

These **STATEMENTS OF TERMS, CONDITIONS, AND DISCLOSURES** (“STCD”) represent your agreement with Desert Financial Federal Credit Union d/b/a Desert Financial Credit Union (“Credit Union”). The STCD contains terms, conditions, and disclosures relating to your membership, accounts and services with Credit Union. All references to “you” and “your” mean both Credit Union member and any and all parties signing an Account Application. By applying for membership, signing your Account Application or maintaining accounts at Credit Union, you agree to be bound by these terms, conditions and disclosures. Credit Union may, at any time, change these STCD by providing you with the appropriate notice required by law. By continuing to maintain your accounts at Credit Union after such changes occur, you agree to be bound by these changes. You should retain a copy of STCD and any information that Credit Union provides you regarding changes to the STCD for as long as your account is open. You should ask Credit Union any questions you have about the STCD. A current version of the STCD can also be found at DesertFinancial.com.

1. **Definitions.** Unless otherwise defined herein, all capitalized terms shall have the meaning set forth below:
 - a. “Access Device” means your Card, PIN, PAL PIN, Online Banking password, or Mobile Banking password.
 - b. “Account Application” means the consumer or business account application, required by Credit Union when applying for membership, or the Replacement Agreement, as applicable.
 - c. “Agent” means any individual acting as an agent, guardian, personal representative, trustee, custodian, or in some other fiduciary capacity.
 - d. “APY” means annual percentage yield.
 - e. “Business Days” means Monday through Friday, excluding federal holidays.
 - f. “Cardholder” means the holder of a Card.
 - g. “Cards” means, collectively, the Credit Union ATM Cash Card, Credit Union VISA® Business Check Card, Credit Union VISA® Debit Card, VISA® Health Savings Account Debit Card and VISA® Money Market Debit Card.
 - h. “Credit Union ATM Cash Card” means a debit card issued with any Membership Savings account.
 - i. “Credit Union VISA® Business Check Card” means any Visa® debit card issued with a Business Checking, Business CheckingPlus, and Organization Checking accounts.
 - j. “Credit Union VISA® Debit Card” means any Visa® debit card issued with a Desert Connect Checking or Free Checking account.
 - k. “HSA” means health savings account.
 - l. “IRA” means individual retirement account.
 - m. “Joint Account” means a consumer account opened by or in the name of two or more persons.
 - n. “NACHA” means the National Automated Clearing House Association.
 - o. “NCUSIF” means the National Credit Union Share Insurance Fund.
 - p. “NCUA” means the National Credit Union Administration.
 - q. “NSF fee” means Nonsufficient Funds fee.
 - r. “PIN” means personal identification number.
 - s. “POD” means payable on death.
 - t. “POS” means point of sale.
 - u. “Processing Days” means Monday through Sunday, excluding federal holidays.
 - v. “Replacement Agreement” means the account document executed when an account owner requests changes to the ownership or authorized parties on a particular account.
 - w. “VISA® Health Savings Account Debit Card” means any Visa® debit card issued with a HSA.
 - x. “VISA® Money Market Debit Card” means the Visa® debit card issued with any Money Market account.
2. **Membership.**
 - a. To join Credit Union, you must qualify under our approved Field of Membership and meet the membership requirements as set forth in Credit Union’s Bylaws. A copy of Credit Union Bylaws is available upon request. By applying for membership, you authorize Credit Union now and in the future to check your account, credit and employment history, including but not limited to obtaining a report from a consumer reporting agency to verify your eligibility for membership, accounts and services.
 - b. Credit Union reserves the right to decline an application for membership based on information received from a third party, such as a credit reporting agency, if such information reveals that providing services to an applicant would pose an unreasonable financial risk of loss to Credit Union or its members. Credit Union may deny a checking account to any member because of unfavorable credit history and/or history of abuse of other checking accounts.
 - c. You must maintain a Membership Savings account with Credit Union in order to continue your membership and to be eligible for any other Credit Union services. Membership may be terminated by Credit Union in accordance with its Bylaws and applicable policies, including, but not limited to, expulsion due to nonparticipation in the affairs of Credit Union. Nonparticipation includes, but is not limited to, failure to vote in annual Credit Union elections, or failure to purchase shares from, obtain a loan from, or lend to Credit Union. Notification will be provided as required by law.
3. **Identification Verification.**
 - a. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, Credit Union will ask for your name, address, date of birth, and other information that will allow Credit Union to identify you. Credit Union may also ask to see your driver’s license or other identifying documents. Credit Union may, as required by applicable law, gather similar information on any party who conducts a transaction at Credit Union whether on behalf of themselves or other members.
 - b. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account for a legal entity. Each time an account is opened for a legal entity, Credit Union is required to ask for identifying information (name, date of birth, social security number, and identification documents) for each individual that has beneficial ownership (25% or more) in the legal entity; and one individual that has significant managerial responsibility for the legal entity.
4. **Account Ownership.** Other than those persons identified as authorized signers, agents or fiduciaries, the persons or entities identified on the Account Application or during the online account application process as owners are the owners of the Account.
 - a. **JOINT ACCOUNTS.** All Joint Accounts at Credit Union are held by the applicable account owners as joint tenants with full rights of survivorship.
 - i. Upon the death of a joint tenant, the surviving owner has the right to all the funds in the Joint Account, subject to Credit Union’s right to offset and security interest in the Joint Account. If more than one joint tenant survives, they will own the Joint Account as joint tenants with rights of survivorship.

- ii. Each joint owner on a Joint Account may withdraw, by any means Credit Union makes available, any or all of the funds on deposit, close the Joint Account, and enter into special agreements regarding the Joint Account. Each joint owner guarantees the signatures of the other joint owners and authorizes the others to endorse checks for deposit if they are payable to any of the joint owners. Each joint owner also authorizes Credit Union to exercise its right to offset (as outlined below) and enforce its security interest in the entire Joint Account, even though only one of the joint owners is the debtor; these rights exist irrespective of who contributed funds to the Joint Account.
 - iii. Similarly, Credit Union can enforce overdraft liability in the Joint Account against any joint owner individually.
 - iv. Garnishments against either or both joint owners are subject to Credit Union's right to offset and security interest. Notice provided by Credit Union to any one joint owner is notice to all joint owners.
- b. **BUSINESS AND ORGANIZATION ACCOUNTS.** Accounts held in the name of a business, organization or association member are subject to all of the conditions and terms contained in these STCD (except as noted) and the following additional rules:
- i. Credit Union reserves the right to require the business member to provide an account authorization card or other documentary evidence satisfactory to Credit Union informing Credit Union who is authorized to act on the business member's behalf.
 - ii. You agree to notify Credit Union of any change in this representative authority of your agent. Credit Union may rely on your written authorization until such time as Credit Union is informed of changes in writing and has had a reasonable time to act upon such notice.
 - iii. Credit Union does not allow checks payable to a business to be cashed, but must be deposited to the business account held in the name of the same business.
 - iv. Third party checks that have been endorsed over to a business will not be accepted.
 - v. You agree that Credit Union shall have no notice of any breach of fiduciary duties arising from any transactions by any agent of the account owner, unless Credit Union has actual notice of such breach.
 - vi. Electronic funds transfers conducted on business accounts and identified as corporate entries are primarily governed by the rules established by NACHA as published in the NACHA Operating Rules & Guidelines manual as well as Article 4A of the Uniform Commercial Code.
- c. **AGENCY AND FIDUCIARY ACCOUNTS.** Agents must be designated as such on the Account Application or other applicable documentation. It will otherwise be assumed that you own the account in an individual capacity. Credit Union is authorized to follow the directions of your Agent regarding your account until it receives written notice that the agency has been terminated and has had reasonable time to act upon that notice. Credit Union is not liable for the misapplication of funds from your account by your Agent. The terms of any agency agreement, trust agreement, court order, or other document in which the account is opened will govern the account, and Credit Union has the right to review such a document.
- d. **DISPUTES OVER OWNERSHIP.** Credit Union reserves the right to place a temporary, reasonable hold on any account to investigate disputes over account ownership.
5. **Account Usage.** Consumer accounts are intended for personal, family or household use only. Consumer accounts cannot be used for business purposes. A business account must be utilized to conduct business activity. Accounts will not be opened or maintained for certain business entities, including, but not limited to Money Services Businesses (MSBs), marijuana related entities, third party payment processors, or internet gambling operators. Credit Union reserves the right to amend this list at any time and its sole discretion.
6. **Payable on Death Designation.** If a POD beneficiary or beneficiaries are designated on the Account Application or Replacement Agreement, upon the death of the last surviving account owner, the funds in the account are payable to all surviving POD beneficiaries. Certain accounts (e.g., business accounts, organization accounts, or IRAs) are not eligible to have POD beneficiaries. Credit Union is under no obligation to notify any POD beneficiary of the existence of a POD account or the vesting of the funds with the beneficiary or beneficiaries.
7. **Powers of Attorney.** If you wish to designate an attorney-in-fact, you must do so in a form acceptable to Credit Union. We are not required to recognize any power of attorney and may require that a power of attorney be executed on the Credit Union's Special Durable Power of Attorney form. Upon acceptance of a power of attorney, Credit Union may continue to recognize the authority of the attorney-in-fact until it receives written notice of revocation or termination and has had a reasonable time to act upon it. Credit Union may terminate its acceptance of a power of attorney at any time and for any reason. Credit Union also reserves the right to restrict the types or size of transactions it will permit an attorney-in-fact to conduct, on a case-by-case basis, and may require the attorney-in-fact to present the original power of attorney before conducting any transaction. A person acting under a power of attorney is not, by virtue of such power, an owner of the account, and no funds in the account belong to the attorney-in-fact by reason of that capacity. The attorney-in-fact has no right of survivorship in the account by virtue of that capacity.
8. **Share Insurance.** The shares in Credit Union are insured by the NCUSIF which is operated by the NCUA to protect up to a maximum of two hundred and fifty thousand dollars (\$250,000) in the aggregate on all accounts owned by one member. A member's interests in all joint accounts in Credit Union will be added together and insured up to two hundred and fifty thousand dollars (\$250,000). Roth IRAs will be added together with traditional IRAs and insured up to two hundred and fifty thousand dollars (\$250,000) per depositor at Credit Union. Special coverage rules apply for trust accounts but generally coverage is provided up to two hundred and fifty thousand dollars (\$250,000) per beneficiary. For additional information on share insurance, visit ncua.gov or MyCreditUnion.gov.
9. **Account Statements.** Account statements will be produced on a monthly cycle basis. Electronic statements are provided free of charge upon primary member's request.
10. **Rates.**
- a. A current Rate Sheet describing dividend rate and APY may be obtained at any Credit Union branch location or by visiting DesertFinancial.com.
 - b. For all variable and variable-tiered rate accounts, dividends and APY may change after account opening.
11. **Dividends.** Except for Savings Certificates dividends, dividends are based on Credit Union's earnings at the end of a dividend period after regulatory transfers to the reserves are made and thus cannot be guaranteed. A lower effective yield may result depending upon account activity or the amount of funds upon which dividends will be paid. Dividends are earned on a daily basis from date of deposit up to date of withdrawal, except Savings Certificates which are subject to forfeiture for early withdrawal and conditions such as collection items and drafts over five thousand dollars (\$5,000). Collection items begin to accrue dividends when Credit Union receives provisional credit and the funds are deposited to the account. Dividends become taxable income to the primary owner upon payment to the applicable account(s). Dividends are computed on the daily balance and accrue on the entire balance once any applicable balance requirement is met. Dividends are credited and compounded monthly. If an account is closed during a dividend period, the accrued dividend will be paid at the time of closure. Dividends earned are deposited to the account after the close of business on the last calendar day of the month and reflect dividends earned through the end of the month.
12. **Fees and Charges.** Your account(s) will be subject to service charges in accordance with the Fee Schedule adopted by Credit Union from time to time. Credit Union may assess such service charges or other fees as may be permitted by law. The Fee Schedule may be obtained at any Credit Union branch location, by visiting DesertFinancial.com or calling (602) 433-7000. Credit Union may amend this Fee Schedule from time to time. You agree to pay immediately any applicable

fees and/or charges and any expenses Credit Union may incur in collection of amounts you owe to Credit Union or in collection of items deposited with Credit Union for deposit into your account(s), including but not limited to any court costs and attorneys' fees, and Credit Union may charge your account(s) to pay these fees, charges and expenses. If at any time Credit Union is required to engage the services of financial or legal counsel (e.g., an attorney or accountant) to resolve issues related to your account(s), you will be responsible to pay those fees and costs as incurred by Credit Union.

13. **Balances.**

- a. **MINIMUM BALANCE REQUIREMENTS.** See Appendix A for applicable minimum balance requirements.
- b. **DIVIDEND BALANCE REQUIREMENTS.** See Appendix A for applicable balance requirements to earn dividends. For additional information on how dividends are earned, see the Dividends section of these STCD.
- c. **CREDIT UNION OBLIGATIONS FOR PAYMENTS.** Credit Union is under no obligation to pay any check or electronic debit which exceeds the available balance or overdraft protections (if applicable) in the applicable account. Credit Union has the right to withdraw funds from any account on which the member or joint owner is a signer in order to pay funds owed on checking or savings accounts, at any time and for any reason as allowed by law.
- d. **REGULATORY REPORTING.** For purposes of reporting balances to the Federal Reserve Bank, Credit Union checking accounts are structured into transactions and savings portions. This structuring has no effect on available balance, dividend earnings, NCUSIF insurance, statement, or any other feature of the account. Credit Union may periodically transfer funds between these two portions. The savings portion will be governed by the rules governing our other savings accounts indicated within the withdrawals section of this STCD. This process will have no impact on the account.

14. **Deposits.**

- a. **DEPOSIT VERIFICATIONS.** Credit Union is not responsible for a deposit until it has been received and verified by a Credit Union employee. You must maintain a record of each item you give Credit Union for deposit or collection. If, upon verification of a deposit, an error is found, Credit Union reserves the right to make adjustments to that deposit. A notification of the adjustment will be forwarded to the member at the address of record.
- b. **DEPOSIT OF ITEMS.** You may make deposits in person, by mail or by any other method Credit Union makes available, such as its automated teller machines or mobile or remote deposits. Credit Union is not responsible for deposits made by mail or through a depository not staffed by Credit Union's staff until Credit Union actually receives the deposit(s). Credit Union may at any time refuse or return to you the whole or any part of a deposit. If you do not use a deposit slip and simply write an account number on the items deposited, Credit Union is authorized to deposit the item into that account without comparing the name of the payee or any endorsement to the account number.
- c. **ENDORSEMENTS.** Credit Union may accept items for deposit in your account that are payable to you without your endorsement. If you fail to endorse an item that you submit for deposit, Credit Union has the right, but is not obligated, to supply the missing endorsement. You agree to reimburse Credit Union for any loss or expense it incurs because you failed to endorse an item exactly as it is drawn.

15. **Withdrawals.**

- a. **CHECKS.**
 - i. A checking account may be closed by Credit Union due to excessive returned checks due to insufficient funds, negative balances, delinquent loans, abuse of the VISA® Debit Card, VISA® Business Check Card, or ATM Cash Card, or any other abuse of the checking account privilege.
 - ii. Credit Union is authorized to pay checks signed by any signer on any account and to charge the payments against the applicable account. Credit Union is under no obligation to pay any transaction which exceeds the balance of the applicable account.
 - iii. Credit Union is under no obligation to pay a check on which the date is more than six (6) months old. However, Credit Union may pay such item if it does so in good faith. You agree that Credit Union is acting in good faith as long as there is not a stop payment order in effect when Credit Union pays the item. Credit Union is not liable for paying a check that the member has postdated. Except for potential negligence on the part of Credit Union, Credit Union is not liable for any action it takes regarding the payment or non-payment of a check.
 - iv. All members must notify Credit Union within thirty (30) days of the date the statement was mailed or delivered of any unauthorized signature, or alteration on a check identified on the statement. All members must notify Credit Union within thirty (30) days of the date the statement was mailed, any claim for credit or refund due for example (and without limitation) to either an erroneous debit, a missing signature, an unauthorized signature, or a material alteration. If Credit Union is not notified within the specified time, the stated balance will be conclusively presumed to be correct.
 - v. Paid checks will not be provided to the account holder. Originals will be available for a fee for thirty (30) days. Copies will be available for a fee as long as records are retained (refer to the Fee Schedule). Records are retained for the time period required by the applicable law.
- b. **STOP PAYMENTS.**
 - i. **STANDARD CHECKS.** You may stop payment on any of your checks provided Credit Union receives your stop payment order in a manner and at a time that gives Credit Union a reasonable opportunity to act on it before paying, accepting, cashing or otherwise becoming obligated to pay your check as provided by law. A stop payment order can be submitted to Credit Union in person at any branch location, by phone through our Member Assistance Center, or through Online Banking. The stop payment will remain in effect unless revoked by the account holder. Credit Union assumes no liability for any action it takes regarding the payment or non-payment of the stopped item, unless payment is caused by negligence and causes actual loss to you. You must reimburse Credit Union for any loss it sustains in honoring a stop payment request. If Credit Union credits your account after paying a check over a valid and timely stop payment order, you agree to sign an affidavit, in form and substance acceptable to Credit Union, describing the dispute with the payee, to transfer to Credit Union all of your rights against the payee or other holder of the check, and to assist Credit Union in legal action against that person. Stop payments may not be placed on any Visa® debit card transactions.
 - ii. **CASHIER'S CHECKS.** In accordance with applicable laws and guidelines, a stop payment may not be placed on a cashier's check. If a cashier's check is lost, stolen or destroyed, a ninety (90) day waiting period will be imposed before the item may be reissued.

16. **Transaction Limitations.**

- a. Federal Credit Union bylaws give Credit Union the authority to impose a notice of up to sixty (60) days for withdrawal of savings. Credit Union Board of Directors reserves the right to require members to give, in writing, not less than seven (7) and not more than sixty (60) days' notice of intention to withdraw the whole or any part of the amounts so paid in by them. Funds in checking accounts may be withdrawn without notice. Credit Union may refuse to allow withdrawals from an account if there is a dispute between the owners of an account, if there is an adverse claim against the account or if there is a good faith belief on the part of Credit Union that the withdrawal request is not valid or authorized, in addition to other limits contained in the STCD. Credit Union may require a court order before it permits any account owner from withdrawing funds from that party's account(s).
- b. Federal regulations limit the total number of transfers or withdrawals from savings deposits (as defined in 12 CFR 204.2(d) held at Credit Union to six (6) per statement cycle. These six (6) transfers or withdrawals may include preauthorized automatic transfers, electronic funds transfers, telephone-initiated transfers, online banking transfers and other transfers conducted via the Internet, overdraft protection transfers, POS transactions, checks and drafts. Some of these transfers may not be available for certain types of accounts. In-branch and ATM transactions do not apply toward the transfer limitations. Those

accounts exceeding the six (6) transaction limitation will be assessed an Excess Withdrawal Fee for each occurrence in accordance with the Fee Schedule as adopted by Credit Union from time to time. If the maximum number of transactions permitted per statement cycle is exceeded on a continual basis, the Credit Union may close your account or restrict your ability to transact on that account.

- c. Credit Union reserves the right to limit the amount of cash provided in a withdrawal transaction. Credit Union will make every effort to accommodate all withdrawal requests, but may limit larger amounts to non-cash items.

17. Overdrafts.

- a. Credit Union may pay or return any item that is drawn against nonsufficient funds. Any decision to return an item may be made without notice to you, even though Credit Union may have previously established a pattern of honoring such items. Any negative account balance is immediately due and payable, unless Credit Union agrees otherwise in writing. Your account will be subject to a charge for the item, whether paid or returned, as set forth in the Fee Schedule adopted by Credit Union from time to time. At Credit Union's discretion, the fee may be waived if the resulting negative balance is within the tolerance established by Credit Union from time to time.
- b. Upon your request, Credit Union may set up automatic overdraft protection transfers for your Credit Union checking account. When there are insufficient funds in your checking account to cover a check or other debit, Credit Union will transfer the amount needed from your Membership Savings account or Money Market account up to the available amount. Credit Union is limited as to the frequency of these automatic transfers by federal regulations (see section titled "Transaction Limitations"). In addition, you may apply for an overdraft protection line of credit. With an overdraft protection line of credit, Credit Union will transfer the amount needed up to your available credit, in accordance with your loan agreement to cover a check or other debit from your Credit Union checking account when sufficient funds are not available. Fees for overdraft protection transfers are assessed in accordance with the Fee Schedule as adopted by the Credit Union from time to time.
- c. You may be eligible for our Privilege Pay program, which allows Credit Union to pay certain items on your checking account that exceed your available balance. Qualifying transactions include the clearing of share drafts (checks), ACH debits, and debits by other electronic means. Transactions such as ATM withdrawals and one-time debit card transactions may also be included provided you have submitted an opt-in authorization to Credit Union (opt-in authorization not required for business accounts). If an item is paid against insufficient available funds, a notice will be sent to you and a fee will be imposed as set forth in the Fee Schedule adopted by Credit Union from time to time. This program is not a line of credit. An overdrawn balance must be repaid within thirty (30) days. Credit Union may not pay items under the Privilege Pay program if you: do not maintain your account in good standing by bringing your account to a positive balance within any given thirty (30) day period; default on any loan or other obligation to Credit Union; or become the subject of any legal or administrative order, garnishment, or levy.
- d. Credit Union may pay items presented against your account in any order it chooses, unless a particular order is either required or prohibited by law. Items may not be processed in the order in which they occurred and the order in which items are received and processed may impact the total amount of fees incurred by you. Credit Union may change the order of posting items to your account at any time without notice to you. The following transactions post in the order in which they are received: teller transactions and other force post items, recurring non-PIN point of sale transactions, ATM transactions, Non-PIN Point of Sale transactions, PIN Point of Sale transactions, ACH Credits, ACH debits, External Transfers, Scheduled Disbursements, Automatic Loan Payments, and ONUS Check Clearing; however exceptions may occur. Holds on funds, as described within STCD, and the order in which transactions are posted may impact the total amount of Paid NSF fees or Unpaid NSF fees.
- e. If an item is returned because the available balance in your account is not sufficient to cover the item and the item is presented for payment again, Credit Union will charge a Unpaid NSF Fee each time it returns the item because it exceeds the available balance in your account. If, on re-presentation of the item, the available balance in your account is sufficient to cover the item Credit Union may pay the item, and, if payment causes an overdraft, charge a Paid NSF Fee.

- 18. **IRA Savings Accounts.** In addition to the other terms contained herein, please consult your IRA Plan Agreement for additional terms that apply to your IRA Savings account. If there are any contradictory terms between the STCD and your IRA Plan Agreement, your IRA Plan Agreement controls. If an IRA Savings account is closed during a dividend period, the accrued dividend will be paid at the time of closure. Contributions can be made over the counter, through mail or through online banking transfers. Balances of one thousand dollars (\$1000) or more may be transferred to an IRA Certificate. There are no Credit Union penalties for withdrawals to IRA Savings accounts; however, all IRS penalties and requirements apply to IRA Certificates and IRA Savings accounts. The penalty does not apply to early withdrawals if the account is part of a qualified individual retirement or Keogh plan, withdrawals upon the participant's disability or attainment of not less than 59½ years of age, and withdrawals as a result of voluntary or involuntary liquidation of Credit Union.

19. Savings Certificates.

- a. **REGULAR, JUMBO AND IRA SAVINGS CERTIFICATES.** As applicable, early withdrawal of any portion of a Savings Certificate principal may result in a penalty, change of certificate terms or closure of the certificate. Additions to the principal of any Savings Certificate before the maturity date are prohibited. The penalty for early withdrawal of a Savings Certificate with a term of one year or less will be the amount equal to dividends for ninety (90) days, or twenty-five dollars (\$25), whichever is greater. Early withdrawal penalties may invade or reduce the principal on deposit. The penalty for early withdrawal of a Savings Certificate with a term in excess of one year will be the amount equal to dividends for one hundred and eighty (180) days, or twenty-five dollars (\$25), whichever is greater. Early withdrawal penalties may invade or reduce the principal on deposit. The APY calculation assumes that the principal and dividends will remain on deposit until maturity. Withdrawal of dividends may cause a lower APY. Credit Union will mail notice to the owner at least thirty (30) days prior to maturity. The notice will inform the owner of the terms under which Credit Union proposes to renew the Savings Certificate or otherwise make funds available to the owner. Savings Certificate funds will be handled by Credit Union in the manner described in the notice unless the owner notifies Credit Union to the contrary on or before the maturity date. You will have a grace period of ten (10) business days after the maturity date to withdraw the funds in the account without being charged an early withdrawal penalty. In the event of death of the primary owner, the Savings Certificate must be closed by the first day of the quarter immediately following the quarter in which the date of death occurs or the Credit Union is notified of the primary owner's death. Changes in Credit Union Policy regarding Savings Certificates can be made without member approval or notification and will be mailed thirty (30) days prior to change. Changes will not be made to the present Savings Certificate during the current qualifying period.
- b. **COLLEGE SAVINGS CERTIFICATES.** The College Savings Certificate will be set up in the child's name with the parent or guardian as the joint owner. The child whose account will hold the Savings College Certificate must be under the age of eighteen (18). Term will be set at one (1) year and renewed annually at the highest prevailing one (1) year Jumbo Certificate rate. The penalty for early withdrawal of the College Savings Certificate will be the amount equal to dividends for ninety (90) days, or twenty-five dollars (\$25), whichever is greater. Early withdrawal penalties may invade or reduce the principal on deposit. Note: Penalty for early withdrawal in excess of seven (7) days dividends will be waived upon proof of high school graduation, GED, or age eighteen (18). The APY calculation assumes that the principal and dividends will remain in the certificate until maturity. Withdrawal of dividends may cause a lower APY. Credit Union will mail notice to the owner at least thirty (30) days prior to maturity. The notice will inform the owner of the terms under which Credit Union

proposes to renew the certificate or otherwise make funds available to the owner. College Savings Certificate funds will be handled by Credit Union in the manner described in the notice unless the owner notifies Credit Union to the contrary on or before the maturity date. You will have a grace period of ten (10) business days after the maturity date to withdraw the funds in the account without being charged an early withdrawal penalty. College Savings Certificates may not be used as collateral for any loan. In the event of death of the primary owner, the College Savings Certificate must be closed by the first day of the quarter immediately following the quarter in which the date of death occurs or the Credit Union is notified of the primary owner's death. Changes in Credit Union policy regarding College Savings Certificates can be made without member approval or notification and will be mailed thirty (30) days prior to change. Changes will not be made to the present College Savings Certificate during the current qualifying period.

20. **Secured Savings.** The purpose of the Secured Savings account is to secure the collateral for a Savings Secured Loan. In addition to the other terms contained herein, the Secured Savings account requires an initial deposit equal to the initial loan amount plus five percent (5%). Secured Savings accounts are variable rate accounts. The dividend rate and APY may change after the account is opened.
21. **Savings Accounts.** Savings accounts, excluding Membership Savings, with a zero balance for greater than 60 days will be automatically closed.
22. **Health Savings Accounts.** In addition to terms contained in the STCD, please consult your HSA Plan Agreement for additional terms that apply to your account. If there are any contradictory terms between the STCD and your HSA Plan Agreement, your HSA Plan Agreement controls. Contributions can be made through payroll deduction, over the counter, through Online Banking, or through a Credit Union ATM. There are no Credit Union penalties for withdrawals to a HSA; however, all IRS penalties and requirements apply. An HSA Visa[®] debit card may be issued for the HSA, which can be used at ATMs for the purpose of deposits and withdrawals, and for POS transactions at merchants. An HSA may be closed by Credit Union due to excessive returned checks due to insufficient funds, negative balances, abuse of the HSA Visa[®] debit card or any other abuse of the account privileges.
23. **Money Market Accounts.** A Money Market account may be closed by Credit Union due to excessive returned checks due to insufficient funds, negative balances, delinquent loans, abuse of the VISA[®] Money Market Debit Card or any other abuse of the account privileges. A Money Market VISA[®] Debit Card may be issued for the Money Market account, which can be used at ATMs for the purpose of deposits, withdrawals, and transfers, and for POS transactions at merchants. Money Market accounts may have unlimited over-the-counter transactions. Use of the Money Market VISA[®] Debit Card through an ATM is a request for a non-check withdrawal of funds from the Money Market account.
24. **Accounts under Arizona Uniform Transfers to Minors Act.** This account may be opened in accordance with the Arizona Uniform Transfers to Minors Act. Only the custodian is authorized to instruct Credit Union regarding the account(s). Credit Union may, however, disclose information about the account(s) to the minor or the minor's representative(s). The custodian of all account(s) will abide by the law by notifying Credit Union in writing immediately upon the death of the minor or at the time the minor attains the age of majority. After notifying Credit Union of either of these events, your authority over the account continues to the extent allowed by law.
25. **Collateral for Loans.** Funds in a HSA, Money Market or any Credit Union checking account may not be used for collateral on any loan.
26. **Credit Union Lien and Right to Offset.** Credit Union has a lien provided by law on all your share accounts at Credit Union. Additionally, you agree that Credit Union also has the right to offset amounts you owe Credit Union against any accounts you maintain at Credit Union, to the full extent permitted by law. You waive any applicable notice with respect to any such offset.
27. **Account Garnishment, Levy or Seizure.** Your account may be subject to legal action, such as a tax levy, third-party garnishment, seizure or forfeiture. Such legal action is subject to Credit Union's security interest and right to offset. Fees or expenses Credit Union incurs in responding to any legal action (including without limitation attorneys' fees and Credit Union's internal expenses) may be levied against your account.
28. **Member Contact and Communication.** Credit Union, its agents or attorneys are hereby authorized to make telephone calls to any telephone numbers associated with your account, including any wireless or cellular telephone numbers provided by you to Credit Union. Credit Union may also use such telephone numbers to contact you by text message, or may contact you via email address provided by you to Credit Union. The manner in which these calls or text messages are made to you may include the use of pre-recorded voice messages and/or an automatic telephone dialing system. Since you are hereby authorizing such means of contact and communication, no such contact or communication will be deemed a violation of the Telephone Consumer Protection Act (47 U.S.C. 227).
29. **Change of Address/Notices.** You are responsible for notifying the Credit Union upon a change of address or change of name. Credit Union is only required to attempt to communicate with you at the most recent address provided by the member. Notice to any one owner of an account is notice to all owners of that account. Credit Union may require the notice of change be provided in writing.
30. **Inactive and Abandoned Accounts.**
 - a. **INACTIVE.** Share accounts will be classified as inactive when there has not been member contact regarding or activity on a share for a period of three hundred and sixty-five (365) days.
 - i. Unless the member contacts Credit Union regarding that share and requests a share account status change or initiates activity on the share such as a deposit or withdrawal within the applicable time period, inactive account fees may be charged per share as specified in the Fee Schedule.
 - ii. Inactive account fees are not refundable.
 - iii. Inactive fees will not be assessed for:
 1. Members under the age of 22.
 2. Accounts with balances of two hundred dollars (\$200) or more on the last day of the statement cycle.
 3. Membership Savings or Business Membership Savings accounts if the member maintains at least one (1) other active share or loan with Credit Union or maintains a combined balance of \$200 for all shares associated with the Membership Savings or Business Membership Savings.
 4. Military personnel who are deployed.
 5. Certificates and IRAs.
 - b. **ABANDONED.** In accordance with the applicable state law, Credit Union, in most cases, must remit abandoned funds or property to the appropriate authority. Credit Union will provide member with any required notices at the last known address on file with Credit Union. See Fee Schedule for any escheatment-related fees.
31. **Illegal Use of Accounts and Services.** Any account or service provided by Credit Union may be used for transactions permitted by the applicable law. Any illegal use of an account or service will be deemed an action of default and/or a breach of contract and such service and/or other related services may be terminated at Credit Union's discretion. Credit Union will be held harmless from any suits or other legal actions or liability, directly or indirectly, resulting from such illegal activity or use.
32. **Safe Deposit Boxes.** Members may rent Safe Deposit boxes from Credit Union subject to availability and to the terms and conditions outlined in the Safe Deposit Box Lease Agreement ("Lease"). In accordance with the Lease, rent will be charged at rates provided in the Fee Schedule.
33. **Visa[®] Debit Cards.**
 - a. Cards may be used to access their respective accounts through select ATMs, and to make purchases and/or cash advances at participating merchants. Credit

Union will issue a maximum of one (1) Card per authorized signer for each eligible account.

- b. Cardholder(s) are liable to Credit Union for payment made on checks or transactions made with a Card and for any lawful fees assessed against the account.
 - c. Cardholder(s) will pay all costs incurred by Credit Union to collect from the Cardholder(s), including, but not limited to, attorney fees and court costs.
 - c. Cards are property of Credit Union, are not transferable by the Cardholder(s), and must be returned to Credit Union immediately upon request or when the applicable account is closed. Credit Union may terminate your Card privileges at any time without notice to you.
 - d. Credit Union may deactivate a Card after the Card has been inactive for a period of six (6) months. To reactivate the applicable Card you must contact Credit Union at (602) 433-7000.
 - e. Use of a Card or the account number on the Card in an electronic terminal or for payments, or purchases or to obtain cash advances from merchants, financial institutions or others who honor the Card, is a request for withdrawal of funds from the applicable account. Each Card withdrawal will be posted to the applicable account.
 - f. Merchants will transmit electronic authorizations for purchases made with the Card. Once Credit Union approves an authorization, the amount of that authorization will be held against the applicable account or applicable overdraft accounts until the completed financial transaction is submitted by the merchant or three (3) Processing Days (seventy-two (72) hours), whichever occurs first. While the funds are on hold for an authorization, they are not available for withdrawal by any means.
 - g. Credit Union is not liable for the refusal or inability of terminals or persons outside Credit Union to honor Card withdrawals, or for the retention of the Card by such terminals or persons.
 - h. Card transactions made in foreign countries and foreign currencies will be charged to the applicable Credit Union account in U.S. dollars. If you use the Card in a foreign country or in a transaction involving a currency other than U.S. dollars, each transaction will be converted to U.S. dollars under regulations established by Visa[®] International. The conversion to U.S. dollars may occur on a date other than the transaction date; therefore, the conversion rate may differ from the rate in effect at the time of the transaction. You agree to pay the converted amount. For these transactions, the rate of exchange between the transaction currency and the billing currency used for processing international transactions is a rate selected by VISA[®] from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate VISA[®] itself receives, or the government-mandated rate in effect for the applicable central processing date, plus one percent (1%). Credit Union does not control exchange rates or the date or place of exchange.
34. **Phone Access Line (PAL), Online Banking and Mobile Banking.**
- a. PAL allows members to access account information through use of a touch tone telephone. Online Banking or Mobile Banking allow members to access account information through use of a computer or other Internet-enabled device or compatible mobile phones or other mobile devices, respectively.
 - b. PAL, Online Banking and Mobile Banking, as applicable, allow members to:
 - i. Access information on all their Credit Union accounts;
 - ii. Transfer money from and to their savings and checking accounts;
 - iii. Transfer money from savings and checking to make their loan payments;
 - iv. Transfer money to other members' savings and checking accounts or loans to make payments;
 - v. Make cash advances against their approved line of credit and deposit funds into savings or checking;
 - vi. Change the PIN or password, as applicable, used to access PAL, Online Banking or Mobile Banking; and
 - vii. Manage text alerts.
 - c. Some of these services may not be available on all devices or with all services.
 - d. PAL PIN, Online Banking password and Mobile Banking password are the property of Credit Union, may not be transferred, and are subject to cancellation at any time without notice. PAL PIN, Online Banking password may be cancelled by the member through written notice. Any loss or theft of the PAL PIN or Online Banking password should be promptly reported to Desert Financial Federal Credit Union, P.O. Box 2945, Phoenix, AZ 85062-2945, (602) 433-7000.
 - e. The use of PAL, Online Banking and Mobile Banking are subject to these STCD and regulations applicable on all accessible accounts. Online Banking and Mobile Banking are also subject to the Online Banking Terms and Conditions and the Mobile Banking Services Addendum to the Online Banking Terms and Conditions and the DS Mobile Deposit Service Addendum to the Online Banking Terms and Conditions.
35. **Funds Availability.**
- a. Our policy is to make funds from your deposits available to you on the day Credit Union receives your deposit. At that time, you can withdraw the funds in cash or Credit Union will use the funds to pay checks that you have written.
 - b. If you make a deposit to one of our employees at a staffed location on a business day that Credit Union is open, Credit Union will consider that to be the day of your deposit. However, deposits made at our night depository are collected at 9:00 a.m. each day and anything received after 9:00 a.m. will be considered to be made on the next business day Credit Union is open.
 - c. Funds received by mail are considered deposited on the day received and will be available for withdrawal by the start of business on the second business day after deposit.
 - d. Deposits made at an ATM on a business day that Credit Union is open are subject to verification and will be available on the next business day after the date of deposit. Deposits made at an ATM on a weekend or a federal or Credit Union-declared holiday are considered deposited on the next business day Credit Union is open (the next business day is the "date of deposit"), are subject to verification, and follow the availability schedule as stated above. For example, a deposit made on Saturday will be considered deposited on the next business day (Monday) and be available for withdrawal Tuesday. Longer holds may apply. Two hundred dollars (\$200) of all aggregate ATM deposits made in one (1) business day will be available immediately.
 - e. **LONGER DELAYS MAY APPLY.**
 - i. In some cases, Credit Union will not make all of the funds that you deposit by check available to you on the day of the deposit. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. However, the first two hundred dollars (\$200) of your deposit(s) will be available on the first business day following the deposit.
 - ii. If Credit Union is not going to make all of the funds from your deposit available on the day it receives your deposit, Credit Union will notify you at the time you make your deposit. Credit Union will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if Credit Union decides to take this action after you have left the premises, Credit Union will mail you the notice by the business day after the business day it receives your deposit.
 - iii. If you will need the funds from a deposit right away, you should ask Credit Union when the funds will be available.
 - iv. In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

1. Credit Union believes a check you deposit will not be paid.
 2. You deposit checks totaling more than five thousand dollars (\$5,000) on any one day.
 3. You redeposit a check that has been returned unpaid.
 4. You have overdrawn your account repeatedly in the last six (6) months.
 5. There is an emergency, such as failure of computer or computer equipment.
- v. Credit Union will notify you if it delays your ability to withdraw funds for any of these reasons and will inform you when the funds will be available. They will generally be available no later than the eighth business day after the day of your deposit.
- vi. Credit Union places certain limitations on withdrawals in cash. In general, two hundred dollars (\$200) of a deposit is available for withdrawal in cash on the first business day after the day of deposit. In addition, a total of four hundred dollars (\$400) of other funds becoming available on a given day is available for withdrawal in cash not later than 5:00 p.m. on that day. Any remaining funds will be available for withdrawal in cash on the following business day.
- vii. This availability policy only applies to funds deposited at Credit Union locations. Please inquire for information about the availability of funds deposited at other locations.
- f. **SPECIAL RULES FOR NEW ACCOUNTS.** If you are a new member or an existing member who establishes a new transaction account, the following special rules may apply during the first thirty (30) days your account is open. Funds from deposits of cash and the first five thousand dollars (\$5,000) of a day's total deposits of U.S. Treasury checks, cashier's, certified, teller's, traveler's, and state and local government checks will be available on the first business day after the day of your deposit if the checks deposited are payable to you. The excess over five thousand dollars (\$5,000) will be available by the ninth business day after the day of your deposit. If you do not make the deposit in person to one of our employees, the first five thousand dollars (\$5,000) will not be available until the second business day after the day of your deposit. Funds from all other check deposits will be available by the ninth business day after the day of your deposit.
- g. **HOLDS ON OTHER FUNDS (CHECKING CASHING).** If Credit Union cashes a check for you that is drawn on another financial institution, it 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 Credit Union cashed would have been available if you had deposited it. Credit Union may decline to cash a check drawn on another financial institution if you do not have a corresponding amount of funds on deposit in any account with Credit Union.
- h. **HOLDS ON OTHER FUNDS (OTHER ACCOUNT).** If Credit Union accepts for deposit a check that is drawn on another financial institution, Credit Union 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 Credit Union. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in the STCD for the type of check that you deposited.
36. **Electronic Funds Transfers.** The following section applies to savings, checking, or other consumer asset accounts established primarily for personal, family, or household purposes. If your account is primarily for a business purpose, then this section does not apply to you.
- a. **LIABILITY FOR UNAUTHORIZED TRANSFERS.**
- i. Notify Credit Union AT ONCE if you believe your Access Device has 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. You could lose all the money in your account plus your maximum overdraft line of credit. If you tell Credit Union within two (2) business days of the time you learn of the loss or theft of your Access Device, you can lose no more than fifty dollars (\$50) if someone used your Access Device without your permission.
 - ii. If you do NOT notify Credit Union within two (2) business days after you learn of the loss or theft of your Access Device, and Credit Union can prove it could have stopped someone from using your Access Device without your permission if you had told Credit Union, you could lose as much as five hundred dollars (\$500).
 - iii. Also, if your statement shows transfers that you did not make, including those made by card, code or other means, notify Credit Union at once. If you do not notify Credit Union within sixty (60) days after the statement was mailed to you, you may not get back any money you lost after the sixty (60) days if we can prove that Credit Union could have stopped someone from taking the money if you had told Credit Union in time. If a good reason (such as a long trip or a hospital stay) kept you from telling Credit Union, Credit Union may extend the time periods.
 - iv. You agree not to disclose or otherwise make your Access Device available to anyone without our prior written consent. If you furnish your Access Device and grant authority to make transfers to another person (such as a family member or co-worker) who exceeds the authority given, you will be fully liable for the transfers unless you have notified Credit Union that transfers by that person are no longer authorized. For security reasons, please memorize your PIN or Phone Access Line PIN. Do not write any of your PINs on your card or keep it in the same location as your card.
 - v. To the extent permitted by applicable law, failure to comply with these instructions may result in your full liability for any unauthorized transactions.
- b. **TELEPHONE NUMBER AND ADDRESS FOR NOTIFICATION IN EVENT OF UNAUTHORIZED TRANSFER.** If you believe your Access Device has been lost or stolen, someone has transferred or may transfer money from your account without your permission, or if you believe a transfer has been made using the information from your check without your permission, call (602) 433-7000 or (800) 456-9171, or you may also write to: Operations Resolutions, Desert Financial Federal Credit Union, P.O. Box 2945, Phoenix, AZ 85062-2945.
- c. **TYPES OF AVAILABLE TRANSFERS AND LIMITS ON TRANSFERS.**
- i. *Account Access.*
 1. You may use your Access Device to:
 - A. Withdraw cash from your checking or savings account.
 - B. Make deposits to your checking or savings account.
 - C. Transfer funds between your checking and savings account whenever you request.
 - D. Pay for purchases at places that have agreed to accept the Access Device.
 - E. Make loan payments by transferring funds from your checking or savings accounts.
 - F. Take cash advances from your approved line of credit and transfer to savings.
 2. Some of these services may not be available at all terminals or with all services.
 3. Credit Union may also allow you to have access to your accounts through our Mobile Banking, Remote Deposit or Business Remote Deposit services. These services are governed by the Online Banking Terms and Conditions, the Mobile Banking Services Addendum to the Online Banking Terms and Conditions, the DS Mobile Deposit Services Addendum to the Online Banking Terms and Conditions and Business Remote Deposit Service Agreement, as presented to you upon enrollment in these services.

4. You may also access your account through the following electronic services:
 - A. Pre-authorized deposits (e.g., payroll, social security payment)
 - B. Pre-authorized payments to third parties, (e.g., insurance premiums)
 - C. Pre-authorized transfers to or from another financial institution
 - D. Transfers made through an automated clearinghouse (ACH), including those made through an ACH truncation program
- ii. *Electronic Check Conversion.* 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.
 2. Pay bills.
- iii. *Limitations on Frequency of Transfers.*
 1. Any combination of telephone, PAL or Online Banking transfers from savings, preauthorized transfers from savings to a third party, and/or overdraft protection transfers from savings to checking are limited to six (6) in any one statement cycle.
 2. Cash advances and ATM cash withdrawals are limited to three hundred dollars (\$300) for combined withdrawals within a 24-hour period on Membership Savings and Desert Connect Checking Accounts. Lower limits apply during offline occurrences.
 3. Cash advances and ATM cash withdrawals are limited to five hundred dollars (\$500) for combined withdrawals within a 24-hour period on Free Checking Accounts. Lower limits apply during offline occurrences.
 4. Cash advances and ATM cash withdrawals are limited to one thousand five hundred dollars (\$1,500) for combined withdrawals within a 24-hour period on Money Market, Business Checking, and Business Checking Plus. Checking Accounts. (ATMs have a maximum single dispense of eight hundred dollars (\$800)). Lower limits apply during offline occurrences.
 5. Card purchases are limited to thousand five hundred dollars (\$1,500) per day on Desert Connect Checking Accounts. Lower limits may apply during offline occurrences.
 6. Card purchases are limited to three thousand five hundred dollars (\$3,500) per day on Free Checking account. Lower limits may apply during offline occurrences
 7. Card purchases are limited to five thousand dollars (\$5,000) per day on Money Market, Business Checking, and Business Checking Plus checking accounts. Lower limits may apply during offline occurrences.
 8. From time to time circumstances may warrant the temporary reduction in daily limits on international transactions from a specified region due to increases in fraudulent activity originating from that region. The right to restrict such transactions is within our sole discretion and those regions affected may change at any time.
- iv. *Charges for Transfers or Right to Make Transfers.*
 1. ATM withdrawals in excess of two (2) per month at machines other than those owned by Credit Union will be charged a fee per withdrawal. Refer to current Fee Schedule for charges. The Fee Schedule may be obtained at any of Credit Union staffed locations or by calling (602) 433-7000. When you use an ATM not owned by Credit Union, 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.
 2. External Electronic Funds Transfers. If there is more than one return of a withdrawal within a six (6) month period for insufficient funds with regards to external electronic funds transfers, your transfer service may be cancelled. If the withdrawal is returned to Credit Union for insufficient funds, your account will be charged a handling fee. Refer to current Fee Schedule for any applicable charges. Any change in your transfer or any requested additions or cancellations require a new signed authorization form. Funds for transfer must be available in the debiting account by close of business the day before the transfer date. Your external electronic funds transfer service will be cancelled due to your debit being returned for Account Closed, Stop Payment, Authorization Revoked, or excessive insufficient funds activity (two (2) return items in six (6) months). If the transfer is to a loan and the due date and frequency must be changed to correspond to transfer date, total finance charges may be adjusted.
- d. **ACCOUNT INFORMATION TO THIRD PARTIES.** Credit Union will disclose information to third parties about your account or the transfers you make:
 - i. Where it is necessary for completing transfers;
 - ii. In order to verify the existence and condition of your account for a third party, such as credit bureau or merchant;
 - iii. In order to comply with government agency or court orders; or
 - iv. If you give Credit Union your written permission.
- e. **RIGHT TO RECEIVE DOCUMENTATION OF TRANSFERS.**
 - i. You can get a receipt at the time you make any transfer to or from your account using an automated teller machine or a POS terminal.
 - ii. If you have arranged to have direct deposits from the same person or company made to your account at least once every sixty (60) days, you may verify the deposit by using PAL, Online Banking or Mobile Banking.
 - iii. You will receive a periodic statement for each monthly cycle in which an electronic fund transfer has occurred; and shall receive a periodic statement at least quarterly if no transfer has occurred.
- f. **PREAUTHORIZED TRANSFERS.**
 - i. *Right to Stop Payment and Procedure for Doing So.* If you have authorized electronic debits out of your account, you can stop any of these payments. Here's how:
 1. For ACH items, complete an ACH Electronic Dispute/Stop Payment request via Online Banking or contact us.
 2. For recurring VISA® debit card payments, contact us to complete your request.
 - ii. *Fees.* Credit Union may charge you for each stop-payment order you give. Refer to current Fee Schedule for charges.
 - iii. *Right to Receive Notice of Varying Amounts.* If these regular payments vary in amount, the person you are going to pay will tell you, ten (10) days before each payment, when it will be made and how much it will be.
 - iv. *Financial Institution's Liability for Failure to Stop Payment.* If you order Credit Union to stop one of these payments three (3) business days or more before the transfer is scheduled, and Credit Union does not do so, Credit Union will be liable for your losses or damages.
- g. **FINANCIAL INSTITUTION'S LIABILITY FOR FAILURE TO MAKE TRANSFERS.** If Credit Union does not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, Credit Union will be liable for your losses and damages. However, there are some exceptions for which Credit Union will NOT be liable. For instance:

- i. If, through no fault of Credit Union, you do not have enough money in your account to make the transfer. For ACH electronic payments or automatic monthly transfers, funds must be available in the account by close of business the day before the scheduled electronic debit withdrawal is due.
 - ii. If the transfer would go over the credit limit on your overdraft line.
 - iii. If the available balance at the automatic teller machine is not sufficient for the transfer.
 - iv. If the system was not working properly and you knew about the breakdown when you started the transfer.
 - v. If circumstances beyond Credit Union's control such as fire, flood, failure of communications or computer equipment prevent the transfer, despite reasonable precautions that Credit Union has taken.
 - vi. There may be other exceptions stated in Credit Union's agreement with you.
- h. **ERROR RESOLUTION NOTIFICATION.** Telephone Credit Union at (602) 433-7000, Fax Credit Union at (602) 335-2480, or write Credit Union at Desert Financial Federal Credit Union, P.O. Box 2945, Phoenix, AZ 85062-2945 as soon as possible, if you think your statement or receipt is wrong, or if you need more information about a transfer listed on the statement or receipt. Credit Union must hear from you no later than sixty (60) days after Credit Union sent the FIRST statement on which the problem or error appeared.
- i. In your error notification, you must:
 - 1. Tell Credit Union your name and your account number.
 - 2. Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is in error or why you need more information.
 - 3. Tell Credit Union the dollar amount of the suspected error.
 - ii. If you tell Credit Union verbally, Credit Union reserves the right to require you to send Credit Union your complaint or question in writing within ten (10) business days.
 - iii. Credit Union will determine whether an error occurred within ten (10) business days after we hear from you and will correct any error promptly. If Credit Union requires more time, however, Credit Union may take up to forty-five (45) days to investigate your complaint or question. If Credit Union decides to do this, it will credit your account within ten (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 Credit Union to complete its investigation. If Credit Union asks you to put your complaint or question in writing and Credit Union does not receive it within ten (10) business days, Credit Union may not credit your account. For new accounts, these time periods may be extended up to twenty (20) business days to resolve an alleged error before provisionally crediting your account, and up to ninety (90) calendar days to complete the investigation.
 - iv. You do not have to pay any amount in question while we are investigating your complaint or question, but you are still obligated to pay the parts of your bill that are not in question. While we investigate your complaint or question, Credit Union cannot report you as delinquent or take any action to collect the amount you question.
 - v. Credit Union will tell you the results within three (3) business days after Credit Union completes its investigation. If Credit Union decides that there was no error, it will send you a written explanation. You may ask for copies of the documents that Credit Union used in its investigation.
37. **Wire Transfer Disclosure Statement.**
- a. **NOTICE OF THE USE OF FEDWIRE.** If you send or receive a wire transfer, Fedwire may be used. Fedwire is regulated by the Federal Reserve Board and Regulation J (12 CFR 210) is the law covering all Fedwire transactions.
 - b. **NOTICE REGARDING IDENTIFICATION OF BENEFICIARY.** If you give Credit Union a payment order which identifies the beneficiary (recipient of the funds) by both name and identifying or account number, payment may be made to the beneficiaries on the basis of the identifying or account number, even if the number identifies a person different than the named beneficiary.
 - c. **NOTICE REGARDING IDENTIFICATION OF BANKS.** If you give Credit Union a payment order which identifies an intermediary or beneficiary's bank by both name and identifying number, a receiving bank may rely on the number as the proper identification even if it identifies a different bank than the named bank.
38. **ACH Transactions**
- a. **NOTICE OF PROVISIONAL NATURE OF ACH PAYMENTS.** Credit Union may give you credit for ACH payments before it receives final settlement of the funds transfer. Any such credit is provisional until Credit Union receives final settlement of the payment. You are hereby notified and agree that if Credit Union does not receive such final settlement, Credit Union is entitled to a refund from you of the amount credited to you in connection with that ACH entry.
 - b. **NOTICE REGARDING RECEIPT OF ACH ITEMS.** ACH transactions are primarily governed by the NACHA Operating Rules & Guidelines, Regulation E (for consumer accounts) and Article 4A of the Uniform Commercial Code (for business accounts). In accordance with NACHA Operating Rules & Guidelines, Credit Union will not provide you with next day notice of receipt of ACH credit transfer to your account. You will continue to receive notices of receipt of ACH items in the periodic account statements which Credit Union provides.
39. **Miscellaneous.**
- a. **SEVERABILITY.** If any provision of the STCD is declared to be invalid, unenforceable or illegal, that part will not affect the validity of the other provisions.
 - b. **INDEMNIFICATION.** The member and any other account owner agree to hold Credit Union harmless from any and all losses that Credit Union may suffer resulting from the use of financial services by additional signatories of the member and/or account owner.
 - c. **GOVERNING LAW.** Each of your accounts is governed by the laws and regulations of the United States (including the Federal Reserve Board and National Credit Union Administration) and Arizona state law.
 - d. **MEMBER/VENDOR/EMPLOYEE RELATIONS.** Credit Union is committed to providing a work environment that ensures all employees are treated with respect and dignity, and that is free from unlawful and improper harassment or discrimination of any kind. Harassment, threats, abusive or similar behavior will not be tolerated, whether committed by employees, management personnel, members, vendors, contractors, or visitors. Credit Union will promptly respond to employee complaints by conducting an investigation and taking any remedial action it deems appropriate, up to and including closure of member accounts.

Appendix A to Statements of Terms, Conditions and Disclosures

For the full terms and conditions applicable to your account, please refer to the Statements of Terms, Conditions and Disclosures.

	Minimum Balance Requirements				Rate/Dividends		Fees
	Opening Deposit	To Avoid Service Fees	To Earn Dividends ¹	Computation Method	Rate	Dividends	
Membership Savings	\$25	N/A	\$25	Daily Balance	Variable Rate Account ²	See applicable Rate Sheet ²	See Fee Schedule ³
Savings	\$0 ⁵	N/A	N/A	Daily Balance	Variable Rate Account ²	See applicable Rate Sheet ²	See Fee Schedule ³
Business Membership Savings	\$25	N/A	\$25	Daily Balance	Variable Rate Account ²	See applicable Rate Sheet ²	See Fee Schedule ³
Business Savings	\$0	N/A	N/A	Daily Balance	Variable Rate Account ²	See applicable Rate Sheet ²	See Fee Schedule ³
Free Checking	\$20	N/A	N/A	N/A	N/A	N/A	See Fee Schedule ³
Desert Connect Checking	\$20	N/A	N/A	N/A	N/A	N/A	See Fee Schedule ³
Business Checking	\$25	\$1,500	N/A	N/A	N/A	N/A	See Fee Schedule ³
Business Checking Plus	\$25	\$5,000	N/A	N/A	N/A	N/A	See Fee Schedule ³
Organization Checking ⁶	\$25	N/A	N/A	N/A	N/A	N/A	See Fee Schedule ³
IRA Savings	\$0	\$0	N/A	Daily Balance	Variable Rate Account ²	See applicable Rate Sheet ²	See Fee Schedule ³
Regular and IRA Savings Certificate	\$1,000	\$1,000	N/A	Daily Balance	Variable Rate Account ²	See applicable Rate Sheet ²	See STCD
College Savings Certificate	\$1,000 ⁴	\$1,000	N/A	Daily Balance	Variable Rate Account ²	See applicable Rate Sheet ²	See STCD
Jumbo Savings Certificate	\$100,000	\$100,000	N/A	Daily Balance	Variable Rate Account ²	See applicable Rate Sheet ²	See STCD
Money Market or Business Money Market	\$2,000	\$2,000	\$2,000	Daily Balance – Accrue on entire balance once tier minimum is met	Variable, Tiered Rate Account ²	See applicable Rate Sheet ²	See Fee Schedule ³
Health Savings Account	See HSA Plan Agreement			Daily Balance – Accrue on entire balance; compounded monthly	Variable Rate Account ²	See applicable Rate Sheet ²	See Fee Schedule ³

¹ On any day the account balance is less than required minimum balance, no dividend will be earned for that day.

² A current Rate Sheet describing any applicable dividend rate and APY may be obtained at Credit Union locations or at DesertFinancial.com. For all variable rate accounts, dividends and APY may change after the account is opened.

³ Fee Schedule is available at Credit Union locations or at DesertFinancial.com.

⁴ Minimum monthly transfer or payroll deduction of \$25 required. May be waived if opening deposit is \$5,000 or more.

⁵ Savings accounts, excluding Membership Savings, with a zero balance for greater than 60 days will be automatically closed.

⁶ New organization accounts will no longer be offered, effective 03/04/2019.

Supplement to the Statements of Terms, Conditions and Disclosures
Relationship Rewards Disclosure

1. **Definitions.** Unless otherwise defined herein, all capitalized terms shall have the meaning ascribed in the Statements of Terms, Conditions and Disclosures (“STCD”).
 - a. “Active Account” means a Connect or Free Checking account, as applicable.
 - b. “ATM” means an automated teller machine located in the United States.
 - c. “Checking Account Transactions” means member-initiated transaction conducted in an Active Account.
 - d. “Consumer” means used or held for personal, family or household purposes.
 - e. “Consumer Loans” means loans offered or extended to a consumer primarily for personal, family, or household purposes, excluding mortgage loans.
 - f. “Credit Card” means a Credit Union co-branded credit card serviced by Elan Financial Services.
 - g. “Investment Balances” means only those balances held with Desert Financial Wealth Management¹.
 - h. “Deposit Balances” means the combined total of all Household Share Account balances posted as of the last business day of the month.
 - i. “Disclosure” means this Relationship Rewards Disclosure.
 - j. “Evaluation Cycle” means the period beginning on the first day of a calendar month and ending on the last day of the same month.
 - k. “Evaluation Date” means the first calendar day of a month.
 - l. “Existing Household” has the definition ascribed to it in Section 4(a)(i).
 - m. “Family” means a group of persons, usually relatives, living together.
 - n. “Good Standing” means a member has no loans past due over 60 days, no share or loan accounts which have been charged off with amounts still owed, and has not caused Credit Union a loss.
 - o. “Home Equity Loan” means those Consumer Loans that are coded as home equity products on Credit Union’s core system.
 - p. “Household” means a group of consumer account owners of Credit Union accounts that live at the same residential address.
 - q. “Mortgage loan” means a mortgage loan serviced by Desert Financial Federal Credit Union or its wholly owned subsidiary, Define Mortgage Solutions LLC.
 - r. “Participant” means any eligible member.
 - s. “Primary Member” means the primary owner of an Active Account.
 - t. “Program” means Credit Union’s Relationship Rewards program.
 - u. “Relationship Level” means the designation assigned to a particular Household used for determining the applicable Rewards.
 - v. “Rewards” means the features and benefits awarded to a Household under the Program.
 - w. “Share Account” means a share account held at Credit Union held by or offered to a member or potential member and includes, but is not limited to, accounts such as share, share draft, checking and term share accounts.
 - x. “Titled Loan” means any loan secured by a title of UCC lien for personal or business use, such as an auto loan.
2. **Supplement to STCD.** This Disclosure governs the Program and is intended to supplement the STCD. Should this Disclosure and the STCD conflict as to the administration of the Program, this Disclosure shall control.
3. **Eligibility.** All consumer members of the Credit Union are eligible to participate in the Program thirty (30) days after establishing membership. Businesses and organizations are not eligible to participate in the Program.
4. **Enrollment.** All Participants will be automatically enrolled in the Program.
5. **Household Adjustments.** Any Participant in a Household may request, at any time, to include another Participant who does not meet the default criteria of a Household by submitting a request to Credit Union. In addition, any Participant may request to create his or her own Household. Credit Union reserves the right, in its sole discretion, to deny any request or disqualify any Participant from the Program.
6. **Relationship Level Evaluation.**
 - a. Each Household is reviewed on the Evaluation Date and assigned a Relationship Level based on the Household activity completed during the most recent Evaluation Cycle. Households that qualify for a higher Relationship Level will be moved up a Relationship Level on the Evaluation Date. Households that qualify for a lower Relationship Level will be given one Evaluation Cycle of grace to re-qualify for the current or a higher Relationship Level. After one Evaluation Cycle of grace, the Household will be moved to the lower Relationship Level. A Household will receive the applicable Rewards based on the Relationship Level assigned effective as of the applicable Evaluation Date. Rewards will be granted as described below in Section 7.
 - b. Relationship Levels are mapped to and communicated on the Primary Members’ statement.
 - c. If a Participant has questions regarding his or her Relationship Level, he or she may visit any Credit Union branch location or call (602) 433-7000.
7. **Relationship Level and Point Structure.** Credit Union, in its sole discretion, may change the Relationship Level, point structure and applicable Rewards, as described below, at any time by providing Participants any required notice.
 - a. **Point Structure.** Households will earn one point per category in which they meet the criteria.
 - b. **Point Categories.**
 - i. **Transacting.** A direct deposit totaling \$500 or more per month into the same Share Account or 25 or more checking account transactions in an Active Account.
 - ii. **Savings.** \$10,000 or more in combined total of deposit balances and investment balances.
 - iii. **Borrowing.** Any open Mortgage Loan, Titled Loan, or Home Equity loan in any amount. Any loan that is sixty (60) days or more days delinquent will not be included for Relationship Level evaluation purposes.
 - iv. **Loyalty.** An additional point will be awarded to the household if any member of the household has been a Primary Member for twenty (20) or more continuous years.

¹ Investment advisory services offered through Raymond James Financial Services Advisors, Inc. Securities offered through Raymond James Financial Services, Inc., Member FINRA/SIPC, and are not insured by credit union insurance, the NCUA or any other government agency, are not deposits or obligations of the credit union, are not guaranteed by the credit union, and are subject to risks, including the possible loss of principal. Desert Financial Federal Credit Union and Desert Financial Wealth Management are not registered broker/dealers and are independent of Raymond James Financial Services, Inc.

Not NCUA Insured	Not Credit Union Guaranteed	May Lose Value
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- c. **Relationship Level Structure.** Households will be assigned a Relationship Level and receive the applicable benefits using the point structure outlined above. There are three Relationship Levels under the Program: Member, Rewards Member, and Rewards+ Member. Each Relationship Level has the following elements, features or benefits:
- i. Member (0-1 point) – Subject to the standard or other product-related fees as outlined in the STCD or on the Fee Schedule.
 - ii. Rewards Member (2 points)
 1. Waivers of the following Credit Union service fees or charges, as applicable:
 - a. Waivers that occur at time of service or triggering event:
 - i. ATM fees
 1. Desert Financial ATM Transaction Fee
 2. Desert Financial ATM Balance Inquiry Fee
 - ii. Check/Statement/History/Receipt Copy Fee
 - iii. Account Research Fee
 - iv. Money Order Fee
 - v. Cashier’s Check Fee
 - vi. Lost/Stolen/Damaged Card Replacement Fee
 - vii. Counter Check Fee
 - viii. Desert Financial Custom Checks
 - ix. Stop Payment Fee
 2. Discounts on the following, as applicable:
 - a. Wills & Trust packages²
 - i. \$50.00 off a will package
 - ii. \$100.00 off a trust package
 - b. Consumer Loan rate discount of 0.25%
 - i. Subject to credit approval and only applies to new money loans.
 - ii. May not be combined with any other rate discounts or promotional offers.
 - iv. Rewards+ Member (3-4 points)
 1. Waivers of the following Credit Union service fees or charges, as applicable:
 - a. Rebates credited on the second business day of the statement cycle following the statement cycle when the activity occurred:
 - i. Combined maximum rebate amount of \$50.00 per Active Account per statement cycle for Non-Credit Union ATM Surcharge fees charged by other financial institutions.
 - b. Waivers that occur at time of service or triggering event:
 - i. ATM fees
 1. Desert Financial ATM Transaction Fee; and
 2. Desert Financial ATM Balance Inquiry Fee
 - ii. Check/Statement/History/Receipt Copy Fee
 - iii. Account Research Fee
 - iv. Money Order Fee
 - v. Cashier’s Check Fee
 - vi. Lost/Stolen/Damaged Card Replacement Fee
 - vii. Counter Check Fee
 - viii. Desert Financial Custom Checks
 - ix. Check Charged Back Fee
 - x. Stop Payment Fee
 - xi. Overdraft Protection Transfer Fee
 - xii. Verification of Deposit Fee
 - xiii. Incoming Wire Fee
 - xiv. Cashier’s Check Indemnification Fee
 - xv. Replacement Safe Deposit Box Key Fee
 1. Single key replacement; must have other key available or drill fees will apply.
 - xvi. Home Equity Line of Credit Annual Fee (must be Rewards+ Member the month in which the fee is charged to receive waiver)
 2. Discounts on the following, as applicable:
 - a. Wills & Trust packages²
 - i. \$75.00 off a will package
 - ii. \$150.00 off a trust package
 - b. Consumer Loan rate discount of 0.50%
 - i. Subject to credit approval and only applies to new money loans. Excludes mortgages.
 - ii. May not be combined with any other rate discounts or promotional offers.
- d. **Projected Relationship Level.** At the time of any new Titled Loan or Home Equity Loan application for a Participant, Credit Union will include the borrowing point in projecting the Participant’s Relationship Level.
8. **Member Giveback Bonus.** At its sole discretion, Credit Union Board of Directors may declare an extraordinary dividend (“Member Giveback Bonus”). If declared, Member Giveback Bonus will be paid in the first quarter of each year (“Payout”). Payout is calculated based on primary member’s qualifying activity and balances in the prior year. Qualifying activities and balances include: average deposit, mortgage, and loan balances (excluding Investment Balances) and total number of pin and signature debit card transactions. Business deposit and loan balances will not be included in this calculation. Payout calculations are determined by Credit Union in its sole discretion. Credit Union will set a maximum Payout that members may receive, and not all members will qualify. To qualify for Member Giveback Bonus, member must maintain a Relationship Level of Rewards or Rewards+ OR a level of Achieve or Prosper for a minimum of 6 months during the calendar year on which the Member Giveback Bonus is based and have an open account in Good Standing at time of Payout. Member Giveback Bonus will be paid to the primary member’s Membership Savings. If a member has multiple Membership Savings shares, the share with the oldest open date will receive Payout. Any

dispute arising out of or related to Member Give Back Bonus must be in writing and received by Credit Union on or before April 30th of the calendar year in which Member Giveback Bonus is paid. Disputes are addressed by Credit Union in its sole discretion and Credit Union's determination regarding disputes is final.

9. **Privacy.** The Program will be subject to Credit Union's standard Privacy Policy.
10. **Address Changes.** In conjunction with the STCD and because Households are assigned primarily based on address, account owners must keep their address on file with Credit Union up to date and accurate to ensure inclusion in the desired household.
11. **Subject to Credit Approval.** All loans are subject to credit approval.
12. **Program Changes.** Credit Union, in its sole discretion, may adjust the Program at any time by providing Participant the appropriate notice.

² Document preparation services are offered through Desert Financial Federal Credit Union; an Arizona Supreme Court Certified Legal Document Preparation Business Entity (CLDP #81024). Legal document preparation services are not insured by the NCUA and have no credit union guarantee.