

TAUNTON FEDERAL CREDIT UNION ACCOUNT AGREEMENT

TERMS AND CONDITIONS OF ACCOUNT

Welcome to Taunton Federal Credit Union. We are pleased to have you as a member.

This is the contract between you and Taunton Federal Credit Union. When you become a member you agree to the terms and conditions described in this brochure. Please read this Agreement carefully and keep it for your records. You will receive a separate schedule of rates, qualifying balances, terms and fees. This agreement is subject to applicable federal laws and the laws of the Commonwealth of Massachusetts except to the extent that this agreement can and does vary from such rules or laws. If any provision of this document is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. The headings in this document are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this document should be construed so the singular includes the plural and the plural includes the singular. This Agreement is the contract that covers your and our rights and responsibilities concerning Membership and Account(s) offered to you. In this Agreement, the words “you” and “yours” mean those who sign the Membership Application / Update (“Application”), assert any ownership in an account, or use any access device for any account. The words “we,” “us,” and “our” mean Taunton Federal Credit Union. The word “account” means any one or more share savings, share draft, or time deposit accounts you have with the Credit Union. The classification and form of ownership of your accounts are designated on your Application. By signing the Application that is a part of this Agreement, each of you, jointly and severally, agree to the terms and conditions in this Agreement, including the Funds Availability Policy, Electronic Funds Transfer Agreement, and Your Right to Privacy incorporated in or accompanying this Agreement, any account receipt, the Credit Union’s Bylaws and policies, and any amendments which collectively govern your Membership and Accounts. You agree that additional accounts and services you request in the future will be governed by this Agreement, as amended from time to time.

BYLAWS

Our bylaws, which we may amend from time to time, establish basic rules about our credit union policies and operations which affect your account and membership. You may obtain a copy of the bylaws on request. Our right to require you to give us notice of your intention to withdraw funds from your account is described in the bylaws. Unless we have agreed otherwise, you are not entitled to receive any original item after it is paid, although you may request that we send you an item(s) or a copy of an item(s). Dividends are based on current earnings and available earnings after providing for required reserves. To be eligible for membership in the Credit Union you must be an individual or entity qualifying within the Credit Union’s field of membership and must purchase and maintain a membership share as required by the Credit Union’s Bylaws. Any member who fails to restore their membership share within 12 months, ceases to be a member. Any member who is disruptive to Credit Union operations may be subject to limitations on services and access to Credit Union facilities. This may include the limitation or termination of ATM services, Debit Card services, access to internet banking services, loans, share draft privileges, and preauthorized transfers. You authorize us to check your account, credit, and employment history, and obtain a credit report from third parties, including consumer reporting agencies, to verify your eligibility for any accounts and services. You also agree to provide us with sufficient proof of identity as required under Federal law.

OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION

These rules apply to this account depending on the form of ownership and beneficiary designation, if any, specified on the account records. We reserve the right to refuse some forms of ownership on any or all of our accounts. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as to how they determine to whom we pay the account funds.

Individual Accounts. An individual account is an account owned by one member, including any individual, trust, or other organization qualified for Credit Union membership. If the account is an individual account, the interest of a deceased individual owner will pass, subject to applicable law, to the decedent’s estate or payable to the designated beneficiaries, if applicable.

Joint Accounts. An account owned by two or more persons is a joint account.

- **Rights of Survivorship.** Unless otherwise stated on the Account Signature Card, a joint account includes rights of survivorship. This means when one owner dies, all sums in the account will pass to the surviving owner(s). For a joint account without rights of survivorship (Tenants in Common), the deceased owner’s interest passes to his or her estate. A surviving owner’s interest is subject to the Credit Union’s statutory lien for the deceased owner’s obligations, and to any security interest or pledge granted by a deceased owner, even if a surviving owner did not consent to it.
- **Control of Joint Accounts.** Any owner is authorized 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, or pledge to us all or any part of the shares without the consent of the other owner(s). We have no duty to notify any account owner(s) about any transaction. We reserve the right to require written consent of all owners for any change to or termination of an account. If we receive written notice of a dispute between owners or inconsistent instructions from them, we may suspend or terminate the account and require a court order or written consent from all owners to act.
- **Joint Account Owner Liability.** If a deposited item in a joint account is returned unpaid, an account is overdrawn, or if we do not receive final payment on a transaction, the owners, jointly and severally, are liable to us for the amount of the returned item, overdraft, or unpaid amount and any charges, regardless of who initiated or benefited from the transaction. If any account owner is indebted to us, we may enforce our rights against any account of an owner or all funds in the joint account regardless of who contributed them.

Revocable Trust Accounts. The trust account designation is an instruction to the Credit Union that a single or multiple party account so designated is payable to the owner(s) during his, her or their lifetimes and, when the last account owner dies, payable to any named and surviving trust beneficiary/payee. Accounts payable to more than one surviving beneficiary/payee are owned jointly by such beneficiaries/payees without rights of survivorship. Any trust beneficiary/payee designation shall not apply to Individual Retirement Accounts (IRAs) which are governed by a separate beneficiary/payee designation. We are not obligated to notify any beneficiary/payee of the existence of any account or the vesting of the beneficiary/payee’s interest in any account, except as otherwise provided by law.

Business Accounts. The Basic Business Share Draft Account is a non-dividend bearing account. The account owners agree to inform the Credit Union of the persons authorized to transact business on behalf of the organization. The Credit Union reserves the right to require the member to provide written account authorization informing the Credit Union who is authorized to act on its behalf. You agree to notify the Credit Union of any change in authority. The Credit Union may rely on the written authorization until such time as the Credit Union is informed of changes in writing and has had a reasonable time to act upon such notice. The Credit Union may require that third party checks payable to a business may not be cashed, but must be deposited to a business account.

DEPOSITS

We will give only provisional credit until collection is final for any items, other than cash, we accept for deposit (including items "drawn on us"). Actual credit for deposits of, or payable in foreign currency will be at the exchange rate then in effect on final collection in U.S. dollars. We are not responsible for transactions by mail or outside depository until we actually record them. We will treat all transactions received after our daily "cutoff time" on a business day we are open, or received on a day we are not open for business, as if initiated on the next following business day that we are open.

TRANSACTION LIMITATIONS

Withdrawal Restrictions. We permit withdrawals only if your account has sufficient available funds to cover the full amount of the withdrawal, or you have an established Overdraft Advancem privilege. Drafts or other transfer or payment orders which are drawn against insufficient funds may be subject to a service charge set forth in the Rate and Fee Schedule. If there are sufficient funds to cover some, but not all, of your withdrawals, we may allow those withdrawals for which there are sufficient funds in any order at our discretion. We may refuse to allow a withdrawal in some situations, and will advise you accordingly; for example: (1) a dispute between account owners (unless a court has ordered the Credit Union to allow the withdrawal); (2) a legal garnishment or attachment is served; (3) the account secures any obligation to us; (4) required documentation has not been presented; (5) you fail to repay a Credit Union loan on time. We may require you to give written notice of up to sixty (60) days before any intended withdrawals. We encourage you to make careful records and practice good account management as this will help you avoid writing drafts without sufficient funds and incurring the resulting fees.

Transfer Limitations. For share savings accounts you may make no more than six

(6) preauthorized, automatic, telephonic, online banking or audio response transfers to another account of yours or to a third party during any calendar month. A preauthorized transfer includes any arrangement with us to pay a third party from your account upon oral or written orders including orders received through the automated clearing house (ACH). You may make unlimited transfers to any of your accounts or to any Credit Union loan account in person and may make withdrawals in person, by mail, or at an ATM. We may reclassify your savings account and assess fees if you exceed these limitations. During any calendar month you may not make more than three withdrawals or transfers from money market accounts to another credit union account of yours or to a third party. If you exceed the transfer limitations we may reclassify your account and assess fees. For passbook savings accounts, you may not make any withdrawals or transfers to another credit union account of yours or to a third party by means of a pre-authorized or automatic transfer, telephonic order or instruction or similar electronic method.

Overdraft Liability. If, on any day, the funds in your share account are not sufficient to cover drafts, fees or other items posted to your account, those amounts will be handled in accordance with our overdraft procedures or any overdraft program you have with us. The Credit Union's determination of an insufficient account balance may be made at any time between presentation and the Credit Union's midnight deadline with only one review of the account required. We do not have to notify you if your account does not have funds to cover drafts, fees or other posted items. We may pay any draft even if you do not have sufficient funds in your account. Whether the item is paid or returned, your account may be subject to a charge as set forth in the Rate and Fee Schedule. Except as otherwise agreed in writing, we, by covering one or any overdraft, do not agree to cover overdrafts in the future and may discontinue covering overdrafts at any time without notice. If we pay a draft or impose a fee that would otherwise overdraw your account, you agree to pay the overdrawn amount including fees immediately. We reserve the right to pursue collection of previously dishonored items at any time, including giving a payer bank extra time beyond any midnight deadline limits.

Overdraft AdvanceSM is a non-contractual discretionary service offeredSM by the Credit Union that may cover a transaction when sufficient funds are not available up to an established limit. The fee for utilizing the overdraft service is set forth on the Rate & Fee Schedule. Overdraft Advance covers checks and other preauthorized debits including, if you decide to opt-in, ATM and Debit card transactions. All overdraft balances must be repaid within 30 days of overdrawing the account. Members who are 18 years or older and have had an account in good-standing with the Credit Union for at least 90 days are eligible to participate in the Overdraft Advance program. The payment of overdrafts is discretionary and Taunton Federal Credit Union reserves the right not to pay overdrafts and to discontinue a member's participation in the program. Overdraft Advance may not be available on all Share Draft accounts. We have the right to limit participation to one account per household. Please see Rate Schedule for further details.

This Agreement governs all transfers, except those governed by agreements for loan accounts.

RESTRICTIVE LEGENDS

We are not required to honor any restrictive legend on checks you write unless we have agreed in writing to the restriction. Examples of restrictive legends are "must be presented within 90 days" or "not valid for more than \$1,000".

PLEDGES

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

STOP PAYMENT ORDERS

Stop Payment Order Request. You may request a stop payment order on any draft drawn on your account. To be binding, an order must be dated, signed, and describe the account and draft number and the exact amount. The stop payment will be effective if the Credit Union receives the order in time for the Credit Union to act upon the order and you state the number of the account, number of the draft, and its exact amount. You understand that the exact information is necessary for the Credit Union's data processing system to identify the draft. If you give us incorrect or incomplete information, we will not be responsible for failing to stop payment on the draft. If the stop payment order is not received in time for us to act upon the order, we will not be liable to you or to any

other party for payment of the draft. Our stop payment cutoff time is one hour after the opening of the next banking day after the banking day on which we receive the item. If we re-credit 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.

Duration of Order. You may make an oral stop payment order, which will lapse within fourteen (14) calendar days unless confirmed in writing within that time. A written stop payment order is effective for six (6) months and may be renewed in writing from time to time. We do not have to notify you when a stop payment order expires.

Liability. Fees for stop payment orders are set forth on the Rate and Fee Schedule. You may not stop payment on any certified check, cashier's check, teller 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 agree to indemnify and hold the Credit Union harmless from all costs, including 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.

Credit Union Liability. If we do not properly complete a transaction according to this Agreement, we will be liable for your losses or damages - not to exceed the amount of the transaction, except as otherwise provided by law. We will not be liable if: (1) your account contains insufficient funds for the transaction; (2) circumstances beyond our control prevent the transaction; (3) your loss is caused by you 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 damages, except liability for wrongful dishonor. We exercise ordinary care if our actions or non-actions are consistent with applicable state law, Federal Reserve regulations and operating letters, clearinghouse rules, and general banking practices followed in the area we serve. You grant us the right, in making payments of deposited funds, to rely exclusively on the form of the account and the terms of this Account Agreement. Any conflict between what you or our employees may say or write will be resolved by reference to this Agreement.

CREDIT UNION LIEN AND SECURITY INTEREST

If you owe us money as a borrower, guarantor, endorser, or otherwise, we automatically have a statutory lien on the account funds in any account in which you have an ownership interest, regardless of their source, unless prohibited by law. You authorize us to use any funds received by direct deposit, including Social Security and veterans benefits, as part of our lien and security interest. We may apply these funds, without further notice to you, in any order to pay off your indebtedness. By not enforcing a lien, we do not waive our right to enforce it later. In addition, you grant the Credit Union a consensual security interest in your accounts and we may use the funds from your accounts to pay any debt or amount now or hereafter owed the Credit Union - except for obligations secured by your residence - unless prohibited by applicable law. All accounts are non-assignable and non-transferable to third parties.

NOTICES

Name or Address Changes. You are responsible for notifying us of any address or name change. The Credit Union is only required to attempt to communicate with you at the most recent address you have provided to us. Change of address notifications must be provided either in person or by a signed notarized form mailed to 14 Church Green, Taunton, MA 02780. If we attempt to locate you, we may impose a service fee as set forth on the Rate and Fee Schedule.

Amendments and Terminations. We may change our bylaws and the terms of this Agreement unless prohibited by law. Rules governing changes in rates are provided separately. For other changes we will give you reasonable notice in writing or by any other method permitted by law. We may close this account if your membership in the Credit Union terminates, or by giving reasonable notice to you and tender of the account balance personally or by mail. At our option, we may suspend your rights to member services if you violate the terms of this agreement. We reserve the right to waive any term in this Agreement. Any such waiver shall not affect our right to future enforcement.

Effect of Notice. Any written notice you give us is effective when we receive it. Any written notice we give to you is effective when it is deposited in the U.S. Mail, postage prepaid, and addressed to you at your statement mailing address. You must keep us informed of your current address at all times. Notice to any account owner is considered notice to all account owners.

STATEMENTS

Contents. If we provide a periodic statement for your account, you will receive a periodic statement of transactions and activity on your account during the statement period as required by applicable law. If a periodic statement is provided, you agree that only one statement is necessary for a multiple party account. For share draft accounts, you understand and agree that your original draft, when paid, becomes property of the Credit Union and may not be returned to you, but electronic versions may be retained by us or payable through financial institutions and made available upon your request. You understand and agree that statements are made available to you on the date they are mailed to you. You also understand and agree that drafts or copies thereof are made available to you on the date the statement is mailed to you, even if the drafts do not accompany the statement.

Examination. You are responsible for examining each statement and reporting any irregularities to us. If you discover or reasonably should have discovered, any unauthorized signatures or alterations, you must promptly notify us of the relevant facts. If you fail to do either of these duties, you will have to either share the loss with us, or bear the loss entirely yourself (depending on whether we used ordinary care and, if not, whether we substantially contributed to the loss). You agree that the time you have to examine your statement and report to us will depend on the circumstances, but will not exceed a total of thirty (30) days from when the statement is first sent or made available to you. You further agree that if you fail to report any unauthorized signatures, alterations, forgeries or other errors in your account within sixty (60) days of when we first send or make the statement available, you can not assert a claim against us on any items in that statement, and the loss will be entirely yours. This 60 day limitation is without regard to whether we use ordinary care.

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

FUNDS AVAILABILITY POLICY DISCLOSURE

General Policy

Our policy is to delay availability to funds from your check deposits. During the delay, you may not withdraw the funds and we will not use the funds to pay checks that you have written or electronic withdrawals you may have authorized. Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems related to your deposit. This policy applies to all accounts.

Determining the Availability of a Deposit

The length of the delay is counted in business days from the date of your deposit. Every day is a business day except Saturdays, Sundays, and federal holidays. If you make a deposit before closing 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 closing or on a day we are not open, we will consider that deposit made on the next business day we are open. The length of the delay varies depending on the type of deposit as explained below.

Same - Day Availability

Funds from the following deposits are available on the day we receive the deposit:

- Funds from electronic direct deposit
- U.S. Treasury checks that are payable to you
- Checks drawn on Taunton Federal Credit Union
- Share drafts of members of Taunton Federal Credit Union
- Cash
- State and local government checks payable to you
- Federal Reserve Bank checks; Federal Home Loan Bank checks; and U.S. Postal Money Orders if these items are payable to you.
- Payroll checks
- Wire Transfer deposits

Next Day Availability

Funds from the following deposits are available on the first business day following the day of deposit:

- Cashiers, certified and tellers checks payable to you
- \$225 from other check deposits

Longer Delays May Apply

Case by Case Delays

Funds from other check deposits will be available on the second business day after the day of your deposit. For example, if you deposit a check of \$700 on a Monday, \$225 is available on Tuesday and the remaining \$475 is available on Wednesday.

If we cash a check for you that is drawn on another bank, we may withhold the availability of a corresponding amount of funds that are already in your account. These 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 bank, 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 deposited.

Safeguard Exceptions

Funds you deposit by check may be delayed for a longer period under the following circumstances:

- We believe a check you deposit may not be paid.
- You deposit checks totaling more than \$5,525 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 a failure of computer or communications equipment.

We will notify you if we delay availability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. Funds will generally be available no later than the seventh business day after the day of your deposit. If you will need the funds from a deposit right away, you should ask us when the funds will be available.

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, cash and wire transfers will be available on the day we receive the deposit. Funds from payroll, traveler's, and federal, state and local government checks and U.S. Postal money orders will be available on the day we receive your deposit, if the deposit meets certain conditions including that the check is payable to you. Funds from all other check deposits will be available on the ninth business day after the day of your deposit.

Foreign Checks

Checks drawn on financial institutions 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 and are sent for collections prior to deposit in your account. Generally, the availability of funds for deposits of foreign checks will be delayed for the time it takes to collect the funds from the financial institutions upon which it is drawn and will not be credited to your account until that time.

Deposits at Automated Teller Machines/Mobile Deposit

Funds from deposits (cash or checks) made before 3:00 pm on any banking day at automated teller machines (ATMs) we own or operate will be considered made on the day of deposit. Funds from deposits (checks) made before 3:00 pm on any banking day through Mobile Deposit will be considered made on the day of deposit. Deposits made after 3:00 pm on any banking day will be considered made on the next banking day. Funds from deposits may not be available for immediate withdrawal. Please refer to the section titled "Determining the Availability of a Deposit" to determine the length of delay for the type of deposit you may be making to the ATM or through Mobile Deposit.

Availability of Night Deposits

We will open the bag you placed in the night depository on our next business day following the night of deposit. We will verify the deposit (currency, check, draft or other items included in the deposit) and credit to your account the amount of the deposit we actually received, in accordance with our Funds Availability Policy.

SUBSTITUTE CHECKS AND YOUR RIGHTS

As our member we think it's important for you to know about substitute checks. The following Substitute Check Disclosure provides information about substitute checks and your rights.

What is a substitute check?

To make check processing faster, federal law permits banks 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 interest on the amount of your refund if your account is an interest-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 interest if your account earns interest) within 10 business days after we received your claim and the remainder of your refund (plus interest if your account earns interest) not later than 45 calendar days after we received your claim. We may reverse the refund (including any interest 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:

Taunton Federal Credit Union
Attn: Operations Department
14 Church Green
Taunton, MA 02780
(508)824-6466

You must contact us within 40 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: the check number, the amount of the check, the date of the check, and the name of the person or company to whom you wrote the check.

