

ADDENDUM TO KINECTA FEDERAL CREDIT UNION'S AGREEMENTS & DISCLOSURES

This addendum is incorporated into and is made part of the Agreements & Disclosures Booklet dated February 2010.

Effective June 1, 2015

WITHDRAWALS FROM MY ACCOUNT

My Available Balance

The available balance in my account may be different from my account balance, and it is central to the operation of my account. My available balance is the balance in my account that you use to determine if I have sufficient funds to cover a transaction. My available balance is the most current record you have about the funds that are available for withdrawal from my account. In determining the available balance in my account, you will consider all transactions that have posted to my account, any holds that may be in place on deposits I have made, and pending transactions (such as debit card purchases) that the Credit Union has authorized but that have not yet posted to my account.

My account is considered overdrawn when the available balance in my account is negative. I understand that I may still overdraw my account even though the actual balance appears to show that there are sufficient funds to cover a transaction that I want to make. My available balance does not reflect my outstanding checks, automatic bill payments that I have authorized, or other outstanding transactions that have not been paid from or credited to my account. For example, my automatic payroll deposit will not be reflected in my account or available balance until it is received by you and credited to my account.

Also, my available balance may not reflect all of my debit card transactions. For example, if a merchant obtains your prior authorization but does not submit a one-time debit card transaction for payment within three (3) business days of authorization, you must release the authorization hold on the transaction. The available balance will not reflect this transaction until it has been received by you and paid from my account, which may be later than when the hold is released. I must record and track all of my transactions closely to confirm that my available balance accurately reflects my spending of funds from the account linked to my debit card.

My available balance may not reflect the most recent deposits to my account. For details on the availability for withdrawal of my deposits, see the section entitled "Delayed Funds Availability Policy."

Operation of Account and Order of Posting

You receive deposit and withdrawal transactions in many different forms throughout each business day. You reserve the right to

determine the timing and order in which such transactions are posted to my account to the extent permitted by law. You determine the order in which you process and post deposits and other credits and checks and other items to my account based on a number of factors.

You may pay or authorize some items, and decline or return others, in any order you deem appropriate to the extent permitted by law. When the available balance in my account is not sufficient to cover all of the items presented that day, some processing and posting orders can result in more returned items and more overdraft and returned item fees than other orders. You may choose your processing and posting orders to the extent permitted by law regardless of whether additional fees result.

Some items are received by you individually and others are received in batches throughout each business day. Examples of items that you currently receive individually include ATM withdrawals and teller transactions. These individual items are generally posted to my account as they are received by us each business day. Examples of items that you currently receive in batches include checks drawn on my account presented by other financial institutions and ACH and debit card transactions. You generally post batched transactions as they are received throughout each business day (subject to certain exceptions).

The timing and order used to post items to my account will depend upon a number of factors. You reserve the right to (i) establish different categories of items, (ii) establish a posting order for each category of item(s), (iii) establish different posting orders for items within each category, and (iv) change the timing of when items are posted during the day and whether they are posted individually or in batches. Except to the extent limited by regulatory and judicial authorities, you have the right to change any of the factors described in (i), (ii), (iii) and (iv) listed above at any time without notice to me.

I agree that, to the extent permitted by law, you may determine in your discretion the timing of posting items to my account, the categories used by you to post items to my account, the transactions within each category, the order among categories, and the posting orders within a category. You may sometimes change the timing of posting items to my account, add or delete categories, change posting orders within categories and move transaction types among categories. I agree that you may, at your discretion, make these changes at any time to the extent permitted by law without notice to me.

Authorization Holds for Debit Card Transactions

When I make a purchase with my debit card, the merchant may seek your prior authorization for the transaction. You generally place a temporary hold against some or all of the funds in the account linked to my debit card if and when an authorization request is obtained.

You refer to this temporary hold as an "authorization hold," and the amount of the authorization hold will be subtracted from my available balance (generally in real time as they are received throughout each day).

The amount of an authorization hold may differ from the actual transaction amount because the actual transaction amount may not yet be known to the merchant when the authorization request is submitted (such as a gas station purchase). For those transactions, there may be no authorization hold, or the amount of the authorization hold may be different from the transaction amount. In some other cases you may not receive an authorization request from the merchant, and there will be no authorization hold reflected in my available balance.

You are permitted to place an authorization hold on my account for up to three (3) business days from the time of the authorization. If the transaction is not submitted for payment by the merchant within the specified time period, however, you will release the authorization hold, which will increase my available balance until the transaction is submitted for payment by the merchant and finally posted to my account. If this happens, you must honor the prior authorization and will pay the transaction from my account. It is important that I record and track all of my transactions closely to confirm that my available balance accurately reflects my spending of funds from the account(s) linked to my debit card.

INSUFFICIENT FUNDS

Overdrafts and Returned Items

General

I am responsible for keeping track of the funds in my account that are available for me to use before I write a check, make cash withdrawals at an ATM, or use my debit card for a transaction. You encourage me to manage my funds responsibly. Among other things, I should keep a running balance that reflects all of my transactions. It is imperative that I keep track of the outstanding transactions I may have authorized (such as checks I have written or scheduled automatic bill payments), as my available balance will not reflect these transactions until they are paid from my account. As discussed in the section entitled "My Available Balance," your record of my available balance may also not reflect all of my debit card transactions. I should not assume that I can avoid overdrafting my account by making a deposit before a check or other item is presented for payment because my deposit may not be immediately available for withdrawal. (See the section entitled "Delayed Funds Availability Policy" for complete details).

Insufficient Funds - Overdrafts and Returned Items

You will generally charge a fee for any item presented for payment on a business day when my account is overdrawn. If you pay it, you will charge an overdraft fee (subject to any limitations you impose and subject to special rules for everyday debit card transactions

discussed in greater detail below). If you return it, you will generally charge a returned item fee. Please see the Fee Schedule for a listing of fees.

I can avoid fees for overdrafts and returned items by making sure that the available balance in my account is always sufficient to cover all of my transactions. You offer services that I can use to help manage my account and help avoid overdrafts.

You recommend that I enroll in one or more of the optional overdraft protection plans described below. These plans can help me avoid overdrafts and returned items. While fees apply when I use an optional overdraft protection plan(s), the fees under the plan(s) may be less expensive than the fees for overdrafts and declined or returned items. Please see our “Optional Overdraft Protection Services” below.

When you determine that the available balance in my account is not sufficient to cover a check or other item, you consider the check or other item an insufficient funds item. If I have enrolled in one of the optional overdraft protection plans, and have enough available funds in the linked share account or line of credit under the overdraft protection plan, you transfer funds to cover the item. Otherwise, without notice to me, you either authorize or pay the insufficient funds item (often called an NSF item) and overdraw my account, or you decline or return the insufficient funds item without payment (a returned item). In both cases my account will be charged a fee according to the current Schedule of Fees and Charges.

You pay overdrafts at your discretion, which means you do not guarantee that you will always, or ever, authorize and pay them. You are not obligated to pay any item presented for payment against my account if the available balance in my account is insufficient to cover the item. If you overdraw my account to pay items on one or more occasions, you are not obligated to continue paying future insufficient funds items. You may pay all, some, or none of my overdrafts, without notice to me. If you do not authorize and pay an overdraft, then you decline or return the transaction unpaid.

Optional Overdraft Protection Services

You offer optional overdraft protection services that I may apply for such as Overdraft Line of Credit Protection (where my line of credit is used for overdraft protection), and Share Savings Transfer Overdraft Protection (where funds from another account, such as my savings account, are used for overdraft protection). If I apply and qualify for these optional services, you will look first to these services for overdraft protection before considering the Courtesy Pay program when my account is overdrawn. These other overdraft services may save me money on the total fees I pay for overdraft protection. Please see Truth-in-Savings and Truth-in-Lending Disclosures for more details on these plans.

Courtesy Pay (Including Select Accept for everyday debit card transactions)

An overdraft occurs when the available balance in my checking account is insufficient to cover a transaction, but you pay it anyway. If I do not have an overdraft line of credit and/or a share savings transfer services in place, or if there are not sufficient funds in the service(s) I have linked to my overdrawn account, you may cover my overdraft(s) in two different ways:

1. You have standard overdraft practices that come with certain accounts, called Courtesy Pay.
2. You also have an optional overdraft protection service, called Select Accept (specifically for everyday debit card transactions) for which I must “opt-in” to be eligible.

With standard overdraft protection, also called Courtesy Pay, you may authorize and pay overdrafts for the following types of transactions (but are under no obligation to do so):

- Checks and other transactions made using my checking account number
- Automatic bill payments

If I have “opted-in” to Select Accept, you may authorize and pay overdrafts for the following types of transactions (but are under no obligation to do so):

- Everyday debit card transactions

You will not authorize and pay overdrafts for ATM transactions at all.

I am eligible for the Courtesy Pay program if I have an eligible account type (as described below) and if I maintain my account in good standing. Maintaining my account in good standing includes, among other requirements, the following:

1. I am not in default on any loan obligation to you,
2. I bring my account to a positive balance (not overdrawn) immediately or as soon as possible after it has been overdrawn, and in no event is my account overdrawn more than once every thirty (30) days, and
3. My account is not the subject of any legal or administrative order or levy, such as bankruptcy or a tax lien.

Special rules apply for everyday (non-recurring) debit card transactions. You will generally permit overdrafts, and may charge an overdraft fee on my debit card transactions only if I have consented (“opted-in”) to your overdraft protection service. You refer to this service as Select Accept. There are various ways to opt in to Select Accept. For more information, I should refer to the disclosure entitled “Select Accept: What You Should Know about Overdrafts

and Overdraft Fees.” If I want you to authorize and pay overdrafts on everyday debit card transactions, I can call 800-854-9846, login to Kinecta Direct Online Banking at www.kinecta.org or visit any Kinecta branch location. Recurring debit card transactions (such as a gym membership) may continue to be authorized at your discretion even if I do not sign up for Select Accept.

If I meet your requirements, you will consider, without obligation, approving my reasonable overdrafts. The limits assigned by the Courtesy Pay program are subject to change at any time without notice to me, are not disclosed, and therefore I must not rely on Courtesy Pay to cover an overdraft. Eligible account types include, but are not limited to Free Checking, Checking Plus, and Money Market Checking. Should you pay an item or transaction under the Courtesy Pay program, I understand that all applicable Overdraft/ NSF fees will apply. The Fee Schedule for my account explains when you charge fees for overdrafts and for returned items and the dollar amount of the fees. I am responsible for reviewing the Fee Schedule carefully.

If my account is overdrawn, I agree to repay you immediately, without notice or demand from you. You ordinarily use deposits I or others make to my account to pay overdrafts, fees and other amounts I owe you.

You may refuse to pay an overdraft for me at any time, even though my account is in good standing and even though you may have previously paid overdrafts for me. This program is a courtesy extended at your discretion, and you have no obligation to pay any items drawn against insufficient funds. I will be notified by any reasonable method you select to provide me with actual notice (including without limitation, notice given by first class mail to my last address shown on the credit union’s records, or by electronic transmission as permitted by law), of any items drawn against insufficient funds paid or returned that I may have; however, you have no obligation to notify me before you pay or return any item. The amount of any overdrafts, including fees that I owe you shall be due and payable immediately. If there is an item drawn against insufficient funds paid by you on an account with more than one (1) member on the signature card, each member, and agent if applicable, drawing/ presenting the item creating the overdraft, shall be jointly and severally liable for such overdrafts including your fees (if any).