NOVATION CREDIT UNION
500 Imperial Ave N
Oakdale, MN 55128
800.369.6628 | novation.org

MEMBERSHIP AND ACCOUNT AGREEMENT AND DISCLOSURES

MEMBERSHIP AND ACCOUNT AGREEMENT

This agreement covers the rights and responsibilities of both parties concerning accounts we offer. In this agreement, the words "you" and "yours" mean anyone who signs a Membership and Account Application, Account Card, Account Update or Change Card, or similar document (collectively referred to as "Membership Application"). The words "we," "us," and "our" mean the Credit Union. The word "account" means any one or more share or other accounts you have with us. The word "savings" means any share account you have with us. The word "checking" means any share draft account you have with us. “Overdraft Governance Documents” means our written overdraft policies and procedures and the documents entitled “Overdraft Coverage Options” and “What Else You Should Know”.

This Agreement explains the rules governing your membership and accounts with us. It is supplemented by the other agreements that you enter into when you open your accounts, such as the Funds Availability Policy, the Electronic Funds Transfer Disclosures, and others. All your agreements and transactions with us are also governed by various applicable federal and state laws and regulations. It is the intent of this Agreement to provide disclosures that we are required by law to give you; to vary by agreement certain aspects of certain transactions that are permitted by law to be varied; and to establish terms and conditions of certain transactions that are not governed by any particular law or regulation.

By signing the Membership Application and/or by continuing to use the accounts and services provided by us, each of you, jointly and severally, agree to the terms and conditions in this Agreement, the Membership Application; the Rates and Fees Schedule; any Account Receipt or similar document; and Certificate, Certificate Summary or similar document; our Bylaws and policies; and any amendments to these documents from time to time which collectively govern your Accounts. All such documents are hereby incorporated by reference as if fully set forth herein.

Suspension of electronic services and access to share or deposit accounts. Subject to applicable law, we may suspend some or all electronic services and access to your checking or other account(s) if you become delinquent on any of your loan or deposit obligations to us, you cause a loss to us, or due to suspicious or fraudulent activity. We shall not be liable to you in any regard in connection with such suspension of services.

APPLYING FOR MEMBERSHIP AND OPENING ACCOUNTS

Membership Eligibility; Application. To open accounts at the Credit Union, you must qualify under our approved field of membership and otherwise meet the membership requirements. This includes an initial deposit of an amount equal to one share in the Credit Union, which amount is set forth on the Membership Application, and maintaining at least that amount, in your primary savings account or other qualifying account. Your membership will terminate if you close this account. You agree to complete a Membership Application and you authorize us to check your account, credit, and employment history, and obtain reports from third parties (including credit reporting agencies) periodically to verify your eligibility for membership and the accounts and services you request.

The Credit Union is owned and controlled by its members. You become an owner by meeting the membership eligibility requirements and by depositing the required shares. Upon qualifying as a member and remaining in good standing, you have certain rights as governed by this Agreement, our By-laws, and applicable law, including the right to apply for Credit Union services and accounts and to vote in elections. You are entitled to one vote regardless of the number of shares you own. Shares may be issued in the name of an individual, jointly, or in other ways (e.g. in trust, or in the name of a minor) in accordance with our By-Laws and policies.

Member Identification Program. To help the government fight the funding of terrorism and money laundering activities, as well as to protect you from Identity Theft, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. This means that we will require you to provide, and we will verify, certain information about you when opening an account, in accordance with the requirements of the USA Patriot Act and the Bank Secrecy Act. This will include producing a government-issued picture ID. We may also ask for picture ID, passwords, PINs, or other means of identification and authentication whenever you initiate any transaction with us. We may refuse to open any account or to grant any request if you fail to provide adequate identifying or authenticating information, or we have a good-faith cause to believe that you are not the person you are purporting to be or are otherwise not authorized to open the account or initiate the transaction, and we will not be liable for any loss or expense you may incur due to our refusal. For identification purposes, we may also require you to provide your fingerprints at the time of account opening or at the time you negotiate certain checks.

You will also be required to provide a taxpayer identification number (TIN) or social security number, to be used for this purpose and for subsequent regulatory reporting. We may also request from time to time, and you agree to provide, additional documentation depending on the type of account or service requested. Failure to furnish a correct 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 (IRS) a percentage of dividends, interest, and certain other payments. If you fail to provide your TIN, we may refuse or suspend opening your account.

Consensual Pledge of Shares; Security Interest; Consensual Lien; Statutory Lien; Right to Set-off; Administrative Freeze: By signing the Membership Application or any other deposit or loan agreement or similar document granting a pledge or security interest in your shares, and/or by accessing, using, or otherwise accepting any funds, accounts or services, you grant the Credit Union, and we impress, a lien on your shares in the Credit Union. You also grant the Credit Union a security interest in such accounts to secure payment of any deposit obligations you owe (e.g., overdrafts, fees, etc.) and any loan or credit card obligations you owe, as well as any expenses we incur in connection with your accounts and services, including reasonable attorney's fees. You acknowledge and agree that we also have similar statutory lien rights in your shares under the Federal Credit Union Act and/or applicable state law, as well as the common law right to set-off and administrative freeze.

"Shares" and "share accounts" means any and all funds, regardless of the source of those funds, in any joint or individual share savings account(s), share draft account(s), certificate, P.O.D, revocable trust or any other account whether jointly or individually held and whether your obligation under the account(s) is direct, indirect, contingent or secondary and whether held now or in the future. Your pledge and our lien rights do not include any other account which would lose special tax treatment if pledged, or any irrevocable trust or fiduciary account in which you do not have vested ownership interest.

You understand and agree that these rights allow us to apply the funds in your share accounts to any obligations owed to us if you default or fail to pay or satisfy any obligation to us, and we can do so without any legal process, court proceeding or any notice to any owner of the share accounts affected hereunder or otherwise in this Agreement, unless applicable law so requires. **You specifically agree that we have the right to place an administrative freeze on any of your share accounts** subject to applicable law, and such action shall not violate 11 USC 362 or other applicable law.

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You understand that these rights are multiple and we can exercise one or all of them pursuant to applicable law. Exercising one right does not waive the right to exercise others. Any payment to any joint owner, beneficiary, or other party for any reason shall be subject to our security interest, consensual lien, and right to set-off.

CROSS-COLLATERALIZATION: Property and/or shares given as security under any deposit, loan, or credit card accounts or services you have with the Credit Union will secure any and all obligations under such accounts or services as well as any account owner's joint or individual obligations to us, now or in the future, whether direct, indirect, contingent or secondary and arising from any loan or credit agreement, exceeding available funds as described and determined by our overdraft policies; fees; cost, expenses, reasonable attorney's fees, or otherwise. This clause does not apply if such property is your primary residence, or are non-purchase money household goods.

CREDIT CARD ACCOUNTS: IF YOU HAVE A CREDIT CARD ACCOUNT WITH THE CREDIT UNION, YOU SPECIALLY AGREE THAT THE SECURITY INTEREST, CONSENSUAL LIEN, AND CROSS-COLLATERALIZATION CLAUSES ALSO APPLY TO THAT CREDIT CARD AND THAT GRANTING THESE RIGHTS TO US IS A CONDITION OF OBTAINING THE CREDIT CARD ACCOUNT.

TYPES AND OWNERSHIP OF ACCOUNTS

We offer a variety of deposit and transaction accounts for which you may apply, including savings, checking and money market accounts which have no particular term or maturity date associated with them; and Share Certificate and Certificate Deposit Accounts, which must be maintained for a particular amount of time. Requirements of the accounts such as term, minimum opening deposit or minimum balance requirements, fees, and penalties are set forth in detail in your Truth-in- Savings Disclosure; Rates and Fees Schedule; this Agreement; and other agreements that you may have with us. Ownership of the accounts may be held in a number of ways, such as individually, jointly, in trust, etc. Your account type(s) and ownership features are designated on your Membership Application at the time you open the account.

Not all accounts or services may be offered at any given time. We may occasionally offer enhancements or additional benefits to certain accounts or services such as purchase awards or other features at no additional cost to you. These features are offered solely at our discretion and can be changed or discontinued at any time with no prior notice to you. The following describes the types of accounts that are generally available at the Credit Union. All accounts may not be offered or available at any given time.

Savings, Checking, and Money Market Accounts: You may open and close one or more share or savings accounts, checking accounts, or money market accounts, and may periodically deposit and withdraw funds from those accounts via access methods made available to you from time to time, including, but not limited to, share draft/checks, ATM Cards; checkcards or debit cards; telephone; in person; on-line banking or internet; and electronic funds transfers ("EFTs") such as ACH, direct deposit, wire transfers, or preauthorized transfers. All transactions are subject to and in accordance with this Agreement and all other agreements you have with us, including, but not limited to, the Funds Availability Policy; Truth-in-Savings Disclosure; Rates and Fees Schedule; EFT Agreement and Disclosures; and Wire Transfer Agreement.

Share Certificate and Term Share Accounts: Certificate and Term Share accounts have stated Maturity Dates, and funds in those accounts are subject to penalty if withdrawn prior to the Maturity Date. Exact terms of the particular account such as Maturity Date; Annual Percentage Yield; early withdrawal penalty fees; whether the account automatically renews; and other information will be provided at the time you open the account. If you maintain sufficient funds in the account for the full term in accordance with your Agreements, at the end of the term we will pay you the principal amount you deposited, plus dividends or interest on account earnings in accordance with this Agreement. If you withdraw all or part of your funds from this type of account before the certificate account matures, we will charge you an early withdrawal penalty. That penalty is generally deducted from the interest that has accrued on the account but may be deducted from the principal, particularly if a sufficient amount of interest to pay the penalty has not accrued. We may at our sole discretion grant you permission to withdraw funds early; if such permission is granted, it will be granted only at the time you request an early withdrawal.

Unless otherwise stated when you open the account, an automatically renewing account shall renew at each maturity date for a period of time equal to the original term and on the same conditions as the original account. The interest or dividend rate applicable to the renewal term shall be that rate that is applicable to new account on like terms in effect at the time the account renews. You can prevent an automatic renewal by providing us written instructions to the contrary or withdrawing funds on or within 10 days after the maturity date. If funds are withdrawn within 10 days after the maturity date, no penalty will be assessed. We may call an automatically renewing account for payment at the end of the original term or any renewing term, and any interest or dividends added to it for compounding will stop earning interest or dividends on the effective date of the call.

If the account is not automatically renewing, no interest or dividends will be earned after the stated maturity date. We will send you a notice on or before the maturity date of your account(s) advising you of the upcoming maturity date and the options available to you.

Interest- or Dividend-Bearing Accounts. Some of the accounts available earn interest or dividends while others do not. If the account is an interest- or dividend-bearing account, disclosures and terms regarding accrual, crediting, and compounding will be provided in the Truth in Savings Disclosure.

The following describes the types of ownership by which an account may be held.

Individual Accounts. An individual or single-party account is an account owned by one person, including an individual, corporation, trust, or other organization qualified for Credit Union membership. If the account owner dies, the owner's interest passes, subject to applicable law, to the decedent's estate or Payable on Death (POD) beneficiary or trust beneficiary, subject to other provisions of this Agreement and applicable law.

Joint or Multiple Party Accounts. An account owned by two or more persons is a multiple party account. Unless your Membership Application specifically states otherwise, multiple party accounts are held in joint tenancy with the right of survivorship. This means that you intend and agree that the balance in the account, upon the death of any party to the account, shall belong to the surviving owner(s). A surviving owner's interest is subject to our statutory lien rights, consensual lien rights, the right of set-off, and to any security interest or pledge granted by a deceased owner, even if a surviving owner did not consent to it.

We reserve the right to require all owners to sign the Membership Application. Any and each owner is authorized and deemed to act for any other owner(s) and may instruct us regarding transactions and other account matters. Each owner guarantees the signature of any other owner(s). Any owner may withdraw all funds, stop payment on items, transfer funds into or out of the account, block or terminate any service or access device, or pledge to us all or any part of the shares without the consent or knowledge 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 act on any or none of the instructions or, alternatively, we may suspend or terminate the account and require a court order or written consent from all owners to act. One owner may not remove another owner.

Ownership rights and disputes involving the funds in your accounts are subject to your Agreements with us, and applicable state or federal law. We shall not be liable to any owner if we in good faith act upon a valid court order from a court of competent jurisdiction. We will also not be liable if we in good faith refuse to act upon a court order or any instruction from any owner. All owners will be jointly and severally liable for any and all expenses, fees and costs, including reasonable attorney's fees, that we incur, in connection with any dispute regarding the account, regardless of whether the dispute is initiated by an owner or third party. By signing the Membership Application, each of you authorizes us to take these expenses from any of your account(s) without prior notice to you.

If a deposited item in a multiple party account is returned unpaid, or if we do not receive final payment on a transaction, all owners, jointly and severally, are liable to us for the amount of the returned item, overdraft, or unpaid amount and any fees or expenses that we incur, including reasonable attorney's fees, 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 against all funds in the multiple party account regardless of who contributed them and to what extent.

Payable on Death (POD) Accounts. A Payable on Death (POD) account is an instruction to us that a single or multiple party account so designated is payable to the owner(s) during their lifetimes and, when the last account owner dies, is payable to any named, living POD beneficiary. Sums payable to more than one surviving beneficiary shall be distributed equally to each beneficiary, and neither beneficiary shall be entitled to the other's interest upon that beneficiary's death. We are not obligated to notify any beneficiary of the existence of any account or the vesting of the beneficiary interest in any account, except as otherwise provided by law. Any owner may change any beneficiary designation upon written notice to us, on a form approved by us.

Marital Property Accounts (Applies to Wisconsin residents only): This provision applies if a Marital Property Account is designated as such on your Membership Application. A Marital Account is an account established by two persons married to each other under the laws of the State of Wisconsin. Either party may deposit or withdraw funds. Upon the death of one of the spouses, the survivor will own 50% of the funds on deposit. The remaining 50% will be released to the personal representative of the deceased spouse's estate, or POD beneficiaries (if any), or otherwise according to applicable Wisconsin law.

Accounts for Minors. We reserve the right to require any account established by a minor to be a multiple party account with an owner who has reached the age of majority under state law and who shall be jointly and severally liable to us for any returned item, overdraft, or unpaid charges or other amounts owing on such account. We may require the minor to sign the Membership Application if she is so capable; otherwise, the adult shall sign the Membership Application on behalf of the minor, as well as in his own capacity. We may pay funds directly to the minor without regard to her age. Unless a guardian or parent is an account owner, the guardian or parent shall not have any account access rights. We have no duty to inquire about the use or purpose of any transaction.

Agency, Trust, or other Custodial Accounts. We may open accounts pursuant to any court order, trust agreement, or similar authority in accordance with your desire to establish an account for a trust, probate, custodial, or other fiduciary purpose. 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. The person acting as agent, guardian, custodian, personal representative, trustee or other fiduciary capacity shall be designated as such on the Membership Application. Such designation is an instruction to us that the account owner authorizes another person to make transactions as agent for the account owner regarding the accounts designated. For these accounts, you appoint the designated representative listed on the Membership Application as your attorney-in-fact to deposit or withdraw funds held in the designated account(s). Your agent has no ownership interest in the account(s) or voting rights in the Credit Union. We have no duty to inquire or investigate regarding the use or purpose of any transaction or the propriety or impropriety of any action taken by the designated representative.

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.

Commercial or Business Accounts: Accounts held in the name of a business entity, organization, or member for business or commercial purposes are subject to the terms of this agreement, unless a separate Business Account Agreement or similar document has been signed. Such accounts are also subject to the following terms: You must provide us additional documentation acceptable to us appointing those individuals who are authorized on behalf of the entity to open accounts and transact business. Any changes to such authorization must be made in a writing acceptable to us, and we will not be liable for any actions taken before we are provided with such acceptable written notice of any change in authorization(s). We reserve the right to require that third party checks payable to an entity be deposited into a business account rather than being cashed. We have no duty to inquire or investigate regarding the use or purpose of any transaction or the propriety or impropriety of any action taken by the designated representative, and will have no notice of any wrongdoing unless and until we are informed in writing of such wrongdoing.

TRANSFERS OR DEPOSITS TO YOUR ACCOUNT(S)

Deposit and Collection of Items. You may make deposits to any account, in any manner approved by us including, but not limited to, in person, by mail, by electronic transfer, direct deposit, or any other method made available, such as by night deposit box or Automated Teller Machine (ATM). We are not responsible for any deposit made by mail or through a depository not staffed by us until we actually receive the item. If a check, draft or other item that is payable to two or more persons is ambiguous as to whether it is payable to either or both, we may process the check, draft or item as though it is payable to either person. All transactions are subject to our Funds Availability Policy, and related applicable laws.

Direct Deposits. We may offer preauthorized deposits (e.g., payroll checks, Social Security or retirement checks, or other government checks) or preauthorized transfers from other accounts. You must notify us at least thirty (30) days in advance to cancel or change a direct deposit or transfer option. Upon a bankruptcy filing, unless you cancel an authorization we will continue making direct deposits in accordance with your authorization on file with us. If we are required to reimburse the U.S. Government for any benefit payment directly deposited into your account, we may deduct the amount returned from any of your accounts, unless prohibited by law.

Crediting of Deposits. Deposits made after the deposit cutoff time and deposits made on either holidays or days that are not our business days will be credited to your account on the next business day.

Liability. In receiving and processing items for deposit or collection, we act only as your collection agent and we assume no responsibility beyond our obligations of good faith and ordinary care. We exercise ordinary care if our actions or inactions are consistent with applicable state law, Federal Reserve regulations and operating letters, clearinghouse rules, and general banking practices followed in the area we serve. We are not liable for the negligence of any correspondent or for loss in transit, and each correspondent will only be liable for its own negligence. We may send any item for collection and any items and their proceeds will be handled in accordance with applicable Federal Reserve and Clearing House rules and other applicable law.

If we do not properly complete a transaction according to this Agreement, we will be liable for your losses or damages not to exceed the amount of the transaction, except as otherwise provided by law. We will not be liable if: (1) your account exceeds funds available for the transaction as described and determined by our Overdraft Governance Documents; (2) circumstances beyond our control prevent the transaction; (3) your loss is caused by your negligence or another financial institution's negligence; or (4) your account funds are subject to legal process or other claim. We will not be liable for

consequential or special damages, except liability for wrongful dishonor. You grant us the right, in making payments of deposited funds, to rely exclusively on the form of the account and the terms of this Account Agreement. Any conflict will be resolved by reference to this Agreement.

Endorsements. We may accept transfers, checks, drafts, and other items for deposit into any of your accounts even if they are not endorsed by all payees. If you fail to properly indorse an item, you authorize us to supply any missing endorsement, but we are not required to do so. We may require that certain government checks, insurance company items, or other check or draft be personally indorsed by each and all payees. Endorsements must be made on the back of the share draft or check within 1 1/2 inches from the trailing edge, although we may accept endorsements outside this space. You agree to reimburse us for any loss or expense we incur resulting from an irregular endorsement or other markings by you or any prior endorser.

Charge-back; right of set-off. All items including checks, Automated Clearing House (ACH) transfers or other transfers credited to your account are provisional until we receive final payment. We may charge-back, or debit, your account for the amount of such items under the following circumstances: (1) if final payment is not received; or (2) if, within the normal handling period for such item, the item cannot be honored against the drawer's account; or (3) if a deposited item is returned to us by the financial institution on which it is drawn, even if that financial institution failed to return the item before its midnight deadline; or (4) any other circumstances allowed by law. We may charge-back your account regardless of whether the other financial institution returned the item before its midnight deadline. You further authorize us to pursue collection of previously dishonored items, and you acknowledge that this may permit the payor bank to hold an item beyond the midnight deadline. When charging-back your account, we may also charge your account with a return item charge and any collection fees or expenses, including reasonable attorney's fees. You acknowledge and agree that we may charge-back your account even if it causes your account to exceed funds available, and you agree to replenish the funds in your account and to pay any and all overdraft, return, or non- sufficient funds fees and charges. You specifically agree that we may exercise our security interest and right of set-off against any other deposit accounts that you have with us to recover any of these amounts.

Foreign banks. We reserve the right to refuse or return any item or funds transfer. Items drawn on an institution located outside the United States are handled on a collection basis only.

Waiver of notice. You waive any notice of nonpayment, dishonor, or protest regarding items we purchase or receive for credit or collection to your account.

TRANSFERS OR WITHDRAWALS FROM YOUR ACCOUNT(S)

Account Access; Honoring Items; Limitations. You may withdraw or transfer funds from your account(s) in any manner we permit (e.g., by writing a check; using an ATM or debit card at point-of-sale or at an automated teller machine; in person; by mail; by automatic or preauthorized transfer, ACH, wire transfer or other electronic transfer; by telephone or on- line banking or bill pay services, or other means made available to you). If the transaction request is made by remote means such as telephone, we are not responsible for any request or order that we believe to be genuine; we can also refuse to honor such request or order if we in good faith do not believe it to be genuine or have reason to doubt the identity or authentication of the requestor. Your ability to transfer funds from your account is always subject to having sufficient available funds in the account(s) and is subject to this and the other Agreements you have with us, including, but not limited to, the Funds Availability Policy. You authorize us to honor transactions initiated by a third person to whom you have given your account number even if you do not authorize a particular transaction. If there are sufficient funds to cover some, but not all of your withdrawal, we may allow those withdrawals for which there are sufficient funds in any order at our discretion.

The law permits us to pay items drawn on your account in any order, even if the order in which we pay items causes an overdraft. We may honor any item or instruction even if it creates an overdraft or negative balance in your account or if it violates any minimum balance requirement or other requirements of the account, in which case you agree to pay all fees, penalties or other charges imposed on you as well as costs incurred by us. We may return as unpaid any item drawn on a form we do not provide or approve, and you are responsible for any loss we incur handling such an item.

To process certain electronic transactions, we may place a temporary hold on your funds which may be for 36 hours or more. We have no control over the other parties to the transactions or the commercial networks used in facilitating the transactions. It is your responsibility to make sure you have sufficient funds in your accounts to cover all transactions, regardless of when those transactions may clear.

We may refuse to allow a withdrawal in some situations, and will advise you accordingly. For example: (1) a legal garnishment or attachment is served; (2) the account secures any obligation to us; (3) required documentation has not been presented; (4) you fail to make payments on a loan that you have with us; or (5) any other reason allowed by applicable law. We may require you to give written notice of seven (7) days to sixty (60) days before any intended withdrawals.

Authorized Signature; Facsimile Signature Device; Forged Checks. Your signature on the Membership Application is your authorized signature for account access to and from your account(s). We are authorized to recognize this signature for the payment or transfer of funds, payment instructions, or other purposes relating to your account(s) but we may also allow transfers even without your signature. We will not be liable for refusing to honor any item or instruction if we believe the signature is not genuine. However, we are not required to check the signature for authenticity unless our internal policies and procedures require us to (e.g., if a check is written above a stated threshold amount), and you agree that failure to do so does not constitute failure on our part to exercise ordinary care. You may also authorize the use of a facsimile signature device and, if you have done so, we may honor any draft or other item that appears to bear your facsimile signature even if it was made by an unauthorized person, and we will not be liable for any issues arising from such honor. You are responsible for the use and safeguarding of the facsimile signature device, your checks, and your access codes and as such, you specifically agree that you are in the best position to determine whether your facsimile signature has been used without your consent, or a counterfeit facsimile signature device has been used, or your signature has been forged. Therefore you are required to make a good-faith effort to review any and all statements and items or checks returned to you or made available to you for any unauthorized use of your electronic, mechanical, or facsimile signature. We will not be liable if we honor an item that appears to be authorized by your signature, and you will reimburse us for any loss or costs (including reasonable attorney's fees) that we incur because the facsimile signature was used without your consent or because a counterfeit facsimile signature device was used. Nothing in this provision shall be construed to relieve us of our obligations to act in good faith and to exercise ordinary care.

Automated Processing of Items. You acknowledge and agree that we have adopted automated collection and payment procedures which are standard and reasonable in the industry. This allows us to process a large volume of items efficiently. However, these automated procedures rely primarily on information encoded onto each item in magnetic ink and does not provide for personal inspection of the item by our staff ("site examination"). You agree that in paying an item, we may disregard all information on the item except that which has been encoded onto the item in magnetic ink, such as identity of drawee bank and amount of the item, even if that information is inconsistent with other information printed or written on the item. You agree that we do not fail to exercise ordinary care in paying an item solely because our procedures do not provide for a sight examination of the item. You also agree to reimburse us for any loss or costs (including reasonable attorney's fees), that we incur because the item contained such extra information.

Stale and Post-Dated Items. We maintain the option to pay or dishonor any stale draft or check (i.e., more than six months old) upon presentation. You agree that we are not liable to you for charging your account before the indicated date on a properly payable but post-dated check unless you notify us

that you have issued a post-dated draft. The notice must be given to us in time so that we can notify our employees and reasonably act upon the notice, and it must provide the number of the check, its date, the name of the payee, the exact amount, and the account number on which it is drawn. You understand that the exact information is necessary for us to identify the draft. We are not responsible if you give us an incorrect or incomplete description, or untimely notice. You may make a verbal notice which lapses in fourteen (14) calendar days unless confirmed in writing. A written notice is effective for six (6) months and may be renewed in writing from time to time. You agree not to deposit checks, drafts, or other items before they are properly payable. We are not obligated to pay any check or draft drawn on your account which is presented more than six (6) months past its date.

Stop Payment Orders. You may request a stop payment order on any check or other written instrument drawn on your account that has not been paid or certified. You may call us to request a stop payment, but to be binding, we may require that the order be dated, signed, and describe the account number, item number, and the exact amount of the item. The stop payment order will be effective if we receive the order in time for us to act upon the order. You understand that the exact information is necessary for our computer system to identify the item. If you give us incorrect or incomplete information, or the stop payment order is not received in time for us to act upon it, we will not be responsible for failing to stop payment on the item and we will not be liable to you or to any other party for payment of the draft. If we recredit your account after paying a draft over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to transfer to us all of your rights against the payee or other holders of the draft and to assist us in any legal action.

A verbal stop payment order is valid for only 14 days, unless we receive a written confirmation thereof. A written stop payment order on a check that is not converted to an ACH transaction is valid for only six months unless it is renewed by you. For all other transactions, stop payment orders do not expire.

Fees for stop payment orders will be imposed and are set forth on the Rates and Fees Schedule. You may not stop payment on any certified check, cashier's check, teller's check, official check, or any other check, draft, or payment guaranteed by us. Although payment of an item may be stopped, you may remain liable to any item holder, including us. You have the burden of establishing the fact and amount of loss resulting from the payment of an item contrary to a binding stop payment order. You agree to indemnify and hold us harmless from all costs, including reasonable attorney's fees, damages or claims related to our refusing payment of an item, including claims of any multiple party account owner, payee, or endorsee in failing to stop payment of an item as a result of incorrect information provided by you.

ACH and Wire Transfers. This provision applies to funds transfers as defined in Article 4A of the Uniform Commercial Code and Subpart B of Regulation J of the Board of Governors of the Federal Reserve System. (e.g., wire transfers). You authorize us to transfer funds according to your instructions ("payment order") to and from your designated account(s), or to and from another financial institution. You also authorize us to charge your account for any related fees or service charges. We may require that transfers follow certain security procedures. We will notify you of any such security procedures and you agree that our security procedures are commercially reasonable. Cut-off times may apply to the receipt, execution and processing of funds transfers, payment orders, cancellations, and amendments and if received after a cut-off time, may be treated as having been received on the next following funds transfer business day. Information about any cut-off times is available upon request. When processing a payment order, payment may be made based solely on the account number provided in the payment order, even if that account number identifies a beneficiary other than the one that you name in the payment order. Similarly, if the payment order identifies the name, routing number and transit number of the beneficiary's financial institution, payment may be made solely on the basis of the routing and transit number, even if those numbers do not correspond to the name of the financial institution that you supplied. You agree that your obligation to pay the wire transfer is not affected if the identifying numbers do not match the named beneficiary or financial institution. You are also responsible for any loss or expenses incurred by a receiving bank which executes or attempts to execute the payment order in reliance on the identifying number you provided. We may also pay wire transfers received by us for your benefit based solely on the account number. We may refuse to accept or execute any payment order, or an amendment or cancellation thereof, and we shall be deemed to have accepted a payment order or its amendment or cancellation only upon execution thereof. We may reject or refuse to accept or execute a payment order if (1) the designated account(s) does not contain sufficient available or collected funds; (2) the account number that you provide on the payment order does not correspond to any known account with us; (3) the payment order is not authorized or does not comply with applicable security procedures; (4) we are prohibited from doing so due to applicable law; or (5) we have a good-faith, reasonable cause for rejecting the payment order. All transfers shall be shown on your periodic account statement and reflection on the statement shall constitute notice of receipt of the transfer. You may inquire whether a specific transfer has been received at any time during our normal business hours and/or by any means that we provide you for making inquiries on your accounts. We are not responsible for any transmission performance failure as a result of interruption in transfer facilities; power failures; equipment malfunctions; labor disputes; emergency conditions; fire, flood, or other natural disasters; war or terrorist attack; or other circumstances beyond our control. We are also not responsible for transfer failures due to suspension of payment by another party, or refusal or delay by another financial institution to accept the transfer, or if we are prohibited from performing under any applicable law. We shall not be liable for any special, indirect, consequential or punitive damages arising from any failure or delay in processing a payment order or related obligation. In no case shall we pay attorney's fees or other legal expenses incurred in connection herewith. If we become obligated under Article 4A to pay interest to you, you agree that the rate of interest to be paid shall be equal to the interest rate, on a daily basis, applicable to the account to which the funds transfer was made. If you send an international wire transfer that identifies a beneficiary bank located outside of the United States, you agree that we do not guarantee the receipt or timely processing of the funds on the part of the foreign beneficiary bank. At the time of the international transfer request, you will receive a receipt and disclosures regarding the transfer, including your rights regarding cancellation and resolution of errors, in accordance with Regulation E. By sending an international wire transfer, you understand that we have no control over how or when the funds are received or processed by the foreign beneficiary bank and that it could take up to one month or longer for the wired funds to be processed by the foreign beneficiary bank. Therefore, except as otherwise provided in Regulation E, (a) you understand and acknowledge that by sending an international wire transfer according to the financial institution and account information you provide us, you accept all risk associated with your wire transfer request; and (b) we will not be held liable or responsible to refund you any of the funds or costs associated with executing your request where the funds you sent were lost, destroyed, not processed, or not received by the foreign beneficiary bank. You further acknowledge that we are prohibited from processing and executing requests where the federal government has enforced economic and trade sanctions against named foreign countries, or where the federal government has prohibited us from doing business with named financial institutions.

Choice of Law. We may accept, on your behalf, payments to your account which have been transmitted through one or more Automated Clearing Houses and which are not subject to the Electronic Fund Transfer Act. Your rights and obligations with respect to such payments shall be construed in accordance with and governed by Regulation J, Article 4A, and the laws of the state in which our headquarters are located, and as provided by the operating rules of the National Automated Clearing House Association.

OTHER RULES APPLICABLE TO YOUR MEMBERSHIP AND ACCOUNTS

Illegal Transactions. You warrant and agree that you will not use any Credit Union services or loan or deposit accounts to make or cause to be made any transaction that is deemed illegal under applicable law, including, but not limited to, any gambling activity, embezzlement, identity theft, money laundering or terrorist activity. Any such use shall constitute a breach of this Agreement. We may delay processing or refuse to process or may be required by Federal Reserve Reg GG to refuse to process any transaction that we believe to be illegal, suspicious, unenforceable, or which is a restricted transaction under Reg GG, and will not be liable to you for such delay or refusal. Restricted transactions generally include, but are not limited to, those in which credit, electronic fund transfers, checks, or drafts are knowingly accepted by gambling businesses in connection with the participation by others in unlawful internet gambling. You further agree to indemnify us and hold us harmless from any liability of any kind and costs incurred by us in any form whatsoever that results directly or indirectly from such illegal use. We will also not be liable to you if we in good faith freeze your accounts and/or notify our regulators or local or federal enforcement authorities regarding any activity we believe to be illegal, suspicious, or unenforceable.

Negative Information Notice. We may report information about your accounts to credit bureaus. Late payments, missed payments, overdrafts or returned items or transactions or other defaults on your account may be reflected in your credit report.

Account Rates and Fees. We pay interest or dividends on accounts and assess fees against your account as set forth on the Fee Schedule; rates and fees can be found at novation.org. You agree that we may debit your account for any fees incurred without prior notice to you. We may change the Rates and Fees at any time and will notify you as required by law. For the most current rates and fees, you may contact us at any time and manner available.

Statements and Copies of Checks. If we provide a periodic statement for your account, we will send or make available to you a periodic statement of transactions and activity on your account during the statement period as required by applicable law. In the case of multi-party accounts, you agree and acknowledge that we are required to provide only one statement on the account and can provide it to any one of the parties on the account as we choose.

For checking accounts, you understand and agree that your original check (or substitute check), when paid, becomes our property and may not be returned to you. We may, but are not required to, retain the original checks. You agree to keep copies of your checks in order to verify their validity. If you request copies of your checks, you agree that we may provide an electronic image of the check or a sufficient copy thereof. We may charge you, and you agree to pay, fees for providing copies of the checks and/or any research involved with your request, as set forth on the Rates and Fees Schedule.

You understand and agree that statements are made available to you on the date they are mailed to you or delivered electronically. You also understand and agree that checks or copies thereof are made available to you on the date the statement is sent to you, even if the checks do not accompany the statement.

Your Duty to Examine. You are responsible for promptly examining each statement and reporting any irregularities or issues to us. We will not be liable for any forged, altered, unauthorized, unsigned, or improperly endorsed or encoded items drawn on your account if: (1) you fail to notify us in writing within thirty (30) days of the mailing date of the earliest statement containing or evidencing such irregularities regarding any item described in the statement; or (2) any items are forged or altered in a manner not detectable by a reasonable person, including the unauthorized use of a facsimile signature machine.

If you fail to receive a periodic statement you agree to notify us within fourteen (14) days of the time you regularly receive a statement.

e-Statements. If we make this service available to you, you may agree to receive statements via electronic means, whereby your periodic statement will be e-mailed to you or sent electronically to, and made available on, our online banking website. Please see the provision, "Electronic Statements, Electronic Notices, Electronic Disclosures and Electronic Agreements" for more information regarding e-statements.

Notices; e-Notices; Name or Address Change. Any written notice we give to you is effective when it is made available in our online banking system (if you have agreed to receive such notices electronically), or when it is deposited in the U.S. Mail, postage prepaid and addressed to you at the most recent mailing address on file with us. Notice to any account owner is considered notice to all account owners. Any written notice you give us is not effective until we actually receive it in our offices.

You agree to notify us of any postal or e-mail address change or name change in writing. We reserve the right to require verification of your identity and proof of a change in address prior to making any changes in our records. We are only required to attempt to communicate with you at the most recent address you have provided to us. If you fail to provide notice of a change in address or name, and we attempt to locate you, we may impose a service fee as set forth on the Fee Schedule.

e-Notices. If we make this service available to you, you may agree to receive electronically all notices regarding your membership, account(s), or services with us whereby these notices will be e-mailed to you or sent electronically to, and made available on, our online banking website. Please see the provision, "Electronic Statements, Notices, Disclosures and Agreements; Electronic Services" for more information regarding e-notices.

Electronic Statements, Notices, Disclosures and Agreements; Electronic Services. We may provide electronic document delivery services for the delivery to you of all disclosures, statements, notices, contracts or agreements, receipts, modifications or amendments, and all other documentation regarding your membership, accounts, transactions, or other business you have with us (collectively referred to as "documents" or "documentation"). If you agree to receive such documentation electronically, you specifically agree and acknowledge that we may provide the documents electronically either by sending an e-mail with the text of the documents embedded in the text of the e-mail message or as an attachment contained within the e-mail, or by posting such documents on our website or online banking service and notifying you that the documents have been so posted. You have a right to request and receive a paper copy of these documents if that right is provided under applicable law. You may also withdraw your consent and revoke your agreement to receive the documents electronically. To request a paper copy or to revoke your consent, call, write, or e-mail us at the number and addresses provided on the 'Contat Us' page at novation.org. If any of our e-mails are returned to us as undeliverable, we will change our delivery mode to paper format, and you will be required to re-apply for our electronic delivery service and to update your e-mail address accordingly.

We may also offer electronic services such as online banking or online bill pay, which allow you to conduct transactions to and from your account(s) and to conduct other business with us electronically. You may be required to sign a separate agreement regarding these services and you will be subject to any online instructions, rules, agreements, and restrictions provided on the website(s) or provided to you at the time you open an account or enroll in these services. You may be required to be enrolled in our online banking service in order to enroll in our electronic document delivery service.

Enrollment in, and use of, these electronic services does not relieve you of your duty to promptly examine your statements, checks, and other documentation for irregularities or discrepancies regarding your accounts in accordance with this and your other Agreements you have with us.

Subject to applicable law, we may suspend some or all electronic services and access to your checking or other account(s) if you become delinquent on any of your loan or deposit obligations to us or you cause a loss to us. We shall not be liable to you in any regard in connection with such suspension of services.

System Requirements. In order to enroll in our electronic document delivery service or online banking services, you must be able to receive, view, and print (or otherwise retain), the documents involved. As such, you must have a computer that has access to the Internet, and use of a browser that supports SSL and Cookies. Additionally, many of our documents, including periodic statements, will be sent to you in a PDF format, and to open, read, and print these documents, you will need Adobe Acrobat Reader. Adobe Acrobat Reader may be available for download for free via the Internet. Minimum system requirements are subject to change without notice as the technology changes. The exact system requirements will be disclosed to you on our website or on the online banking website or at the time you enroll in the service. By enrolling in, and using the electronic services, you are asserting that your system meets these requirements and that you are capable of, and are indeed receiving, viewing, and retaining the documents involved. If you discover that you are not receiving such documents, you must contact us immediately. We will not be liable for any failure to deliver the documents if you do not notify us of such failure, or if the failure is due to your computer hardware, software, or other equipment, or due to other circumstances beyond our control.

System Disruptions. You understand and agree that such electronic services may occasionally be unavailable for short periods of time due to system maintenance or other reasons. We will not be liable for any delay that this may cause and you are ultimately responsible for conducting your transactions in a timely manner with regard to your banking and bill- paying needs. In the unlikely event that our electronic services become unavailable for a prolonged period of time, you understand and agree that you still have access to the Credit Union and your account(s) in the traditional manner (i.e., in person, by mail, telephone, or check-writing), and we will not be liable to you if you fail to use these means to conduct your business with us.

Security Safeguards. Even if you enroll in online banking or bill pay or our electronic document delivery service, we may from time to time require certain transactions to be made in-person or we may require verification or authentication of your identity for security purposes before a transaction or other business with us may be initiated, processed, or completed. You agree and understand that this is for the protection of us and you and is intended to safeguard your personal information and all funds held in or by the Credit Union, and to help prevent Identity Theft and bank fraud. You agree that we will not be liable for any delay in, or prevention of, any transaction or business conducted by you due to these security measures.

Legal Process Against Your Account. If any legal action is brought against your account such as tax levy, garnishment, attachment, etc., we may pay out funds according to the terms of the action or refuse any payout until the dispute is resolved. We will not be liable to you for any such payout, even if it causes overdrafts or returned items as determined under our Overdraft Governance Documents. Any expenses or attorney fees we incur responding to legal process may be charged against your account without notice, unless prohibited by law. Any legal process against your account is subject to our lien and security interest in your account and our right to set-off.

Power of Attorney. We may allow a third person to act as your Attorney-in-Fact pursuant to a Power of Attorney, but we are not required to do so. We have the right to review and approve any form of power of attorney and may restrict account withdrawals or transfers. You understand and agree that we are under no obligation to honor any power of attorney and we have no duty to investigate or verify the scope, authenticity, or validity of any Power of Attorney. We also have no duty to inquire or investigate regarding the use or purpose of any transaction or the propriety or impropriety of any action taken by your Attorney-in-Fact.

Sharing and Disclosing Account Information. While we value your right to privacy and confidentiality of your personal information, there are times where your information will be shared and disclosed, as follows:

With joint account owners and other parties to the transaction. If you have a joint deposit account or loan account, or if you enter into a transaction or account with us that requires a guarantor or a third-party owner of pledged collateral, you specifically agree to allow us to share and disclose information pertaining to those accounts with all your joint owners and other such persons described herein. By agreeing to involve these persons in your accounts and transactions, you acknowledge and agree that you are waiving your right to privacy in this regard and that it is understood that each of you will see each other's personal, non-public information that would otherwise be held in confidence.

With Third Parties. We generally do not disclose your account information to third parties except: (1) when it is necessary in processing a transaction, whether that is to pay an item or to send a notice of dishonor or nonpayment; (2) to exchange, in the normal course of business, credit information with third party financial institutions or other business entities or a third party seeks to verify the existence or condition of your account in accordance with applicable law; (3) to provide information to our regulators or law enforcement when we in good faith belief we have been a victim of a crime or we have observed suspicious activity; (4) in order to comply with a government agency inquiry, subpoena or court order or a valid attachment, garnishment, or other legal action; (5) you give us written permission; (6) to guarantee a check by a third party; (7) at account opening, account renewal, or account review; (8) when we are attempting to collect a debt owed to us; or (9) any other reasonable disclosure allowed by law and appropriate to the circumstance. You also understand and agree that we may from time to time receive credit reports and other information about you in connection with your accounts. Upon request, we will give you the name and address of each agency from which we obtain such a report.

Inactive or Dormant Membership. If all your accounts under your membership number fall below any applicable minimum balance and you have not made any transactions over a period specified in the Fees Schedule, we may classify your account as inactive, abandoned or dormant. Unless prohibited by applicable law, we may charge a service fee for processing your inactive account(s). You authorize us to transfer funds from your account(s) to cover any service fees as allowed by law. To the extent allowed by law, we reserve the right to transfer your account funds to a general Credit Union account and to suspend any further account statements. If a deposit or withdrawal has not been made on your account(s) and we have had no other sufficient contact with you within the period specified by state law, the account(s) will be presumed to be abandoned. Funds in abandoned accounts will be reported and remitted in accordance with applicable state law. Once funds have been turned over to the state, we have no further liability to you for such funds and if you choose to reclaim such funds, you must apply to the appropriate state agency.

Death or Incompetence of Account Owner. We may continue to honor all transfer orders, withdrawals, deposits and other transactions on an account until we are notified of a member's death or adjudication of incompetence and are provided satisfactory evidence thereof, such as a certified death certificate or court order. Once we are notified of a member's death or incompetence, we may pay drafts or honor other payments or transfer orders authorized by the member for a period of ten (10) days after that date unless we receive instructions from any person claiming an interest in the account to stop payment on the drafts or other items. We may require anyone claiming the owner's account funds to indemnify us for any losses resulting from our honoring that claim. Upon the death of an individual account owner, we will pay all funds on deposit in accordance with the specific instructions on the Membership Application such as to a Payable on Death Beneficiary. If there is no beneficiary designation, no probate proceedings or no estate, we may, but are not required to, pay the funds to any heir, who will be solely responsible for any further distribution of the funds. Alternatively, we may hold the funds until a proper court order is presented to us. We may require proper documentary evidence satisfactory to us before we determine the proper treatment of the funds and before we will release funds to any claiming party. Funds in a joint account will be payable subject to the provision, "Joint or Multiple Party Accounts". Any payment of funds upon the death or incompetence of any account holder is subject to our lien and security interest. This Agreement will be binding upon any heirs or legal representatives of any account owner.

Termination of Accounts and Services. We may terminate your account or place a freeze on the funds at any time without notice to you or may require you to close your account and apply for a new account if: (1) there is a change in owners or authorized signers; (2) there has been a forgery, fraud, or unauthorized use reported or committed involving your account; (3) there is a dispute as to the ownership of the account or of the funds in the account; (4) any checks are lost or stolen; (5) there are excessive returned unpaid items; (6) there has been any misrepresentation or any other abuse of any of your accounts; (7) we believe that you have been negligent in protecting your access devices or access codes; (8) you have breached any promise under this Agreement; (9) you do not fulfill the terms of any of the accounts, such as deposits being made to club accounts, etc.; or (10) we reasonably deem it necessary to prevent a loss to us or to be in the best interests of the Credit Union or our members or employees. If we are informed of such circumstances or otherwise believe that any of these circumstances are about to occur, we may place a stop payment on any item and we will not be liable to you for such a stop payment.

You may terminate a single party account by giving written notice. We reserve the right to require the consent of all owners to terminate a multiple party account. We are not responsible for payment of any draft, withdrawal, or other item after your account is terminated. However, if we pay an item after termination, you agree to reimburse us.

We reserve the right to require that all checking accounts and related services be closed or deactivated if you move your residence outside the U.S., its territories, or its possessions. If you do not close or deactivate the checking accounts within 30 days of your move, we may close the accounts.

Termination of Membership and Expulsion. You may terminate your membership by giving us notice and otherwise following our policies and procedures. You may be denied services or expelled for any reason allowed by applicable law and as outlined in our Bylaws, including having your membership account or primary share account balance fall below the required par value for membership, or causing a loss to the Credit Union, or for cause. Cause is outlined in detail in our Bylaws and includes, but is not limited to, dangerous or abusive behavior. Termination of your membership does not relieve you of your obligations to pay any fees or obligations that you owe us, and you are still responsible for any outstanding items that have not yet been processed or paid. Once membership has been terminated, no further transactions or services will be allowed.

Amendments and Changes. Changes to any account or account service requested by any member or account owner can only be made with the express consent of the Credit Union. The Credit Union, in its sole discretion, may: (1) change or modify any term or condition of this Agreement, including the method for determining dividends; (2) we may add new terms, conditions and requirements that we deem necessary or in the Credit Union's best interests; and (3) we may make operational changes. We may make all such amendments or changes as described at any time without notice except as expressly required by applicable law, and any change in the Agreement shall be effective at the earliest time allowed by applicable law. If applicable laws provide no express time period, then notice 10-days or more in advance of the effective date of any change shall be deemed sufficient.

Changes in Accounts or Ownership. Any changes in accounts or services requested by you, or any account owner, such as adding or closing an account or service, must be evidenced by a signed form approved and accepted by us. We reserve the right to require all account owners on a multiple-party account to consent to any changes and to sign the change form.

Recording Conversations. You acknowledge and agree that we may record any telephone conversation we have with you, regardless of whether we so inform you at the time of the conversation. This helps document the transaction or conversation and helps protect both parties.

Severability; Headings; No Waiver. If a court holds any portion of this Agreement to be invalid or unenforceable, the remainder of this Agreement shall remain valid and enforceable and will continue in full force and effect. All headings are intended for reference only and are not to be construed as part of the Agreement. We reserve the right to waive or choose not to enforce any and all terms, rights, or remedies under this Agreement and such waiver shall not affect our right to enforce that or another term, right, or remedy at a later time.

Enforcement. You are liable to us for any loss, cost or expense that we incur resulting from your failure to follow this Agreement. This shall include reasonable attorney fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions. You authorize us to deduct any such loss, costs or expenses from your account without prior notice to you.

Governing Law. This Agreement is governed by our Bylaws, federal laws and regulations, local clearing house rules, and the local laws (including applicable principles of contract law) and regulations of the state in which our administrative office is located. As permitted by applicable law, you agree that any legal action regarding this Agreement shall be brought in the county in which our administrative office is located.

TRUTH-IN-SAVINGS DISCLOSURES

The following disclosures and terms apply to your accounts with the Credit Union. The Rates and Fee Schedule found at novation.org also sets out terms of your accounts and is hereby incorporated by reference as if fully set forth herein.

1. **RATE INFORMATION.** Please see our current Rates at novation.org for current Annual Percentage Yield (APY) and any applicable tiers. The Annual Percentage Yield (APY) reflects the total amount of dividend 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 (APY) may vary as explained below. You must provide and maintain minimum opening deposits and/or minimum daily balances in order to earn the APYs stated on our website, if so indicated. *See below for specific account details.*

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

3. **MINIMUM BALANCE REQUIREMENTS.** The minimum balance requirements for each account is set forth below. Minimum balance requirements may include a minimum opening deposit, the minimum balance that you must maintain in the account to avoid service fees, and the minimum balance that you must maintain each day to earn the stated Annual Percentage Yield for that account. The Par Value of a share in this credit union is disclosed on the Membership Application. *See below for specific account details.*

4. **BALANCE COMPUTATION METHOD.** We use the *Average Daily Balance Method* to calculate dividends on your account. The *Average Daily Balance Method* applies a periodic rate to the average daily balance in the account for the period. The average daily balance is calculated by adding the balance in the account for each day of the period and dividing that figure by the number of days in the period.

5. **ACCRUAL OF DIVIDENDS ON NONCASH DEPOSITS.** Dividends will begin to accrue on the business day that you deposit noncash items (e.g. checks) to your account.

6. **FEES AND CHARGES.** We may impose fees, charges, or penalties against your account(s). Please see Fee Schedule for the types, amounts, and conditions of the fees and charges.

7. **NATIONAL CREDIT UNION SHARE INSURANCE FUND.** Member accounts in this credit union are federally insured by the National Credit Union Share Insurance Fund.

Primary Savings Account. *Compounding and Crediting.* The frequency with which dividends will be compounded and credited is monthly. The "Month" begins on the first calendar day of the month and ends on the last calendar day of the month. *Minimum Balance Requirements.* The minimum opening deposit and minimum balance to earn the stated APY for this account is $5.00. *Accrual of Dividends.* If you close your account before dividends are paid, you will not receive the accrued dividends. *Variable Rate Information.* Your rate is variable and is based on the Board of Director's discretion. We may change the rate at any time. There are no limitations on the amount the rate can change.

Secondary Savings Account. *Compounding and Crediting.* The frequency with which dividends will be compounded and credited is monthly. The "Month" begins on the first calendar day of the month and ends on the last calendar day of the month. *Minimum Balance Requirements.* There are no minimum balance requirements on this account. *Accrual of Dividends.* If you close your account before dividends are paid, you will not receive the accrued dividends. *Variable Rate Information.* Your rate is variable and is based on the Board of Director's discretion. We may change the rate at any time. There are no limitations on the amount the rate can change.

High Yield Savings Account. *Compounding and Crediting.* The frequency with which dividends will be compounded and credited is monthly. The "Month" begins on the first calendar day of the month and ends on the last calendar day of the month. *Minimum Balance Requirements.* There are no minimum balance requirements on this account. *Accrual of Dividends.* If you close your account before dividends are paid, you will not receive the accrued dividends. *Variable Rate Information.* Your rate is variable and is based on the Board of Director's discretion. We may change the rate at any time. There are no limitations on the amount the rate can change.

Youth Savings Account. *Account Eligibility.* This account is eligible for members under the age of 18 and requires a legal guardian as a joint owner. The joint owner must have an existing deposit (savings) account with Novation Credit Union in good standing. *Compounding and Crediting.* The frequency with which dividends will be compounded and credited is monthly. The "Month" begins on the first calendar day of the month and ends on the last calendar day of the month. *Minimum Balance Requirements.* There are no minimum balance requirements on this account. *Accrual of Dividends.* To qualify to earn dividends, you must (1) have access to online banking, and (2) provide a valid email address and agree to accept electronic delivery of all communications (ex. electronic statements and end-of- year tax forms) we need or decide to send to you. Dividends will be paid on balances up to $10,000. If you close your account before dividends are paid, you will not receive the accrued dividends. *Variable Rate Information.* Your rate is variable and is based on the Board of Director's discretion. We may change the rate at any time. There are no limitations on the amount the rate can change. We reserve the right to transition your account to an eligible account, with prior notification to you, after you have aged out.

Incentive Savings Account. *Compounding and Crediting.* The frequency with which dividends will be compounded and credited is monthly. The "cycle" begins on the day after the previous month's end of cycle to the second to last business day of the current month. Please refer to Novation Credit Union's website for the Incentive Checking and Savings disclosure for the cycle period. *Minimum Balance Requirements.* There are no minimum balance requirements on this account. *Accrual of Dividends.* To qualify for the additional incentive dividend rate, the Incentive Savings Account must be maintained under the same membership as an open Incentive Checking Account that satisfies all applicable Incentive Checking qualification requirements for the cycle. Which require that you (1) have access to online banking, (2) provide a valid email address, and agree to accept electronic delivery of all communications (ex. electronic statements and end-of-year tax forms) we need or decide to send to you, (3) enroll in Payroll Direct Deposit, and (4) have a minimum of twelve (12) Novation debit or credit card purchases with an average of $5.00 per transaction. Qualifying transactions must post before the end of the last business day of the applicable cycle. Qualifications will be reviewed each cycle; if qualifications are not met in a cycle, the additional incentive dividend rate will not apply. If you close your account before dividends are paid, you will not receive the accrued dividends. *Variable Rate Information.* Your rate is variable and is based on the Board of Director's discretion. We may change the rate at any time. There are no limitations on the amount the rate can change.

Simple Checking Account. *Compounding and Crediting.* This is a non-dividend bearing account. *Minimum Balance Requirements.* There is no minimum balance requirement on this account.

Incentive Checking Account. *Compounding and Crediting.* The frequency with which dividends will be compounded and credited is monthly. The "cycle" begins on the day after the previous month's end of cycle to the second to last business day of the current month. Please refer to Novation Credit Union's website for the Incentive Checking and Savings disclosure for the cycle period. *Minimum Balance Requirements.* There are no minimum balance requirements on this account. *Accrual of Dividends.* To qualify to earn dividends, you must (1) have access to online banking, (2) provide a valid email address, and agree to accept electronic delivery of all communications (ex. electronic statements and end-of-year tax forms) we need or decide to send to you, (3) enroll in Payroll Direct Deposit, and (4) have a minimum of twelve (12) Novation debit or credit card purchases with an average of $5.00 per transaction. Qualifying transactions must post to the account before the end of the last business day of the cycle. Qualifications will be reviewed each cycle; if qualifications are not met in a cycle, dividends will not be paid. If you close your account before dividends are paid, you will not receive the accrued dividends. *Variable Rate Information.* Your rate is variable and is based on the Board of Director's discretion. We may change the rate at any time. There are no limitations on the amount the rate can change.

Free 55 Checking. *Account Eligibility.* This account is eligible for members age 55 and above. *Compounding and Crediting.* The frequency with which dividends will be compounded and credited is monthly. The "Month" begins on the first calendar day of the month and ends on the last calendar day of the month. *Minimum Balance Requirements.* The minimum opening deposit and minimum balance to earn the stated APY for this account is $30.00. *Accrual of Dividends.* If you close your account before dividends are paid, you will not receive the accrued dividends. *Variable Rate Information.* Your rate is variable and is based on the Board of Director's discretion. We may change the rate at any time. There are no limitations on the amount the rate can change. We reserve the right to transition your account to an eligible account, with prior notification to you, after you have aged out.

Youth Checking Account. *Account Eligibility.* This account is eligible for members under the age of 18 and requires a legal guardian as a joint owner. The joint owner must have an existing deposit (savings) account with Novation Credit Union in good standing. *Compounding and Crediting.* The frequency with which dividends will be compounded and credited is monthly. The "Month" begins on the first calendar day of the month and ends on the last calendar day of the month. *Minimum Balance Requirements.* There are no minimum balance requirements on this account. *Accrual of Dividends.* To qualify to earn dividends, you must (1) have access to online banking, and (2) provide a valid email address and agree to accept electronic delivery of all communications (ex. electronic statements and end-of- year tax forms) we need or decide to send to you. Dividends will be paid on balances up to $5,000. If you close your account before dividends are paid, you will not receive the accrued dividends. *Variable Rate Information.* Your rate is variable and is based on the Board of Director's discretion. We may change the rate at any time. There are no limitations on the amount the rate can change. We reserve the right to transition your account to an eligible account, with prior notification to you, after you have aged out.

Money Market Account. *Compounding and Crediting.* The frequency with which dividends will be compounded and credited is monthly. The "Month" begins on the first calendar day of the month and ends on the last calendar day of the month. *Minimum Balance Requirements.* There are no minimum balance requirements on this account. *Accrual of Dividends.* If you close your account before dividends are paid, you will not receive the accrued dividends. *Variable Rate Information.* Your rate is variable and is based on the Board of Director's discretion. We may change the rate at any time. There are no limitations on the amount the rate can change.

Term Share Certificate Account. *Rate Information.* The dividend rate and Annual Percentage Yield (APY) are fixed and will be in effect for the initial term of the account. The rates for Renewals shall be those rates in effect at the time of renewal. The APY stated is based on the assumption that dividends will remain on deposit until maturity; a withdrawal of dividends will reduce earnings. *Compounding and Crediting.* The frequency with which dividends will be compounded and credited is quarterly. The "Quarter" begins on the first calendar day of the quarter and ends on the last calendar day of the quarter. *Minimum Balance Requirements.* The minimum opening deposit amount is $500. *Accrual of Dividends.* If you close your account before dividends are paid, you will not receive the accrued dividends. *Maturity.* Your account will mature according to the term indicated on your account summary or statement. *Early Withdrawal; Penalties.* We will impose a penalty if you withdraw any of the principal in your account before the maturity date. The amount of the penalty will be dependent on the term of certificate and is disclosed at novation.org. The penalty is calculated as a forfeiture of part of the dividends that have been or would have been earned on the account, and applies whether or not the dividends have been earned. The penalty may be deducted from the principal amount of the deposit. The Annual Percentage Yield disclosed for your account is based on an assumption that dividends will remain in the account until maturity; a withdrawal will reduce earnings. **Exceptions to Early Withdrawal Penalties:** We may, at our option, pay the account before maturity without imposing an early withdrawal penalty under the following circumstances: If an account owner dies or is determined to be legally incompetent by a court or other body of competent jurisdiction. *Renewal Policy.* Unless you otherwise instruct us, those certificate accounts with standard annual renewal terms (1yr, 2yr, 3yr) will automatically renew at maturity. Promotional certificate offerings, generally on non-standard terms, will be considered a non-renewal and will be deposited to your primary share account at maturity unless otherwise instructed. You will have a grace period of 10 days after the maturity date to withdraw the funds in the account without being charged an early withdrawal penalty.

ELECTRONIC FUNDS TRANSFER AGREEMENT and DISCLOSURE - REG E

This Electronic Funds Transfer Agreement and Disclosure ("Agreement") is the contract which governs the rights and responsibilities of both parties regarding electronic funds transfer services offered by us. "Account" means any one or more of your savings, money market, and checking account(s) you have with us. Electronic funds transfers are electronically-initiated transfers of money from or to your account through the various services described below. By signing an application for EFT services, or by accessing any service, you agree to the terms and conditions in this Agreement, and amendments thereto, and any other agreements that may govern your accounts. We may refuse any transaction which would draw upon insufficient funds, lower an account below any required minimum balance, exceed a credit limit, or otherwise require us to increase our required reserve on an account.

Suspension of electronic services and access to share or deposit accounts. Subject to applicable law, we may suspend some or all electronic services and access to your checking or other account(s) if you become delinquent on any of your loan or deposit obligations to us, you cause a loss to us, or due to suspicious or fraudulent activity. We shall not be liable to you in any regard in connection with such suspension of services.

TYPES OF ELECTRONIC FUND TRANSFER SERVICES. The following describes the services, if approved, that are available, and some limitations that apply:

1. **Visa Debit Card.** You may use your Visa Debit Card and/or PIN to:
   - Withdraw funds from your savings and checking accounts.
   - Make deposits to your savings and checking accounts.
   - Transfer funds between your savings and checking accounts whenever you request.
   - Obtain balance information on your savings and checking accounts.
   - Pay for purchases at places that have agreed to accept the Card.
   - Make Point of Sale (POS) transactions to purchase goods or services at POS terminals that have the Visa logo.
   - Pay bills or make other transactions on Non-Visa Networks (STAR, NYCE) without a PIN*
   - Order goods or services by mail, telephone, or via the Internet from places that accept the Card.
   - Make cash withdrawals in foreign countries and in foreign currencies.
   - Pay bills directly by telephone from your checking accounts in the amounts and on the days you request.

*Non-Visa PIN-less transactions will not be processed as Visa transactions and therefore will not include Visa's zero liability or chargeback and dispute resolution benefits. Additionally, provisions of this agreement relating only to Visa transactions are not applicable to non-Visa and PIN-less debit transactions.

Limitations. The following limitations will apply to your Card:

- Sufficient funds must be available to make any withdrawal. You may make only 50 transactions, cash withdrawals and purchases combined, per day. Please see novation.org for additional limits on ATM withdrawals and POS transactions.
- Your available account balance may be reduced for preauthorizations for 3 business days or until the transaction clears.
- You are not allowed to make deposits at an ATM that we do not operate or own, unless the ATM is within our affiliated network. Affiliated ATMs can be found at novation.org.
- Contact Novation Credit Union at the phone number above to request temporary limit increases.

2. **Debit Mastercard.** You may use your Debit Mastercard and/or PIN to:
   - Withdraw funds from your savings and checking accounts.
   - Make deposits to your savings and checking accounts.
   - Transfer funds between your savings and checking accounts whenever you request.
   - Obtain balance information on your savings and checking accounts.
   - Pay for purchases at places that have agreed to accept the Card.
   - Make Point of Sale (POS) transactions to purchase goods or services at POS terminals that have the Mastercard logo.
   - Order goods or services by mail, telephone, or via the Internet from places that accept the Card.
   - Make cash withdrawals in foreign countries and in foreign currencies.
   - Pay bills directly by telephone from your savings and checking accounts in the amounts and on the days you request.

Some services may not be available at all terminals. The amount of purchases and/or cash obtained (if permitted) will be deducted from your checking account. Advances from your line-of-credit account are loans that must be repaid by you, and are governed by your line-of-credit agreement.

Limitations. The following limitations will apply to your Card:

- Sufficient funds must be available to make any withdrawal. You may make only 50 transactions, cash withdrawals and purchases combined, per day. Please see novation.org for additional limits on ATM withdrawals and POS transactions.
- Your available account balance may be reduced for preauthorizations for 3 business days or until the transaction clears.
- You are not allowed to make deposits at an ATM that we do not operate or own, unless the ATM is within our affiliated network. Affiliated ATMs can be found at novation.org.
- Contact Novation Credit Union at the phone number above to request temporary limit increases.

3. **Electronic Check Conversion & Electronic Returned Check Fees.** If you pay for something with a check, you may authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your check to: (1) pay for purchases or (2) pay your bills. When your check is used to initiate an electronic funds transfer in this way, you authorize the funds to be debited from your account as soon as the same day, and your check may not be returned to you. You also authorize a one-time electronic funds transfer to pay a Returned Check/EFT fee or Non-sufficient Funds fee if you have insufficient funds.

4. **Preauthorized Electronic Funds Transfers.** You may authorize periodic or recurring automatic payments from, and deposits into, your designated account(s). Examples of such transfers include direct deposit of your paycheck or Social Security check into your designated Credit Union account; automatic payment(s) from your designated Credit Union account to third parties; and automatic payment from your designated Credit Union account for loan payments or other amounts you owe us.

The frequency and amounts of these preauthorized transfers will be subject to and in accordance with the authorization that you sign, and any separate agreement you have with the originator of the transfer.

5. **Virtual Phone System.** You may access your accounts via our virtual phone agent. You may use telephone access to:

- Transfer funds between your savings and checking accounts;
- Obtain balance, account activity, and other information on your savings and checking accounts;
- Verify whether a check or other item has cleared your savings and checking account;
- Make loan or credit card payments from your savings and checking accounts;
- Take advances from your line-of-credit loan account;

The telephone access service is available twenty-four (24) hours a day, but may be inaccessible for a short period each day for data processing.

6. **Digital Insights.** We offer an Online Banking service that you may access from a personal device that has Internet access. You will need your assigned password and member number or user name to access your accounts, as instructed when you log on. You may use this service for the following:

- Make deposits to your savings and checking accounts;
- Make transfers between your savings, checking, and money market accounts;
- Make external transfers (A to A);
- Make external loan payments;
- Obtain balance information on your active accounts or loans;
- Make payments on your Credit Union loans from your savings, checking, and money market accounts;
- Access internet bill pay services to make payments to various creditors;
- Verify whether a check or other item has cleared your savings, checking, and money market account;
- Take an advance from a line of credit account;
- Obtain tax information on amounts earned on applicable accounts if signed up to receive estatements;
- Obtain information on interest paid on loan accounts;
- Change your password;
- Receive account statements and notices regarding your accounts online or via e-mail;
- Order checks;
- View images of cleared checks;
- Update your personal contact information;
- Send secure e-mails to us;
- Access or utilize other services that we may make available to you from time to time.

Our Online Banking service will be available to you 24 hours a day, but may be interrupted for a short period of time each day for data processing. Security protocols will be in place, such as electronic lock-out if there are numerous unsuccessful attempts to enter a transaction, and limits on the duration of access.

Other EFT Disclosures contained in this document apply to Online Banking services as well. You will also be required to comply with instructions and agreements provided online when you log onto the Online Banking service.

7. **Online Bill Payment Services.** Through our Online Banking service, we offer Bill Pay services so that you may pay your bills to third-party creditors and payees electronically. You must agree to the online bill payment services agreement included on the bill pay services website, which agreement is incorporated by reference herein. You may also be required to comply with other instructions and agreements provided online when you log onto the Bill Pay service.

FEES. There are certain fees and charges for using electronic funds transfer services. For a current list of the types and amounts of these fees, please see your Fee Schedule found at novation.org. ATM Fees: Additionally, when you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used, and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer. The amount of this fee will be disclosed to you by the owner of the ATM.

USE OF EFT CARDS AND SERVICES.

Ownership: any card or other access device that we provide you remains our property and must be returned to us, our agent, or to any person who is authorized to honor the card according to our instructions. We may repossess the card at any time in our sole discretion without demand or notice to you. You cannot transfer the card, access code, or account to another person, and you will be liable for any transfers made by anyone to whom you give your card or access codes.

Honoring the Card(s); Refunds: Neither we nor the merchants authorized to honor the card will be liable for failure or refusal to honor your card, access device, or code. If a merchant agrees to provide a refund or adjustment to you, you agree to accept a credit to your account instead of a cash refund.

Illegal Transactions: You shall not use your card to make any illegal transaction as determined by applicable law. We may decline any transaction that we believe to be illegal, including but not limited to any transaction involving or relating to any gambling activity. We will have no liability or responsibility for any such use or for declining any such transaction. You further agree to indemnify and hold us harmless from any suits, liability, damages or adverse action of any kind that results directly or indirectly from such illegal use.

Foreign Transactions; Currency Conversion: Purchases and cash advances made in foreign currencies will be debited from your account in U.S. dollars. The conversion rate in dollars will be (1) a rate selected by Visa International or Mastercard from a range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Visa or Mastercard itself receives; or (2) the government-mandated rate in effect for the applicable central processing date in each instance. All transactions processed outside of the United States (which may include internet transactions) will be charged a foreign transaction fee in the amount disclosed on your Fee Schedule, even if you are located in the United States.

Security of Card and Access Codes: The access codes issued to you are for security purposes and any codes issued to you are confidential and should not be disclosed to anyone else or recorded on or with the card. You agree to safeguard the codes and agree not to disclose or otherwise make available your cards or codes to anyone not authorized to sign on your accounts. If you authorize someone to use your access codes, that authority shall remain in place until you specifically revoke that authority by notifying the Credit Union.

Joint Accounts: If any of your accounts accessed under this Agreement are joint accounts, all joint owners including any authorized users, shall be bound by the terms and conditions of this Agreement. You understand and agree that any joint owner you authorize to use an access code may withdraw or transfer funds from any one of your accounts without your prior notice or permission, and we will not be liable to you in any way. Each of you jointly and severally shall be responsible for any and all transactions under this Agreement regardless of which owner accessed the accounts or used the services. Each joint account holder is authorized to act for the others, and we may accept orders and instructions regarding any transaction on any account from any owner. We can refuse to follow conflicting instructions.

No Right to Stop-Payment for Terminal Transactions: Transfers made by terminal may be executed immediately. This means that a cash withdrawal or other debit transaction is immediately deducted from your account; there is no "float" time and therefore there is no effective way of stopping the transaction.

LIABILITY FOR UNAUTHORIZED USE. Tell us AT ONCE if you believe your Debit Card or any of your access codes have been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down.

For cards with the Visa logo, and PIN-less debit card transactions over Visa Networks (and the access codes associated with those cards): You will not be liable for any amount unless we can prove that you were negligent in the handling of your card. If you write your PIN on your Card orotherwise keep the PIN with the Card, you may be negligent.

For cards with the Mastercard logo: You will have no liability for unauthorized use of your Mastercard, provided that you have exercised reasonable care in safeguarding the Card from riskof loss or theft, and upon becoming aware of such loss or theft, you promptly report the loss or theft to us.

Under no circumstances, however, will you be liable for more than $50 if you tell us within 2 business days after you learn of the loss or theft of your cardor access code and someone used your card or access code without your permission. If you do NOT tell us within 2 business days after you learn of theloss or theft of your card or access code, and we can prove we could have stopped someone from using your card or access code without yourpermission if you had told us, you could lose as much as $500.

You should always save your terminal receipts, keep a record of your transactions, and reconcile your receipts with your periodic statements. If yourstatement shows transfers that you did not make, including those made by card, code or other means, tell us at once. If you do not tell us within 60 daysafter the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someonefrom taking the money if you had told us in time. If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the timeperiods.

You are liable for all transfers or purchases made via your card(s), access code(s) or passwords that you authorize or allow. If you give your card,access code, or password to someone else, you are responsible for all transfers or purchases that that person makes with your card or via the servicethat he or she accesses, even if that person uses the card or code in a way that you did not anticipate or intend. You may revoke your permission for theother person to use your card by notifying us in writing, and allowing us reasonable time to act on your notification.

If you believe your card or access code has been lost or stolen, call: 800-369-6628 during normal business hours or write: Novation Credit Union, 500 Imperial Avenue N., Oakdale, MN 55128. You should also call this number or write to this address if you believe a transfer has been made using the information from your check without your permission.

BUSINESS DAYS. For purposes of these disclosures, our business days are Monday through Friday. Holidays are not included.

DISCLOSURE OF YOUR INFORMATION. We will disclose information to third parties about your account or the transfers you make:

1. Where it is necessary for completing transfers;
2. In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant;
3. In order to comply with government agency or court orders; or
4. If you give us your written permission.

RIGHT TO RECEIVE DOCUMENTATION

PERIODIC STATEMENTS. Transfer and withdrawal transactions made through any card, Online Banking or Bill Pay service, telephone access system, or preauthorized transfer will be reflected on your periodic statement. You will receive a monthly statement unless there are no transfers in a particular month. In any case you will get a statement at least quarterly.

TERMINAL RECEIPTS. You can get a receipt at the time you make any transaction to or from your account using an ATM, Point-of-Sale terminal, or Check Card transaction with a participating merchant. However, we are not required to provide you with terminal receipts for transactions of $15.00 or less. You should keep your statements and receipts, as they may be admissible evidence in legal proceedings if a dispute should arise and shall constitute prima facie proof that such transfer was made (for Novation Credit Union owned ATM's only).

PREAUTHORIZED EFTS. If you have arranged to have a direct deposit or preauthorized debit or credit made to your account at least once every 60 days from the same person or company, you can call us at 800-369-6628 or use telephone access or Online Banking to find out whether or not the deposit has been made.

RIGHTS REGARDING PREAUTHORIZED PAYMENTS

Right to Stop Payment and Procedure for Doing So. If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here's how:

Call us at 800-369-6628, or write us at Novation Credit Union, 500 Imperial Avenue N., Oakdale, MN 55128, in time for us to receive your request 3 business days or more before the payment is scheduled to be made. (If you want to stop a payment being made through Bill Pay, you should follow the instructions within Bill Pay). If you call, we may also require you to put your request in writing and get it to us within 14 days after you call. Please see the Fee Schedule for any fees charged for stopping payments.

Notice of Varying Amounts. If preauthorized recurring payments may vary in amount, the person you are going to pay will tell you, 10 days before each payment, when it will be made and how much it will be. (You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.)

Liability for Failure to Stop Payment of Preauthorized transfer. If you order us to stop one of these payments 3 business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

OUR LIABILITY FOR FAILURE TO MAKE TRANSFERS. If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

- If, through no fault of ours, you do not have enough available funds in your account to make the transfer.
- If the funds in your account are pledged as collateral for a loan or frozen because of a delinquent loan or other reason.
- If the transfer would go over the credit limit on your overdraft line.
- If you used your card or access code in an incorrect manner.
- If the ATM where you are making the transfer does not have enough cash.
- If the error was caused by a system of any participating ATM network.
- If the ATM, POS terminal, telephone access system, Online Banking or Bill Pay system or other electronic service was not working properly and you knew about the breakdown when you started the transfer.
- If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
- Any other exceptions stated in any of our agreements with you or which may be amended in the future.

BILLING ERROR RESOLUTION *(does not apply to international remittance transfers)*:

In case of errors or questions about your electronic transfers, contact us at the number or address listed below as soon as you can and include the information listed below. We must hear from you no later than 60 days after we sent the first statement on which the problem or error appeared.

By Telephone: 800-369-6628
By U.S. Mail: Novation Credit Union, 500 Imperial Avenue N., Oakdale, MN 55128
By e-mail: info@novation.org

- Tell us your name and account number (if any).
- Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- Tell us the dollar amount of the suspected error.

If you tell us verbally, we may require that you send us your complaint or question in writing within 10 business days. So that we may fully investigate your complaint, we may ask you to provide additional information to the extent allowed by law. We will determine whether an error occurred within 10 business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45* days to investigate your complaint or question. If we decide to do this, we will credit your account within 10** business days for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account.

For cards with the Visa logo, and PIN-less debit card transactions over Visa Networks (and the access codes associated with those cards): If a notice of error involves an unauthorized transaction on your Visa debit card, other than a cash disbursement at an ATM, we will provide provisional credit to your account within 5 business days of your notification so you will have use of the money during the time it takes us to complete our investigation.*** However, we may delay providing provisional credit if the circumstances or account history warrants the delay, in which case we will provide provisional credit within ten (10) business days. We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will reverse the provisional credit to your account and send you a written explanation. You may ask for copies of the documents that we used in our investigation. See the Rates & Fees Schedule for any fees associated with such copies.

For cards with the Mastercard logo: We will tell you the results within three business days after completing our investigation. If we decide that there was no error, send you a written explanation. You may ask for copies of the documents that we used in our investigation. See the Rates & Fees Schedule for any fees associated with such copies.

*For errors involving new accounts, point of sale, or foreign-initiated transactions, we may take up to 90 days to investigate your complaint or question. ** For new accounts, we may take up to 20 business days to credit your account for the amount you think is in error. *** Does not apply to Non-Visa PIN-less transactions.

Termination. You may terminate this agreement by (1) notifying us in writing; and (2) destroying or returning your Card(s). We may terminate this agreement by notifying you in writing. Termination does not affect any party's rights under this agreement regarding any transactions made before termination.

Time to Complete Transactions. The customary amount of time needed to make a Card purchase at a merchant facility and have the transaction posted to your account is the same business day the transaction is completed. The customary amount of time needed to make a POS purchase at a POS terminal and have the transaction posted to your account is the same business day the transaction is completed. The customary amount of time needed to make a deposit and have the transaction posted to your account is the same business day the transaction is completed but longer holds may apply as outlined on our Funds Availability Policy. The customary amount of time needed to make a withdrawal or loan payments and have the transaction posted to your account is the same business day the transaction is completed.

Reversal of Transactions. You may not reverse any transaction when using your Card to pay for goods or services by transferring funds through a terminal. Payment for goods or services by a transfer of funds through a terminal shall not affect any of the rights, protections, or liabilities in existing law concerning a cash or credit sale made by means other than through the use of a terminal.

Civil Action. You may bring a civil action against any person violating the consumer privacy and unauthorized withdrawal provisions of the Minnesota Statutes applicable to the use of your Card, and may recover actual damages or $500, whichever is greater, and punitive damages, together with court costs and reasonable attorney's fees incurred.

IMPORTANT SAFETY TIPS REGARDING THE USE OF ATM MACHINES. The following is a list of safety precautions that you should follow when using an ATM machine or night depository:

- Be aware of your surroundings, particularly at night;
- Consider having someone accompany you when using an ATM or Night Depository after dark;
- If the ATM facility is equipped with a door, close it tightly before beginning your transaction, and do not allow anyone you don't know into the facility with you;
- If another person is uncomfortably close to you at the time of your transaction, ask the person to step back before you complete your transaction;
- Refrain from displaying your cash - place it in your pocket or purse as soon as the transaction is completed. Count your cash in the safety of a locked enclosure such as a car or home;
- Use a different ATM or return at a later time if you notice anything suspicious while using or approaching the ATM. If you are in the middle of your transaction, cancel the transaction, take your card or deposit envelope, and leave;
- If you are followed after completing your transaction, go to the nearest public area where people are present;
- Do not write your personal identification number on your Debit Card; and
- Report all crimes immediately to the operator of the automated teller machine or to local law enforcement officials. If emergency assistance is needed, call the police from the nearest available public telephone. If you have complaints or concerns about the security of the ATM, contact the operator of the ATM, or the state banking department.

FUNDS AVAILABILITY POLICY

Your Ability to Withdraw Funds

Our policy is to make funds from your cash and check deposits available to you on the same business day that we receive your deposit, unless they involve an International ACH Transaction. See below for more information on International ACH Transactions. Electronic direct deposits will be available on the day we receive the deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written.

Longer Delays May Apply

However, in some cases, the availability of funds may be delayed under the following circumstances.

Case-by-Case Holds: Depending on the type of check that you deposit, funds may not be available until the 2nd business day after the day of your deposit. The first $275 of your deposits, however, will be available on the 1st business day after the date of deposit.

If we are not going to make all of the funds from your deposit available on the 1st business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit.

If you will need the funds from a deposit right away, you should ask us when the funds will be available.

Exception Holds: In addition, funds you deposit by check may be delayed for up to the 7th business day after the day of your deposit under the following circumstances:

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

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available.

Holds on Other Funds

If we cash a check for you that is drawn on another financial institution, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it.

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

Deposits at Automated Teller Machines

Funds from any deposits (cash or checks) made at automated teller machines (ATMs) we do not own or operate will not be available until the 5th business day after the day of your deposit. This rule does not apply at ATMs that we own or operate. All ATMs that we own or operate are identified as our machines.

All ATMs that we own or operate are identified as our machines. Funds from deposits (cash or checks) made at automated teller machines (ATMs) we own or operate will follow the same availability schedule as making a deposit in person to one of our employees, except that same day availability may not apply to the items noted. These deposits may be available the 1st day after the day of deposit.

Cash Withdrawal Limitation

We place certain limitations on withdrawals in cash. In general, $275 of a deposit is available for withdrawal in cash on the 1st business day after the day of deposit. In addition, a total of $550 of other funds becoming available on a given day is available for withdrawal in cash at or after 5:00 p.m. on that day. Any remaining funds will be available for withdrawal in cash on the following business day.

Special Rules for New Accounts

If you are a new member, the following special rules will apply during the first 30 days your account is open. Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first $6,725 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available on the same day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over $6,725 will be available on the 7th business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first $6,725 will not be available until the 2nd business day after the day of your deposit.

Funds from all other check deposits will be available on the 30th business day after the day of your deposit.

Business Days and Cut-off Times

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before the branch closing time on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after that time or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

International ACH Transactions

International ACH Transactions (IAT) that are transmitted to or from any of your accounts may be identified and designated by us for review and examination under the Office of Foreign Assets Control Rules and Regulations (OFAC Rules). In such a case, settlement of the IAT may be delayed or

suspended, and may be terminated under applicable OFAC Rules. You also acknowledge that we may be required to place an indefinite hold on funds covered by the IAT if the IAT is required to be terminated under OFAC Rules. You agree that any such delay is permissible under the laws applicable to the availability of funds held in deposit accounts. In the event an IAT is delayed or terminated, we will provide you such notice as may be required by applicable law.

Foreign Checks or Drafts

Checks drawn on financial institutions located outside the U.S. (foreign checks) cannot be processed the same as checks drawn on U.S. financial institutions. Foreign checks are exempt from the policies outlined in this disclosure. Generally, the availability of funds for deposits of foreign checks will be delayed for the time it takes us to collect the funds from the financial institutions upon which it is drawn.

Substitute Checks and Your Rights-Important Information About Your Checking Account

What Is a Substitute Check?

To make check processing faster, federal law permits financial institutions to replace original checks with "substitute checks." These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states: "This is a legal copy of your check. You can use it the same way you would use the original check." You may use a substitute check as proof of payment just like the original check.

Some or all of the checks that you receive back from us may be substitute checks. This notice describes rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have rights under other law with respect to those transactions.

What Are My Rights Regarding Substitute Checks?

In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, bounced check fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to dividends on the amount of your refund if your account is an dividend- bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

If you use this procedure, you may receive up to $2,500 of your refund (plus dividends if your account earns dividends) within 10 business days after we received your claim and the remainder of your refund (plus dividends if your account earns dividends) not later than 45 calendar days after we received your claim.

We may reverse the refund (including any dividends on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

How Do I Make a Claim for a Refund?

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us at info@novation.org or call a Novation Representative at (800) 369-6628. You must contact us within 60 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include –

- A description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect);
- An estimate of the amount of your loss;
- An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss; and
- A copy of the substitute check or the following information to help us identify the substitute check: *identifying information, for example the check number or the amount of the check*.