ("Account Owner") and Launch Credit Union ("Credit Union"). In this Agreement, the words "you," "your" and "yours" mean the Account Owner as well as each person signing a Business Account Card or other account opening document ("Account Card") or for which membership and/or service requests are otherwise approved. The words "we," "us," and "our" mean the Credit Union. The word "account" means any one or more share or deposit accounts you have with the Credit Union.

**IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT** - To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

**What this means for you:** When you open an account, we will ask for your name, address, date of birth, if applicable, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

**1. CONTRACT** - Your account with the Credit Union is held individually in the name of the Account Owner. By signing an Account Card or authenticating your request, or by adding, changing or continuing to use your accounts and services, you agree to the terms and conditions in this Agreement, the Account Card, any Funds Availability Policy Disclosure, rate sheet, fee schedule, Account Receipt or other disclosure we provide to you, the Credit Union Bylaws or Code of Regulations (Bylaws), Credit Union policies, and any amendments, including additions, deletions or other changes, we make to these documents from time to time, all of which collectively govern your membership, accounts and services. You also agree that your accounts and services are governed by applicable present and future federal and state laws, local banking customs and clearinghouse rules.

**2. MEMBERSHIP ELIGIBILITY** - To join the Credit Union, the Account Owner must meet the membership requirements, which may include the purchase and maintenance of the minimum required share(s) (hereinafter membership share), paying a membership fee, or other requirement(s) as set forth in the Credit Union's bylaws. You authorize us to check your account, credit and employment history, and obtain reports from third parties, including credit and consumer reporting agencies, to verify your eligibility for the accounts, products and services you request and for other accounts, products, or services we may offer you or for which you may qualify.

### 3. ACCOUNT ACCESS

**a. Authorized Persons.** The following are deemed Authorized Persons who may establish accounts at the Credit Union and act on behalf of the Account Owner with respect to such accounts:

- If the Account Owner is a sole proprietorship, the business owner and any person designated by the business owner;
- If the Account Owner is a partnership, each partner (or, for a limited partnership, the general partner or those partners as otherwise established by the partnership agreement) and any person designated by the partners; or
- If the Account Owner has any other form of organization or is an unincorporated organization or association, the individuals vested with the power to make decisions concerning the operation of the Account Owner must designate the persons authorized to establish accounts at the Credit Union and transact business on such accounts on behalf of the Account Owner.

**b. Authority.** Authorized Persons are vested with authority to open and close accounts on behalf of the Account Owner and transact 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 checks, drafts and other orders for payment or withdrawal;
- Issuing instructions regarding orders for payment or withdrawal;
- Establish, revoke, or amend, Authorized Users of the account;
- Endorsing any check, draft, certificate, share certificate and any other instrument or order for payment owned or held by the Account Owner; and
- Receiving information of any nature about the account.

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 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. If you have authorized the use of a facsimile signature of any Authorized Person, we may honor any document that appears to bear the facsimile signature.

**c. Authorized Users.** The word Authorized User means any individual you have provided authority to access funds from the account whether through digital banking, ATM/Debit Card, or other methods allowed by the Credit Union. At the Credit Union's discretion, we may allow any Authorized Person to add an Authorized User to an account or for a specific product or service offered by the Credit Union. By adding an Authorized User to an account, you agree to comply with the terms and conditions that govern the service or product requested and to ensure the Authorized User's compliance with the same. You agree to indemnify and hold us harmless for all transactions performed by your Authorized User. We will not be liable for monitoring or maintenance related to Authorized Users, except to the extent required by law.

**d. Access Options.** You may access your account in any manner we permit including, for example, in person at one of our branch offices, at an ATM or point-of-sale device, or by mail, telephone, automatic transfer, internet access, or mobile application. Authorized Persons may execute additional agreements and documents we require to access, transact business on and otherwise exercise authority over your account. We may return as unpaid any check or draft drawn on a form we do not provide. Any losses, expenses or fees we incur as a result of handling such a check or draft will be charged to your account.

**e. Credit Union Examination.** We may disregard information on any check or draft, other than the signature of the drawer, the amount of the item and any magnetic encoding. You agree we do not fail to exercise ordinary care in paying an item solely because our procedures do not provide for sight examination of items.

**4. DEPOSIT OF FUNDS REQUIREMENTS** - Funds may be deposited to your accounts in any manner approved by the Credit Union and in accordance with any requirements set forth on our business account rate sheet and fee schedule. We have the right to refuse any deposit, limit the amount that may be offered for deposit, and return all or any part of a deposit. Deposits made by mail, at night depositories or other unstaffed facilities are not our responsibility until we receive them.

**a. Endorsements.** We may accept transfers, checks, drafts, and other items for deposit into any of your accounts if they are made payable to or to the order of the Account Owner, even if they are not endorsed. If an insurance, government, or other check or draft requires an endorsement, we may require that it be endorsed as set forth on the item. We may but are not required to accept, whether for cash or other value, checks, drafts, or items made payable to the Account Owner, provided such items are endorsed with an original or facsimile signature of an Authorized Person. Endorsements must be made on the back of the check or draft within 1½ inches from the top edge, although we may accept endorsements outside this space. However, any loss we incur due to a delay or processing error resulting from an irregular endorsement or other markings by you or any prior endorser will be your responsibility. If we offer a remote deposit capture service and you have been approved to use the service to make deposits to your account, you agree that, prior to transmitting check or draft images, you will restrictively endorse each original check or draft in accordance with any other agreement with us that governs this service. **For accounts held at credit unions located in New York:** If a check, draft, or item that is payable to two (2) or more persons is ambiguous as to whether it is payable to either or both, we will process the check, draft, or item as though it is payable to all such persons. **For accounts held at credit unions located in states other than New York:** If a check, draft or other item that is payable to two or more persons is ambiguous as to whether it is payable to either or both, we may process the check, draft or item as though it is payable to either person.

**b. Collection of Items.** We act only as your agent, and we are not responsible for handling items for deposit or collection beyond the exercise of ordinary care. We are not liable for the loss of an item in transit or the negligence of any correspondent. Each correspondent will only be liable for its own negligence. We may send any item for collection. Items drawn on an institution located outside the United States are handled on a collection basis only. You waive any notice of nonpayment, dishonor, or protest regarding items we purchase or receive for credit or collection to your account. We reserve the right to pursue collection of previously dishonored items at any time, including giving a payor financial institution extra time beyond any midnight deadline limits.

**c. Restrictive Legends.** Some checks and drafts contain restrictive legends or similar limitations on the front of the item. Examples of restrictive legends include "two signatures required," "void after 60 days," and "not valid over \$500.00." Notwithstanding any provision to the contrary on any account card or agreement that you have with us, we are not liable for payment of any check or draft contrary to a restrictive legend or other limitation contained in or on the item.

**d. Final Payment.** All items and Automated Clearinghouse (ACH) transfers credited to your account are provisional until we receive final payment. If final payment is not received, we may charge your account for the amount of such

items and impose a return item fee on your account. Any collection fees we incur may also be charged to your account. We reserve the right to refuse or return any item or funds transfer.

**e. Direct Deposits.** We may offer direct deposit services, including preauthorized deposits (e.g. payroll checks, Social Security or retirement checks, or other government checks) or preauthorized transfers from other accounts. You must authorize direct deposits by completing a separate authorization document or process. You must notify us if you wish to cancel or change a direct deposit or preauthorized transfer. Any cancellation or change will become effective once we receive notice from you and have a reasonable period of time to act on your request. If we are required to reimburse a government agency for any benefit payment directly deposited into your account, we may deduct the amount returned from any of your accounts, unless prohibited by law. If your account is overdrawn, you authorize us to deduct the amount your account is overdrawn from any deposit, including deposits of government payments or benefits.

**f. Cash Deposits.** We may offer you the ability to make cash deposits through night drops or other drop offs, not requiring you to remain present for the cash count. In the event you make such a deposit, you must make such deposit in a sealed, tamper-evident bag; you must include on such bag: the date of deposit, name of business account, account number for deposit, total dollar amount of deposited cash, total dollar amount of deposited checks, and total dollar amount of the deposit. You must also comply with any other procedures we implement from time to time and communicate to you. You agree that the deposit amount determined by us will be the final and operative deposit amount notwithstanding anything you may assert to the contrary (e.g., deposit slip).

**g. Crediting of Deposits.** Deposits will be credited to your account on the day we consider them received as stated in our Funds Availability Policy Disclosure.

**5. FUNDS TRANSFERS** - Funds transfers we permit that are subject to Article 4A of the Uniform Commercial Code, including Automated Clearinghouse (ACH) credit transactions and wire transfers, will be subject to such provisions of the Uniform Commercial Code as enacted by the state where the main office of the Credit Union is located, except as otherwise provided in this Agreement. ACH transfers are subject to Nacha rules. If we execute requests for funds transfers by Fedwire, such transfers are subject to the Federal Reserve Board's Regulation J.

**a. Authorization for Transfers/Debiting of Accounts.** Any Authorized Person is authorized to make or order funds transfers to or from your account. We will debit your account for the amount of a funds transfer and will charge your account for any fees related to the transfer.

**b. Right to Refuse to Make Transfers/Limitation of Liability.** Unless we agree otherwise in writing, we reserve the right to refuse to execute any payment order to transfer funds to or from your account. We are not obligated to execute any payment 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. In addition, we will not be liable for consequential, special, punitive or indirect loss or damage you may incur in connection with funds transfers to or from your account.

**c. No Notice Required.** We may not provide you with notice when funds transfers are credited to your account. You will receive notice of such credits on your account statements. In such case, you may contact us to determine whether a payment has been received.

**d. Interest Payments.** If we fail to properly execute a payment order and such action results in a delay in payment to you, applicable law requires that we pay you interest for the period of delay. Based on your account type, we will pay you such interest in the form of dividend or interest payments, whichever applies. You agree that the dividend or interest rate paid to you will be based on the lowest nominal dividend or interest rate we were paying on any account during that period.

**e. Provisional Credit for ACH Transactions.** We may provisionally credit your account for an ACH transfer before we receive final settlement. If we do not receive final settlement, we may reverse the provisional credit or require you to refund us the amount provisionally credited to your account, and the party originating the transfer will not be considered to have paid you.

**f. Payment Order Processing and Cut-off Times.** 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 funds transfer business day. Information about any cut-off times is available upon request. From time to time, we may need to temporarily suspend processing of a transaction for greater scrutiny of verification in accordance with applicable law. This action may affect settlement or availability of the transaction.

**g. Identifying Information.** If your payment order identifies the recipient and any financial institution by name and account or other 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.

**h. Amendments and Cancellations of Payment Orders.** 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.

**i. Security Procedures.** We may require you to follow a security procedure to execute, amend or cancel a payment order so that we may verify the authenticity of the order, amendment or cancellation. You agree that the security procedure established by separate agreement between you and the Credit Union is commercially reasonable. If you refuse to follow a commercially reasonable security procedure that we offer, you agree to be bound by any payment order, whether authorized or not, that is issued in your name and accepted by us in good faith in accordance with the security procedure you choose.

**j. Duty to Report Unauthorized or Erroneous Funds Transfers.** You must exercise ordinary care to identify and report unauthorized or erroneous funds transfers on your account. You agree that you will review your account(s) and periodic statement(s). You further agree you will notify us of any unauthorized or erroneous transfers within the time frames described in the "Statements" section of this Agreement.

**k. Recording Telephone Requests.** You agree that we may record payment order, amendment and cancellation requests as permitted by applicable law. You agree to indemnify and hold us harmless against any and all liability, damage, cost, or expense, of any nature whatsoever, including, without limitation, reasonable attorney's fees, we may incur as a result of such recording.'

**l. Foreign Funds.** If you direct us to transfer funds other than in U.S. Dollars, we will convert the funds at our current exchange rate for the specified foreign currency plus any applicable fees. If for any reason funds are returned, we will convert the returned foreign currency into U.S. Dollars at our current exchange rate on the date of return. We will not be liable for any resulting exchange losses.

**m. Limitation of Liability.** We will not be liable for any act by you or your authorized agent, the Federal Reserve Bank, any intermediary bank, the payee bank, any communications or transmission facility, or any other third party, and they shall not be considered our agents. Our duties end when we communicate transfer instructions to the Federal Reserve Bank or other intermediary. You bear all risk of loss. We will not be liable for any cause whatsoever, except our gross negligence or breach of this Agreement. We will not be responsible for any loss the cause of which was contributed to by you. We will not be liable for any damage, cost, or expense, of any nature whatsoever, if any one or more of the following has occurred: (1) we have acted in accordance with the terms and conditions of this Agreement, the wire transfer agreement, or the transfer request; (2) we refuse a transfer in accordance with this Agreement; (3) you fail to report any error or discrepancy reflected in any transfer confirmation or monthly statement, or fail to report any breach of confidentiality or loss of control of an authentication method; or (3) you receive any benefit from any transfer, even if such transfer is otherwise erroneous.

Although we may inquire about the purpose of a funds transfer or may suspect that you are a victim of fraud, we have no duty to refuse a transaction you requested or prevent a loss resulting from such a transaction and have no liability for your losses when your own actions make you a victim of fraud.

**n. Evidence.** In any action by you against us, the records maintained by us shall be the exclusive and conclusive evidence of your transfer request and instructions.

**6. ACCOUNT RATES AND FEES** - We pay account earnings and assess fees against your account as set forth in our business account rate sheet and fee schedule. We may change our business account rate sheet and fee schedule at any time and will notify you as required by law.

**7. TRANSACTION LIMITATIONS** - We reserve the right to restrict withdrawals or transfers from your account and shall not be liable for any restrictive action we take regarding withdrawals, transfers, or the payment or non-payment of checks and drafts, except those damages which may arise solely as a result of the Credit Union's negligence.

**a. Withdrawal Restrictions.** We permit withdrawals if your account has a sufficient available balance to cover the full amount of the withdrawal, and may otherwise honor withdrawal requests in accordance with our overdraft policies or any overdraft protection service you have established with us. Checks and drafts or other transfers or payment orders which are drawn against insufficient available funds may be subject to a fee as set forth in our business account fee schedule. If there are sufficient available funds to cover some, but not all, of your withdrawal request, we may otherwise allow you to make a withdrawal in an amount for which there are sufficient available funds.

We may limit or refuse a withdrawal in some situations, and will advise you accordingly if, for example: (1) there is a dispute between Authorized Persons (unless a court has ordered the Credit Union to allow the withdrawal); (2) a legal garnishment or attachment is served; (3) the account secures any obligation to us; (4) required documentation has not been presented; (5) you fail to repay a Credit Union loan on time; (6) for non-corporate accounts, a depositor is deceased; or, for corporate accounts, the corporation is in bankruptcy proceedings or has been dissolved and the required disposition of the account has not been made; (7) someone with authority to do so requests us not to permit the withdrawal; or (8) 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 up to 60 days before any intended withdrawals.

**8. CERTIFICATE ACCOUNTS** - Any term share, share certificate, time deposit or certificate of deposit account, whichever we offer as allowed by applicable federal or state law, is subject to the terms of this Agreement, our business account rate sheet and fee schedule, Account Receipt(s), if provided, and any other documents we provide for the account, the terms of which are incorporated herein by reference.

## **9. OVERDRAFTS AND DISHONORED ITEMS**

**a. Insufficient Funds/Overdrafts.** If, on any day, the available balance in your account is not sufficient to pay the full amount of a check, draft, transaction or other item that is presented for payment from the account, we may return the item or pay it in accordance with our overdraft policies or any overdraft service you have established with us. We are not required to pay any item that exceeds the available balance in your account. Items drawn on your account may be paid in any order we choose. The available balance for your account is determined according to our funds availability policy and may reflect pending transactions you have authorized but have not yet posted to your account. We may determine whether the available balance in your account is sufficient to pay an item at any time between presentation of the item and our midnight deadline, with only one review of the account required. We are not required to notify you if your account does not have sufficient available funds to pay the item. Your account may be subject to a fee as disclosed in our business account fee schedule for each item presented against an insufficient available balance, regardless of whether we return or pay the item. We may charge a fee each time an item is submitted or resubmitted for payment; therefore, you may be assessed more than one fee as a result of a returned item and resubmission(s) of the returned item.

If you have established an overdraft service with us that links your share or deposit account with other Credit Union accounts of yours, you authorize us to transfer funds from those accounts to cover the amount of any items that exceed the available balance in your account as well as the amount of any fee assessed for the transfer. Such transfers may be made from another share or deposit account, an overdraft line-of-credit account, or other account you so designate. If we, at our discretion and as a courtesy to you, honor items that exceed the available balance in your account, the account will be overdrawn and you agree to repay the overdrawn amount, plus any fee assessed by us, in accordance with the requirements established in any other agreement with us that governs this overdraft protection service. By exercising our discretionary right to honor such items, we do not agree to honor them in the future.

- b. Overdraft Transfer.** This service links your checking account to another share or deposit account, an overdraft line-of-credit account, or other account you so designate. When you do not have enough available funds (insufficient funds) to cover an item in your checking account, we may automatically transfer funds from the available balance in your linked overdraft transfer account. Insufficient funds may result from the presentation of a check, ACH, PIN-based debit card purchase transaction, signature-based debit card purchase transactions, or any combination of these transactions. We generally charge an overdraft transfer fee for each transfer. However, at our discretion, we may limit the daily fee assessed and a transaction threshold. Funds you deposit into your linked overdraft transfer account may not be available immediately for overdraft transfer.
- c. Dishonored Items.** We may redeposit an item 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 a sufficient available balance 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 the state where our main office is located.
- d. How Transactions are Posted to Your Account.** Basically, there are two types of transactions that affect your account: credits (deposits of money into your account) and debits (payments out of your account). It is important to understand how each is applied to your account so that you know how much money you have and how much is available to you at any given time. This section explains generally how and when we post transactions to your account.

**Credits.** Deposits are generally added to your account when we receive them. However, in some cases when you deposit a check, the full amount of the deposit may not be available to you at the time of deposit. Please refer to the Funds Availability Policy Disclosure for details regarding the timing and availability of funds from deposits.

**Debits.** There are several types of debit transactions. Common debit transactions are generally described below. Keep in mind that there are many ways transactions are presented for payment by merchants, and we are not necessarily in control of when transactions are received.

- **Checks.** When you write a check, it is processed through the Federal Reserve system. We receive data files of cashed checks from the Federal Reserve each day. The checks drawn on your account are compiled from these data files and paid each day. We process the payments in the order contained in the data file.
- **ACH Payments.** We receive data files every day from the Federal Reserve with Automated Clearing House (ACH) transactions. These include, for example, automatic bill payments you have authorized. ACH transactions for your account are posted throughout the day in order of receipt.
- **PIN-Based Debit Card Purchase Transactions.** These are purchase transactions using your debit card for which a merchant may require you to enter your personal identification number (PIN) at the time of sale. They are processed through a PIN debit network. These transactions are similar to ATM withdrawal transactions because the money is usually deducted from your account immediately at the time of the transaction. However, depending on the merchant, a PIN-based transaction may not be immediately presented for payment.
- **Signature-Based Debit Card Purchase Transactions.** These are purchase transactions using your debit card that are processed through a signature-based network. Rather than entering a PIN, you typically sign for the purchase; however, merchants may not require your signature for certain transactions. Merchants may seek authorization for these types of transactions. The authorization request places a hold on funds in your account when the authorization is completed. This is referred to as an "authorization hold". An authorization hold will reduce your available balance by the amount authorized but will not affect your actual balance. The transaction is subsequently processed by the merchant and submitted to us for payment. This can happen hours or sometimes days after the transaction, depending on the merchant and its payment processor. These payment requests are received in real time throughout the day and are posted to your account when they are received.

The amount of an authorization hold may differ from the actual payment because the final transaction amount may not yet be known to the merchant when you present your card for payment. For example, if you use your debit card at a restaurant, a hold will be placed in an amount equal to the bill presented to you; but when the transaction posts, it will include any tip that you may have added to the bill. This may also be the case where you present your debit card for payment at gas stations, hotels and certain other retail establishments. We cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for payment.

This is a general description of certain types of transactions. These practices may change, and we reserve the right to pay items in any order we choose as permitted by law.

**e. Understanding Your Account Balance.** Your checking account has two kinds of balances: the actual balance and the available balance. Your actual balance reflects the full amount of all deposits to your account as well as payment transactions that have been posted to your account. It does not reflect checks you have written and are still outstanding or transactions that have been authorized but are still pending. Your available balance is the amount of money in your account that is available for you to use. Your available balance is your actual balance less: (1) holds placed on deposits; (2) holds on debit card or other transactions that have been authorized but are not yet posted; and (3) any other holds, such as holds related to pledges of account funds and minimum balance requirements or to comply with court orders. We use your available balance to determine whether there are sufficient funds in your account to pay items, including checks and drafts, as well as ACH, debit card and other electronic transactions. Pending transactions and holds placed on your account may reduce your available balance and may cause your account to become overdrawn regardless of your actual balance. In such cases, subsequent posting of the pending transactions may further overdraw your account and be subject to additional fees. You should assume that any item which would overdraw your account based on your available balance may create an overdraft. You may check your available balance online at [www.launchcu.com](http://www.launchcu.com), at an ATM, by visiting a credit union branch or by calling us at (321) 455-9400.

- f. Merchant Authorization Holds.** For debit card transactions involving merchant authorization holds, because there may be a longer delay between an authorization hold being applied and the transaction posting, this can sometimes result in a NSF fee based on an insufficient available balance at the time of a transaction posting, even if the available balance was sufficient earlier at the time of the authorization hold being applied.

It is important to keep in mind that for debit card transactions, we check your available balance at two separate times – first at the time a merchant authorization request is received, and second, when the transaction settles and posts to your account. If your available balance is insufficient to pay the pre-authorization amount requested by a

merchant, we will decline the request. If your available balance is sufficient to cover a merchant's authorization request, the authorization request will be approved, and an authorization hold will be placed on your account in the amount of the merchant's authorization request. If the transaction later settles and posts to your account when the merchant or merchant's financial institution requests payment at a time when the available balance is insufficient to pay the posted transaction without causing an overdraft (i.e., paying the posted transaction results in an available balance of less than \$0), we will charge a NSF fee on that transaction even though the available balance was sufficient to cover it at the time the transaction was authorized.

The following example illustrates how this works:

Assume your actual and available balance are both \$40, and you use your debit card at a restaurant for \$30. If the restaurant requests preauthorization in the amount of \$30, an authorization hold is placed on \$30 in your account, so your available balance is only \$10. Your actual balance would remain \$40. Before the restaurant charge is sent to us for payment, a check that you wrote for \$40 clears or is settled or posted. Because your available balance is only \$10 (due to the authorization hold of \$30), your account will be overdrawn by \$30, even though your actual balance is \$40. In this example, if we pay the \$40 check under our discretionary courtesy pay program, we will charge you a Courtesy Pay fee according to our fee schedule, which will be deducted from your account, further increasing the overdrawn amount. In addition, when the restaurant charge is finally submitted to us for payment, we will release the authorization hold and pay the transaction amount (which may be \$30 or even a different amount, for example, if you added a tip) to the restaurant. Because the amount of the restaurant charge exceeded your available balance at the time the restaurant charge settled (i.e., at the time the merchant or its financial institution requested payment or the transaction posted to your account), we will charge you a debit card NSF fee according to our Fee Schedule, even though the restaurant transaction was authorized and approved with a sufficient available balance.

- g. Multiple NSF Fees.** You understand and agree that a merchant or other entity may make multiple attempts to submit a returned item for payment. Consequently, because we may charge a service fee for an NSF item each time it is presented, we may charge you more than one service fee for any given item. Therefore, multiple fees may be charged to you as a result of a returned item and resubmission regardless of the number of times an item is submitted or resubmitted to us for payment, and regardless of whether we pay the item or return, reverse, or decline to pay the item. When we charge a fee for NSF items, the charge reduces the available balance in your account and may put your account into (or further into) overdraft.

**10. CHECKS OR DRAFTS PRESENTED FOR PAYMENT IN PERSON -** We may refuse to accept any check or draft drawn on your account that is presented for payment in person. Such refusal shall not constitute a wrongful dishonor of the check or draft, and we shall have no liability for refusing payment. If we agree to cash a check or draft that is presented for payment in person, we may require the presenter to pay a fee. Any applicable fees for cashing checks or drafts are stated in our business account fee schedule.

**11. POSTDATED AND STALEDATED CHECKS OR DRAFTS -** You agree not to draw or issue any check or draft that is postdated. If you draw or issue a check or draft that is payable on a future date, we will have no liability if we pay the check or draft before its payment date. You agree not to deposit checks, drafts, or other items before they are properly payable. We are under no obligation to pay a check or draft drawn on your account that is presented more than six months after the date it was written; however, if the check or draft is paid against your account, we will have no liability for such payment.

**12. FOREIGN CURRENCY -** All checks or drafts drawn on your account shall be payable in currency of the United States. You agree not to draw a check or draft that is payable in any foreign currency. If you give us an order to pay a check or draft in a foreign currency, we have the right to return the check or draft unpaid. However, if we pay the check or draft, we will not be responsible for the currency conversion or any fees assessed for collection, and you will be bound by our determination of the currency conversion rate, the data used and the manner in which we make the conversion.

### **13. STOP PAYMENT ORDERS**

**a. Stop Payment Order Request.** Any Authorized Person may request a stop payment order on any check or draft drawn on your account. To be binding, the order must accurately describe the check or draft, including the exact account number, check or draft number, and amount of the check or draft. This exact information is necessary for the Credit Union to identify the check or draft. If we receive incorrect or incomplete information, we will not be responsible for failing to stop payment on the check or draft. In addition, we must receive sufficient advance notice of the stop payment order to allow us a reasonable opportunity to act on it. If we recredit your account after paying a check or draft over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to transfer to us all of your rights against the payee or other holders of the check or draft, and to assist us in any legal action.

You may not stop payment on any certified check, cashier's check, teller's check or any other check, draft or payment guaranteed by us.

**b. Duration of Order.** You may make an oral stop payment order which will lapse within 14 calendar days unless you confirm it in writing, or in a record if allowed by applicable law, within that time. A written stop payment order will be effective for the time period specified in the stop payment order or the stop payment policy. We do not have to notify you when a stop payment order expires. **For accounts held at credit unions located in the states of Florida and Texas:** We have the right to refuse to accept oral stop payment orders and may require that all stop payment orders be made in writing or in a record as allowed by applicable law.

**c. Liability.** Fees for stop payment orders are set forth on our business account fee schedule. Although payment of an item may be stopped, you may remain liable to any item holder, including us. You have the burden of establishing the fact and amount of loss resulting from the payment of an item contrary to a binding stop payment order. You agree to indemnify and hold the Credit Union harmless from all costs, including attorney's fees and all damages or claims related to our refusal to pay an item, as well as claims of the Account Owner or of any payee or endorsee for failing to stop payment of an item as a result of incorrect information provided by you.

**14. CREDIT UNION LIABILITY** - If we do not properly complete a transaction according to this Agreement, we will be liable for your losses or damages not to exceed the amount of the transaction, except as otherwise provided by law or elsewhere in this Agreement. We will not be liable if, for example: (1) your account contains an insufficient available balance for the transaction; (2) circumstances beyond our control prevent the transaction; (3) your loss is caused by your or another financial institution's negligence; or (4) your account funds are subject to legal process or other claim. We are not liable if checks, 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, except liability for wrongful dishonor. We are not responsible for a check or draft that is paid by us if we acted in a commercially reasonable manner and exercised ordinary care. We exercise ordinary care if our actions or nonactions are consistent with applicable state law, federal reserve regulations and operating letters, clearinghouse 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.

**15. UNAUTHORIZED USE OF CHECK OR DRAFT WRITING AND FACSIMILE SIGNATURE EQUIPMENT** - You are responsible for maintaining the security of all facsimile signatures, check or draft writing equipment and supplies. You must promptly notify us in writing of the loss or theft of any checks or drafts or the unauthorized use of facsimile signature equipment, as well as the circumstances surrounding the loss, theft or unauthorized use. We are not liable for any unauthorized use of a facsimile signature.

**16. PLEDGE, RIGHT OF OFFSET AND STATUTORY LIEN** - Unless prohibited by law, you pledge and grant as security for all obligations you may have now or in the future, except obligations secured by your principal residence, all shares and dividends and all deposits and interest, if any, in all accounts you have with us now and in the future. If you pledge a specific dollar amount in your account(s) for a loan, we will freeze the funds in your account(s) to the extent of the outstanding balance of the loan or, if greater, the amount of the pledge if the loan is a revolving loan. Otherwise, funds in your pledged account(s) may be withdrawn unless you are in default. You agree we have the right to offset funds in any of your accounts against any obligation owed to us. Federal or state law, depending on whether we have a federal or state charter, gives us a lien on all shares and dividends and all deposits and interest, if any, in the account(s) you have with us now and in the future. Except as limited by state or federal law, the statutory lien gives us the right to apply the balance of all your accounts to any obligation on which you are in default. After you are in default, we may exercise our statutory lien rights without further notice to you.

**Your pledge and our statutory lien rights will allow us to apply the funds in your account(s) to what you owe when you are in default, except as limited by state or federal law.** If we do not apply or offset the funds in your account(s) to satisfy your obligation, we may place an administrative freeze on your account(s) in order to protect our statutory lien rights and may apply or offset the funds in your account(s) to the amount you owe us at a later time. The statutory lien and your pledge does not apply to any Individual Retirement Account or any other account that would lose special tax treatment under state or federal law if given as security. By not enforcing our right to apply or offset funds in your account(s) to your obligations that are in default, we do not waive our right to enforce these rights at a later time.

Your obligations to us include any additional reasonable charges for services you request or costs or expenses we incur caused by any action by you or a third party which are not covered by this Agreement (including, but not limited to, charges related to responses to requests related to divorce disputes, deceased account disputes, and power of attorney disputes), any account shortage resulting from charges or overdrafts whether caused by you or another with access to your account, and our reasonable attorneys' fees to the extent permitted by law, whether incurred as a result of collection or in any other dispute involving your account or a result of any action that you or a third party takes regarding the account that causes us, in good faith, to seek the advice of an attorney, whether or not we become involved in any dispute. This liability is due immediately and can be deducted from your account without notice to you.

**17. RIGHT TO AUDIT.** The Credit Union, or its designee, reserves the right to audit you to ensure your compliance with applicable laws and regulations governing the service or product requested by you or your Authorized User(s). Upon the Credit Union's request, you agree to provide the Credit Union, or its designee, any reasonably requested audit -related



information (e.g. member authorization, proof of record retention, system security, etc.), access to business premises, and assistance as may be reasonably required to perform such compliance review.

**18. TRANSFER OF ACCOUNT** - All accounts are nonassignable and nontransferable to third parties except by us.

**19. LEGAL PROCESS** - If any legal action is brought against your account, we may pay out funds according to the terms of the action or refuse any payout until the dispute is resolved, as permitted by law. Any expenses or attorney's fees we incur responding to legal process may be charged against your account without notice, unless prohibited by law. Any legal process against your account is subject to our lien and security interest.

**20. ACCOUNT INFORMATION** - Upon request, we will give you the name and address of each agency from which we obtain a credit report regarding your account. We agree not to disclose account information to third parties except when: (1) it is necessary to complete a transaction or as stated in our Privacy Policy; (2) the third party seeks to verify the existence or condition of your account in accordance with applicable law; (3) such disclosure is made to comply with the law or an order issued by a court or government agency; (4) you give us written permission; or (5) as otherwise permitted by applicable law. We may provide information to credit bureaus about an insolvency, delinquency, late payment or default on your account to include in your credit report.

## **21. NOTICES**

**a. Name or Address Changes.** 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. We may impose a bad address fee, as set forth on our business account fee schedule, each month that you fail to communicate your most recent address to us. We may also charge to your account any expenses we incur in attempting to locate you or your contact information after a communication sent to you is returned or rejected for any reason.

**b. Notice of Amendments.** Except as prohibited by applicable law, we may amend this Agreement by adding, removing, or changing terms at any time. We will notify you, in a manner we deem appropriate under the circumstances, of any changes in terms, rates, or fees as required by law.

**c. Effect of Notice.** Any written notice you give us is effective when we receive it. Any written notice we give to you is effective when it is provided electronically or 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.

**d. Electronic Notices.** 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.

**22. TAXPAYER IDENTIFICATION NUMBER AND BACKUP WITHHOLDING** - You agree that we may withhold taxes from any dividends or interest earned on your account as required by federal, state or local law or regulations. 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 TIN within a reasonable time, we may suspend opening your account or close your account and return the balance to you, less any applicable service fees.

**23. USE OF THIRD PARTIES** - Information collected by our third-party vendors in providing products and services to you may be stored and accessed outside the United States and may continue to be retained by such vendors after you terminate your account with the Credit Union. You agree to hold the Credit Union harmless for losses, inaccuracies, data breaches, and rejection of any requests initiated by you.

## **24. STATEMENTS**

**a. Contents.** If we provide a periodic statement for your account, you will receive a statement that shows the transactions and activity on your account during the statement period. For share draft or checking accounts, you understand and agree that your original check or draft, when paid, becomes property of the Credit Union and may not be returned to you, but copies may be retained by us or payable through financial institutions and made available upon your request. You understand and agree that statements are made available to you on the date they are mailed to you or, if you have requested, on the date they are made available to you electronically. You also understand and agree that checks, drafts or copies thereof are made available to you on the date the statement is mailed to you or is provided to you electronically, even if the checks or drafts do not accompany the statement.

**b. Examination.** You are responsible for promptly examining each statement upon receiving it and reporting any irregularities to us. If you fail to report to us, within a reasonable time after receiving your statement, any irregularities, such as forged, altered, unauthorized, unsigned, or otherwise fraudulent items drawn on your account, erroneous payments or transactions, or other discrepancies that are reflected on your statement we will not be responsible for your loss. In addition, we will not be responsible for any such items, payments, transactions, or other discrepancies reflected on your statement if you fail to notify us within 33 days of the date we sent or otherwise provided the

statement to you. We also will not be liable for any items that are forged or altered in a manner not detectable by a reasonable person, including the unauthorized use of facsimile signature equipment.

**c. Notice to the Credit Union.** You agree that the Credit Union's retention of checks or drafts does not alter or waive your responsibility to examine your statements or the time limit for notifying us of any errors. The statement will be considered correct for all purposes, and we will not be liable for any payment made or charge to your account unless you notify us in writing within the above time limit for notifying us of any errors.

If timely notice is given, we reserve the right to make a final reasonable determination regarding whether and in what amount any adjustment shall be made. If you fail to receive a periodic statement, you agree to notify us within 14 days of the time you regularly receive a statement.

**d. Address.** If we mail you a statement, we will send it to the last known address shown in our records. If you have requested that we send your statement electronically, we will send it to the last e-mail address shown in our records.

**25. INACTIVE ACCOUNTS** - As allowed by applicable law, we may classify your account as inactive or dormant and assess a fee if you have not made any transactions in your account over a specified period of time. The period of inactivity, the fee for servicing an inactive or dormant account, and the minimum balance required to avoid the service fee, if any, are set forth in our business account fee schedule. You authorize us to transfer funds from another account of yours to cover any service fees, if applicable. To the extent allowed by law, we reserve the right to transfer all funds in an inactive or dormant account to an account payable or reserve account and to suspend any further account statements. If a deposit or withdrawal has not been made on the account and we have had no other sufficient contact with you within the period specified by state law, the account will then be presumed to be abandoned. Funds in abandoned accounts will be reported and remitted in accordance with state law. Once funds have been turned over to the state, we have no further liability to you for such funds. If you choose to reclaim such funds, you must apply to the appropriate state agency.

**26. TERMINATION OF ACCOUNT** - We may terminate your account at any time without prior notice to you or may require you to close your account and apply for a new account. We are not responsible for payment of any check, draft, transfer or item after your account is terminated; however, if we pay a check, draft, transfer or other item after termination, you agree to reimburse us for the amount of our payment as well as any applicable fees.

You may terminate this Agreement by closing all of your accounts. If your account is a dividend or interest-bearing account, any deposit or part of a deposit that we have returned or attempted to return to you upon termination of your account will no longer bear dividends or interest, as applicable. When the account is closed, you will receive the balance remaining in the account after we have made all appropriate deductions and charges. The termination of this Agreement and the account does not release you from the obligation for payment of accrued fees or your liability for any checks or drafts in process.

**27. TERMINATION OF MEMBERSHIP; LIMITATION OF SERVICES** - You may terminate your membership by giving us written notice or by withdrawing your minimum required membership share, if any, and closing all of your accounts. You may be expelled from membership for any reason allowed by applicable law. We may restrict account access and services without notice to you when your account is being misused; you have demonstrated conduct which is abusive in nature; as outlined in any policy we have adopted regarding restricting services; or as otherwise permitted by law. We reserve the right to terminate your membership or request you replace authorized check signers if, in our sole discretion, we determine that your authorized check signer(s) and/or authorized person(s) are no longer individually eligible for membership in the Credit Union or violate any policy, rule or Bylaw of the Credit Union.

**28. DEATH OR INCOMPETENCE** - If an account is held in the name of an individual person or a business that is organized as a sole proprietorship, we may honor all transfer orders, withdrawals, deposits and other transactions on the account until we know of the Account Owner's death or adjudication of incompetence. Even with such knowledge, we may continue to pay checks or drafts drawn on the deceased Account Owner's account for a period of ten days after the Account Owner's death unless we receive instructions from any person claiming an interest in the account to stop payment on the checks or drafts. We may require anyone claiming funds from a deceased Account Owner's account to indemnify us for any losses we sustain if we honor that claim. This Agreement will be binding upon any heirs or legal representatives of any Account Owner that is an individual or business organized as a sole proprietorship.

**29. UNLAWFUL INTERNET GAMBLING AND OTHER ILLEGAL ACTIVITIES** - You agree that you are not engaged in unlawful internet gambling or any other illegal activity. You agree that you will not use any of your accounts, access devices or services for unlawful internet gambling or other illegal activities. We may terminate your account relationship if you engage in unlawful internet gambling or other illegal activities.

**30. WAIVER OF RIGHTS** - We reserve the right to waive or delay the enforcement of any provision of this Agreement with respect to any transaction or series of transactions. A waiver or delay of our rights at any time shall not be deemed to be a waiver of any other rights or a waiver of the same rights at a future time.

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

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

**33. GOVERNING LAW** - This Agreement is governed by the following, as amended from time to time: the Credit Union's bylaws; local clearinghouse and other payment system rules; federal laws and regulations, including applicable principles of contract law; and the laws and regulations of the state of Florida. As permitted by applicable law and pursuant to the terms of this Agreement, you agree that any dispute resolution will be governed pursuant to section 39 and any legal action regarding this Agreement shall be brought in the county in which the Credit Union's principal office is located.

**34. CLASS ACTION WAIVER**- No member or accountholder may maintain or pursue against the Credit Union a class action, class-wide arbitration, or private attorney general action. Nor shall any class action, class-wide arbitration, or private attorney general action be pursued by a member against the Credit Union in any arbitration or in any court proceeding, regardless of when the claim or cause of action arose or accrued, or when the allegations or facts underlying the claim or cause of action occurred.

**35. WAIVER OF TRIAL BY JURY AND AGREEMENT AS TO LOCATION OF LEGAL PROCEEDINGS** - As permitted by applicable law, you agree that any legal action regarding this Agreement shall be brought in the county of the Credit Union office where you opened your account. You and we agree to waive any right to trial by jury in any legal proceeding or lawsuit involving the account.

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

**37. MONITORING AND RECORDING COMMUNICATIONS** - We may monitor and record communications between you and us, including telephone conversations, electronic messages, electronic records, or other data transmissions that affect your accounts or other products and services. Except as otherwise provided by applicable law, you agree we may monitor and record such communications without your approval or further notice to you.

**38. CONSENT TO CONTACT** - By signing or otherwise authenticating the Business Account Card, the Authorized Person(s) agree(s) we and/or our third-party providers, including debt collectors, may contact the Authorized Person(s) by telephone call, text message, or voicemail transmission at any telephone number associated with the account, including wireless telephone numbers (i.e. cell phone numbers) which could result in charges to Authorized Person(s), in order to service the account or collect any amounts owed to us, excluding any contacts for advertising and telemarketing purposes as prescribed by law. The Authorized Person(s) further agree(s) methods of contact may include use of pre-recorded or artificial voice messages, and/or use of an automatic dialing device. The Authorized Person(s) may withdraw the consent to be contacted on their wireless telephone number(s) at any time by providing written notice to us at 300 S Plumosa St Merritt Island FL 32952, by email to [mserv@launchcu.com](mailto:mserv@launchcu.com), via phone at (800) 662-5257 or by any other reasonable means. If the Authorized Person(s) has provided a wireless telephone number(s) on or in connection with any account, the Authorized Person(s) represents and agrees they are the wireless subscriber or customary user with respect to the wireless telephone number(s) provided and has the authority to give this consent. Furthermore, the Authorized Person(s) agrees to notify us of any change to the wireless telephone number(s) which they have provided to us.

Even if the Authorized Persons opt out of communications related to debt collection and account servicing, in order to help mitigate harm to the Authorized Person(s) and the account, we may contact the Authorized Person(s) on any telephone number associated with the account, including a wireless telephone number (i.e. cell phone number), to deliver any messages related to suspected or actual fraudulent activity on the account, data security breaches or identity theft following a data breach, money transfers or any other exigent messages permitted by applicable law. These contacts may be made by call, text message, or voice-mail transmission (including use of pre-recorded or artificial voice messages, and/or use of an automatic dialing device) but they will not contain any telemarketing, cross-marketing, solicitation, advertising, or debt collection message of any kind. The contacts will be concise and limited in frequency as required by law. The Authorized Person(s) will have an opportunity to opt-out of such communications at the time of delivery.

**39. BINDING ARBITRATION OF CLAIMS AND DISPUTES AND CLASS ACTION WAIVER** - RESOLUTION OF DISPUTES BY ARBITRATION: THIS SECTION 39 CONTAINS IMPORTANT INFORMATION REGARDING YOUR ACCOUNTS AND ALL RELATED SERVICES. IT PROVIDES THAT EITHER YOU OR WE CAN REQUIRE THAT ANY DISPUTES BE RESOLVED BY BINDING ARBITRATION. ARBITRATION REPLACES THE RIGHT TO GO TO COURT, INCLUDING THE RIGHT TO A JURY TRIAL AND THE RIGHT TO PARTICIPATE IN A CLASS ACTION OR SIMILAR PROCEEDING. IN ARBITRATION, THE DISPUTE IS SUBMITTED TO A NEUTRAL PARTY, AN ARBITRATOR,

INSTEAD OF A JUDGE OR JURY. ARBITRATION PROCEDURES MAY BE MORE LIMITED THAN RULES APPLICABLE IN COURT.

**a. Agreement to Arbitrate Disputes.**

Either you or we may elect, without the other's consent, to require that any and all disputes between us arising out of, affecting, or relating in any way to your accounts or the products or services related to your accounts or any aspect of your relationship with us be resolved through binding arbitration, except for those disputes specifically excluded below.

**b. No Class Action or Joinder of Parties.**

YOU ACKNOWLEDGE THAT YOU AND WE AGREE THAT NO CLASS ACTION, CLASS-WIDE ARBITRATION, PRIVATE ATTORNEY GENERAL ACTION, OR OTHER PROCEEDING WHERE SOMEONE ACTS IN A REPRESENTATIVE CAPACITY, MAY BE PURSUED IN ANY ARBITRATION OR IN ANY COURT PROCEEDING, REGARDLESS OF WHEN THE CLAIM OR CAUSE OF ACTION AROSE OR ACCRUED, OR WHEN THE ALLEGATIONS OR FACTS UNDERLYING THE CLAIM OR CAUSE OF ACTION OCCURRED. Unless mutually agreed to by you and us, claims of two or more persons may not be joined, consolidated, or otherwise brought together in the same arbitration (unless those persons are joint account holders or beneficiaries on your account and/or related accounts, or parties to a single transaction or related transaction), whether or not the claim may have been assigned.

**c. Disputes Covered by Arbitration.**

YOU ACKNOWLEDGE THAT IN ARBITRATION THERE WILL BE NO RIGHT TO A JURY TRIAL. Unless otherwise provided in this Agreement, any claim or dispute relating to or arising out of your accounts or the services related to your accounts, or our relationship will be subject to arbitration, regardless of whether that dispute or the facts underlying or giving rise to that dispute arose before or after your receipt of this notice. Disputes include claims made as part of a class action, private attorney general or other representative action, it being expressly understood and agreed to that the arbitration of such claims must proceed on an individual (non-class, non-representative) basis and the arbitrator may award relief only on an individual (non-class, non-representative) basis. Disputes also include claims relating to this arbitration provision's enforceability, validity, scope, or interpretation. Any questions about whether disputes are subject to arbitration shall be resolved by interpreting this arbitration provision in the broadest way the law will allow it to be enforced.

All disputes are subject to arbitration, no matter what legal theory they are based on, or what remedy (damages, or injunctive or declaratory relief) they seek. Disputes include any unresolved claims concerning any services relating to your accounts. Disputes include not only claims made directly by you, but also made by anyone connected with you or claiming through you, such as a joint account holder, account beneficiary, employee, representative, agent, predecessor or successor, heir, assignee, or trustee in bankruptcy. Disputes include not only claims that relate directly to the Credit Union, but also its parent, affiliates, successors, assignees, employees, and agents, and claims for which we may be directly or indirectly liable, even if we are not correctly named at the time the claim is made. Disputes include claims based on any theory of law, contract, statute, regulation, tort (including fraud or any intentional tort), or any other legal or equitable grounds, and include claims asserted as counterclaims, cross-claims, third-party claims, interpleaders or otherwise; and claims made independently or with other claims. If a party initiates a proceeding in court regarding a claim or dispute that is included under this arbitration provision, the other party may elect to proceed in arbitration pursuant to this arbitration provision.

**d. Disputes Excluded from Arbitration.**

Disputes filed by you or by us individually in a small claims court are not subject to arbitration, so long as the disputes remain in such court and advance only an individual (non-class, non-representative) claim for relief. However, if a matter in small claims court is removed, transferred, or appealed to a non-small claims court, that claim shall be subject to this arbitration provision. Loan default and other indebtedness claims and defenses or counterclaims raised in such actions are also explicitly excluded from this Section 39 but shall remain subject to any other applicable arbitration provision contained in any other agreement governing or applicable to such loan or indebtedness.

**e. Procedures Prior to Filing a Claim in Arbitration.**

Prior to either party filing a claim in arbitration and as a necessary condition precedent to filing a claim, a party must first make a written demand upon the other party setting forth their claim. The parties will then attempt to resolve the dispute in good faith for a minimum of sixty (60) days before any claim may be filed in arbitration. During this period, both parties agree to toll any applicable statute of limitations.

**f. Commencing an Arbitration.**

The arbitration must be either conducted by a neutral arbitrator selected by agreement of the parties or filed with the following neutral arbitration forum and follow its rules and procedures for initiating and pursuing an arbitration:

JAMS  
1-800-352-5267 (toll-free)  
[www.jamsadr.com](http://www.jamsadr.com)

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

If you initiate the arbitration, you must notify us in writing at:

Launch Credit Union  
Attn: Legal Department - Arbitration  
300 S Plumosa St  
Merritt Island, FL 32952

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

If JAMS is unable to or unwilling to handle the claim for any reason, then the matter shall be arbitrated by a neutral arbitrator selected by agreement of the parties (or, if the parties cannot agree, selected by a court in accordance with the Federal Arbitration Act). The neutral arbitrator selected by the parties or the court shall apply the Federal Rules of Evidence and the Federal Rules of Procedure concerning discovery, except that the below class action waiver is specifically enforceable notwithstanding any Federal Rules of Procedure to the contrary.

**g. Administration of Arbitration.**

The arbitration shall be decided by a single, neutral arbitrator. The arbitrator will be either a lawyer with at least ten years' experience or a retired or former judge selected in accordance with the rules of the arbitration forum. The arbitration will be conducted in accordance with the JAMS Comprehensive Arbitration Rules & Procedures in effect on the date the arbitration is filed or such other rules as to which the parties may agree. If there is a conflict between a particular provision of the JAMS Rules and this arbitration provision and/or this Agreement, this arbitration provision and this Agreement will control.

You understand and agree that the applicable rules and procedures in arbitration may limit the discovery available to you or us. The arbitrator must take reasonable steps to protect customer account information and other confidential information if requested to do so by you or by us. The arbitrator shall decide the dispute in accordance with applicable substantive law consistent with the Federal Arbitration Act and applicable statutes of limitations, will honor claims of privilege recognized at law, and will be empowered to award any damages or other relief provided for under applicable law. The arbitrator will not have the power to award relief to, or against, any person who is not a party to the arbitration other than, as allowed by law, a joint accountholder or any entity in privity with either party as to the claim at issue. An award in arbitration shall determine the rights and obligations between the named parties only, and only in respect of the claims in arbitration, and shall not have any bearing on the rights and obligations of any other person other than those identified in the foregoing sentence, or on the resolution of any other dispute. You or we may choose to have a hearing and be represented by counsel. The decision rendered by the arbitrator shall be in writing. At your or our request, the arbitrator shall issue a written, reasoned decision following applicable law and relief granted must be relief that could be granted by a court under applicable law. Judgment on the arbitration award may be entered by any court of competent jurisdiction.

**h. Costs.**

If you initiate a claim for arbitration, you understand that you will be required to pay an initial filing fee in accordance with the rules of the arbitration forum. However, we will pay any other filing, administration, and arbitrator fees as imposed by the arbitration forum. Each party shall bear the expense of their respective attorneys, experts, witnesses, and other expenses, regardless of who prevails, but a party may recover any or all costs and expenses from another party if the arbitrator, applying applicable law, so determines.

**i. Right to Resort to Provisional Remedies Preserved.**

Nothing herein shall be deemed to limit or constrain our right to resort to self-help remedies, such as the right of set-off or the right to restrain funds in an account, to interplead funds in the event of a dispute, to exercise any security interest or lien we may hold in property, or to comply with legal process, or to obtain provisional remedies such as injunctive relief, attachment, or garnishment by a court having appropriate jurisdiction; provided, however, that you or we may elect to arbitrate any dispute related to such provisional remedies.

**j. Arbitration Award.**

The arbitrator's award shall be final and binding unless a party appeals it in writing to the arbitration forum within fifteen days of notice of the award or pursuant to the rules of the arbitration forum, whichever is later. The appeal must request a new arbitration before a panel of three neutral arbitrators selected in accordance with the rules of the same arbitration forum. The panel will consider all factual and legal issues anew, follow the same rules that apply to a proceeding using a single arbitrator, and make decisions based on the vote of the majority. Costs will be allocated in the same manner as allocated before a single arbitrator. An award by a panel is final and binding on the parties after fifteen days of notice of the award or pursuant to the rules of the arbitration forum, whichever is later. A final and binding award is subject to judicial intervention or review only to the extent allowed under the Federal Arbitration Act

or other applicable law. A party may seek to have a final and binding award entered as a judgment in any court having jurisdiction.

**k. Governing Law.**

You and we agree that our relationship includes transactions involving interstate commerce and that this arbitration provision is governed by, and enforceable under, the Federal Arbitration Act in Title 9 of the U.S. Code to the fullest extent possible, notwithstanding any state law to the contrary, regardless of the nature or origin of the claim. To the extent state law is applicable, the laws of the State of Florida shall apply.

**l. Severability, Survival.**

This arbitration provision shall survive (a) termination or changes to your accounts or any related services; (b) the bankruptcy of any party; and (c) the transfer or assignment of your Accounts or any related services. No portion of this arbitration provision may be amended, severed, or waived absent a writing from us. If the Class Action Waiver in this specific Section 39 is found to be unenforceable for any reason, then the remainder of this arbitration provision shall also be unenforceable. If any portion of this arbitration provision, other than the Class Action Waiver portion of this Section 39, is found to be unenforceable, then the remaining provisions shall remain fully enforceable. Notwithstanding anything in this Section 39 to the contrary, any amendment or termination of this arbitration provision, by statute, by administrative action or otherwise, shall not apply to the claims that arise out of, affect or relate to conduct that occurred prior to the effective date of such amendment or termination.

**m. Right to Reject this arbitration provision.**

You have the right to opt-out of this agreement to arbitrate if you opt out within 30 days after you have opened or joined your first account with us, either as a member or as a joint accountholder. To opt-out, send us written notice as follows: (i) your written notice must include your name, as listed on your account, your account number, and a statement that you reject this agreement to arbitrate, and (ii) you must send your written notice to us at the following address or email us at [arbitration@launchcu.com](mailto:arbitration@launchcu.com).

Launch Credit Union  
Attn: Legal Department - Arbitration  
300 S Plumosa St  
Merritt Island, FL 32952

**40. PERMITTED TIME FOR FILING A LAWSUIT OR REQUESTING ARBITRATION** - You must file any lawsuit or request arbitration against us within one year after the cause of action arises, unless federal or state law or an applicable agreement provides for a shorter time. This one-year limit is in addition to any time limits on notice as a condition of making a claim. For purposes of a lawsuit or arbitration concerning a fee or charge assessed to your account, the cause of action will be deemed to have arisen or accrued on the date the first such fee or charge being complained of was assessed regardless of whether you had actual or constructive knowledge of any such cause of action, and you expressly waive any application of or reliance on any theory or doctrine of a continuing violation or breach or any other doctrine which might otherwise serve to toll or delay the beginning of the one-year limitation period. For any and all causes of action arising or accruing before the date this paragraph first became effective, March 1, 2022, you must still file any lawsuit or request arbitration against us within one year after March 1, 2022, and you acknowledge and agree that one year is a reasonable period of time to discover any such cause of action and bring suit or request arbitration, and you expressly waive any reliance on any vested or unvested rights you may have had under any other, longer statute of limitation.