

# DETOUR DRUMMOND COMMUNITY CU

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## Terms and Conditions of Your Account

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### Agreement

This document, along with any other documents we give you pertaining to your account(s), is a contract that establishes rules which control your account(s) with us. Please read carefully. If you sign the signature card or open or continue to have your account with us, you agree to these rules. You will receive a separate schedule of rates, qualifying balances, and fees if they are not included in this document. If you have any questions, please call us.

This agreement is subject to applicable federal laws and the laws of the State of Michigan (except to the extent that this agreement can and does vary such rules or laws). The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here.

The purpose of this document is to:

- a) Summarize some laws that apply to common transactions;
- b) Establish rules to cover transactions or events which the law does not regulate;
- c) Establish rules for certain transactions or events which the law regulates but permits variation by agreement; and
- d) Give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

If any provision of this document is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing either on the signature card for your account or in some other document.

As used in this document the word "we", "our", and "us" mean the financial institution and the words "you" and "your" mean the account holder(s) and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the account. The heading 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 the document should be construed so the singular includes the plural and the plural includes the singular.

### 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 view 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 or a copy of an item. Dividends are based on current earnings and available earnings of the credit union, after providing for required reserves.

### Liability

You agree, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this agreement and the schedule of charges. You authorize us to deduct these charges directly from the account balance as accrued. You also agree to pay additional reasonable charges we may impose for services you request which are not covered by this agreement.

### 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 in effect on final collection in U.S. dollars. We are not responsible for transactions by mail or outside depository until we actually record them. We will treat and record all transactions received after our "daily cutoff time" on a business day we are open, or received on a day we are not open for business, as if initiated on the next following business day that we are open.

### Withdrawals

Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs in the space designated for signatures on the signature card may withdraw or transfer all or any of the account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person signing the signature card to endorse any item payable to you or your order for deposit or any other transaction with us. We may charge your account for a check even though payment was made before the date of the check, unless we have received written notice of the postdating in time to have a reasonable opportunity to act. We may refuse any withdrawal or transfer request which you attempt on forms not approved by us, by any method we do not specifically permit, which is greater in number than the frequency permitted, or which is for an amount greater or less than any withdrawal limitations. Even if we honor a nonconforming request, we may treat continued abuse of the stated limitations (if any) as your act of closing the account. We will use the date the transaction was completed by us (as opposed to the date you initiate it) to apply the frequency limitations. The fact that we may honor withdrawal requests that overdraw the available account balance does not obligate us to do so later. See the Funds Availability Policy Disclosure for information about when you can withdraw funds you deposit. For those accounts which our Funds Availability Policy Disclosure does not apply, you can ask us when you make a deposit when those funds will be available for withdrawal.

### 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 representation as to the appropriateness of effect of the ownership and beneficiary designations, except as they determine to whom we pay the account funds.

## Individual Account

An account in the name of one person.

## Joint Account

An account in the name of two or more persons. Each of you intends that when you die the balance in the account (subject to any previous pledge to which we have agreed) will belong to the survivor(s). If two or more of you survive, you will own the balance in the account as joint tenants with survivorship and not as tenants in common.

## Revocable Trust Account

If two or more of you create such an account, you own the account jointly with survivorship. Beneficiaries cannot withdraw funds unless:

- 1) All persons creating the account die and
- 2) The beneficiary is then living.

If two or more beneficiaries are named and survive the death of all persons creating the account, such beneficiaries will own this account in equal shares, without rights of survivorship.

The person(s) creating this account type reserve the right to:

- 1) Change beneficiaries
- 2) Change account types, and
- 3) Withdraw all or part of the account funds at any time.

## Business Accounts

Earnings in the form of interest, dividends, or credits will be paid only on collected funds, unless otherwise provided by law or our policy. We may require the governing body of the legal entity opening the account to give us a separate authorization telling us who is authorized to act on its behalf. We will honor the authorization until we actually receive written notice of a change from the governing body of the legal entity.

## Stop Payments

You must make any stop payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it before our stop payment cutoff time. To be effective, your stop payment order must precisely identify the number, date and amount of the item, and the payee.

You may stop payment on any item drawn on your account whether you sign the item or not, if you have an equal or greater right to withdraw from this account than the person who signed the item. A release of stop payment request may be made only by the person who initiated the stop payment order.

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.

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

## Telephone Transfers

A telephone transfer of funds from this account to another account with us, if otherwise arranged for or permitted, may be made by the same persons and under the same conditions generally applicable to withdrawals made in writing.

## Amendments and Termination

We may change our bylaws and any term of this agreement. Rules governing changes in rates are provided separately. For other changes we will give you reasonable notice in writing or by another 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. You must keep us informed of your current address at all times. The post office will not forward De Tour Drummond Community Credit Union mail due to privacy restrictions. Notice from us to any one of you is notice to all of you.

## Statements

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

You agree that the time you have to examine your statement and report to us will depend on the circumstances, but will not, in any circumstance, exceed a total of 30 days from when the statement was first sent or made available to you.

You further agree that if you fail to report any unauthorized signatures, alterations, forgeries, or any other errors in your account within 60 days of when we first send or make the statement available, you cannot assert a claim against us on any items in that statement, and as between you and us the loss will be entirely yours. This 60 day limitation is without regard to whether we used ordinary care. The limitation in this paragraph is in addition to that contained in the first paragraph of this section.

## Account Transfer

This account may not be transferred or assigned without our prior written consent.

## Direct Deposits

If, in connection with a direct deposit plan, we deposit any amount in an account which should have been returned to the Federal Government for any reason, you authorize us to deduct the amount of our liability to the Federal Government from the account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of our liability.

## Temporary Account Agreement

If this option is selected, this is a temporary agreement. Each person who signs in the space designated for signatures on the signature card (except as indicated to the contrary) may transact business on this account. However, we may at some time in the future restrict or prohibit further use of this account if you fail to comply with the requirements we have imposed within a reasonable time.

## Right to Repayment of Indebtedness

You each agree that we may (without prior notice and when permitted by law) charge against and deduct from this account any due and payable debt owed to us now or in the future, by any of you having the right of withdrawal, to the extent of such person's or legal entity's right to withdraw. If the debt arises from a note, "any due and payable debt" includes the total amount of which we are entitled to demand payment under the terms of the note at the time we charge the account, including any balance for which we accelerate the due date under the note. In addition to these contract rights, we may also have rights under a "statutory lien." A "lien" on property is a creditor's right to obtain ownership of the property in the event a debtor defaults on a debt. A "statutory lien" is one created by federal or state statute. If federal or state law provides us with a statutory lien, then we are authorized to apply, without prior notice, your shares and dividends to any debt you owe us, in accord with the statutory lien. Neither our contract rights nor the rights under a statutory lien apply to this account if:

- 1) It is an Individual Retirement Account or other tax-deferred retirement account, or
- 2) The debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest), or
- 3) The debtor's right of withdrawal arises only in a representative capacity.

We will not be liable for the dishonor of any check or draft when the dishonor occurs because we charge and deduct an amount you owe us from your account. You agree to hold us harmless from any claim arising as a result of our exercise of our right to repayment.

## 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 valued for more than \$1,000.00."

## Payment Order of Items

The law permits us to pay items (such as checks or drafts) drawn on your account in any order. To assist you in handling your account with us, we are providing you with the following information regarding how we process the items that you write. When processing items drawn on your account, our policy is to pay them in the order that they are received. The order in which items are paid is important if there is not enough money in your account to pay all of the items that are presented. There is no policy that is favorable in every instance. If the smallest are paid first, you may have fewer NSF or overdraft fees, but the largest, and perhaps more important items (such as rent or mortgage payments) might not be paid. If an item is presented without sufficient funds in your account to pay it, we may, at our discretion, pay the item (creating an overdraft) or return the item (NSF). The amounts of the overdraft and NSF fees are disclosed elsewhere. By paying items in the order that we receive them, we assume our policy attains a reasonable balance between minimizing additional cost to you and paying your more important items. We encourage you to keep careful records and practice good account management. This will help you to avoid writing checks or drafts without sufficient funds and incurring the resulting fees.

## 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.

## ACH and Wire Transfers

This agreement is subject to Article 4A of the Uniform Commercial Code - Fund Transfer as adopted in the state in which you have your account with us. If you originate a fund transfer for which Fedwire is used, and you identify them by name, we and every receiving or beneficiary financial institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a financial institution, person or account other than the one named. You agree to be bound by Automated Clearing House Association rules. These rules provide, among other things, that payments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided for in Article 4A-403(a) of the Uniform Commercial Code. If we do not receive such payment, we are entitled to a refund from you in the amount credited to your account and the party originating such payment will not be considered to have paid the amount so credited. If we receive a credit to an account you have with us by wire or ACH, we are not required to give you any notice of the payment order or credit.

## Facsimile Signatures

You authorize us, at any time, to charge you for all checks, drafts, or other orders, for the payment of money, that are drawn on us, regardless of whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen filed with us, and contain the required number of signatures for this purpose.