



# **MEMBERSHIP & ACCOUNT AGREEMENT**

**EFFECTIVE AS OF: 01/02/2025**

## **TABLE OF CONTENTS**

<b>Agreement.....</b>	<b>3</b>
<b>Membership Rules.....</b>	<b>4</b>
<b>Account Terms.....</b>	<b>7</b>
<b>Account Ownership &amp; Authority.....</b>	<b>13</b>
<b>Transactions.....</b>	<b>20</b>
<b>Understanding and Avoiding Overdraft and NonSufficient Funds (NSF) Fees.....</b>	<b>23</b>
<b>Dividends and Rates.....</b>	<b>36</b>
<b>Binding Arbitration of Claims and Disputes Agreement and Class Action Waiver.....</b>	<b>37</b>

## **AGREEMENT:**

This document, along with any other documents we give you pertaining to your account(s), is a contract (also referred to as “this agreement”) that establishes rules which control your account(s) with us. Please read this carefully and retain it for future reference. By opening and/or continuing to use your account with us by any means, you agree to these terms and conditions and any future amendments thereof. Your account is also governed by the separate Funds Availability Policy, Electronic Funds Disclosure, Fee Schedule, and rates sheet, all of which are incorporated by reference herein and are subject to amendment from time to time. If you have any questions, please ask us.

This agreement is subject to applicable federal laws, the laws of the state of Delaware and other applicable rules such as the operating letters of the Federal Reserve Banks and payment processing system rules (except to the extent that this agreement can and does vary such rules or laws). The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here. The purpose of this agreement is to:

1. summarize some laws that apply to common transactions;
2. establish rules to cover transactions or events which the law does not regulate;
3. establish rules for certain transactions or events which the law regulates but permits variation by agreement; and
4. give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

If any provision of this agreement is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing either on the signature card for your account or in some other document. Nothing in this agreement is intended to vary our duty to act in good faith and with ordinary care when required by law.

## **DEFINITIONS:**

As used in this agreement the words “credit union,” “we,” “our,” and “us” mean Dover Federal Credit Union and the words “you” and “your” mean anyone who signs a signature card with us. The word “account” means any one or more shares or other accounts you have with us. This agreement does not intend, and the terms “you” and “your” should not be interpreted, to expand an individual’s responsibility for an organization’s liability. If this account is owned by a corporation, partnership or other organization, individual liability is determined by the laws generally applicable to that type of organization and is subject to the separate Business Account Agreement & Disclosures. The headings in this agreement are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this agreement should be construed so the singular includes the plural, and the plural includes the singular.

## **MEMBERSHIP RULES**

### **ELIGIBILITY:**

To be eligible for membership in Dover Federal Credit Union, you must be an individual or entity qualifying within our field of membership and must purchase and maintain at least one share (the “membership share”) as required in our bylaws. Your eligibility to join the credit union is a fringe benefit for employees of the select employer groups within our field of membership. By applying for an account, you authorize us to check your prior account, credit, and employment history, and to obtain a credit report from third parties, including credit reporting agencies, to verify your identity and eligibility for the accounts and services you request.

### **DENIAL OF MEMBERSHIP:**

Membership is contingent upon satisfactory verification of your eligibility in accordance with our field of membership, and your identity in accordance with the USA PATRIOT Act. We may deny your application for membership based on derogatory information from our own records or information obtained from a reputable third party (such as a credit reporting agency). Additionally, we will not provide any account services to any person or organization that:

- Routinely deposits and/or withdraws in aggregate more than \$50,000 in cash per calendar month.
- Routinely engages in providing check cashing services to third parties or acting as a third-party payment processor.
- Utilizes their account in a manner inconsistent with the account type.
- Engages in the business of betting or wagering, or that knowingly accepts payments in connection with the participation of another person in unlawful Internet gambling, as defined in Regulation GG, the Unlawful Internet Gambling Enforcement Act (UIGEA).
- Engages in fraud or the operation of any type of business that violates state or federal law.

### **WITHDRAWAL OF MEMBERSHIP:**

You may terminate (withdraw) your membership by closing your account. In order to withdraw your membership, all outstanding indebtedness to the credit union must be paid in full.

### **SUSPENSION & DISCONTINUANCE OF SERVICES:**

We may temporarily suspend or permanently discontinue account services to you for reasonable cause, which includes misconduct, abusive behavior, participating in or attempting fraud, engaging in high-risk or prohibited account activities, using your account in a manner that is inconsistent with the account type (e.g. using a personal account for business purposes), causing a financial loss to us, and/or account or service abuse. Account services may also be suspended to prevent us from incurring a loss. Suspension and discontinuance of services applies to all account types, including those held by employees or officials of Dover Federal Credit Union. Under certain circumstances, services may be reinstated, for example, where you have caused us a financial loss and later reimburse us in full. You may appeal the suspension or discontinuance of your services to our Supervisory Committee.

## **EXPULSION:**

We may terminate your membership in Dover Federal Credit Union in one of three ways. The first way is through a special meeting. Under this option, we may call a special meeting of the members, provide you an opportunity to be heard, and obtain a two-thirds vote of the members present at the special meeting in favor of your expulsion. The second way to terminate your membership is under a nonparticipation policy given to each member that follows certain requirements. The third way to terminate your membership is by a two-thirds vote of a quorum of the directors of the credit union for cause. Cause is defined as follows: (A) a substantial or repeated violation of your Account Agreement with Dover Federal Credit Union; (B) a substantial or repeated disruption, including dangerous or abusive behavior, to the credit union's operations; or (C) fraud, attempted fraud, or a conviction of other illegal conduct that a member has been convicted of in relation to Dover Federal Credit Union, including in connection with our employees conducting business on behalf of us. Before the board votes on an expulsion, Dover Federal Credit Union must provide written notice to your mail address (or email, if applicable) on record or personally provide the written notice. Dover Federal Credit Union must provide the specific reasons for the expulsion and allow you an opportunity to rebut those reasons through a hearing if you choose. It is your responsibility to keep your contact information with Dover Federal Credit Union up to date, and to open and read notices from us. Unless we determine to allow otherwise, there is no right to an in-person hearing with the board. If you fail to request a hearing within 60 calendar days of receipt of the notice, you will be expelled. You may submit any complaints about your pending expulsion or expulsion to NCUA's Consumer Assistance Center if the complaint cannot be resolved with the credit union. Dover Federal Credit Union will confirm any expulsion with a letter with information on the effect of the expulsion and how you can request reinstatement. Expulsion or withdrawal from membership does not relieve a member of liability to the credit union, and we may demand immediate repayment of the money you owe to us after expulsion, subject to any applicable contract terms and conditions. For additional information on expulsion and a copy of our expulsion policy, see Article XIV of our Bylaws.

### **NON-PARTICIPATION POLICY:**

Non-participation in the affairs of the credit union is defined as failing to maintain a \$5.00 membership share pursuant to our bylaws.

### **REOPENED ACCOUNTS:**

Should your account be closed at any time or times by withdrawal of the balance of the account, and you later request that we re-open your account, such re-opened account shall be subject to all of the terms and conditions of this agreement, whether or not any new agreement is signed. Requests to reopen an account are subject to our approval, which may be denied for any reason and may require you to re-qualify for membership.

## **ACCOUNT TERMS**

### **BYLAWS:**

Our bylaws, which we may amend from time to time, establish basic rules about our policies and operations which affect your account and membership. You may obtain a copy of the bylaws on request. Our right to require you to give us notice of your intention to withdraw funds from your account is described in the bylaws. Unless we have agreed otherwise, you are not entitled to receive any original item after it is paid, although you may request that we send you an item(s) or a copy of an item(s). Dividends are based on current earnings and available earnings of the credit union, after providing for required reserves.

### **BANK SECRECY ACT (BSA) INFORMATION:**

In compliance with the Currency and Foreign Transactions Reporting Act, also known as the Bank Secrecy Act (BSA) and amended by the USA PATRIOT Act, the U.S. government now requires that we ask you to supply certain information about your employment, other sources of income, and anticipated activity on your account(s).

### **NOTICE OF NEGATIVE INFORMATION:**

Federal law requires us to provide the following notice to members before any "negative information" may be furnished to a nationwide consumer reporting agency. "Negative information" includes information concerning delinquencies, overdrafts, or any form of default. This

notice does not mean that we will be reporting such information about you, only that we may report such information about members that have not done what they are required to do under our agreement. After providing this notice, additional negative information may be submitted without providing another notice. We may report information about your account to credit bureaus. Late payments, missed payments or other defaults on your account may be reflected in your credit report.

### **INACTIVE ACCOUNTS:**

If you have not made a withdrawal from, deposit to, or transfer involving your account for more than one (1) year, we may classify your account as a dormant account. Unless prohibited by applicable law, we may impose a service fee for continuing to process your dormant account as set forth on our Fee Schedule. We will notify you, as required by law, at your last known address prior to imposing any service fees. You authorize us to transfer funds from another account of yours to cover any applicable service fees. To the extent allowed by law, we reserve the right to transfer the account funds to an account payable 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 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, the credit union has no further liability to you for such funds and if you choose to reclaim such funds, you must apply to the appropriate state agency.

### **SPECIAL ACCOUNT INSTRUCTIONS:**

You may request that we facilitate certain Trust, Will, or Court-Ordered Account arrangements. However, because we do not give legal advice, we cannot counsel you as to which account arrangement most appropriately meets the specific requirements of your Trust, Will, or Court Order. If you ask us to follow any instructions that we believe might expose us to claims, lawsuits, expenses, liabilities, or damages, whether directly or indirectly, we may refuse to follow your instructions or may require you to indemnify us or post a bond or provide us with other protection. We may require you to provide written authorization when you

request account changes. Approval of such Trust, Will or Court-Ordered Account arrangements is within the discretion of Dover Federal Credit Union and may be declined for any reason.

### **DEPOSIT PROTECTION:**

Funds in your account(s) with the credit union are insured by the National Credit Union Administration (NCUA) and backed by the full faith and credit of the United States. The amount of insurance coverage you have depends on the number of accounts you have with us that are of different ownership. An individual account is one unique form of ownership, a joint account, a beneficiary/trust account, and a self-directed qualified retirement account (e.g., an IRA) are examples of other types of ownership. Share insurance for a person's self-directed qualified retirement account is up to \$250,000. (An IRA is a self-directed qualified retirement account as is any account where the owner decides where and how to invest the balance). Share insurance for the other ownerships is at least \$250,000 per interest of the owner.

### **NOTICES:**

Any written notice you give to the Credit Union is effective when it is actually received by the Credit Union. Any written notice the Credit Union gives to you is effective when it is deposited in the U.S. Mail, postage prepaid and addressed to you at your statement mailing address. Any electronic notice we give to you is effective when it is sent to the email address we have on file. Notice to any one account owner is considered notice to all owners of the account.

### **STATEMENTS:**

***Your duty to report unauthorized signatures (including forgeries and counterfeit checks) or alterations on checks and other items*** - You must examine your statement of account with "reasonable promptness." If you discover (or reasonably should have discovered) any unauthorized signatures (including forgeries and counterfeit checks) or alterations, you must promptly notify us of the relevant facts. As between you and us, if you fail to do either of these duties, you will have to either share the loss with us, or bear the loss entirely yourself (depending on whether we used ordinary care and, if not, whether we substantially contributed to the loss). The loss could be not only with respect to items on the statement but other items with unauthorized

signatures or alterations by the same wrongdoer. You agree that the time you have to examine your statement and report to us will depend on the circumstances, but will not, in any circumstance, exceed a total of 30 days from when the statement is first sent or made available to you. You further agree that if you fail to report any unauthorized signatures or alterations in your account within 60 days of when we first send or make the statement available, you cannot assert a claim against us on any items in that statement, and as between you and us the loss will be entirely yours. This 60-day limitation is without regard to whether we used ordinary care. The limitation in this paragraph is in addition to that contained in the first paragraph of this section.

***Your duty to report other errors or problems*** - In addition to your duty to review your statements for unauthorized signatures and alterations, you agree to examine your statement with reasonable promptness for any other error or problem - such as an encoding error or an unexpected deposit amount. Also, if you receive or we make available either your items or images of your items, you must examine them for any unauthorized or missing endorsements or any other problems. You agree that the time you have to examine your statement and items and report to us will depend on the circumstances. However, this time period shall not exceed 60 days. Failure to examine your statement and items and report any errors to us within 60 days of when we first send or make the statement available precludes you from asserting a claim against us for any errors on items identified in that statement and as between you and us the loss will be entirely yours.

### **WAIVER OF NOTICES:**

To the extent permitted by law, you waive any notice of non-payment, dishonor or protest regarding any items credited to or charged against your account. For example, if you deposit an item and it is returned unpaid or we receive a notice of nonpayment, we do not have to notify you unless required by federal Regulation CC or other law.

### **RIGHT TO REPAYMENT OF INDEBTEDNESS:**

If applicable, and if you owe us any money as a borrower, guarantor, endorser or otherwise, we may place a statutory lien on any account in which you

have an ownership interest, including accounts on which you are a joint owner, regardless of their source. This provision does not include Individual Retirement Accounts (IRAs) or any other account that is prohibited by law. We may apply these funds, without further notice to you, in any order to pay off your indebtedness.

By not enforcing a lien, we do not waive our right to enforce it later. In addition, you grant us a consensual security interest in all of your Dover Federal Credit Union accounts, including accounts on which you are a joint owner, regardless of their source, and obligations secured by property for the purpose of paying any debt or amount now or hereafter owed Dover Federal Credit Union unless prohibited by applicable law. Such a security interest may be used to pay for any debt or amount owed to us.

### **AMENDMENTS AND TERMINATION:**

We may amend or delete any term of our bylaws or this agreement. We may also add new terms to our bylaws or to this agreement. In addition, we may suspend, modify, convert, or terminate a service, convert this account to another account type, or close this account for any reason (including if your membership in the credit union terminates). For any of these types of changes, we will give you reasonable notice in writing by any reasonable method including by mail, by any electronic communication method to which you have agreed, on or with a periodic statement, or through any other method permitted by law. If we close the account, we will tender the account balance to you or your agent personally, by mail, or by another agreed upon method.

Reasonable notice depends on the circumstances, and in some cases, such as when we cannot verify your identity or we suspect fraud, it might be reasonable for us to give you notice after the change becomes effective. For instance, if we suspect fraudulent activity with respect to your account, and if we deem it appropriate under the circumstances and necessary to prevent further fraud, we might immediately freeze or close your account and then give you notice. Unless otherwise indicated in the notice of change, if we have notified you of a change to your account, and you continue to have your account after the effective date of the change, you have accepted and agreed to the new or modified terms. You should review any change in terms notice carefully as the notice will provide important information of which you may need to be

aware. We reserve the right to waive any term of this agreement. However, such waiver shall not affect our right to enforce the term at a later date. If you request that we close your account, you are responsible for leaving enough money in the account to cover any outstanding items or transactions to be paid from the account. Once any outstanding items or transactions are paid, we will close the account and tender the account balance, if any, to you or your agent personally, by mail, or by another agreed upon method. Only a joint tenant that is a member can close an account. Any items and transactions presented for payment after the account is closed may be dishonored. Any deposits we receive after the account is closed may be returned. We will not be liable for any damages for not honoring any such debits or deposits received after the account is closed.

**Note:**

Rules governing changes in interest rates are provided separately in the Truth-in-Savings disclosure or in another document. In addition, for changes governed by a specific law or regulation, we will follow the specific timing and format notice requirements of those laws or regulations.

## **ACCOUNT OWNERSHIP & AUTHORITY**

All accounts with Dover Federal Credit Union are non-assignable and non-transferable. We reserve the right to refuse some forms of ownership on any or all accounts. Dover Federal Credit Union makes no representations as to the appropriateness or effect of the ownership and beneficiary designations, except that they shall determine to whom we pay the account funds.

### **INDIVIDUAL ACCOUNTS:**

An individual account is an account owned by one person. If the owner of an individual account dies, the interest of the deceased individual owner will pass, subject to applicable law, to the decedent's estate or the account's named beneficiary(ies), if any, subject to other provisions of this agreement including but not limited to those governing our protection for honoring transfer and withdrawal requests of the account owner or their authorized agent prior to our receiving notice of an owner's death as well as Dover Federal Credit Union's statutory lien for the deceased owner's obligations.

### **JOINT ACCOUNTS:**

An account owned by two or more individuals is a jointly owned account with rights of survivorship. This means that when one owner dies, all sums in the account automatically pass to the surviving owner(s). A surviving owner's interest is subject to Dover Federal Credit Union's statutory lien for the deceased owner's obligations, and to any security interest or pledge granted by a deceased owner, even if a surviving owner did not consent to it.

- **CONTROL OF JOINT ACCOUNTS** - Any owner is authorized to and deemed to act for any other owner(s) and we may accept orders and instructions regarding the account, requests for future services, and any transaction from any account owner. Each owner guarantees the signature of any other owner(s). Any owner may withdraw all of the funds in the primary savings account, request stop payment(s) on items, transfer, or pledge to us all or any part of the shares without the consent of the other owner(s). We have no duty to notify any owner(s) about any transaction. We reserve the right to require written consent of all owners for any change

to or termination of an account. If we receive written notice of a dispute between owners or inconsistent instructions from them, we may suspend the account and require a court order or written consent from all owners to act.

- **JOINT ACCOUNT LIABILITY** - If a deposited item in a jointly owned account is returned unpaid, an account is overdrawn, or if we do not receive final payment on a transaction, the owners, jointly and separately, are liable to us 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 an owner or all funds in the jointly owned account regardless of who contributed them.
- **MEMBERSHIP ON JOINT ACCOUNTS** – When an account is first established, the individual who is qualified for membership with the credit union is called the “primary account owner” or “member.” This individual is assigned a membership number, which functions as the account number. The member may elect to add other individuals to their account as joint owners; however, joint owners are not qualified for membership; therefore, they are not “members.” Joint owners have equal rights to account funds and may request any services except Individual Retirement Accounts and online banking services. Only the member may request those services, close the account, withdraw membership, and vote in the credit union’s annual and special meetings. Membership numbers cannot be reassigned to joint owners.
- **BENEFICIARY DESIGNATION** – By designating beneficiaries on an account, you are establishing a Payable-On-Death (POD) Account. Beneficiary designation is an instruction to us that an account is payable to the owner or owners during their lifetimes, and upon the death of all account owners, is payable to any named and surviving beneficiary designated on the signature card. The amount paid to each beneficiary is governed by the amounts or percentages indicated on

the account records. Individual Retirement Accounts (IRAs) shall be governed by separate beneficiary designations. The credit union shall at no time have any obligation whatsoever to notify any beneficiary of the existence of any account or the vesting of the beneficiary's interest in any account, except as otherwise provided by law. An account owned by a person that is not a natural person (that is, an account owned by a corporation or other legal entity or by a trust) may not have beneficiaries. The interests of the beneficiary(ies) is subject to the right of Dover Federal Credit Union, to the extent allowed by law, to set off any money in the account against any obligation of the deceased owner (or the last owner to die, if there was more than one). The credit union makes no representation concerning the legal consequences or effect of any beneficiary designation, and you understand that you should consult with your attorney if you have any question regarding the validity, effectiveness, or fitness of any such beneficiary designation for any purpose.

### **TRUST ACCOUNTS:**

Trust Accounts are offered at the sole discretion of Dover Federal Credit Union. If offered, a Certification of Trust is required to establish a Trust Account. An existing member account may not be converted into a Trust Account; a separate account in the name of the trust must be established. Trustees agree to conform to the bylaws of the credit union and agree to the terms, conditions and fee schedules established and amended by the credit union from time to time. Trust Accounts shall be subject to withdrawal or receipt by any one of the Trustees and payment to any of them shall be valid and shall discharge the credit union from any liability for such payment. Each of the Trustees is authorized to access the Trust Account by any means approved by the credit union. Any or all of the Trustees may borrow from the credit union, guarantee debts of others made by the credit union, and pledge all or any part of the account as collateral security for a loan or loans with the credit union, and each warrants that such transactions are permitted under the governing Trust documents. Any Trustee may access any credit line loan established with the Trust Account through any access means made

available by the credit union. The Trustees agree that the credit union is authorized to charge at any time against the Trust Account any indebtedness owing to the credit union by the Trust.

Trustee(s) warrant that each account he or she establishes and maintains in the credit union is wholly consistent with the governing Trust document. The Trust and the Trustees release Dover Federal Credit Union, its officers, directors, and employees from any and all liability or claim for loss of funds resulting from any transaction initiated by or through any named Trustee or any successor Trustee (whether or not named in the Certification of Trust). The credit union shall not be responsible for the validity, existence or legality of the Trust nor shall it be required to validate the authority of any Trustee to transact business as set forth above. The Trustee(s) agree to indemnify, defend, and hold the credit union harmless from any and all claims, suits, actions, damages, judgments, costs, fees and expenses, including court costs and attorneys' fees, against any and all liability, loss and damage of any nature whatsoever that the credit union shall or may sustain resulting from the establishment, maintenance and transaction of any business related to the trust account established pursuant to this agreement. The Trustee(s) agree to pay any necessary expenses, attorneys' fees or costs in the enforcement of an Indemnification and Hold Harmless Agreement. Trustee(s) agree that the credit union shall be notified if there is any change in the Trustee(s). Any change shall be effective as to the credit union only after it is received in writing by the credit union at its business office with reasonable time to act upon such notice. Trustee(s) agree that the credit union shall be notified of any change in address of any of the persons who are Trustee(s). The credit union shall have discretion in how it determines the identity of any person claiming to be a Trustee. Such determination shall be binding on the Trust, Grantor(s), Trustor(s), Settlor(s), Trustee(s), and any successor Trustee(s). The credit union may require that any or all disbursement(s) shall be made payable to any one or more of the Trustee(s).

### **ACCOUNTS FOR MINORS:**

For any account established by or for a minor, the credit union reserves the right to require the minor account to be a multiple party account with an owner who has

reached the age of majority under state law who shall be jointly and severally liable to the credit union for any returned item, overdraft, or unpaid fees or amounts on such account. The credit union may make payments of refunds directly to the minor without regard to his or her minority. Unless a guardian or parent is an account owner, the guardian or parent shall not have any right to access the account. The credit union has no duty to inquire of the use or purpose of any transaction by the minor or any account owner.

Youth Savings Accounts will automatically convert to Primary Savings Account when the minor reaches the age of majority (18 years of age.)

### **FIDUCIARY ACCOUNTS:**

Accounts may be opened by a person acting in a fiduciary capacity but we are not obligated to open such accounts unless otherwise provided by law. A fiduciary is someone who is appointed to act on behalf of and for the benefit of another. We are not responsible for the actions of a fiduciary, including the misuse of funds. This account may be opened and maintained by a person or persons named as a trustee under a written trust agreement, or as executors, administrators, or conservators under court orders.

You understand that by merely opening such an account, we are not acting in the capacity of a trustee in connection with the trust nor do we undertake any obligation to monitor or enforce the terms of the trust or letters.

### **AGENCY DESIGNATION:**

An agency designation is an instruction to the credit union that the account owner has authorized another person (the principal) to make transactions as agent for the account owner regarding the account(s) designated. The customary method used in appointing an agent is a Power of Attorney. An agent has no ownership interest in the account or credit union voting rights. Agents may exercise their powers to conduct transactions on any accounts in which the principal has any interest, excluding accounts that are owned by an entity. The credit union has the right to review and approve any form of Power of Attorney and may restrict any withdrawals or transfers on accounts.

## **DEATH OR INCOMPETENCE:**

You agree to notify us promptly if any person with a right to withdraw funds from your account(s) dies or is adjudicated (determined by the appropriate official) incompetent. We may continue to honor your checks, items, and instructions until: (a) we know of your death or adjudication of incompetence, and (b) we have had a reasonable opportunity to act on that knowledge. You agree that we may pay or certify checks drawn on or before the date of death or adjudication of incompetence for up to ten (10) days after your death or adjudication of incompetence unless ordered to stop payment by someone claiming an interest in the account.

## **LEGAL ACTIONS AFFECTING YOUR ACCOUNT:**

If we are served with a subpoena, restraining order, writ of attachment or execution, levy, garnishment, search warrant, or similar order relating to your account (termed "legal action" in this section), we will comply with that legal action as required by applicable law. However, nothing in this agreement shall be construed as a waiver of any rights you may have under applicable law with regards to such legal action. Subject to applicable law, we may, in our sole discretion, choose to freeze the assets in the account and not allow any payments or transfers out of the account, or take other action as may be appropriate under the circumstances, until there is a final court determination regarding the legal action. We may do these things even if the legal action involves less than all of you. In these cases, we will not have any liability to you if there are insufficient funds to pay your items because we have withdrawn funds from your account or in any way restricted access to your funds in accordance with the legal action and applicable law. Any fees or expenses we incur in responding to any legal action (including, without limitation, attorneys' fees, and our internal expenses) may be charged against your account, unless otherwise prohibited by applicable law.

## **RESOLVING ACCOUNT DISPUTES:**

We may place an administrative hold on the funds in your account (refuse payment or withdrawal of the funds) if it becomes subject to a claim adverse to (1) your own interest; (2) others claiming an interest as survivors or beneficiaries of your account; or (3) a claim arising by operation of law. The hold may be placed for

such period of time as we believe reasonably necessary to allow a legal proceeding to determine the merits of the claim or until we receive evidence satisfactory to us that the dispute has been resolved. We will not be liable for any items that are dishonored as a consequence of placing a hold on funds in your account for these reasons.

**CORRECTION OF CLERICAL ERRORS:**

Unless otherwise prohibited by law, you agree, if determined necessary in our reasonable discretion, to allow us to correct clerical errors, such as obtaining your missing signature, on any account documents or disclosures that are part of our agreement with you. For errors on your periodic statement, please refer to the STATEMENTS section.

## TRANSACTIONS

### DEPOSIT:

We will give only provisional credit until collection is final for any items, other than cash, that we accept for deposit (including items drawn "on us"). Before settlement of any item becomes final, we act only as your agent, regardless of the form of endorsement or lack of endorsement on the item and even though we provide you provisional credit for the item. We may reverse any provisional credit for items that are lost, stolen, or returned. Unless prohibited by law, we also reserve the right to charge back to your account the amount of any item deposited to your account or cashed for you which was initially paid by the payor bank and which is later returned to us due to an allegedly forged, unauthorized or missing endorsement, claim of alteration, encoding error, counterfeit cashier's check or other problem which in our judgment justifies reversal of credit. You authorize us to attempt to collect previously returned items without giving you notice, and in attempting to collect we may permit the payor bank to hold an item beyond the midnight deadline. Actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars. We are not responsible for transactions by mail or outside depository until we actually record them. We will treat and record all transactions received after our "daily cutoff time" on a business day we are open, or received on a day we are not open for business, as if initiated on the next business day that we are open. At our option, we may take an item for collection rather than for deposit. If we accept a third-party check or draft for deposit, we may require any third-party endorsers to verify or guarantee their endorsements, or endorse in our presence.

### WITHDRAWALS:

***Important terms for accounts where more than one person can withdraw*** - Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs to open the account or has authority to make withdrawals may withdraw or transfer all or any part of the account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person who signs or has authority to make withdrawals to endorse any item payable to you or your order for deposit to this account or any other transaction with us.

## **POSTDATED CHECKS:**

A postdated check is one which bears a date later than the date on which the check is written. We may properly pay and charge your account for a postdated check even though payment was made before the date of the check unless we have received written notice of the postdating in time to have a reasonable opportunity to act. Because we process checks mechanically, your notice will not be effective, and we will not be liable for failing to honor your notice unless it precisely identifies the number, date, amount, and payee of the item.

## **CHECKS AND WITHDRAWAL RULES:**

If you do not purchase your check blanks from us, you must be certain that we approve the check blanks you purchase.

We may refuse any withdrawal or transfer request which you attempt on forms not approved by us or by any method we do not specifically permit. We may refuse any withdrawal or transfer request which is greater in number than the frequency permitted by our policy, or which is for an amount greater or less than any withdrawal limitations. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply any frequency limitations. In addition, we may place limitations on the account until your identity is verified.

Even if we honor a nonconforming request, we are not required to do so later. If you violate the stated transaction limitations (if any), in our discretion we may close your account or reclassify your account as another type of account. If we reclassify your account, your account will be subject to the fees and earnings rules of the new account classification.

If we are presented with an item drawn against your account that would be a "substitute check," as defined by law, but for an error or defect in the item introduced in the substitute check creation process, you agree that we may pay such item.

## **CASH WITHDRAWALS:**

We recommend you take care when making large cash withdrawals because carrying large amounts of cash may pose a danger to your personal safety. As an alternative to making a large cash withdrawal, you may

want to consider a cashier's check or similar instrument. You assume full responsibility of any loss in the event the cash you withdraw is lost, stolen, or destroyed. You agree to hold us harmless from any loss you incur as a result of your decision to withdraw funds in the form of cash.

**MULTIPLE SIGNATURES, ELECTRONIC CHECK CONVERSION, AND SIMILAR TRANSACTIONS:**

An electronic check conversion transaction is a transaction where a check or similar item is converted into an electronic fund transfer as defined in the Electronic Fund Transfers regulation. In these types of transactions, the check or similar item is either removed from circulation (truncated) or given back to you. As a result, we have no opportunity to review the signatures or otherwise examine the original check or item. You agree that, as to these or any items as to which we have no opportunity to examine the signatures, you waive any requirement of multiple signatures.

# **UNDERSTANDING AND AVOIDING OVERDRAFT AND NONSUFFICIENT FUNDS (NSF) FEES**

## **GENERALLY:**

The information in this section is being provided to help you understand what happens if your account is overdrawn. Understanding the concepts of overdrafts and nonsufficient funds (NSF) is important and can help you avoid being assessed fees or charges. This section also provides contractual terms relating to overdrafts and NSF transactions.

An overdrawn account will typically result in you being charged an overdraft fee or an NSF fee. Generally, an overdraft occurs when there is not enough money in your account to pay for a transaction, but we pay (or cover) the transaction anyway. An NSF transaction is slightly different. In an NSF transaction, we do not cover the transaction. Instead, the transaction is rejected and the item or requested payment is returned. In either situation, we can charge you a fee.

## **DETERMINING YOUR AVAILABLE BALANCE:**

We use the “available balance” method to determine whether your account is overdrawn, that is, whether there is enough money in your account to pay for a transaction. Importantly, your “available” balance may not be the same as your account’s “actual” balance.

This means an overdraft or an NSF transaction could occur regardless of your account’s actual balance.

Your account’s actual balance (sometimes called the ledger balance) only includes transactions that have settled up to that point in time, that is, transactions (deposits and payments) that have posted to your account. The actual balance does not include outstanding transactions (such as checks that have not yet cleared and electronic transactions that have been authorized but which are still pending). The balance on your periodic statement is the ledger balance for your account as of the statement date.

As the name implies, your available balance is calculated based on the money “available” in your account to make payments. In other words, the available balance takes

ACH credit transactions and debit card transactions that have been authorized, but not yet settled, and adds or subtracts them from the actual balance. In addition, when calculating your available balance, any "holds" placed on deposits that have not yet cleared are also subtracted from the actual balance. For more information on how holds placed on funds in your account can impact your available balance, read the subsection titled "A temporary debit authorization hold affects your account balance."

### **OVERDRAFT SERVICES:**

If you use our Courtesy Pay or Overdraft Protection services and we cover a transaction for which there is not enough money in your account to pay, we will consider that an overdraft. We treat all other transactions for which there is not enough money in your account as an NSF transaction, regardless of whether we cover the transaction or the transaction is rejected.

### **COURTESY PAY:**

Our Courtesy Pay services automatically apply to check, ACH, and recurring debit card transactions on eligible checking share types. You may opt out of this service at any time by contacting us. Courtesy Pay also includes an optional service that applies to one-time debit card transactions on eligible checking share types. To receive this service, you must provide your affirmative consent. You may revoke such consent at any time. The fee for each item paid under the Courtesy Program is the same amount as items returned as NSF. You will not be charged fees for one-time debit card transactions that overdraw your account unless you have affirmatively consented to the service. We may use subsequent deposits, including direct deposits of Social Security or other government benefits, to cover such overdrafts and associated fees. Overdrawn accounts must be brought to a positive balance within 30 days in order to retain Courtesy Pay privileges. The credit union reserves the right to revoke Courtesy Pay privileges on any account and at any time, regardless of the account's opt in/opt out status.

You understand that we may, at our discretion, honor withdrawal requests that overdraw your account. However, the fact that we may have honored previous withdrawal requests that overdrew the account

does not obligate us to overdraw the account in the future. Therefore, you CANNOT rely on us to pay every overdraft on your account regardless of how frequently or under what circumstances we have paid overdrafts on your account in the past. We can change our practice of paying, or not paying, discretionary overdrafts on your account without notice to you.

### **OVERDRAFT PROTECTION:**

Our Overdraft Protection service allows you to designate a share or line-of-credit to pay overdrafts if there are not enough funds in your checking account to pay the item. When you enroll in this service, you agree that we may charge fees for overdraft transfers.

### **NONSUFFICIENT FUNDS (NSF) FEES:**

If an item drafted by you (such as a check) or a transaction you set up (such as a preauthorized transfer) is presented for payment in an amount that is more than the amount of money available in your account, and we decide not to pay the item or transaction, you agree that we can charge you an NSF fee for returning the payment. Be aware that such an item or payment may be presented multiple times by the merchant or other payee until it is paid, and that we do not monitor or control the number of times a transaction is presented for payment. You agree that we may charge you an NSF fee each time a payment is presented if the amount of money available in your account is not sufficient to cover the payment, regardless of the number of times the payment is presented.

### **PAYMENT TYPES:**

Some, but not necessarily all, of the ways you can access the funds in your account include debit card transactions, automated clearing house (ACH) transactions, and check transactions. A debit card transaction might be authorized by use of a PIN, a signature, a chip, or a manual entry. An example of an ACH transaction is a preauthorized payment you have set up on a recurring basis. All these payment types can use different processing systems and some may take more or less time to post. This information is important for a number of reasons. For example, keeping track of the checks you write and the timing of the preauthorized payments you set up will help you to know what other transactions might still post against your account. For information about how and

when we process these different payment types, see the “Payment order of items” subsection below.

### **BALANCE INFORMATION:**

Keeping track of your balance is important. You can review your balance in a number of ways including reviewing your periodic statement, reviewing your balance online, accessing your account information by phone, or coming into one of our branches.

### **FUNDS AVAILABILITY:**

Knowing when funds you deposit will be made available for withdrawal is another important concept that can help you avoid being assessed fees or charges. Please see our separate Funds Availability Policy for complete details.

### **TELEPHONE TRANSFERS:**

A telephone transfer of funds from this account to another account with us, if otherwise arranged for or permitted, may be made by the same persons and under the same conditions generally applicable to withdrawals made in writing. Limitations on the number of telephonic transfers from a savings account, if any, are described elsewhere.

### **REIMBURSEMENT OF FEDERAL BENEFIT PAYMENTS:**

If we are required for any reason to reimburse the federal government for all or any portion of a benefit payment that was directly deposited into your account, you authorize us to deduct the amount of our liability to the federal government from the account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other available legal remedy to recover the amount of our liability.

### **ACH AND WIRE TRANSFERS:**

This agreement is subject to Article 4A of the Uniform Commercial Code - Fund Transfers as adopted in the state in which you have your account with us. If you originate a fund transfer and you identify by name and number a beneficiary financial institution, an intermediary financial institution, or a beneficiary, we and every receiving or beneficiary financial institution may rely on the identifying number to make payment.

We may rely on the number even if it identifies a financial institution, person, or account other than the one named. You agree to be bound by automated clearing house association rules. These rules provide, among other things, that payments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A-403(a) of the Uniform Commercial Code. If we do not receive such payment, we are entitled to a refund from you in the amount credited to your account and the party originating such payment will not be considered to have paid the amount so credited. Credit entries may be made by ACH. If we receive a payment order to credit an account you have with us by wire or ACH, we are not required to give you any notice of the payment order or credit.

### **INTERNATIONAL ACH TRANSACTIONS:**

Financial institutions are required by law to scrutinize or verify any international ACH transaction (IAT) that they receive against the Specially Designated Nationals (SDN) list of the Office of Foreign Assets Control (OFAC). This action may, from time to time, cause us to temporarily suspend processing of an IAT and potentially affect the settlement and/or availability of such payments.

### **FACSIMILE SIGNATURES:**

Unless you make advance arrangements with us, we have no obligation to honor facsimile signatures on your checks or other orders. If we do agree to honor items containing facsimile signatures, you authorize us, at any time, to charge you for all checks, drafts, or other orders, for the payment of money, that are drawn on us. You give us this authority regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen filed with us, and contain the required number of signatures for this purpose. You must notify us at once if you suspect that your facsimile signature is being or has been misused.

### **REMOTELY CREATED CHECKS:**

Like any standard check or draft, a remotely created check (sometimes called a telecheck, preauthorized draft or demand draft) is a check or draft that can be used to withdraw money from an account. Unlike a typical check or draft, however, a remotely created

check is not issued by the paying bank and does not contain the signature of the account owner (or a signature purported to be the signature of the account owner). In place of a signature, the check usually has a statement that the owner authorized the check or has the owner's name typed or printed on the signature line.

You warrant and agree to the following for every remotely created check we receive from you for deposit or collection: (1) you have received express and verifiable authorization to create the check in the amount and to the payee that appears on the check; (2) you will maintain proof of the authorization for at least 2 years from the date of the authorization, and supply us the proof if we ask; and (3) if a check is returned you owe us the amount of the check, regardless of when the check is returned. We may take funds from your account to pay the amount you owe us, and if there are insufficient funds in your account, you still owe us the remaining balance.

### **STOP PAYMENTS:**

Unless otherwise provided, the rules in this section cover stopping payment of items such as checks and drafts. Rules for stopping payment of other types of transfers of funds, such as consumer electronic fund transfers, may be established by law or our policy. If we have not disclosed these rules to you elsewhere, you may ask us about those rules. We may accept an order to stop payment on any item from any one of you. You must make any stop-payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it. Because the most effective way for us to execute a stop-payment order is by using an automated process to be effective, your stop-payment order must precisely identify the number, date, and amount of the item, and the payee. You may stop payment on any item drawn on your account whether you sign the item or not.

Generally, if your stop-payment order is given to us in writing it is effective for six months. Your order will lapse after that time if you do not renew the order in writing before the end of the six-month period. If the original stop-payment order was oral your stop-payment order will lapse after 14 calendar days if you do not confirm your order in writing within that time period. We are not obligated to notify you when a stop-payment order expires.

If you stop payment on an item and we incur any damages or expenses because of the stop payment, you agree to indemnify us for those damages or expenses, including attorneys' fees. You assign to us all rights against the payee or any other holder of the item. You agree to cooperate with us in any legal actions that we may take against such persons. You should be aware that anyone holding the item may be entitled to enforce payment against you despite the stop payment order.

Additional limitations on our obligation to stop payment are provided by law (e.g., we paid the item in cash or we certified the item).

### **ERRORS RELATING TO ELECTRONIC FUND TRANSFERS OR SUBSTITUTE CHECKS:**

For information on errors relating to electronic fund transfers (e.g., online, mobile, debit card or ATM transactions) refer to your Electronic Fund Transfers disclosure and the sections on consumer liability and error resolution. For information on errors relating to a substitute check you received, refer to your disclosure entitled Substitute Checks and Your Rights.

### **DUTY TO NOTIFY IF STATEMENT NOT RECEIVED:**

You agree to immediately notify us if you do not receive your statement by the date you normally expect to receive it. Not receiving your statement in a timely manner is a sign that there may be an issue with your account, such as possible fraud or identity theft.

Absent a lack of ordinary care by us, a failure to receive your statement in a timely manner does not extend the time you have to conduct your review under this agreement.

### **RESTRICTIVE LEGENDS OR ENDORSEMENTS:**

The automated processing of the large volume of checks we receive prevents us from inspecting or looking for restrictive legends, restrictive endorsements, or other special instructions on every check. For this reason, we are not required to honor any restrictive legend or endorsement or other special instruction placed on checks you write unless we have agreed in writing to the restriction or instruction. Unless we have agreed in writing, we are not responsible for any

losses, claims, damages, or expenses that result from your placement of these restrictions or instructions on your checks. Examples of restrictive legends placed on checks are “must be presented within 90 days” or “not valid for more than \$1,000.00.” The payee’s signature accompanied by the words “for deposit only” is an example of a restrictive endorsement.

### **PLEDGES:**

Each owner of this account may pledge all or any part of the funds in it for any purpose to which we agree. Any pledge of this account must first be satisfied before the rights of any surviving account owner or account beneficiary become effective.

### **CHECK PROCESSING:**

We process items mechanically by relying almost exclusively on the information encoded in magnetic ink along the bottom of the items. This means that we do not individually examine all of your items to determine if the item is properly completed, signed, and endorsed or to determine if it contains any information other than what is encoded in magnetic ink. You agree that we have exercised ordinary care if our automated processing is consistent with general banking practice, even though we do not inspect each item. Because we do not inspect each item, if you write a check to multiple payees, we can properly pay the check regardless of the number of endorsements unless you notify us in writing that the check requires multiple endorsements. We must receive the notice in time for us to have a reasonable opportunity to act on it, and you must tell us the precise date of the check, amount, check number and payee. We are not responsible for any unauthorized signature or alteration that would not be identified by a reasonable inspection of the item. Using an automated process helps us keep costs down for you and all account holders.

### **CHECK CASHING:**

We may charge a fee for anyone that does not have an account with us who is cashing a check, draft or other instrument written on your account. We may also require reasonable identification to cash a check, draft, or other instrument. We can decide what identification is reasonable under the circumstances and such identification may be documentary or physical and may include collecting a thumbprint or fingerprint.

## **ENDORSEMENTS:**

We may accept for deposit any item payable to you or your order, even if they are not endorsed by you. We may give cash back to any one of you. We may supply any missing endorsement(s) for any item we accept for deposit or collection, and you warrant that all endorsements are genuine. If you cash or deposit a check, we are legally entitled to an unqualified endorsement from you, and you give us the irrevocable right to place that endorsement on the check. Also, you agree not to give us any check, which you endorsed "without recourse." If you do, we can also place your unqualified endorsement on the check. We can enforce against you any rights that an unqualified endorsement gives us. You will be liable for any losses or delays caused by nonconforming endorsements or material that is on the back of a check when drawn that makes the credit union's endorsement illegible.

To ensure that your check or share draft is processed without delay, you must endorse it (sign it on the back) in a specific area. Your entire endorsement (whether a signature or a stamp) along with any other endorsement information (e.g., additional endorsements, ID information, driver's license number, etc.) must fall within 1 1/2" of the "trailing edge" of a check. Endorsements must be made in blue or black ink, so that they are readable by automated check processing equipment.

As you look at the front of a check, the "trailing edge" is the left edge. When you flip the check over, be sure to keep all endorsement information within 1 1/2" of that edge.

## **ACCOUNT SECURITY:**

Your duty to protect account information and methods of access - Our policy may require methods of verifying your identity before providing you with a service or allowing you access to your account. We can decide what identification is reasonable under the circumstances. For example, process and identification requirements may vary depending on whether they are online or in person. Identification may be documentary or physical and may include collecting a fingerprint, voiceprint, or other biometric information.

It is your responsibility to protect the account numbers and electronic access devices (e.g., an ATM card) we provide you for your accounts. You should also safeguard your username, password, and other access and identifying information when accessing your account through a computer or other electronic, audio, or mobile device or technology. If you give anyone authority to access the account on your behalf, you should exercise caution and ensure the trustworthiness of that agent. Do not discuss, compare, or share information about your account numbers with anyone unless you are willing to give them full use of your money. An account number can be used by thieves to issue an electronic debit or to encode your number on a false demand draft which looks like and functions like an authorized check. If you furnish your access device or information and grant actual authority to make transfers to another person (a family member or coworker, for example) who then exceeds that authority, you are liable for the transfers unless we have been notified that transfers by that person are no longer authorized. Your account number can also be used to electronically remove money from your account, and payment can be made from your account even though you did not contact us directly and order the payment. You must also take precaution in safeguarding your blank checks. Notify us at once if you believe your checks have been lost or stolen. As between you and us, if you are negligent in safeguarding your checks, you must bear the loss entirely yourself or share the loss with us (we may have to share some of the loss if we failed to use ordinary care and if we substantially contributed to the loss).

## **POSITIVE PAY AND OTHER FRAUD PREVENTION SERVICES:**

Except for consumer electronic fund transfers subject to Regulation E, you agree that if we offer you services appropriate for your account to help identify and limit fraud or other unauthorized transactions against your account, and you reject those services, you will be responsible for any fraudulent or unauthorized transactions which could have been prevented by the services we offered. You will not be responsible for such transactions if we acted in bad faith or to the extent our negligence contributed to the loss. Such services include positive pay or commercially reasonable security procedures. If we offered you a commercially

reasonable security procedure which you reject, you agree that you are responsible for any payment order, whether authorized or not, that we accept in compliance with an alternative security procedure that you have selected. The positive pay service can help detect and prevent check fraud and is appropriate for account holders that issue a high volume of checks, a lot of checks to the general public, or checks for large dollar amounts.

### **INSTRUCTIONS FROM YOU:**

Unless required by law or we have agreed otherwise in writing, we are not required to act upon instructions you give us via facsimile transmission, email, voicemail, or phone call to a facsimile number, email address, or phone number not designated by us for a particular purpose or for a purpose that is unrelated to the request or instruction.

### **MONITORING AND RECORDING TELEPHONE CALLS AND ACCOUNT COMMUNICATIONS:**

Subject to federal and state law, we may monitor or record phone calls for security reasons, to maintain a record, and to ensure that you receive courteous and efficient service. You consent in advance to any such recording.

To provide you with the best possible service in our ongoing business relationship for your account, we may need to contact you about your account from time to time by telephone, text messaging, or email. In contacting you about your account, we may use any telephone numbers or email addresses that you have previously provided to us by virtue of an existing business relationship or that you may subsequently provide to us.

You acknowledge that the number we use to contact you may be assigned to a landline, a paging service, a cellular wireless service, a specialized mobile radio service, other radio common carrier service, or any other service for which you may be charged for the call. You acknowledge that we may contact you by voice, voicemail, or text messaging. You further acknowledge that we may use pre-recorded voice messages, artificial voice messages, or automatic telephone dialing systems.

If necessary, you may change or remove any of the telephone numbers, email addresses, or other methods of contacting you at any time using any reasonable means to notify us.

### **CLAIM OF LOSS:**

The following rules do not apply to a transaction or claim related to a consumer electronic fund transfer governed by Regulation E (e.g., an everyday/one-time consumer debit card or ATM transaction). The error resolution procedures for consumer electronic fund transfers can be found in our initial Regulation E disclosure generally titled, "Electronic Fund Transfers." For other transactions or claims, if you claim a credit or refund because of a forgery, alteration, or any other unauthorized withdrawal, you agree to cooperate with us in the investigation of the loss, including giving us an affidavit containing whatever reasonable information we require concerning your account, the transaction, and the circumstances surrounding the loss. You will notify law enforcement authorities of any criminal act related to the claim of lost, missing, or stolen checks or unauthorized withdrawals. We will have a reasonable period of time to investigate the facts and circumstances surrounding any claim of loss. Unless we have acted in bad faith, we will not be liable for special or consequential damages, including loss of profits or opportunity, or for attorneys' fees incurred by you.

You agree that you will not waive any rights you have to recover your loss against anyone who is obligated to repay, insure, or otherwise reimburse you for your loss. You will pursue your rights or, at our option, assign them to us so that we may pursue them. Our liability will be reduced by the amount you recover or are entitled to recover from these other sources.

### **EARLY WITHDRAWAL PENALTIES**

*(and involuntary withdrawals):*

We may impose early withdrawal penalties on a withdrawal from a time or term share account even if you did not initiate the withdrawal. For instance, the early withdrawal penalty may be imposed if the withdrawal is caused by the enforcement of our right to repayment of indebtedness against funds in the account or as a result of an attachment or other legal process. We may close your account and impose the early withdrawal penalty on the entire account

balance in the event of a partial early withdrawal. See your separately provided notice of penalty for early withdrawal for additional information.

## **CHANGES IN NAME AND CONTACT INFORMATION:**

You are responsible for notifying us of any address (both physical and email), phone number (both mobile and landline), name change or death of an account holder. Notices must be in a form and manner acceptable to us with enough information to allow us to identify the account. We are only required to attempt to communicate with you at the most recent address, email address or phone number you have provided to us. We may accept a change in person, over the phone, in writing (email is not accepted) or electronically through our website. If you fail to provide us with your new address, we may update your address using information provided by the United States Postal Service. Name changes must be requested in writing with documented proof of legal name change.

# DIVIDENDS AND RATES

## **RATE INFORMATION:**

All dividend-bearing accounts are Variable Rate Accounts. The Current Dividend Rates and Annual Percentage Yields (APYs) for your accounts are available at [www.doverfcu.com/rates](http://www.doverfcu.com/rates). The APY is a percentage rate that reflects the total amount of dividends to be paid on an account based on the dividend rate and frequency of compounding for an annual period. The Dividend Rate and Annual Percentage Yield are based on the last dividend declaration date and may change as determined by the Credit Union's Board of Directors.

## **NATURE OF DIVIDENDS:**

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

## **COMPOUNDING AND CREDITING:**

Dividends are compounded daily and credited monthly. The dividend period for dividend-bearing share is monthly. For example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates.

## **ACCRUAL OF DIVIDENDS:**

Dividends will begin to accrue on deposits on the business day you make the deposit to your account. If you close your account before accrued dividends are credited, accrued dividends will be credited at that time.

## **BALANCE REQUIREMENTS AND COMPUTATION METHOD:**

The minimum balance required to earn dividends on a Share Draft checking account is \$500. The minimum balance required to earn dividends on a Money Market account is \$1,000. There is no minimum balance requirement for any other share or account type. Dividends are calculated by the daily balance method, which applies a daily periodic rate to the principal in the applicable share or account each day.

**PLEASE READ THE INFORMATION BELOW CAREFULLY: IT WILL IMPACT HOW LEGAL CLAIMS YOU AND WE HAVE AGAINST EACH OTHER ARE RESOLVED IN RECOGNITION OF THE FACT THAT THE CREDIT UNION IS OWNED BY YOU AND OTHER MEMBERS.**

**BINDING ARBITRATION OF CLAIMS AND DISPUTES AGREEMENT AND CLASS ACTION WAIVER**

**RESOLUTION OF DISPUTES BY ARBITRATION:** THIS SECTION 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.

**AGREEMENT TO ARBITRATE DISPUTES:**

Either You or We may choose, 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 Deposit Accounts or the products or services related to Your Deposit Accounts or any aspect of Your relationship with Us be resolved through binding arbitration, except for those disputes specifically excluded below.

**NO CLASS ACTION OR JOINDER OF PARTIES:**

YOU ACKNOWLEDGE THAT YOU AND WE AGREE THAT NO CLASS ACTION, CLASS-WIDE ARBITRATION, OR PRIVATE ATTORNEY GENERAL ACTION 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.

**DISPUTES COVERED BY ARBITRATION:**

YOU ACKNOWLEDGE THAT IN ARBITRATION, THERE WILL BE NO RIGHT TO A JURY TRIAL. Unless otherwise provided herein, any claim or dispute relating to or arising out of Your Deposit Accounts or the services related to Your Deposit 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 agreement's enforceability, validity, scope, or interpretation. Any questions about whether disputes are subject to arbitration shall be resolved by interpreting this arbitration agreement 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 related in any way to Your Deposit 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 to 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, crossclaims, 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 which is included or provided for under this arbitration agreement, the other party may elect to proceed in arbitration pursuant to this arbitration agreement.

**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 dispute remains in such court and advances 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 agreement. Claims or disputes arising from your status as a borrower under any loan agreement with the Credit Union are also excluded from this particular arbitration agreement but shall remain subject to any other applicable arbitration provision contained in any other agreement governing or applicable to such loan or indebtedness.

**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 rights 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.

**MEDIATION REQUIREMENT PRIOR TO FILING A CLAIM IN ARBITRATION:**

Prior to either party filing a claim in arbitration and as a necessary condition precedent before bringing a claim in arbitration, You or We must first send a written demand by US Mail to the other party at Our street address set forth below or at Your last street address or email address on record. The demand should briefly describe the nature of the claim or dispute, and set forth the relief the claimant desires, including the amount of any monetary damages sought, if any.

For a minimum of 60 days before any claim may be filed in arbitration, the parties must then attempt in good faith to use their best efforts to resolve the dispute. The 60 day time period may be extended by the mutual agreement of the parties. During this time period, both parties agree to toll any applicable statute of limitations. Under no circumstances may either party make a claim in arbitration against the other party prior to the completion of the pre-arbitration time period.

Within the first 30 days of the pre-arbitration time period, the parties or their counsel must make a good faith effort to confer at least once by phone, in person, or by videoconference at a mutually convenient date and time to discuss the claim and its potential resolution.

If You or We fail to follow the procedures set forth above requiring mediation prior to bringing a claim in arbitration, then the responding party may bring a claim in the same arbitration proceeding against the other party for breach of this provision.

### **COMMENCING AN ARBITRATION:**

The arbitration must be either conducted by a neutral arbitrator selected by agreement of the parties, or filed at JAMS, at the contact information below or as it may subsequently be amended, and follow its rules and procedures for initiating and pursuing an arbitration, specifically including the JAMS Mass Arbitration Procedures and Guidelines, in effect on the date the arbitration claim is filed.

**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 street or email 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:

**DOVER FEDERAL CREDIT UNION  
1075 SILVER LAKE BLVD.  
DOVER, DELAWARE 19904**

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

**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 and Procedures and, as applicable, Mass Arbitration Procedures and Guidelines in effect on the date the arbitration claim 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 agreement, this arbitration agreement will control only to the extent of the inconsistency.

If JAMS is unable to or unwilling to handle the claim for any reason, then the matter shall be arbitrated by a single neutral arbitrator selected by agreement of the parties or, if the parties cannot agree, selected by a court on the petition of either party 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 Civil Procedure concerning discovery, except that the class action waiver contained herein is specifically enforceable notwithstanding any Federal Rules of Civil Procedure to the contrary.

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 only those 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 or those in direct privity with 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.

### **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 or neutral. However, We will pay any other filing, administration, and arbitrator fees as imposed by the arbitration forum. Each party shall bear the fees or expense of their respective attorneys, experts, witnesses, and other expenses, regardless of who prevails, but a party may recover costs and expenses from another party if the arbitrator, applying applicable statutory law or contract terms, so determines. The arbitrator shall have no authority to award either party any attorney's fees absent any right to such fees pursuant to an applicable contract or statute.

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 the 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.

### **GOVERNING LAW:**

You and We agree that our relationship includes transactions involving interstate commerce and that this arbitration agreement 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 Delaware shall apply.

### **SEVERABILITY, SURVIVAL:**

This arbitration agreement shall survive (a) termination of, or changes to Your Deposit Accounts or any related services; (b) the bankruptcy of any party; and, (c) the transfer or assignment of Your Deposit Accounts or any related services. If the Class Action Waiver in this specific arbitration agreement is found to be unenforceable for any reason, then the remainder of this arbitration agreement shall also be unenforceable. If any provision in this arbitration agreement, other than the Class Action Waiver, is found to be unenforceable, then all other remaining provisions, of this agreement shall remain fully enforceable and effective. Notwithstanding anything in this arbitration agreement to the contrary, any amendment, abrogation or termination of this arbitration agreement by application of statute, or by administrative action or other operation of law, 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, abrogation or termination.

### **RIGHT TO REJECT THIS ARBITRATION AGREEMENT:**

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. However, if We sent or offered You this or any version of an agreement to arbitrate for the first time after Your first Account was opened, You must opt out within 30 days after We sent our notice and the agreement. 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:

**DOVER FEDERAL CREDIT UNION**  
**1075 SILVER LAKE BLVD.**  
**DOVER, DELAWARE 19904**  
**[www.doverfcu.com](http://www.doverfcu.com)**  
**(302) 678-8000**

