Certificate Disclosure Terms and Account Agreement

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

GENERAL TERMS AND CONDITIONS

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

This Agreement is a contract between ESL and you. It will, along with the credit union’s charter, by-laws and policies, govern all relationships between you and all other members of ESL who have share certificates and the credit union. Some accounts, for example loans, IRA and trust accounts may have special rules which will be given to you separately. By signing a member account agreement, depositing money into your certificate or, if renewing your certificate, you do not withdraw all the funds from your certificate, you indicate acceptance of the terms of this Agreement.

All questions or communications to us should be sent to:

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

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

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

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

4. ESL reserves the right to terminate any of your accounts at any time without notice to you or may require you to close any of your accounts and apply for new accounts if:
   a. There is change in owners or authorized signers;
   b. There has been a forgery or fraud reported or committed involving your account;
   c. There is a dispute as to the ownership of an account or the funds in an account;
   d. There has been any misrepresentation about or any abuse of any of your accounts;
   e. It is deemed necessary to prevent a loss to the credit union.

Joint accounts may also be terminated for other reasons described in Section 16 of this Agreement.

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

6. Accounts are not transferable or assignable by you or any joint owners without the expressed written approval of an authorized officer of the credit union.

REDUCED SERVICES

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

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

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

CREDIT UNION LIEN AND RIGHT OF SETOFF

8. If you are indebted to ESL as a borrower, co-borrower, co-signer or guarantor, federal law provides us with a lien on any share account funds in which you have an ownership interest, regardless of the source of funds, unless prohibited by law. We may apply these funds in any order, without prior notice to you, to pay off your indebtedness. If we choose not to enforce our lien, we do not waive our right to enforce the lien at a later time.

9. As part of this Agreement, you grant to us a right to and a lien on all funds in any account, except as prohibited by law, which you hold, either in your name or as a joint account owner at ESL. (This right or lien is sometimes called the right of setoff or offset.) The credit union may use the funds to pay a debt owed to the credit union even if the withdrawal results in a dividend penalty or the dishonor of checks. In the case of a joint account, each joint owner agrees that the credit union may use all the funds in the account to satisfy any of his or her individual obligations. Similarly, each joint owner agrees that the credit union may use the money in their individual account to satisfy obligations in any joint accounts. If we choose not to enforce this right or lien, we do not waive our right to enforce the right or lien at a later time. You permit us to exercise this right or lien without any further notice to you, other than any notice required by law, to satisfy any amount owed us by you, including without limitation, loans in default, fees, charges and costs, including court costs and reasonable attorney's fees, associated with our services.

GENERAL TERMS FOR SHARE CERTIFICATE ACCOUNTS

10. Accounts at ESL may be held by an individual member, jointly with other members or non-members, and in trusts, both revocable and irrevocable. When an account is opened, you will tell us the type of account you wish us to open and, if required, will sign an account agreement for that account.

11. ESL accepts for deposit cash, checks and other orders of payment and negotiable instruments. All deposits are subject to final payment on any deposited instruments in the normal course of business.

If you fail to include an endorsement, the credit union may, but is not required, to supply the missing endorsement. You agree to reimburse ESL for any loss or expense that ESL incurs because you fail to endorse the item exactly as it was drawn. These fees may include but not be limited to court costs and reasonable attorney's fees.

If you make a deposit on a day we are closed or on a day we are open but after our business hours, we will consider that the deposit was made on the next business day we are open. If a check, draft or item that is payable to two or more persons is ambiguous as to whether it is payable to either or both persons, we may process the check, draft or item as though it were payable to either person.

12. ESL will send to you, at least quarterly, a statement for each account. You agree that only one statement is necessary for accounts with joint owners.

If your paper statement is returned to us undelivered, we will destroy it. If you do not receive a statement within 14 days of when you normally receive the statement, you agree to notify us and we will send you another.

You may choose to receive your statement electronically by signing a separate agreement which is available on our website at esl.org.

Statements will not be sent to you if you have initiated no activity for at least 12 months and your collective share balance is less than $250.00.

You are responsible for examining each and every statement sent to you for each account. You must report to us any transactions that appear to be incorrect, inaccurate, fraudulent or unauthorized in any way. If you fail to report to us within the time frames set by law, you will be responsible for any such transaction.

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

Current Certificate Term	Rollover Certificate New Term
30-day	30-day
31-day & 2-month	31-day
3 through 5-month	3-month
6 through 11-month	6-month
12 through 17-month	12-month
18 through 23-month	18-month
24 through 35-month	24-month
36 through 47-month	36-month
48 through 59-month	48-month
60 through 71-month	60-month
72 through 83-month	72-month
84 through 95-month	84-month
96 through 107-month	96-month
108 through 119-month	108-month
120-month	120-month

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

Current Jumbo Certificate Term	Rollover Jumbo Certificate New Term
30-day	30-day
60-day	60-day
90-day	90-day
180-day	180-day
210 through 330-day	180-day
360-day	360-day
13 through 15-month	360-day
18-month	18-month
23-month	18-month
24-month	24-month
30-month	24-month
36-month	36-month
48-month	48-month
60-month	60-month

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

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

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

15. We will impose a penalty if you withdraw any or all of the deposited funds before the maturity date. This penalty applies to all certificates and certificate terms disclosed in this Agreement. The fee imposed will equal 30 days of dividends for the 30, 31 and 60-day Certificate terms; 90 days of dividends for all certificate terms ranging from 90-days to 12-months (or 365-days); and 180 days of dividends for all certificate terms greater than 12-months. The penalty amount applies, whether dividends have been earned equal to that amount or not, on the amount withdrawn at the current rate being paid regardless of the length of time the funds withdrawn have remained on deposit. If the withdrawal causes the amount to fall below the account's minimum required balance for the certificate, the entire account will be considered withdrawn and the penalty will be calculated on the total balance. Prior to the certificate renewing, dividends may be withdrawn at any time after it is paid to the account without penalty.

ACCOUNT OWNERSHIP RIGHTS AND RESPONSIBILITIES

16. If you open an account by yourself, you are the sole owner of the account. You are the only person authorized to engage in transactions on this account. You may designate another person to engage in transactions on this account without granting him or her any ownership interest in your account through a power of attorney on a form acceptable to us. Upon your death, the funds in the account will pass to your estate or your heirs in accordance with applicable law.

17. An account opened by two or more persons is a joint account. Each person designated on the account agreement is a joint owner of the account. Each joint owner must apply for and be accepted as an ESL member and be an owner of a membership share account.

If you have a joint account, your deposit and any additional deposits will become the property of you and all other persons named as joint owners on the account as equal joint tenants with the right of survivorship and not as tenants in common. ESL must honor checks or orders drawn on the account or withdrawal requests from any owner during the lifetime of all owners and the surviving owners after the death of any owner. Any owner during the lifetime of all owners is authorized to withdraw any or all funds from this account. ESL may be required by law or regulation to remit some or all funds held in a joint account to satisfy a judgment entered against, or other valid debt incurred by, any owner of the account.

ESL may treat the account after the death of any owner as the sole property of any surviving joint account owner. This means that when one owner dies, all sums in the account will belong to any surviving owners. A surviving owner's interest is subject to the credit union's statutory lien and right of offset for the obligations the deceased owner owes to the credit union, and to any security interest or pledge granted by the deceased owner to the credit union even if the surviving owner did not consent to it.

ESL may act pursuant to any of the joint account owners' signatures. This means any owner can, for example, without the consent of any other owners, endorse checks for deposit that are payable to any account owner, withdraw all available funds, stop payment on items and transfer or pledge to us all or any part of the shares. ESL has no duty to notify any owners about any transactions. ESL shall not be liable to any owner as to such amounts so paid prior to the receipt by ESL of a notice in writing signed by any owner not to pay or deliver to such joint owner additions or dividends thereon in accordance with the terms of the account. After receipt of such notice, ESL will require the signature of all joint owners for any further payments or delivery of funds. If we receive a written notice of a dispute between account owners or inconsistent instructions from them, we reserve the right, at our sole discretion, to suspend or terminate the account until receipt of a court order or written consent of all account owners. All owners are jointly and severally liable for all obligations of the account.

If a deposited item in a joint account is returned unpaid, an account is overdrawn or if we do not receive final payment on any transaction, all owners are liable jointly and severally to the credit union for the amount of the returned item, overdraft or unpaid amount and any charges, regardless of who initiated or benefited from the transaction. If any account owner is indebted to us, we may enforce our rights against any account of any owner or all funds in the joint account regardless of who contributed them.

18. ESL will require additional documentation for certain accounts established by trusts or accounts with beneficiaries or accounts set up by fiduciaries (including but not limited to custodians, guardians, Veterans Administration legal representatives and Social Security representative payees). A revocable trust may open an account only if the trust's grantor is a member of the credit union. An irrevocable trust may open an account when either the trust's grantor is a member of the credit union or all of the trust beneficiaries qualify for membership at the credit union. ESL may require a trust to name the trust's beneficiaries in order to attach their names to the trust's accounts.

SHARE CERTIFICATE ACCOUNTS

19. **24-MONTH AND 60-MONTH FIXED-RATE CALL CERTIFICATE:** This account allows the credit union to "call" your account. This means ESL will pay the account back to you prior to the end of the maturity date. This would require that you make additional decisions about how you want to reinvest the funds. A factor that might cause ESL to call the account includes, but is not limited to, a decline in market rates for accounts with similar maturities. The account may be called on certain dates based on a call date at the sole discretion of ESL. The dates when ESL may first call your certificate are the Initial Call Date listed below and the 10 calendar days before and the 10 calendar days after the Initial Call Date. Subsequently, ESL may also call your certificate on a Subsequent Call Date and the 10 calendar days before and the 10 calendar days after that date. Your Initial Call Date is _______________. Your Subsequent Call Dates are the dates every six months after your Initial Call Date until your maturity date; for example, if your Initial Call Date was January 15, your first Subsequent Call Date would be July 15 and your next Subsequent Call Date would be January 15 of the next year.

This account is a fixed-rate certificate. **Refer to your *Certificate: Additional Disclosure* or *Certificate Renewal Notice* for the information about the date your certificate will mature, the dividend rate paid on your account and the corresponding annual percentage yield (APY).** You will be paid this rate until the Initial Call Date, Subsequent Call Date or the maturity date, whichever occurs first. Your certificate will mature on the date shown on your *Certificate: Additional Disclosure,* if not otherwise called as described above. The APY assumes dividends remain on deposit until maturity. A withdrawal will reduce earnings. Dividends begin to accrue on the business day of your deposit, including non-cash items (for example, checks), is credited to your account. We use the daily balance method to calculate the dividends on your account. This method applies a daily periodic rate to the principal in the account each day. Dividends are compounded and paid to the account on the last day of each quarter.

The minimum balance required to open this account is $500. IRA certificates are not eligible for this certificate. This account requires a $500 minimum balance in your account every day to maintain the account and to obtain the APY listed above.

After the account is opened, you may not make additional deposits or withdrawals on your account until the earlier of the Call Date or the maturity date. Deposits of $100 or more may be made to this certificate only during the Grace Period. You may make withdrawals of any number and any amount only during the Grace Period as long as you adhere to the minimum balance requirement.

20. **3-MONTH THROUGH 120-MONTH FIXED-RATE CERTIFICATE:** This account is a fixed-rate certificate. **Refer to your *Certificate: Additional Disclosure* or *Certificate Renewal Notice* for the information about the date your certificate will mature, the dividend rate paid on your account and the corresponding annual percentage yield (APY).** You will be paid this rate until the maturity date of the certificate. The APY assumes dividends remain on deposit until maturity or for one year, whichever is longer. A withdrawal will reduce earnings. Dividends begin to accrue on the business day your deposit, including non-cash items (for example, checks), is credited to your account. We use the daily balance method to calculate the dividends on your account. This method applies a daily periodic rate to the principal in the account each day. Dividends are compounded and paid to the account on the last day of each quarter.

The minimum balance required to open the account for a non-IRA certificate is $500. For this non-IRA account a $500 minimum balance is required in your account every day to maintain the account and to obtain the APY listed above. The minimum balance required to open the account for an IRA certificate is $100. For this IRA account a $100 minimum balance is required in your account every day to maintain the account and to obtain the APY listed above.

Additional deposits of $100 or more may be made to this certificate only during the Grace Period. You may make withdrawals of any number and any amount only during the Grace Period as long as you adhere to the minimum balance requirement.

21. **31-DAY FIXED-RATE CERTIFICATE:** This account is a fixed-rate certificate. **Refer to your *Certificate: Additional Disclosure* or *Certificate Renewal Notice* for the information about the date your certificate will mature, the dividend rate paid on your account and the corresponding annual percentage yield (APY).** You will be paid this rate until the maturity date of the certificate. The APY assumes dividends remain on deposit until maturity. A withdrawal will reduce earnings. Dividends begin to accrue on the business day your deposit, including non-cash items (for example, checks), is credited to your account. We use the daily balance method to calculate the dividends on your account. This method applies a daily periodic rate to the principal in the account each day. Dividends are paid only as a credit to the account balance on the maturity date and do not compound. Dividends may be withdrawn only at maturity.

The minimum balance required to open the account for a non-IRA certificate is $1,000. For this non-IRA account a $1,000 minimum balance is required in your account every day to maintain the account and to obtain the APY listed above. The minimum balance required to open the account for an IRA certificate is $100. For this IRA account a $100 minimum balance is required in your account every day to maintain the account and to obtain the APY listed above.

For a non-IRA certificate, additional deposits of $100 or more may be made to this certificate only during the Grace Period. For an IRA certificate, unlimited deposits in $100 increments may be made any time during the 31 days without extending the maturity date; such deposits will earn dividends from the date of deposit to the IRA certificate at the rate in effect for the month the deposit is received. You may make withdrawals of any number and any amount only during the Grace Period as long as you adhere to the minimum balance requirement.

22. **365-DAY TAX DEFERRED FIXED-RATE CERTIFICATE:** This account is a fixed-rate certificate. **Refer to your *Certificate: Additional Disclosure* or *Certificate Renewal Notice* for the information about the date your certificate will mature, the dividend rate paid on your account and the corresponding annual percentage yield (APY).** You will be paid this rate until the maturity date of the certificate. The APY assumes dividends remain on deposit until maturity. A withdrawal will reduce earnings. Dividends begin to accrue on the business day your deposit, including non-cash items (for example, checks), is credited to your account. We use the daily balance method to calculate the dividends on your account. This method applies a daily periodic rate to the principal in the account each day.

Dividends are paid only as a credit to the account balance on the maturity date and do not compound. To maintain the tax deferral status, dividends may be withdrawn only at maturity. The total amount of dividends credited to your certificate during the 365 days is reported to the Internal Revenue Service as having been paid on the maturity date. Therefore, the total dividends earned are considered income in the year in which the maturity date falls. If a withdrawal is made, all dividends accrued to date will be posted to the account and become taxable income for the tax year of the withdrawal.

The minimum balance required to open this account is $500. This account requires a $500 minimum balance in your account every day to maintain the account and to obtain the APY listed above.

Additional deposits of $100 or more may be made to this certificate only during the Grace Period. You may make withdrawals of any number and any amount only during the Grace Period as long as you adhere to the minimum balance requirement. The 12-month tax deferred certificate is not eligible as an IRA.

23. **30-DAY THROUGH 360-DAY JUMBO FIXED-RATE CERTIFICATE:** This account is a fixed-rate certificate. **Refer to your *Certificate: Additional Disclosure* or *Certificate Renewal Notice* for the information about the date your certificate will mature, the dividend rate paid on your account and the corresponding annual percentage yield (APY).** You will be paid this rate until the maturity date of the certificate. The APY assumes dividends remain on deposit until maturity. A withdrawal will reduce earnings. Dividends begin to accrue on the business day your deposit, including non-cash items (for example, checks), is credited to your account. We use the daily balance method to calculate the dividends on your account. This method applies a daily periodic rate to the principal in the account each day. Dividends are paid only as a credit to the account balance on the maturity date and do not compound.

The minimum balance required to open this account is $100,000. This account requires a $100,000 minimum balance in your account every day to maintain the account and to obtain the APY listed above.

Additional deposits of $100 or more may be made to this certificate only during the Grace Period.

24. **13-MONTH THROUGH 23-MONTH JUMBO FIXED-RATE CERTIFICATE:** This account is a fixed-rate certificate. **Refer to your *Certificate: Additional Disclosure* or *Certificate Renewal Notice* for the information about the date your certificate will mature, the dividend rate paid on your account and the corresponding annual percentage yield (APY).** You will be paid this rate until the maturity date of the certificate. The APY assumes dividends remain on deposit until maturity. A withdrawal will reduce earnings. Dividends begin to accrue on the business day your deposit, including non-cash items (for example, checks), is credited to your account. We use the daily balance method to calculate the dividends on your account. This method applies a daily periodic rate to the principal in the account each day. Dividends are compounded annually and paid only as a credit to the account balance on the maturity date.

The minimum balance required to open this account is $100,000. This account requires a $100,000 minimum balance in your account every day to maintain the account and to obtain the APY listed above.

Additional deposits of $100 or more may be made to this certificate only during the Grace Period.

25. **24-MONTH THROUGH 60-MONTH JUMBO FIXED-RATE CERTIFICATE:** This account is a fixed-rate certificate. **Refer to your *Certificate: Additional Disclosure* or *Certificate Renewal Notice* for the information about the date your certificate will mature, the dividend rate paid on your account and the corresponding annual percentage yield (APY).** You will be paid this rate until the maturity date of the certificate. The APY assumes dividends remain on deposit until maturity. A withdrawal will reduce earnings. Dividends begin to accrue on the business day your deposit, including non-cash items (for example, checks), is credited to your account. We use the daily balance method to calculate the dividends on your account. This method applies a daily periodic rate to the principal in the account each day. Dividends are compounded quarterly and paid to the account on the last day of each quarter.

The minimum balance required to open this account is $100,000. This account requires a $100,000 minimum balance in your account every day to maintain the account and to obtain the APY listed above.

Additional deposits of $100 or more may be made to this certificate only during the Grace Period.

26. **6-MONTH AND 18-MONTH VARIABLE-RATE CERTIFICATE:** This account is a variable-rate certificate. **Refer to your *Variable-Rate Certificate: Additional Disclosure* or *Certificate Renewal Notice* for the information about the date your certificate will mature, the initial dividend rate paid on your account and the corresponding initial annual percentage yield (APY).** Your dividend rate paid and APY may change after the account is opened. At our sole discretion, we may change the dividend rate on your account at any time. The APY assumes dividends remain on deposit until maturity. A withdrawal will reduce earnings. Dividends begin to accrue on the business day your deposit, including non-cash items (for example, checks), is credited to your account. We use the daily balance method to calculate the dividends on your account. This method applies a daily periodic rate to the principal in the account each day. Dividends are compounded quarterly and paid to the account on the last day of each quarter.

The minimum balance required to open this account for a non-IRA certificate is $500. For this non-IRA account a $500 minimum balance is required in your account every day to maintain the account and to obtain the APY listed above. The minimum balance required to open this account for an IRA certificate is $100. For this IRA account a $100 minimum balance is required in your account every day to maintain the account and to obtain the APY listed above. The 18-month variable-rate certificate is available only as an IRA.

Additional deposits of $100 or more may be made to this certificate at any time during the certificate's term without extending the maturity date. Such deposits will earn dividends from the date of deposit at the rate in effect for the month the deposit is made. Thereafter, such deposits will earn dividends as described above.

DIVIDENDS

27. ESL is a voluntary not-for-profit cooperative institution. As a member, you are also an owner. Dividend payments made to you represent your return on your investment in this financial cooperative.

Dividends are paid from current income and available earnings, after required transfers to reserves at the end of a dividend period.

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

OTHER TERMS AND CONDITIONS

28. The relationship between you and us regarding your certificate accounts is primarily governed by this Agreement. It is also governed by our by-laws, New York State laws, federal laws and the applicable rules and regulations of proper authorities, including but not limited to the Federal Reserve System, the National Credit Union Administration and National Automated Clearing House Association. The accounts governed by this Agreement are deemed to reside in New York State, which may or may not be the state you reside in.

29. The terms and conditions of this Agreement or our Fee Schedule may change from time-to-time to the extent permitted by law. Change in terms notices regarding specific accounts will be made in accordance with applicable law and regulation through normal ESL communications. These include, but are not limited to, our website (esl.org), emails if you have chosen to receive electronic periodic statements and disclosures or our periodic statements.

30. We reserve the right to waive any term in this Agreement. Any waiver shall not affect our right to future enforcement and is not sufficient to modify the terms of this Agreement. Modification of the terms of this Agreement must be in writing and authorized by an officer of the credit union.

31. We will communicate with you at the most recent address you have provided to us. If at any time your personal information changes, including but not limited to your name, address, home, work or cell phone number or email address, you agree to provide us this information. For security purposes, we will not accept oral notices of a name change. The credit union reserves the right to destroy any mail returned to us as undeliverable.

32. Any written notice required to be provided by ESL is effective when deposited in the United States mail or sent to you via electronic means if you accepted delivery in that manner. Any written notice you give to ESL is effective when it is actually received by ESL. Notice to one account owner is considered notice to all account owners.

33. When ESL receives items for deposit or collection, ESL acts as a collection agent and assumes no responsibility beyond the exercise of due care. If you request special handling instructions, you must place these instructions in writing to ESL at the same time you present the item. We will not give effect to any special instructions given to us through an ATM. All deposit items are provisionally credited to your account and subject to final payment. If you deposit an item denominated in foreign currency, final credit will be determined by the exchange rate in effect at the time when ESL receives final payment. ESL may charge back any item to your account at any time before final payment. If after final payment, someone makes a claim that an item was altered, forged, unauthorized or should not have been paid for some other reason, we may hold the funds until a final determination has been made as to ownership of the funds.

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

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

36. If your account is inactive for the period of time defined by New York State law, ESL is required to turn over the funds in the account to the appropriate state department. After funds have been sent to the state, we have no further liability to you for such funds.

37. You may make withdrawals or transfers from your account in any manner which is permitted by the credit union (such as check, ATM, in person, by mail, by telephone and automatic transfer, as applicable).

When making a telephone or fax transfer, you must give us your name, account numbers, signature and answers to certain questions to provide us with identification information for security purposes.

38. You recognize that the credit union has adopted the general standard of the financial services industry of automated collection and payment procedures so that it can process the greatest volume of checks and other items at the lowest possible cost to all its members. In recognition of this, you agree that in paying or taking an item for collection, the credit union may disregard all information on the item

other than information that is encoded onto the item in magnetic ink according to general banking standards, whether or not that information is consistent with other information on the item. You agree to reimburse the credit union for any loss or expense, including without limitation court costs and reasonable attorney's fees to the extent permitted by law, that we incur because you issue or deposit an item containing incorrect or insufficient information. You also agree we do not fail to exercise good faith and ordinary care in paying an item solely because our procedures do not provide for sight examination of items.

39. You agree to pay any service fees that apply to your account. The Fee Schedule contains a list of the credit union's fees.

All service fees are subject to change from time to time at our sole discretion. A reasonable period of time will be given before any changes become effective.

40. Your failure to furnish a correct Taxpayer Identification Number (TIN) or meet other requirements may result in backup withholding. If your account is subject to backup withholding, we must withhold and pay to the Internal Revenue Service a percentage of dividends, interest and certain other payments. If you fail to provide your correct TIN, we reserve the right to suspend opening your account.

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

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

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