



## ACCOUNT INFORMATION DISCLOSURE

Welcome to NOVA Bank. Thank you for allowing us to serve you. We look forward to doing whatever we can to provide the banking products and services you need. This booklet contains rules, regulations and disclosures that apply to the accounts that we offer. We hope that you will find it helpful in answering any questions you might have about your accounts with us. If you have questions that are not addressed here, please call our Customer Service Center at 1-877-NOVABANK. Please review this Disclosure and keep it with your other account records.

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### Deposit Account Agreement—Important Information

This New Account Disclosure ("Disclosure") consists of the terms/conditions, regulations and disclosures that apply to any kind of deposit account you have with us. Additionally, any other information on signature cards that you sign, transfer authorizations executed, and any other documents or notices executed and/or issued to establish and maintain your account, will apply to the administration of your account with us. The deposit relationship between you and us is primarily governed by this Disclosure and the other items mentioned above. However, it is also governed by the following:

- laws of the Commonwealth of Pennsylvania and other applicable states;
- the laws of the United States of America;
- the rules and regulations of the Federal Reserve Board and various Federal Reserve Banks;
- the rules and regulations of applicable banking supervisory authorities;
- the rules and regulations of organizations such as clearing house associations;
- recognized banking practices and customs;
- the Uniform Commercial Code;
- our Banking policies.

In addition to this Disclosure, you have been provided a Fee Schedule and any other separate items that would be applicable to your account.

### Definitions

In this Disclosure, the words "you" and "your" mean the depositor. The words "we," "our" or "us" means the financial institution. Unless it would be inconsistent to do so, words and phrases used in this Disclosure should be construed so that the singular includes the plural and the plural includes the singular.

### Your Agreement to the Information in this Disclosure Applying to your Account

When you open a new account with us, the signing of your signature to a signature card indicates your agreement that the information in this Disclosure will apply to your account. In the case of your having an existing account with us when you receive this Disclosure, your action or inaction to allow the account to continue to exist with us will indicate your agreement that the information in this Disclosure will apply to your account.

### Required Identification

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, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents. Personal identification is also required for cash back transactions; large cash deposit and withdrawal transactions may require additional verifications. New account customers must provide their social security number or Tax ID number on the W-9 TIN verification forms in accordance with current IRS regulations.

### You Promise to Pay

You promise to pay us any charges incurred on this account and agree that we may deduct these charges, when earned, directly from your account balance. These charges may be for services you request which are not listed in this Disclosure or the separate Fee Schedule. You also promise to pay us for any expenses incurred due to attachment, garnishment or levy upon your account. These may also be deducted directly from your account balance. You agree to be jointly and severally liable for any negative balance in your account ("indebtedness") that would result from charges or overdrafts, whether caused by you or any other person authorized to withdraw from your account. This would include cost we incur to collect the amount of the negative balance including, to the extent permitted by law, our reasonable attorneys' fees. This indebtedness may be charged to any account solely in your name or in your name as well as the name of others.

### Severability

If any provisions of this Disclosure are found to be in conflict with any federal, state or local law or regulation, those provisions will be nullified to the extent that they are inconsistent with the law or regulation, and the applicable law or regulation will govern. The remainder of this Disclosure will not be affected by that law or regulation and will remain in full force.

### Oral Representation

If a conflict arises between oral or written information furnished to you in this Disclosure, this Disclosure will prevail.

### Deposits

Deposits shall be in currency, checks, drafts or other negotiable instruments or via an electronic means acceptable to us. Deposits can be made in person at any of our offices, can be sent to us in the mail or made via night depository or ATM machines or by any electronic means acceptable to us. We are not responsible for deposits initiated by mail until the bank has received them from the U.S. Post Office. Deposits can be made as frequently as allowed by the rules governing the type of account into which funds are deposited. All items credited to any account or cashed by us are credited or cashed conditionally, subject to final payment to us.

We may return all or any portion of a deposit, close an account, or refuse to accept any deposits, whenever we may deem it necessary to do so. If we take such action, or if you shall refuse or neglect to receive such returned deposits, they will cease to earn interest, when applicable. In receiving checks or other items, we act only as your agent for forwarding or transmitting through our correspondents or directly to the institution paying the item, subject to all conditions from time to time imposed by these institutions, and by us. We assume no responsibility beyond the exercise of reasonable care.

We will not be liable for losses arising from the failure, or willfulness or negligence of other financial institutions, or for losses in the course of transmission. We will not accept the following items for deposit via mail: cash, credit card checks or third party (second endorsed) checks.

### Chargebacks

We may charge back to your account, without prior notification, the amounts of any such checks or other items to the extent that the proceeds are not received by us. In this situation, if your account is interest-bearing, we will adjust the amount of interest you have earned on the account as necessary. A returned Deposit Item Fee as set forth in the Fee Schedule will be deducted from your account.

We may, at our discretion, resubmit returned checks and any other items to the drawee or payor for settlement. In addition, you promise to pay any special fees for collecting your deposit (e.g. items payable in foreign currency). We will add your deposit to your account balance after it is received and entered on our books and records.

By signing the signature card when you open your account with us or continued use of the account after receiving this Disclosure, you have waived any notice of non-payment, dishonor or protest regarding any items credited to or against your deposit account. For example, if a check which you deposited is dishonored and returned to us, we do not need to notify you of the dishonor.

### Cutoff Times for Determining when a Deposit is Considered Made

If we receive your deposit on a business day before the cutoff time as disclosed to you in our Regulation CC Funds Availability Disclosure, the deposit will be considered to have been made on that day. If we receive your deposit after the cutoff time or on a Saturday, Sunday or holiday, we will consider the deposit as having been made on the next business day.

### Night Depository

Deposits made via a night depository are not considered as having been received until the deposit is removed from the depository. Items placed in the night depository will be removed from the depository no later than the next business day (does not include Saturdays, Sundays or holidays). You agree that your use or your agent's use of the night depository will be at your sole risk at all times and that our records as to the presence in or absence from the depository of any envelope or package or the contents thereof shall be conclusive and binding upon you. What we finally credit as currency via night depository is subject to our count and acceptance.

### Automated Teller Machine (ATM) Deposits

Our ATM card allows you to make deposits at your convenience to your accounts. Deposits are subject to our verification of the amount enclosed in the ATM deposit envelope. Please refer to the Regulation CC Funds Availability Disclosure given to you for ATM cutoff times for determining when an ATM deposit is considered to have been made and at what ATM machine you can make your deposit. ATM Card withdrawals are subject to limited amounts. You agree that your use of any ATM machine shall be at your own risk. We are not responsible for damages or losses you incur while using any ATM machine.

### Proper Endorsement of Items Deposited

For each check you cash or deposit, in order to process your deposits as expeditiously as possible, proper endorsement (including name and account number) on each of your checks is essential. You agree to place your proper endorsement in the designated space on the reverse side of each check as follows: the endorsement area for you to use is an area on the back side of the check that extends 1 1/2 inches from the trailing edge of the check. The trailing edge of the check is the left edge of the check when looking at the check from the front side. All other space on the back side of the check is for our use only. Your failure to endorse in the designated 1 1/2 inch area shall make you responsible for any loss resulting from the placement of signatures, stamps, endorsements or any other matter in any area other than the designated area.

When there is more than one accountholder to an account, each one grants to the other full power and authority to endorse "for deposit only" to the account all checks, drafts, or other instruments drawn or payable to the order of the other or to the order of both. You also grant us the authority to endorse "for deposit only" to the account any checks, drafts or other instruments drawn or payable to the order of any or all of the accountholders.

### Direct Deposits

You can arrange to have certain types of payments from federal and state governments and from other persons or companies deposited directly (electronically) into some of the accounts you have with us. Direct deposits are credited on the day we receive them to those accounts you have previously designated. You can call us to see whether a direct deposit has been made as scheduled and you will see the direct deposit on each regular statement we send to you. If, in connection with a direct deposit plan, we deposit any amount into your account which should have been returned to another entity for any reason, you authorize us to deduct this amount from your account or from any other account you have with us, without prior notice, at any time. We also may use any other legal remedy to recover the amount of our liability to that entity.

### Clearing Your Deposits

According to current state or federal laws and regulations, we reserve the right to clear checks and other noncash items you deposit before we make the money available to you. Please see the Regulation CC Funds Availability Disclosure given to you for details about the availability of your deposited funds. If we do cash an item for you or allow you to withdraw some or all of the money it represents before it is paid and it is not paid for any reason, we will charge your account immediately after the unpaid item is returned and, if necessary, require a refund from you, or use any other legal remedy to recover that amount.

### Automated Processing of Items and Check Printing

You recognize that we have adopted automated collection and payment procedures. These automated procedures rely primarily on information encoded onto each item in magnetic ink. In recognition of this fact, you agree that in paying or taking an item for collection, we may disregard all information on the item other than the drawer's signature, the identity of the drawee bank, the amount of the item and any other information encoded onto the item in magnetic ink according to general banking standards, whether or not that information is consistent with other information on the item. You agree to reimburse us for any loss or expense we incur because you issue or deposit an item containing such extra information.

We provide a service for the purchase and reorder of checks from approved vendors. These checks are issued and used for the purpose of accessing an account. While we do permit the use of an unapproved vendor for the purchase or reorder of account checks, we strongly recommend that you rely solely on our check

purchasing service since we reserve the right to charge you a fee for problems we have in processing items that were not supplied by our approved vendors. Our procedures do not provide for the sight examination of items with a face amount below a specific amount which is not disclosed for security reasons. You agree that we are not failing to exercise ordinary care due to these procedures.

**Restrictive Legends:** We are not required to honor any restrictive legend on checks you write unless we have agreed to the restriction in writing signed by an officer of the financial institution. Examples of restrictive legends are "must be presented within 90 days" or "not valid for more than \$1000".

An unpaid check or other item is often returned by other banks after the time set by the availability section schedules has passed. We will charge your account or obtain a refund for items returned unpaid, which may, at our discretion, include interest credited to your account related to those items, as explained above in the CLEARING YOUR DEPOSITS section, even if the item had become included as a part of your account balance before being returned.

#### **Account Balance/Available Balance**

**Account Balance:** This is the total of all credited deposits plus interest paid less any withdrawals and any miscellaneous charges applied against your account. We use the daily collected balance to decide if your account meets minimum and daily balance requirements and, except as described above in the CLEARING YOUR DEPOSITS SECTION, whether withdrawals can be made. We use the account balance to calculate any interest your account may earn or to place holds on your account.

**Available Balance:** This is the total of credited cash deposits and check deposits for which the times set in the availability schedules in the check clearing process has passed, plus interest paid less any withdrawals, service charges and fees imposed.

#### **Withdrawals**

Using forms or methods approved by us, withdrawals can be made from any applicable account subject to our right to verify to our satisfaction the identity of the person seeking the withdrawal and the validity of the request. We ask that withdrawals be made with checks or special withdrawal slips and that you also present your passbook, if applicable. We reserve the right to return unpaid any other form of order being used for withdrawal or any order that is incompletely or defectively drawn. Withdrawals or requested transfers from applicable accounts may be made also through an ATM or Debit Card purchase, or via an automated clearing house (ACH) or bill pay debit. *Withdrawals made from a Certificate of Deposit before the maturity date may be subject to an early withdrawal penalty.*

We are not liable for the nonpayment of checks or requested transfers unless your check or transfer is drawn against available funds that have been credited to your account at the opening of business on the day of presentment. Federal Reserve Regulation CC provides for certain exceptions from the previous sentence. We will not be liable for the nonpayment of any checks or requested transfers which result from there being insufficient funds in your account, from us deducting special charges or fees as listed in our Fee Schedule or other special charges or fees authorized by this Disclosure. Checks or requested transfers may be paid by us without inquiry as to the circumstances of issue or application of proceeds. We have no duty to take note of any special memoranda or time limit of payment placed on any check or transfer by you nor shall we be liable for payment of any check or transfer contrary to this unless we have previously agreed in writing. You understand that any withdrawals may be subject to a service charge as disclosed in our Fee Schedule and you will not attempt to withdraw more than the amount available to you in your account (unless an overdraft feature is attached to your account). Any limits on the amount or frequency of withdrawals from an account are detailed in the Truth in Savings Disclosure given to you. We reserve the right to refuse any withdrawal or transfer which is for an amount less than any minimum withdrawal amount or exceeds any frequency limitation. If you attempt to repeatedly abuse these limitations, we reserve the right and may be forced to close your account. For purposes of applying this frequency limitation, we will use the date a transaction is completed by us (instead of the date you initiate the transaction).

#### **Notice of Withdrawals**

We reserve the right to require at least 7 days prior written notice before accepting any withdrawal or transfer from an interest bearing account.

#### **Savings Withdrawals by Bank Checks**

Our bank checks may be issued by mail or fax request as a withdrawal, and at the lobby teller windows during our normal banking hours. Please see our Fee Schedule for Bank Checks payable to Third Parties. For closeout transactions, the following bank checks must be made payable as the account is titled: corporations, partnerships, formal trusts/guardianships, organizations and estates.

#### **Domestic/International Wire Requests**

Requests to wire funds from your accounts must be done in person and require identification or via a signed fax transmission to (610) 993-4162 by 2:00p.m. Eastern Time Monday through Friday (except holidays) for same day processing. Wires will require the bank name and routing/transit number where the funds are to be wired as well as the account number and the title of the account that will receive the funds. Please see our Fee Schedule for the amount that will be deducted from your account. We will make a reasonable effort to process your wire requests on a same day basis. However, there may be circumstances that prevent the immediate processing of the wire request.

#### **Payment Order of Items**

When processing items (checks or drafts) drawn on your account, our policy is to pay items received on any one business day in sequential (check number) order. (For example: a check number 425 would clear before check number 428.) We will pay the lowest number item received on that business day before paying the next number item. 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. Our policy may cause fewer items to be returned, reducing the overdraft or Non-Sufficient Funds (NSF) fees. Clients need to be aware that the presentment (receipt by the bank) of items written against your account can vary according to when the payee (who you issued a check to) decides to cash or deposit the item at their financial institution.

NOTE: This potential difference in timing may cause item(s) to be returned if there are not sufficient funds to cover the payment of those item(s). (For example: if your balance on May 3rd is \$2,000.00 and check number 257 in the amount of \$2,000.00 written April 1st is presented on the same day as check number 300 in the amount of \$2,000.00 written May 3rd, the bank may pay Check number 257 and return check number 300.)

#### **Overdrafts**

We will, at our sole discretion, process checks presented for payment against insufficient funds by returning the check to the party who presented it for payment; we will then advise you by mail that the check has been returned unpaid. A Nonsufficient Funds (NSF) or an Extended Overdraft (EOD) Fee as set forth in the Fee Schedule will apply regardless of how an overdraft comes about, and such a fee will be deducted from your account. Even if we honor withdrawal requests which overdraw the balance in your account, this will not obligate us to do so in the future.

We can establish, if you elect to do so, another savings or checking account that you have with us as an "overdraft protection account." If you make such an election, available funds from your "overdraft protection account" will be transferred to your checking account to cover overdrafts in your checking account. If you establish such a link between accounts and there are available funds in your "overdraft protection account" but the available funds are insufficient to cover the overdraft, the transfer

will still be completed. An "Automatic Transfer Fee" equal to that which is disclosed in the Fee Schedule will be imposed for each transfer.

Our Overdraft Line of Credit can also be used to provide overdraft protection for your checking account. If you have insufficient funds in your checking account, and we have approved you for an overdraft line of credit, available funds from your overdraft line of credit account may be automatically transferred to your checking account in accordance with the terms of our Overdraft Line of Credit Agreement & Truth in Lending Disclosure. A transfer fee for an advance from your Overdraft Line of Credit account, if applicable, is charged to your Overdraft Line of Credit Account on or about the day of the transfer. These fees are disclosed in the Fee Schedule. For more information, please refer to our Overdraft Line of Credit Agreement & Truth in Lending Disclosure, which also governs your Line of Credit account. For those customers who have both the automatic transfer from a savings or checking account and an Overdraft Line of Credit, any necessary transfer(s) will occur from your savings account first, and from your Overdraft Line second. All applicable fees, as stipulated in our Fee Schedule, will be deducted from your account(s).

#### **Discretionary Overdraft Privilege Policy**

Pursuant to NOVA Bank's commitment to always provide you with the best level of customer service now and in the future, if your consumer or small business account has been open for at least thirty (30) days, and thereafter you maintain your accounts in good standing which includes at least:

- Making regular deposits consistent with your past practices;
- Depositing an amount equal to or greater than the amount of Discretionary Overdraft Privilege extended to you in your account within each (30) day period and bringing your account balance to a positive balance within every (35) day period from each overdraft;
- You are not in default on any loan or other obligation to NOVA Bank; and
- You are not subject to any legal or administrative order or levy.

NOVA BANK WILL CONSIDER, AS A DISCRETIONARY COURTESY AND NOT A RIGHT OR OBLIGATION, APPROVING YOUR REASONABLE OVERDRAFTS FROM SOURCES EXCEPT ATM/DEBIT CARDS (SEE BELOW). THIS PRIVILEGE WILL GENERALLY BE LIMITED TO A MAXIMUM OF \$500.00 OVERDRAFT (NEGATIVE) BALANCE FOR ANY RETAIL CHECKING, RETAIL MONEY MARKET OR INTEREST BUSINESS CHECKING ACCOUNT, WITH THE EXCEPTION OF THE BASIC AND COLLEGE CHECKING ACCOUNTS FOR WHICH THE MAXIMUM WILL BE \$300. OF COURSE, ANY AND ALL BANK FEES AND CHARGES, INCLUDING WITHOUT LIMITATION, THE NON-SUFFICIENT FUNDS/OVERDRAFT FEES, (AS SET FORTH IN OUR FEE SCHEDULES AND ACCOUNT AGREEMENTS), WILL BE INCLUDED IN THIS LIMIT.

The total of the Discretionary Overdraft Privilege (negative) balance, including any and all bank fees and charges (such as all non-sufficient funds (NSF) and Extended Overdraft (EOD) Fees as described in the applicable Fee Schedule) is due and payable upon demand, and you will continue to be liable, jointly and severally, for all such amounts, as described in the applicable Account Agreement.. An Extended Overdraft (EOD) Fee as set forth in the Fee Schedule will apply regardless of how an overdraft comes about, and such a fee will be deducted from your account. Approval of payment of reasonable overdrafts by NOVA Bank on Money Market Accounts, as well as consumer and Interest Business Checking in good standing (as described above) is only a discretionary courtesy, and not a right or obligation, is within NOVA Bank's sole and absolute discretion, and can cease at any time without prior notice of reason or cause. For those customers who have both the automatic transfer from a savings account and Discretionary Overdraft Privilege, any necessary transfer(s) will occur from your savings account first, and from your Discretionary Overdraft Privilege second.

If you do not wish to have the Discretionary Overdraft Protection available on your account you may opt-out of it at any time by calling 1-877-NOVABANK, contacting your local branch officer OR mailing written notification to NOVA Customer Service, 1235 Westlakes Drive, Suite 420, Berwyn, PA 19312.

Additional options available for overdraft protection include: 1) transfers from an interest bearing savings or money market account; 2) Overdraft line(s) of credit at a competitive interest rate.

#### **ATM/Debit Card Overdraft Items**

We do not authorize and pay overdrafts for the following types of transactions unless you ask us to by Opting In:

- ATM Transactions
- Everyday debit card transactions

We pay overdrafts at our discretion, which means we do not guarantee that we will always authorize and pay any type of transaction. If we do not authorize and pay an overdraft, your transaction will be declined.

If you want us to authorize and pay overdrafts on ATM and everyday debit card transactions you must complete the Opt In form. To complete the form call 1-877-NOVABANK, visit [www.novabank.com](http://www.novabank.com), or complete the form in person by visiting your local branch location OR mail it to NOVA Customer Service, 1235 Westlakes Drive, Suite 420, Berwyn, PA 19312.

#### **Post-Dated Checks**

You agree not to date a check later than the date that you write it. We are not responsible if we charge an otherwise properly payable but post-dated check against your account before the indicated date.

#### **Transfers**

Different types of transfers apply to different types of accounts. In some cases, there are limits on the minimum amount that may be transferred. In other cases, there are limits upon the number of transfers allowed during any monthly statement cycle. This Disclosure and your Regulation DD Truth in Savings Disclosure explain the types of transfers, the accounts where each type is available and the limitations on those transfers. If you do not have the necessary funds in your account to make a full transfer, we will not be required to make that transfer.

**Transfers by Mail or in Person:** Transfers between accounts can be made in person at any of our offices or by sending appropriate withdrawal forms or checks and deposit slips by mail. These can be made between any accounts you have with us and have no frequency or minimum dollar amount limitations.

**Preauthorized Electronic Funds Transfers:** These are arranged in advance with us to be made on a certain day of each month or at regular intervals between accounts. There is no limitation on the dollar amount of these transfers. If these transfers do not involve a third party other than you and us, there is no limitation on the frequency of these transfers. If these transfers do involve transferring funds to a third party, there are limitations as to the frequency of transfers allowed.

**Direct Teller Transfers:** If you have more than one Transaction Account with us, you may use a touch tone phone which provides you 24 hour access to transfer funds by directly communicating with our computer. You must dial (888) 201-6505 and follow the instructions. There are no limitations on the amount of such transfers, but the frequency for this type of telephone transfer is limited. Please see the Regulation E Electronic Funds Transfer Disclosure given to you with this Disclosure.

**ATM Transfers:** You may make transfers via an ATM using your ATM card. There is no limitation on the dollar amount of these transfers. There may be limitations as to the frequency of ATM transfers allowed. For this information, see the Regulation E Electronic Funds Transfer Disclosure given to you with this Disclosure.

**Overdraft Protection by Automatic Transfer:** You must have another account or an overdraft line of credit account that is linked to your checking account. You must have completed and filed with us an Authorization for Overdraft Transfers. Savings and checking transfer amounts will be made for the exact amount of the overdraft; the transfer fee will be assessed subsequently. Overdraft Line of Credit transfers will be made in increments of \$50, and are subject to the applicable transfer fee and Finance Charges as disclosed in the OVERDRAFT LINE OF CREDIT AGREEMENT AND TRUTH IN LENDING DISCLOSURE. Certain limitations may apply to such transfers. Please consult the REGULATION E ELECTRONIC FUNDS TRANSFER DISCLOSURE.

#### **Fees**

You agree to pay the service fees described in the Fee Schedule given to you with this Disclosure. These fees help us to cover the costs of servicing your account and may be deducted directly from your account without prior notice to you. You also agree to pay any additional fees that are reasonable which we would charge you for the services you would request which are not listed in the Fee Schedule given with this Disclosure. We will not be liable if we dishonor checks or other withdrawal orders because the deduction of such fees has left insufficient funds in your account. Please understand that we can change these fees in the future using the notification procedure described in the CHANGE OF TERMS section further on in this Disclosure.

#### **Statements and Savings Entries**

An account statement may be sent to you at periodic intervals. The statement will show account activity, balances, fees charged and if applicable, interest rate information. You should carefully examine the statement when you receive it. If you believe there is an error on the statement or that some unauthorized person has withdrawn funds from the account, you should notify us immediately.

Electronic Statements are available to all customers who request them. Such statements are required for *NEW* customers who elect to participate in electronic banking services, such as on-line banking and bill pay features. All *NEW* customers—those who have not had a deposit account with us in the last 30 days—who elect to participate in electronic banking services, such as on-line banking and bill pay, will be subject to a fee as disclosed in the Fee Schedule if they chose to receive a paper statement instead of an electronic statement. The receipt of electronic statements shall be governed by the Terms and Conditions—which may be modified periodically—that are associated with the receipt of such statements. Notification of such changes will be made as required. Once posted, electronic statements will be available online for a period of ninety (90) calendar days from the date that they are posted. Once the ninety days has elapsed, printouts of statements may be obtained by request following the payment of the fee disclosed in the Fee Schedule for copies of the statements. You agree to report to us in writing within 60 days of the day you first receive the statement on which appears any error or omission on that statement which does not involve an Electronic Funds Transfer. Electronic Funds Transfers include all transactions with your ATM/Debit Card, all transfers from one of your accounts requested by telephone and all preauthorized transfers for payments to and from third parties. Special rules cover your duty to examine and report errors and omissions on your monthly statement for Electronic Funds Transfers. They are described in the Regulation E Electronic Funds Transfer Disclosure. You agree that a reasonable time for you to examine the statement for errors or omissions is 60 days after you first receive them or they are made available to you. If you do not notify us within this 60 day period, you cannot assert the forgeries or alterations against us via legal proceeding or action even if we are unable to show the loss is due to your failure, and, you cannot assert any other forgeries or alterations by the same perpetrator on items paid by us after the above time period. We lose this protection if we do not exercise due care in paying an item or transfer with a forged signature or alteration unless you fail to notify us of the problem within 60 days of when we sent to you your statement. We will mail statements to the most current address you have provided. If the statements are undelivered or undeliverable, we can stop sending them until we receive a written request from you, including your proper address, requesting us to commence sending statements again.

#### **Stop Payments**

You can request us to stop payment of a check which you have written. You can do this in writing or by telephone. To do this, you must give us your account number, the check number, date and the exact amount of the check and the name of the payee. If the information given to us is not correct, or if you fail to give us any other reasonable information requested regarding the item, we will not be responsible if we are unable to stop payment. We reserve the right to take up to 24 hours to determine whether a stop payment order can be executed. The order is ineffective, if at the time of its receipt, you have already cashed the items or if we have otherwise become legally obligated for its payment.

If a stop payment of a personal or teller check is requested, you must complete our stop payment order. For teller's checks, these orders are only accepted for lost, stolen, or forged checks. Non-payment of the teller check must be confirmed before a replacement check is issued. Oral requests to stop payment must be confirmed in writing within 14 days or we may no longer honor them. Written and properly confirmed oral requests will be effective for six months, but renewals in writing may be made. You will be charged the applicable fee for the stop payment request at the time of the request. Each renewed stop payment will be treated as a new request and another fee will be charged. You agree to hold us harmless and indemnify us for any and all expenses and liability which we might incur if we pay an item on which you have requested a stop payment, provided that we have exercised ordinary care. You also agree that if we return any other item drawn by you (or do not make a requested transfer) due to insufficient funds, which situation is caused because we have paid an item (or made a transfer) on which you had requested a stop payment, you will not hold us liable for such action. A stop payment order will be accepted from any owner of a joint account no matter who signed the check and written notification may be sent to all other owners. If you are issued a bank check from us, you do not have the right to stop payment to a third party. A revocation of a stop payment order is not valid unless in writing and delivered to us. Only the person who originally placed the stop payment order can revoke it. If we recredit your account after paying a check over a valid and timely stop payment order, you agree to do two things: (1) you will transfer to us all of your rights against the payee or other holder of the check, and (2) assist us if we take legal action against that person later on.

#### **If you lose your ATM/Debit Card, Personal Identification Number (PIN), Certificate of Deposit, or Checks**

If your ATM/Debit Card, Personal Identification Number (PIN), certificate of deposit, or checks are lost, stolen, destroyed or leave your possession without your authorization, you must notify us immediately. We may require evidence, indemnity, security and a waiting period before we issue a new ATM/Debit Card, certificate or permit any withdrawals. We are entitled to a reasonable period of time after you notify us of your loss of any item for us to notify our employees. Please refer to our Fee Schedule for any applicable replacement fees.

#### **If you owe us money – Right of Offset**

The law gives us the right to offset, in certain instances, your property in our possession, including, but not limited to, deposit accounts. This means that if you ever owe us money as a borrower, guarantor or otherwise, and the obligation or debt becomes due, we have a right under this Disclosure (by which you grant us a security interest in your deposit account) to use the money from your account to pay the debt. We shall have this right even if withdrawing the money results in an interest penalty. Our right to offset is automatic and superior to any claims to the account through right of survivorship. You also acknowledge and agree that this right of offset may be exercised with respect to your property in our possession against any sums you owe to us or our successors.

**We also have the right to offset against any of your joint accounts (regardless of who placed the funds in these accounts), at any time without notifying you in advance.**

to pay any debt which is due that you or any joint tenant owes us. In addition, we also have the right of offset against any of your tenants by the entireties accounts to pay any individual debt which is due that you owe us. Further, we also have the right to offset against any of your partnership or joint venture accounts (regardless of who placed the funds in these accounts), for any amount your firm, any partner or any joint venture owes us.

#### **Dormant Accounts**

All Savings accounts detailed in the Regulation DD Truth in Savings Disclosure given to you will be considered dormant if you do not make a deposit or withdrawal for a period of 2 years. All other deposit accounts will be considered dormant if you do not make a deposit or withdrawal for a period of 1 year. An Inactive Account Fee will be charged according to the Fee Schedule for all accounts after the specified period of no activity.

#### **Escheatable Accounts – When the State Claims Funds in your Account**

Under Pennsylvania law, all funds remaining in an account may become the property of this Commonwealth after the account has been inactive for 5 years and notice is sent to the depositor at the depositor's last known address. An account will be considered inactive, for the purpose of being escheatable, after five years, if the owner has not: (1) increased or decreased the amount in the account; (2) written to this financial institution about the account; or (3) otherwise indicated an interest in the account as evidenced by a memorandum on file with this financial institution.

#### **Decedent Accounts**

If the owner of an account dies and no beneficiaries have been named on the account's signature card contract, letters of administration and a certified copy of the death certificate must be presented to us by the person authorized to make withdrawals before the funds will be released. If the decedent's account has a named beneficiary, the beneficiary must present a certified copy of the death certificate, plus proper identification before the funds can be released.

#### **Withholding on your Account**

Interest earned on your account may be subject to withholding for federal income tax if we receive notice from the IRS or you fail to provide us with your correct taxpayer ID number.

#### **Closing your Account**

You can close your account by withdrawing all available funds—if you do so in person at one of our branch locations. All other closures will require a written request, with an appropriate signature, from at least one of the authorized signers on the account. Any checks, authorized electronic transactions, purchases, or deposits that are uncollected will cause a delay in closing your account. Any items submitted to us for payment after the account is closed will be returned unpaid. We may deduct an early closing fee if it is mentioned in the Regulation DD Truth in Savings Disclosure or Fee Schedule. We also can close your account, for any reason, if we choose to. If we do this, we will mail to you at your last address shown on our records a notice and check for the final available balance. Notice to any accountholder will be considered notice to all accountholders. When we refuse to accept deposits or credits to the account, we will not be liable to you for doing so. Should an account be closed at any time by the withdrawal of the balance of the account and later reopened, the reopened account will be subject to all the terms and conditions in this Disclosure.

#### **Account Obligations and Fees**

You agree to pay us any fees and charges incurred on this account and agree that we may deduct these charges, when due, directly from your account balance without prior notice to you. Fees for frequently requested services are found in our Service Fee Schedule and Truth in Savings Disclosure. These charges may be for services you request which are not listed in this Disclosure or the separate Fee Schedule. You also promise to pay us for any expenses incurred due to attachment, garnishment, levy, subpoenas or legal claims related to your account. These may also be deducted directly from your account balance.

You agree to be jointly and severally liable for any negative balance in your account ("indebtedness") that would result from charges or overdrafts, whether caused by you or any other person authorized to withdraw from your account. This would include costs we incur to collect the amount of the negative balance including our attorney's fees and costs. This indebtedness may be charged to any account solely in your name or in your name as well as the name of another or others. We will not be liable if we dishonor checks or other withdrawal orders because the deduction of such fees has left insufficient funds in your account. We can change these fees in the future by using notification procedures as described in the CHANGE OF TERMS section in this Disclosure.

#### **Legal Controversies Involving your Account**

If we are served with legal process in any judicial proceedings, or we receive any other notice of an adverse claim against your account, we may suspend payment of the account when we believe it to be affected by these happenings until final determination of the legal process or other notice of adverse claim, or receipt of a court order issued by a court of competent jurisdiction. We are not liable to you for damages caused to you by reason of us incorrectly suspending payment due to inadvertence, error caused by similarity of names of accountholders, or any other mistake, as long as we have acted in good faith and mailed within a reasonable time written notice of the action taken by us. This notice would be mailed to you at the last address appearing on our records.

#### **Other Legal Proceedings**

If your account is garnished, or otherwise subject to levy by lawful legal action, we will not be liable to you for any sums we may be required to pay because of such garnishment or lawful legal action.

#### **Reimbursing us for Expenses**

You agree that if we incur any expense due to any of the above situations in LEGAL CONTROVERSIES or OTHER LEGAL PROCEEDINGS, or incur any expense due to an attachment, garnishment, or levy upon your account, you will reimburse us for these expenses or we may charge any portion of these expenses to your account(s). You will also reimburse us or allow us to charge the expenses to your account for any expenses we incur if we have to file a lawsuit to collect money due to us because of transactions on your account, or to see that you do what you have agreed to do in this Disclosure. These expenses include, but are not limited to, any applicable fees listed in our Fee Schedule or court costs and attorney fees.

#### **Indemnity**

If you ask us to follow instructions which we believe expose us to potential liability under the law, we may refuse to follow your instructions or may require a bond or other protection, such as your promise to protect us against any claims (indemnity), satisfactory to us, before following the instructions.

#### **Gifts/Change/Transfer of Ownership**

We may disregard any claim of change or transfer of ownership or gift relating to your account unless we receive written instructions from you during your lifetime directing us to transfer your account to another person. If ownership is to be transferred, we may require that the account be closed and reestablished, using a new account number. No gift of all or part of your account in anticipation of death shall prevent us, after your death, from discharging ourselves of all liability by payment to your personal representative, whether or not we have notice of such gift.

### Mailing Address/Change of Address

The address of record that we have for you in our records is conclusively deemed correct for the purpose of mailing statements and any other correspondence to you. It is very important that you notify us immediately, in writing, if you change your address. Other verification may be required as deemed necessary by us.

### Change of Terms

We can change the terms of this Disclosure and the services and products we provide, at any time, for any reason. We can also change any of the fees we impose, as detailed in the Fee Schedule given to you with this Disclosure, at any time, for any reason. We will provide the kind of notice required by law or regulation before the amendment becomes effective. Otherwise, the change will be effective when we specify. You understand that if you make a deposit or withdrawal from your account after the proper notification period you are agreeing to the changed terms and/or fees. We also may enact such other rules and regulations, from time to time, as are customary in the conduct of the banking business or are in our judgment, necessary for the protection of the depositors of our financial institution. Our deposit agreement with you may also be changed without notice to the extent permissible in complying with any law or regulation of any appropriate banking regulatory authority. We reserve the right to waive the enforcement of any of the terms of this Disclosure with respect to any transaction or series of transactions. Any such waiver will not affect our right to enforce any of our rights with respect to other customers, or to enforce any of our rights with respect to later transactions with you. The fact that we, on any given occasion, may enforce or waive our rights does not obligate us to enforce or waive similar rights in the future, nor will this be sufficient to modify the terms and conditions in this Disclosure.

### ACCOUNT OWNERSHIP

#### Information about Types of Account Ownership that may be used when Opening an Account

#### Individual Account

If your account is individual ownership, your signature is shown on the signature card you signed to open the account. We are authorized to act without further inquiry in accordance with writings bearing that signature.

#### Rules for Multiple-Party Accounts

Unless contrary direction is given in the account agreement, upon the death of a party to the account, the funds shall belong to the surviving party or parties. Multiple-party accounts are joint accounts, POD accounts and Deposit Trust accounts. Any direction as to the payment or ownership of funds upon the death of a party on a multiple-party account, other than as noted above, must be shown on the signature card contract. On any account subject to withdrawal by check, you agree that any one authorized signature shall be sufficient for withdrawal or payment. On other accounts you may designate more than one signature as required for withdrawals.

#### Special Information about creating Joint, Trust, or Custodial Accounts

You agree that when you set up a joint account, trust account, or custodial account with us, you have instructed us as to the proper title of the account, and that we assume no legal responsibility to inform you as to how the creation of one of these accounts affects your legal and insurable interests. If you have any questions as to the legal effect of any of these accounts, you will consult your own attorney and bear the sole responsibility as to the legal effect of the creation of the account or how it is maintained with us.

#### Joints Accounts

If you create a joint account when you place your signature on the signature card to open the account, the account becomes the property of each of the designated owners as joint tenants with the right of survivorship (or tenants by the entireties, in the case of husband and wife). Any or all of the joint owners can make deposits, withdrawals or close the account. To make withdrawals, a joint owner must have his or her signature on file with us. The terms, "you" and "yours" in this Disclosure apply to all joint tenants singly and collectively. Joint owners not identified as husband and wife on the Signature Card signed to open the account may be treated by us as owning the funds in the account as joint tenants with the right of survivorship and not as tenants in common. Joint owners identified as husband and wife will own the funds as tenants by the entireties. In either case, upon the death of a joint owner, the funds in the account will pass to the survivor(s).

When we conduct business involving a joint account, we can act on the instructions of any one or more of the joint owners, unless the Signature Card indicates that more than one signature is required for conducting business on the joint account. We will continue to follow these instructions until we receive written notice to change them. Any transactions that occur before we receive written notice of a change in instructions will be binding on all joint owners. In the event of conflicting instructions by two or more of the joint tenants, we may place a temporary hold on the account until the joint tenants have resolved the dispute or we are instructed by legal process to do otherwise, or we decide to remove the hold or dispose of the funds. You agree that any money in your joint account can be paid to any one or more of the joint owners. This payment can be made on the orders or instructions of any of the joint owners even if the other owners are not alive or are disabled at the time of payment. If we make any payment following these rules, you release us from liability. Each of you will be jointly and severally liable to us for the amount of any overdrafts in your account regardless of which of you made the transaction creating the overdraft.

#### Giving Power of Attorney

You can give another person the right to act on your behalf in making transactions on your accounts. This can be done only after giving us written authorization on forms which we can provide for that purpose or which we indicate are acceptable to us. A Power of Attorney form must be notarized if it is not executed in the presence of an official of our Institution. If there is more than one account owner, we may require the consent of all account owners to your appointment of an attorney in fact. We may continue to rely upon this power of attorney authorization until we receive: (1) written revocation of the authorization; (2) actual notice of the death of the account holder; or (3) a court order regarding the incompetence of the account owner and appointment of a guardian.

#### Custodian Accounts

If you wish to make a gift of money to a minor, you can do so and name yourself or another adult as custodian to handle the money while the beneficiary is a minor. Interest earned will be reported under the Tax I.D. Number of the minor. We will follow the Pennsylvania Uniform Transfer to Minors Act for this type of arrangement. A gift of money made in this manner is irrevocable and conveys to the minor legal title to the custodial property. The custodian has certain powers and duties in relationship to such accounts as prescribed by state law, including the power to collect, hold, manage, invest and reinvest the custodial property. However, this property held shall be for the exclusive right and benefit of the minor, and will be free from the control or lien of all other persons, except creditors of the minor. The property shall be paid, together with interest credited to the account, to the minor when he or she reaches the age of majority. The receipt or release to the minor shall be a valid and sufficient release and discharge to us for any payment so made. We have no obligation to inquire into the purpose of any withdrawal.

#### Trust Accounts

The following types of trust accounts may be opened:

- a. Individual Trust Account - One Beneficiary
- b. Individual Trust Account - Multiple Beneficiaries
- c. Joint Trust Account - One Beneficiary
- d. Joint Trust Account - Multiple Beneficiaries

The above trust accounts may only be revocable trust accounts. If you wish to create a trust for the benefit of a beneficiary, you can open this type of account. The person creating the trust is the grantor of the trust. The beneficiary is the person named in the trust that will benefit from the trust. The trustee is the person named in the trust who is charged with holding, managing, pledging, investing and reinvesting the funds of the trust, in their sole discretion, for the benefit of the beneficiary. The funds that the trustee manages are to include earnings on the funds and any future additions to the trust. We may absolutely rely upon your representation to us, as you may change from time to time, as to who is the beneficiary of the trust. If there is more than one trustee on the account, the trustees will be joint tenants with the right of survivorship. This means that all the rules of the section titled JOINT ACCOUNTS will apply to transactions in the account while both joint trustees are alive. If one of the joint trustees should die, all rights to the account, including the right to terminate the trust, will pass to the surviving trustee.

**Irrevocable Trust:** We must have a separate Trust Agreement on file with the Signature Card for this type of account. This Trust Agreement will detail how the trust is to be administered in such matters as the death of the trustees or beneficiaries; if there is more than one beneficiary to the trust, whether the trust account relationship of the beneficiaries will be joint tenants with the right of survivorship or tenancy in common; and any other important information that has been made a part of the Trust Agreement. We make no representation as to the appropriateness or effect of the ownership and beneficiary designations except as they determine to whom we pay the account funds.

#### Fiduciary Accounts

This type of account may be opened by duly authorized and appointed agent. The fiduciary of the account hereby certifies that the funds which are offered to us in accordance with the fiduciary relationship for placement in an account, and any funds that are later placed in the same account, are funds that are property within the fiduciary's custody which may be lawfully invested in or placed in an account with us in accordance with the authority duly vested in the fiduciary. For this type of account, we shall have no responsibility to monitor your account, or the use of funds paid from it, nor shall we have any liability for any act or omission by any person who signs the Signature Card.

#### Corporation or Organization Accounts

This type of account may be opened by any properly authorized corporation or organization. The corporate officer or officers of the organization must execute a resolution, agreement or other document we may request, authorizing the opening of the account. We will need to have a copy of this resolution agreement or other document on file with the Signature Card for the account. Withdrawals will be permitted only on the signatures of those authorized specifically on the Signature Card. The number of signatures required for withdrawals will be specified on the Signature Card.

#### Partnership or Joint Venture Accounts

When you open this type of account, you agree that it will be opened by all of the general partners. The partners are the owners of the account but may designate others to make withdrawals from the account. Withdrawals will be permitted only on the signatures of those authorized specifically on the Signature Card. The number of signatures required for withdrawals will be specified on the Signature Card.

#### Sole Proprietorship Accounts

The proprietor of an unincorporated business is the owner of such an account, but may designate others to make withdrawals from the account. Withdrawals will be permitted only on the signatures of those authorized specifically on the Signature Card.

#### Fictitious Business Name Accounts

If the name in which the account is held is fictitious, each account holder represents that one or more of the account holders has the right to use that name and have fulfilled all legal requirements for using and/or doing business under that name. We require a license to establish an account in this manner.

#### FUNDS AVAILABILITY POLICY (Regulation CC)

We believe you have a right to know when you can use the funds you deposited into your checking or savings account. This disclosure describes in simple language how quickly those funds from your deposits will become available to you; whether for cash withdrawals or to pay checks written against your account. Federal law calls this our Funds Availability Policy.

It is our policy to provide access to deposited checks as soon as the bank can confirm that the funds are available in the account upon which the particular check(s) is written. Since numerous factors can affect how quickly this confirmation can be obtained, we have adopted a specific time schedule which you can utilize in determining funds availability. Unless you are informed at the time of your deposit, or by mail, you can assume that the funds will be available in accordance with this schedule.

#### How long does it take for funds to become available?

The amount of time it takes for funds to become available is measured in the number of business days that follow the day of your deposit. A business day is defined as every day that we are open except Saturday, Sunday and Federal holidays. Deposits are only considered to be received on a business day. A deposit made by 5:00 p.m. on a business day at our branch locations will be considered a deposit that business day. The length of the delay varies depending on the type of deposit and is explained below.

**Immediate Availability:** Funds from cash, wire transfers, including preauthorized credits, such as social security benefits and payroll payments, and funds from authorized third-party instruments and/or via electronic means accepted and approved by us are available for use immediately.

**Next Day Availability:** You may withdraw the first \$200 of any deposit of checks on the next business day after the day of your deposit. Funds for the following deposits are also available on the first business day after the day of your deposit.

- United States Treasury checks payable to you;
- State and local government checks if they are payable to you;
- Cashier's, certified, or teller's checks if they are payable to you;
- Federal Reserve Bank checks, Federal Home Loan Bank checks and US Postal Money Orders, if these items are payable to you;
- Checks drawn on NOVA Bank (on us checks—If funds are available).

#### Deposits Not Made in Person

Funds are considered deposited when they are received at our office. If you mail your deposit, it is considered deposited on the day we receive it. Funds deposited to a night depository, mail slot or similar facilities are considered deposited on the day on which the deposit is removed from the facility and is available for processing.

### Longer Delays may Apply

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

- We believe a check you deposit will not be paid;
- You deposit checks totaling more than \$5,000 on any one day;
- You redeposit a check that has been returned unpaid;
- You have overdrawn your account repeatedly in the last six months;
- There is an emergency, such as failure of communications or processing capabilities;
- There is a suspension of payments by another institution;
- There is a war;
- There is an emergency beyond the control of the depository institution.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than seven business days after the day of your deposit.

### Special Rules for New Accounts

If you are a new customer, there are special rules that will apply during the first 30 days your account is open. Generally, funds from all deposits will be available no later than the seventh business day after the day of your deposit. However, we make the following exceptions to the rule:

- Funds from cash, electronic direct deposits and wire transfers to your account will be available on the day we receive the deposit;
- Funds from deposits of the first \$5,000 of a day's total deposits of U.S. Treasury Checks, U.S. Postal Service Money Orders, Federal Reserve or Federal Home Loan Bank Checks, cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available on the first business day after the day of your deposit, if the checks are payable to you. The excess over \$5,000 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U. S. Treasury check) is not made in person to one of our employees, the first \$5,000 will not be available until the second business day after the day of your deposit.

### Holds on Other Funds (Check Cashing)

If we cash a check for you that is drawn on another bank, we may withhold availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it. For example, if we cash a \$100 check for you, \$100 of funds already in your account will not be available until the next business day after the day we cashed the check.

### Holds on Other Funds (Other Account)

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

### Payment of Interest Policy

You must maintain the minimum collected balance of your applicable rate tier each day to obtain the disclosed annual percentage yield. If you close your account before interest is credited, you will not receive the accrued interest. Fees may reduce earnings. Interest will not be paid on funds deposited by a check that is returned unpaid to NOVA Bank.

### Substitute Checks

Congress passed the Check 21 Act to increase the efficiency and improve service of clearing checks in our Nation's payment system. The goal is to clear checks faster, reduce fraud and decrease costs. It allows for the checks that you write to be converted to "Substitute Checks" which are the legal equivalent to your original paper checks.

What is a substitute check? To make check processing faster, federal law permits banks to replace original checks with "substitute checks." These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states: "This is a legal copy of your check. You can use it the same way you would use the original check." You may use a substitute check as proof of payment just like the original check. Some or all of the checks that you receive back from us may be substitute checks. This notice describes rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have rights under other law with respect to those transactions.

What are my rights regarding substitute checks? In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, bounced check fees). The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to interest on the amount of your refund if your account is an interest-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law. If you use this procedure, you may receive up to \$2,500 of your refund (plus interest if your account earns interest) within 10 business days after we received your claim and the remainder of your refund (plus interest if your account earns interest) not later than 45 calendar days after we received your claim. We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

How do I make a claim for a refund? If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us by calling or writing using the number address shown on each of your periodic statements. You must contact us within 40 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances. Your claim must include:

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

### Expedited Clearing and Float

These Substitute Checks will clear through our payment system faster than traditional paper checks by reducing "Float" time. Be careful. Monitor your account balance

more closely. While the checks that you write will be clearing faster, funds from your deposits will not be made available any faster. Many people write checks to pay bills and then mail them on the same day of a deposit. With checks clearing faster, the checks that you write could be presented for payment prior to your deposit becoming available. Unexpected overdrafts or embarrassing bounced checks could occur along with costly nonsufficient Funds Charges.

### Deposits at ATM Machines

Non-Proprietary ATMs: Funds made at ATMs we do not own or operate will not be available until the fifth business day after the day of your deposit.

Proprietary ATMs (those with the NOVA Bank logo): If you make a deposit before 3:00 p.m. Eastern Time on a business day at an ATM owned and operated by us, the following availability will apply:

Next-Day Availability:

- U. S. Treasury checks that are made payable to you and endorsed by you;
- On-U.s checks;
- Cash;
- State and local government checks that are payable to you and endorsed by you and are drawn on a bank in the same state and check processing district;
- Federal Reserve checks, Federal Home Loan Bank checks, and postal money orders made payable to you and endorsed by you.

All other deposited items will have the same availability as if they were made at a staffed location. If you have any questions about when funds from your deposit will be available, please contact Customer Service Department.

### ELECTRONIC FUNDS TRANSFER POLICY (Regulation E)

#### Disclosure Statement

The following disclosure outlines our electronic fund transfer services. The purpose of this disclosure is to inform you of certain rights which you and the bank have under the Electronic Funds Transfer Act. The information provided is intended to be all inclusive of electronic funds services offered by us. As such, some specific services described below may not apply to your account.

#### Disclosure of Types of Available Transfers and Limits on Transfers

You can direct that recurring deposits such as Direct Deposit of Wages, Social Security Benefits, Pension Payments, Dividend Payments and similar regular payments be deposited directly into your checking or savings accounts. You may arrange with some merchants, insurance companies, banks, credit unions, and other thrift institutions to have your recurring bills paid automatically (a debit to your account) from your checking or savings accounts.

#### Limitations on Frequency of Transfers

There is no limitation on the frequency of electronic funds transfers when they are deposits as listed above. If the electronic fund transfer is a withdrawal from your account as listed above, the frequency of transfers allowed is as follows:

Transfers from a Savings Account to another account of yours at this bank or to a third party via preauthorized, automatic or telephonic transfers (including data transmission), cleared checks, Point of Sale transactions or Debit Card purchases or internet debit payments are limited to 6 per statement cycle.

#### NOVA ATM/Debit Services

You may use your NOVA ATM or MasterMoney® Debit Card with your Personal Identification Number ("PIN") at ATMs displaying the STAR® or NYCE® logos to conduct any of the following transactions for each of the accounts you have requested to be accessed by your NOVA ATM or MasterMoney Debit Card:

- Withdraw cash from your checking or savings accounts;
- Deposit cash, checks or drafts to your checking or savings accounts in all states except Connecticut, Florida, Kentucky and Wisconsin;
- Transfer funds between your checking or savings accounts;
- Obtain the available balances from your checking or savings accounts.

Some of these ATMs may only provide access to the accounts you have designated as your primary Checking or Savings account. NOT ALL OF THESE ATMS MAY ACCEPT DEPOSITS OR PAYMENTS. THERE MAY ALSO BE LIMITS ON THE AMOUNT OF FUNDS WHICH YOU MAY DEPOSIT IN CERTAIN ATMS.

#### PLUS SYSTEM® and/or CIRRUS® Services

You may use the NOVA ATM or MasterMoney® Debit Card with your PIN at any of the above referenced Network automated teller machines located throughout the United States, the Commonwealth of Puerto Rico, Canada, Great Britain and those foreign countries that may be added at a later date to: Withdraw cash from your checking or savings accounts; Transfer funds between your checking or savings accounts; Obtain the available balances from your checking or savings accounts.

These are the present services available from these Networks, but other services may be provided in the future as they are developed. The above transactions are only applicable to the accounts you have designated as the primary account of each account type.

#### ATM Fees

You may incur a surcharge for cash withdrawals or other transactions at Network ATMs not owned by us (nonproprietary). If applicable, the financial institution that owns and operates the ATM charges this fee and it is beyond our control.

#### Telephone Banking Services

You may use your Personal Identification Number (PIN) in our Telephone Banking Program (Direct Teller) at (888) 201-6505 to access those accounts you have linked to our Telephone Banking Program. You may obtain information on your savings, checking, or loan accounts, or transfer funds between accounts. You may also obtain balances, interest earned, latest deposits, checks cleared, latest payments on loans and remaining principal balances.

#### Types of Transactions

Point of Sale (POS) Transactions: You may use the CARD with your PIN at any retail establishment ("Merchant") where your card is accepted to purchase goods and services and/or to obtain cash where permitted by the Merchant ("Purchase"). The amount of all such Purchases (including any cash obtained, if permitted) will be deducted from your primary Checking/Savings account. When you make a Purchase using the CARD, you will be requesting us to withdraw funds from your selected primary Checking/Savings account in the amount of the Purchase and directing or ordering us to pay these funds to such Merchant. Any Purchase refund made by a Merchant will be posted to your primary Checking/Savings account.

Signature Transactions: You may use the MasterMoney® DEBIT CARD at any retail establishment ("Merchant") where DEBIT CARDS are accepted to purchase

goods and services and/or to obtain cash where permitted by the Merchant ("Purchase"). The amount of all such Purchases (including any cash obtained, if permitted) will be deducted from your primary account. When you make a Purchase using the CARD, you will be requesting us to withdraw funds from your selected primary account in the amount of the Purchase and directing or ordering us to pay these funds to such Merchant. Any Purchase refund made by a Merchant will be posted to your primary account. This type of purchase transaction will require your signature authorization.

**Bill Payments by Phone:** You may use CARD to pay bills directly by telephone from your checking or savings account in the amounts and on the days that you request.

**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 either pay for purchases or pay bills.

#### Internet Banking Computer Transfers

You may, if applicable, access your accounts by computer at [www.novabank.com](http://www.novabank.com) through your user identification number and security code to:

- Transfer funds from checking to savings;
- Transfer funds from savings to checking (please see Limitations on Frequency of Transfers in this Section);
- Making payments from accounts to third parties (Please see Limitations on Frequency of Transfers);
- Get information about your account balance;
- View recent transactions in the account;
- Determine the amount of interest posted;
- Pay bills up to the applicable dollar limit.

#### Limitations on the use of your ATM/Debit Card ("Card")

You may use the CARD to withdraw up to \$500.00 each day, at a NETWORK ATM, and at Merchants from your account(s) provided the funds are available in your account(s).

In addition to the amount that you may withdraw in cash each day, you may use the CARD to purchase up to your POS Purchase Limit of \$500.00 each business day. Signature debit transactions are limited to **\$1500 per business day**. (The **\$1500 per business day** includes any amount available in a linked overdraft line of credit or savings account linked for overdraft protection). Furthermore, Purchase refunds will be posted to the available balances in your primary account. See FUNDS AVAILABILITY POLICY above for further information about the funds availability relating to items present for deposit. The day for all Limits starts at 5:30 p.m. Eastern Time each business day and ends at 5:30 p.m. Eastern Time the next business day. There are also certain limitations on the frequency of use of the CARD each day. These limitations are imposed, but not revealed for security purposes.

You will be denied the use of the CARD if you (i) exceed the daily withdrawal or purchase limit, (ii) do not have adequate funds available in your account, (iii) do not enter the correct PIN, or (iv) exceed the frequency of usage limitation. (Please see LIMITATIONS ON FREQUENCY OF TRANSFERS SECTION above). The receipt provided by the ATM or Merchant terminal will notify you of the denial. There is a limit on the number of such denials permitted. Attempts to exceed the limit may result in machine retention of your CARD at an ATM. The number of attempts that result in machine retention of your CARD is not revealed for security reasons.

#### Disclosures of what Constitutes Business Day of Institution

Our business days are Monday through Friday, excluding Holidays.

#### Deposit, Payment, and Funds Availability Information

Deposits and payments made at ATMs are posted to your account(s) according to our funds availability policy required under Regulation CC. You may not deposit any credit card courtesy checks or foreign currency. All items presented at our ATMs are removed at or about 3:00 p.m. each business day. We reserve the right to verify the items so deposited before such funds are made available to you; however, you may withdraw against the amount deposited up to the total amount of your deposit or \$100.00, whichever is less. The amount of funds you can withdraw against from deposits is limited by your daily withdrawal limit. When all of the deposited funds become available, you may withdraw against the entire amount deposited up to the daily withdrawal amount.

#### Disclosure of Charges Applicable to Transfers

We reserve the right to change our fee schedule from time to time and to charge your account in accordance with the fee schedule that will be provided to you at least thirty (30) days prior to assessment or change in assessment.

#### Disclose of Accounts Information to Third Parties

We will disclose information to third parties about your account or the transfers you make: where it is necessary for completing transfers; to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; in accordance with your written permission; in order to comply with court orders or government or administrative agency summonses, subpoenas, orders, examinations and escheat reports.

#### Disclosure of Right to Receive Documentation of Transfers

If you have arranged to have direct deposits made to your account from the same persons or organization, or any transfers made from your account, at least once every 60 days, you may call us at 1-877-NOVABANK to verify that the transfer was made.

**Statement Accounts:** You will receive a monthly statement (or at least quarterly if there were no transfers in a particular month) that shows transactions for any account that has electronic fund transfers to or from the account.

**ATM/DEBIT CARD Transactions:** You will receive a printed receipt for each ATM or may receive a printed receipt for each Purchase transaction when you make the transaction. You will receive a monthly statement showing the status of your account(s), transactions made during the past month, and any charges which we may impose for such services or transactions.

**Disclosure of Right to Stop Payment of Preauthorized Transfers, Procedures for doing so, and Financial Institution's Liability for Failure to Stop Payment Right to stop payment and procedure for doing so:** If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Call us at 1-877-NOVABANK or write us at the address listed at the end of this disclosure in time for us to receive your request three business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call. There will be a service charge for each stop payment order you request. Please see our Fee Schedule.

**Notice of varying amounts:** If these regular payments may vary in amount, the person you are going to pay will tell you 10 days before each payment when it will be made and how much it will be. (You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous

payment, or when the amount would fall outside certain limits that you set.)

**Liability for failure to stop payment of preauthorized transfer:** If you order us to stop one of these payments three business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

#### Consumer Liability for Unauthorized Transfers and Advisability of Prompt Reporting

**CONTACT US IMMEDIATELY** if you believe your CARD or PIN has been lost or stolen, or if you believe an EFT has been made without your permission using information from your check. Telephoning us at 1-877-NOVABANK is the best way of keeping your losses to a minimum. You could lose all your money in the account(s) (plus any amount available in a linked overdraft line of credit or savings account linked for overdraft protection) if you take no action to notify us of the loss of your CARD or PIN. If you notify us of the loss, your liability will be as follows:

- If you contact us within two business days of the loss or your discovery of the loss, you can lose no more than \$50.00 if someone used your NOVA ATM or MasterMoney® Debit Card and PIN Number without your permission.
- If someone used your CARD and PIN without your permission, you could lose as much as \$500.00 if you do NOT contact us within two business days after you learn of the loss and we can prove that we could have prevented the loss if you had contacted us.
- If your monthly statement shows transfers or Purchases that you did not make, tell us at once. If you do not contact us within 60 days after the first statement was mailed to you, you may not get back any money you lost after the 60 days, if we can prove that your contacting us would have prevented those losses.

If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods. Unless you have been grossly negligent or have engaged in fraud, you may be liable for up to \$50 for any unauthorized transactions using your lost or stolen MasterMoney® Debit Card when used for Point of Sale transactions, if you report to us the loss or theft of your card within two business days of when you discover the loss or theft of the card. If you do NOT tell us within two business days, your liability is the lesser of \$50 or the amount of money, property, or service obtained by the unauthorized use before notification to us.

#### Telephone Number and Address to be Notified in Event of Unauthorized Transfer

If you believe your CARD or PIN Number has been lost or stolen or that an unauthorized transfer or Purchase from any of your accounts has occurred or may occur, please contact our Customer Service Department at **1-877-NOVABANK** Monday through Friday from 8:30 am through 5:30 pm Eastern Time, excluding holidays, OR **NOVA Customer Service, 1235 Westlakes Drive, Suite 420, Berwyn, PA 19312**.

If you call to report your CARD or PIN number as stolen, a new card or number may be issued to you at that time and a "hold" will be placed on your old card. Please see our Fee Schedule for any replacement charge. After such time, if you find your old card, you must notify us and return your old card to us. If you attempt to use your old card it may be captured and retained by the ATM.

#### Disclosure of Institution's Liability for Failure to Make Transfers

If we fail to complete a transaction to or from your account on time or in the correct amount, when properly instructed by you, we may be liable for damages caused by our failure unless:

- through no fault of ours, there are insufficient funds in your account to complete the transaction;
- the funds in your account are unavailable;
- the funds in your account are subject to legal process;
- the transaction you request would exceed the funds in your account plus any available overdraft credit;
- the ATM, has insufficient cash to complete the transaction;
- your card has been reported lost or stolen and you are using the reported card;
- we have reason to believe that the transaction requested is unauthorized;
- the failure is due to an equipment breakdown which you knew about when you started the transaction at the ATM, or Merchant terminal;
- the failure was caused by an act of God, fire or other catastrophe, or by an electrical or computer failure or by another cause beyond our control despite reasonable precautions taken;
- you attempt to complete a transaction at a Network ATM, or Merchant terminal which is not a permissible transaction listed above;
- the transaction would exceed security limitations on the use of your CARD;
- there may be other exceptions stated in our agreement with you.

In any case, we shall only be liable for actual proven damages if the failure to make the transaction resulted from a bona fide error despite our procedures to avoid such errors.

#### In Case of Errors or Questions about your Electronic Transfers

Call us at 1-877-NOVABANK write us at the address listed at the end of this disclosure as soon as you can, if you think your statement, or receipt, is wrong or if you need more information about a transfer listed on the statement, or receipt. We must hear from you no later than 60 days after we sent you the FIRST statement on which the problem or the error appeared.

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

If you tell us orally, we may require that you send us your complaint in writing within 10 business days. We will determine whether an error occurred within 10 business days after we hear from you and will correct any error promptly. If we need more time, however, for most errors we may take up to 45 calendar days to investigate your complaint or question. If you believe that the error was the result of a foreign initiated transfer or point of sale/Debit Card transaction, or if you have not been an accountholder with us for more than 30 calendar days, we may take up to 90 calendar days to investigate your complaint or questions. If we need more than 10 business days to investigate the error, we will credit your account within 10 business days for the amount you think is in error, unless you have not been an accountholder for at least 30 calendar days, in which case we will credit your account within 20 business days for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account. We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation. If we credit your account with funds while investigating an error, you must repay those funds to us if we conclude no error has occurred. **NOVA Customer Service, 1235 Westlakes Drive, Suite 420, Berwyn, PA 19312. 1-877-NOVABANK**

#### AUTOMATED TELLER MACHINE AGREEMENT (Important – Please Retain for your Records)

You (the "Customer") hereby request NOVA Bank (the "Bank") to issue an ATM Card ("Card") and Personal Identification Number ("PIN") which will enable the

Customer to use the ATM Service (the "Service") to transact business on the Automated Teller Machines ("ATMs") available to the Bank's customers. "Accounts" refers to the Customer's designated checking and/or savings accounts; "Primary Accounts" refers to the checking and/or savings accounts the Customer designates as primary account(s). This agreement sets forth the terms and conditions governing the Customer's use of the service:

1. Transactions made by the use of the card with respect to the Card Account (the "Account") are subject to the account agreement applicable to the Account, to the applicable laws and regulations of the United States, the Commonwealth of Pennsylvania, and any agency thereof, and to the rules and regulations established by the Management of the Bank, as amended from time to time.
2. The use of the Card and corresponding PIN is restricted to the individual to whom the Card has been issued. The Cardholder will respect the secrecy and confidentiality of the PIN and agrees to guard its privacy by not disclosing it or making it available to any other person. The Bank cannot be held responsible for losses incurred at the ATM if you have allowed someone else to use your Card or PIN. The Cardholder also agrees not to keep the PIN with the Card nor write the PIN on the Card. A Card with the PIN written on it may be confiscated and privileges may be revoked.
3. Transactions with an ATM by the use of the Card and the Customer's PIN shall be deemed to be transactions made or authorized by the Customer except as otherwise provided by law.
4. The Customer may use the Card for transactions listed below, subject to the limitations as to number and amount of transactions imposed from time to time by the Bank.  
Using your card at STAR@NYCE@CIRRUS@PLUS@((Network) machines, you can: Make deposits to, or withdraw cash from your primary account(s); Determine the account balance in your primary account(s); Transfer available funds between accounts with the Bank.
5. With your card you can purchase goods and services from any Network merchant. Payment for these purchases will be withdrawn from your account.
6. All transactions initiated by the use of the Card at an ATM will be evidenced by a document issued by the ATM. When using your Card to acquire goods or services, your copy of the sales slip will be your receipt.
7. The Customer shall be liable for all withdrawals from the Account resulting from the authorized use of the Card. The Customer's liability with respect to the unauthorized use of the Card shall be limited as provided in the Regulation E Disclosure Statement. The customer acknowledges that failure to notify the Bank promptly of the loss or theft of the Card, or errors in any statement relating to the Account, or a knowledge of the PIN by someone other than the Customer could increase his/her liability for unauthorized use of the Card.
8. The Customer hereby agrees he/she has attained the age of majority. All charges made to the Account by the Bank upon use of the Card by any one of such signers on the Account shall be fully binding on all signers on the account.
9. The Bank's liability to the customer for any malfunction or failure of operation of any ATM or other failure to complete an electronic funds transfer initiated by use of the Card, will not exceed that provided by law. Said liability is more particularly set forth in the aforementioned Regulation E Disclosure Statement. Institutions or merchants participating in the Network systems will not be liable for mechanical or other failure or if there is insufficient cash or supplies in the ATM.
10. The Bank has the right to revoke and/or cancel ATM Services for a Customer's use or use of the Card for any or all Accounts at any time and without notice. The Customer agrees to return the Card to the Bank promptly upon request of the Bank. The Customer acknowledges that the Bank has the right to cause an ATM to impound the Card at any time without notice to the Customer.
11. The Customer shall have the right to revoke and/or cancel ATM Service or the use of the Card for any or all Accounts at any time upon delivery to the Bank of written notice of such cancellation.
12. The Bank has the right to change the terms and conditions applicable to the use of the Service, and to establish additional terms and conditions including, specifically, the right to impose fees for the use of this Service. All such changes or additional terms and conditions shall be binding on the Customer after any legally required notice thereof is given to the Customer. Any such notice that is mailed shall be deemed to have been given 48 hours after it is deposited in the mail, postage prepaid, to the Customer's last known address as shown on the Bank's records.
13. The fact that any term or condition stated herein may prove invalid or unenforceable under any applicable law or regulation shall not affect the validity or enforcement of any other term or condition hereof.
14. This Agreement shall be binding upon and inure to the benefit of the Bank and the Customer and their heirs, executors, administrators, personal representatives, successors and assigns.
15. The Bank has the right to hold the Customer responsible and recover damages for any intentional damage done to an ATM. Any such action by the Customer will also result in the revocation of the Customer's ATM privileges under this agreement.
16. This Agreement and all matters relating to the Service shall be governed by the laws of Pennsylvania, and to the extent applicable, the laws of the United States and its agencies.

#### INTERNET BANKING AND BILL PAYMENT SERVICE AGREEMENT AND DISCLOSURE

As used in this Agreement and Disclosure, (the "Agreement") the term "Payee" means the person or entity to whom you wish a bill payment to be directed; "Payment Instruction" means the information provided by you to the Service for a bill payment to the Payee (such as, but not limited to, Payee name, Payee account number and payment date); "Payment Account" means your checking account from which all payments will be made; "Business Day" means Monday through Friday, excluding Federal Reserve holidays; "Scheduled Payment Date" means the Business Day of your choice upon which your bill payment will begin processing. "Cutoff Time" means 11:45PM Eastern Time on any Business Day, and such a time is the time by which you must transmit your payment instructions to have them considered entered on that particular Business Day.

All Internet Banking Services are governed by this Agreement, all applicable federal regulatory disclosures and the Account Disclosure Information. All applicable fee schedules published by the Bank from time to time will apply to the Internet Banking Services. You are responsible for the payment of any fees incurred by you on any account, for any service, at any time. You agree to pay all such fees upon request of the Bank. Further, you agree to pay all telephone charges or fees incurred by you in accessing Internet Banking Services.

Your initial use of any Internet Banking Services in connection with your account at the Bank constitutes your acceptance and agreement to be bound by all of the terms and conditions of this Agreement and of the Account Disclosure Information. Such initial use acknowledges your receipt and understanding of this Agreement and Deposit Account Terms and Conditions. The Bank is entitled to act upon instructions received through any Internet Banking Service under your PASSWORD and without inquiring into the identity of the person using that PASSWORD. However, you agree that you will not, under any circumstances, disclose your PASSWORD by telephone or any other means to any person. You acknowledge that no person from the Bank will ever ask for your PASSWORD, that Bank employees do not need and should not ask for your PASSWORD. You agree never to provide your PASSWORD to anyone, including anyone claiming to represent the Bank. The Bank has no responsibility for establishing the identity of any person or determining the validity of any transaction. You agree that if you give your PASSWORD to anyone or fail to safeguard its secrecy, you do so at your own risk since anyone with your PASSWORD will have access to your accounts. You agree to notify the Bank immediately in the event your PASSWORD is lost or stolen or is otherwise compromised. At any time, you may ask the Bank to disable your PASSWORD. For joint accounts, each person may have a separate UserID and PASSWORD, or each may use a joint UserID and PASSWORD. Each person on a joint account will be liable for all transactions that are made on that account. Each person on a joint account authorizes all transactions made by any other person on the account. Each person on a joint account agrees to be liable for the actions of the other person(s) on the account.

You hereby indemnify and release the Bank from any and all liability and agree not to make any claim against the Bank or bring any action against the Bank honoring or allowing any actions or transactions where you have authorized the person performing the action or transaction to use your account or when you have provided your PASSWORD to that person. You agree to reimburse the Bank for any losses it suffers or any damages, injuries, costs or expenses it incurs (including attorney's fees) as a result of the Bank's honoring or allowing transactions on the account where the PASSWORD was used. By providing the Service with the names and account information of those Payees to whom you wish to direct payment, you authorize the Service to debit your Payment Account on the selected Scheduled Transmit Date and remit funds to the Payee on your behalf. Adequate funds for the payment must be available on the Scheduled Payment Date. If not, we will make two (2) additional attempts, but all three attempts are subject to Uncollected Funds or Non-Sufficient Funds Fees, as disclosed in the Fee Schedule.

You understand that payments may take up to 10 business days to reach the vendor and that funds will be sent either electronically or by check. Your financial institution is not liable for any service fees or late charges levied against me. The Service will use its best efforts to make all of your payments properly. However, the Service shall incur no liability if it is unable to complete any payments initiated by you through the Service because of the existence of any one or more of the following circumstances:

1. If through no fault of ours, your Payment Account does not contain sufficient available funds to complete the transaction, or the transaction would exceed the credit limit of your overdraft account;
2. the bill payment processing center is not working properly and you know or would have been advised by the Service about the malfunction before you execute the transaction;
3. The Payee mishandles or delays a payment sent by the Service;
4. You have not provided the Service with the correct name, phone number, or account information for the Payee; or,
5. Circumstances beyond the Service's control (such as, but not limited to, fire, flood, or interference from an outside force) prevent the proper execution of the transaction and the Service has taken reasonable precautions to avoid those circumstances.

Provided none of the foregoing five (5) exceptions are applicable, if the Service causes an incorrect amount of funds to be removed from your Payment Account or causes funds from Payment Account to be directed to a Payee which does not comply with your Payment Instructions, the Service shall be responsible for returning the improperly transferred funds to your Payment Account and for directing to the proper Payee any previously misdirected transactions.

#### Prohibited Payments

The following payments are either prohibited through the Service, or may be returned by the Payee: Tax Payments; Court ordered payments; and Payments to Payees outside of the United States.

THE FOREGOING SHALL CONSTITUTE THE SERVICE'S ENTIRE LIABILITY AND YOUR EXCLUSIVE REMEDY. IN NO EVENT SHALL THE SERVICE BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR EXEMPLARY DAMAGES, INCLUDING LOST PROFITS (EVEN IF ADVISED OF THE POSSIBILITY THEREOF) ARISING IN ANY WAY OUT OF THE INSTALLATION, USE OR MAINTENANCE OF THE EQUIPMENT, SOFTWARE, AND/OR THE SERVICE.

#### Exclusions of Warranties

THE SERVICE AND RELATED DOCUMENTATION ARE PROVIDED "AS IS" WITHOUT ANY WARRANTY OF ANY KIND, EITHER EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

#### Alterations and Amendments

This Agreement, applicable fees and service charges may be altered or amended by the Service from time to time. In such an event, the Service shall send notice to you at your address of record. Any use of the Service after the dates specified in the notification will constitute your agreement to such change(s). Further, the Service may, from time to time, revise or update the programs, services, and/or related material, which may render all such prior versions obsolete. Consequently, the Service reserves the right to terminate this Agreement as to all such prior versions of the programs, services, and/or related material and limit access to the Service's more recent versions and updates.

#### Termination or Discontinuation

In the event you wish to discontinue the Service, you must contact the Customer Service Department in writing. Such notice of service discontinuance must be supplied ten (10) days prior to the actual discontinuance date to: **NOVA Customer Service, 1235 Westlakes Drive, Suite 420, Berwyn, PA 19312. 1-877-NOVABANK**

The Service may terminate service to you at any time and/or revoke your right to use software. Neither termination nor discontinuation shall affect your liability under this Agreement.

#### Payee Limitation

The Service reserves the right to refuse to pay any Payee to whom you may direct a payment. The Service will attempt to notify you promptly if it decides to refuse to pay a Payee designated by you. If such notification attempts fail, the funds will be automatically returned to your Payment Account.

#### Electronic Notification

You agree that the Bank may, as permitted by law, provide all applicable disclosures to you electronically. You are responsible for downloading or printing the disclosures or providing the Bank with a non-electronic address to which the disclosures may be mailed.

#### ELECTRONIC STATEMENT AMENDMENT TO INTERNET BANKING AND BILL PAYMENT SERVICE AGREEMENT

As a registered user of the Internet Banking services offered by NOVA Bank (hereinafter referred to as "NOVA", "bank", "us" or "we"), you now have the option to receive electronic monthly/periodic statements for any of your eligible statement savings and checking accounts (collectively referred to hereinafter as "deposit accounts" or "accounts") with NOVA that are linked to and accessible through NOVA Bank's Internet Banking System. This Electronic Statement Amendment ("Amendment") shall supplement and modify to the extent necessary the terms and conditions of the Internet Banking and Bill Payment Service Agreement ("Agreement") which you have previously entered into with NOVA. If you want to receive electronic account statements on any eligible account instead of statements sent to you by mail, you must first read and agree to all the terms and conditions set forth in this Amendment. By clicking on the "ACCEPT" button, you will acknowledge your understanding of, and agreement to, the following terms and conditions:

1. You agree to the electronic delivery to you of the Internet Banking and Bill Payment Agreement, this Amendment and any monthly/periodic account or billing statements (collectively referred to hereinafter as "account statements") that are required under applicable law to be delivered to you in writing with respect to each of your statement deposit accounts (including any associated overdraft lines of credit) that have been converted to electronic statement delivery pursuant to both your instructions and this Amendment. I further agree that any other disclosures, such as a change-in-terms notice that is required to be sent to me

relative to any of my accounts during the period that this Internet Banking and Bill Payment Agreement is effective may be delivered to me via electronic means to my primary e-mail address, or that a notice may be e-mailed to my primary e-mail account advising me that a change-in-terms notice has been posted on our website: [www.novabank.com](http://www.novabank.com). Regardless of the methodology utilized, the notice or the message will be sent prior to the effective date of the change. Any use of my accounts subsequent to the effective date of the change will constitute my acceptance of the change in terms.

- Once you have accepted the terms and conditions set forth in this Amendment, each of the eligible deposit accounts designated by you and approved by NOVA will be converted by NOVA to electronic statement delivery (hereinafter referred to as "converted account(s)"). Accordingly, you will no longer receive account statements by mail for any such converted account (including any associated overdraft lines of credit).
- In order to provide you with electronic account statements on your deposit accounts as set forth herein, NOVA must consolidate all of the statement/billing cycles on each of your converted accounts to one common cycle ending/cut-off date. You agree to any resulting change to your current statement/billing cycle date and period. You also agree that, due to the transition from your current statement/billing cycle date and period to the new date and period as described above, your first electronic account statement that covers any applicable overdraft line of credit may reflect a payment due on your account that is either higher or lower than your usual monthly/periodic payment. You will not be assessed any additional fees or other charges associated with the conversion of your account to electronic statement delivery.
- Pursuant to this Amendment, NOVA will deliver any applicable electronic statement to you by making such statement available online through your Online Banking Account as described herein for you to access at your convenience. Additionally, if you are not enrolled in our Internet Banking and Bill Payment System, you may access your electronic statement by following the link provided to you in the notification e-mail message. Each of your monthly/periodic electronic statements will be available for your viewing, downloading or printing for a period of ninety (90) days from the date you are first notified the statement is available to you online. NOVA will send you an electronic e-mail message to the e-mail address we have on file for you each time an electronic statement is made available online. You will be responsible for viewing each of your electronic account statements in a timely manner so as to comply with any payment due dates, error resolution requirements and time periods, or with any other terms and conditions of your account(s) affected by this Amendment. If you cannot access, print or view your electronic statement for any reason, you must contact NOVA immediately at 1-877-482-2650 to make alternate arrangements to gain access to your account statement and/or statement information so that you can properly and timely comply with your account obligations.
- By accepting the terms of this agreement, I agree to maintain a valid, active e-mail address. I must promptly notify NOVA Bank of any change in my e-mail or postal address by contacting NOVA Bank at 1877-482-2650 or at any of NOVA Bank's branch locations. NOVA Bank is not liable for any third-party incurred fees, other legal liability, or any other issues or liabilities arising from E-Statements or notifications sent to an invalid or inactive e-mail address or postal address that you have provided.
- Once any account has been converted to electronic statement delivery pursuant to this Amendment, you will no longer receive paper images of your cancelled checks but you will be able to access check images as part of your monthly/periodic electronic account statement.
- You will not be charged a fee for the electronic delivery of your account statement(s) pursuant to this Amendment. However, once your account(s) have been converted upon your request hereunder to electronic statement delivery, NOVA reserves the right to charge you a fee if you request NOVA to mail or otherwise provide you with a hard-copy of any account statement that already has been provided to you electronically. Please consult our Schedule of Fees available online on the NOVA website for a listing of our current fee(s) associated with your request for copies of your statement.
- YOUR ELECTRONIC STATEMENTS WILL BE MADE AVAILABLE ONLINE IN A PORTABLE DOCUMENT FORMAT (PDF) FILE. ACCORDINGLY, YOU WILL NEED TO HAVE ADOBE® ACROBAT® READER® OR COMPATIBLE SOFTWARE INSTALLED ON YOUR COMPUTER IN ADDITION TO YOUR NORMAL INTERNET BROWSER SOFTWARE IN ORDER FOR YOU TO ACCESS, VIEW OR PRINT YOUR ELECTRONIC STATEMENTS MADE AVAILABLE HEREUNDER. TO DOWNLOAD A FREE COPY OF ADOBE® ACROBAT® READER®, PLEASE VISIT [WWW.ADOBE.COM](http://WWW.ADOBE.COM).**
- By accepting below, you confirm that you meet the hardware and software requirements required for you to access our Internet Banking System and to access, view and print your electronic account statements as contemplated under this Amendment.
- NOVA hereby reserves at all times the right in its sole and absolute discretion to approve of and/or deem whether any account or account holder is eligible for the services set forth in this Amendment.
- NOVA hereby reserves the right to terminate this Amendment and/or to cancel the ability of any account holder to access any electronic statement at any time without notice or as otherwise allowed by law. If NOVA takes any such action, NOVA shall make the necessary changes to any affected account so as to allow for the delivery of any related account statements by mail or as otherwise provided under the original terms of the applicable account agreement with NOVA.
- This Amendment shall be effective until revoked by you either by notice sent electronically in an e-mail to [info@novabank.com](mailto:info@novabank.com) or in writing mailed to: NOVA Customer Service, 1235 Westlakes Drive, Suite 420, Berwyn, PA 19312.
- NOVA hereby reserves the right in its sole and absolute discretion to limit the approval or availability of and the access to the services set forth in this Amendment on any subject account being applied for hereunder to only the individual listed on the bank's records as the primary account holder of such account(s).
- If any account which you have applied for and have been approved by the bank to receive electronic statements on is a joint account, please be advised that only you will receive and be able to access the electronic statement for such account. Therefore, you are solely responsible for promptly and timely sharing any account statement or any statement related information provided thereon with your joint account holder as the need may be and/or as requested of you by any respective joint account holder.
- NOVA will give you notice of any change of our specifications and/or requirements described below if the proposed change will adversely affect your ability to access and retain subsequent electronic notices from us.
- Nothing in this agreement affects the content or timing of disclosures to be provided by any other statute, regulation or other rule of law. If any law requires verification or acknowledgment of receipt of such notice or disclosure, the notice or disclosure may be provided or made available electronically only if the method used provides verification or acknowledgments of receipt, whichever is required. Oral communication or a recording of an oral communication shall not qualify as an electronic record for the purpose of consent to receive electronic notices.

If you have any questions concerning this Amendment, please contact our Customer Service Center at 1-877-482-2650.

Minimum System Requirements: To receive and review disclosures electronically, and to view, download, and print E-Statements, you will need Microsoft Internet Explorer version 4.04 or higher, or Netscape version 6.0 or higher, and Adobe Acrobat Reader version 4.0 or higher. We also recommend using a computer with a minimum of a Pentium processor, 32 MB (megabytes) of RAM (Random Access Memory), a 28.8K modem and 1.2 GB (gigabytes) hard drive storage. Electronic Statements are sent to you using a security technology called Secure Sockets Layer (SSL). For your security, your web browser must support SSL.

#### **AUTOMATED CLEARING HOUSE (ACH) DISCLOSURES**

- PROVISIONAL PAYMENT DISCLOSURE**—Credit given by us to you with respect to an automated clearing house credit entry is provisional until we receive final settlement for such entry through a Federal Reserve Bank. If we do not receive such final settlement, you are hereby notified and agree that we are entitled to a refund of the amount credited to you in connection with such entry, and the party making payment to you via such entry (i.e., the originator of the entry) shall not be deemed to have paid you in the amount of such entry.

- NOTICE DISCLOSURE**—Under the operating rules of the National Automated Clearing House Association, which are applicable to ACH transactions involving your account, we are not required to give next day notice to you of receipt of an ACH item, and we will not do so. However, we will continue to notify you of the receipt of payments in the periodic statements we provide to you.
- CHOICE OF LAW DISCLOSURE**—We may accept on your behalf payments to your account which have been transmitted through one or more Automated Clearing Houses (ACH) and which are not subject to the Electronic Fund Transfer Act and your rights and obligations with respect to such payments shall be construed in accordance with and governed by the laws of the Commonwealth of Pennsylvania as provided by the operating rules of the National Automated Clearing House Association, which are applicable to ACH transactions involving your account.

#### **SAFETY AND SECURITY TIPS**

Customers are often victims of crimes which involve their financial institutions. Depending on the type of crime, the customer and/or financial institution can sustain losses of varying severity, and it is conceivable that physical harm may occur during the commission of certain crimes. It is in your best interest to be aware of such crimes and assume a protective attitude in order to avoid becoming a victim. The following sections present some safety and security tips that can be helpful to you in attempting to avoid the situations that may cause you to be vulnerable.

#### **Check Security**

A significant number of check fraud losses that occur involve customer accounts. In order to avoid becoming an unwitting victim of fraud schemes, you need to know about the existence and consequences of fraud, proper check issuing, and timely statement reconciliation. Other tips to protect your checking account include the following:

- Guard your checkbook and extra (new) checks. Never give your account and routing numbers to people you do not know, especially to anyone over the telephone;
- Never use your deposit slip for "scrap" paper or notes and then give it to someone. Guard your deposit slips;
- Properly store or dispose of canceled checks;
- If your checkbook is lost or stolen, immediately inform us;
- When traveling for a period of time, it is wise to leave your checkbook at home, locked away, and purchase traveler's checks or use your ATM/Debit Card;
- Always write checks using ink pens—never pencil;
- Write the payee name, and the dollar amount in both numbers and letters, as far to the left in the allotted space as possible and draw a line through the unused space to the right of the letters and numbers to prevent additions;
- Balance or reconcile your checkbook register with your monthly bank statements;
- When writing the payee name on the "Pay to the Order of" line, make sure the name is spelled out so it cannot be altered (e.g., I.B.M. could be changed to I.B. Maroney).

#### **ATM Security**

- Do not lend your ATM card to anyone.
- If possible, avoid using ATMs during hours of darkness. If you must do so, try to have another person accompany you.
- If an ATM facility must be used at night, try to select one in an area that is well lighted.
- When possible, try to choose a facility that has limited foliage and is well-trafficked.
- Familiarize yourself with security devices in place at the ATM you elect to use.
- Thoroughly observe the area around the ATM before approaching and using the machine, look for suspicious persons loitering nearby, especially people who remain in parked cars.
- At a drive-up facility, make sure all passenger windows are closed, all doors are locked, and have a keen awareness of your surroundings.
- Be cautious of anyone who engages you in conversation as you approach the ATM, while you are using it, or immediately thereafter.
- Be suspicious of anyone who closely observes you while you are using the ATM; protect your PIN from view.
- If you notice anything suspicious or are uncomfortable after you begin an ATM transaction, cancel the transaction, take your card and leave the area and use another ATM machine.
- Spend as little time at the ATM facility as possible.
- Don't count or needlessly expose cash at the ATM. It should be counted in a secure place away from the machine.
- Don't leave your receipt at the ATM because it may contain account information.
- Don't reveal your PIN to anyone in person or over the telephone for any reason, even if the individual represents himself as a bank employee. This is especially important if you have recently lost or had your card stolen.

#### **Internet Security**

- Protect your privacy by providing personal information only if you know who is collecting it, and how it is going to be used.
- Look for symbols (such as a locked padlock or an unbroken key) on the screen. Such a symbol indicates that the information you are sending is encrypted (or turned into a secret code) and that your card information is protected.
- Choose a different password every time you register with a new website.

#### **OVERDRAFT LINE OF CREDIT AGREEMENT & TRUTH IN LENDING DISCLOSURE**

In this Agreement, the words "we", "us", and "our" mean NOVA Bank. "You" and "your" mean each person who has applied for and/or accepted an Overdraft Line of Credit Account ("Overdraft Line") with us or who is authorized to use the checking account (as defined below). You will have accepted and agree to be bound by, this Agreement from the first time you use your Overdraft Line. The term "person" means any individual, partnership, corporation, fiduciary (i.e. estate or custodian), cooperative, association or other entity. "Checking Account" means the NOVA Bank checking account linked to the Overdraft Line. This may be a personal or business checking account (as applicable), interest checking or non-interest checking, or similar account. "Fees" means the fees that are described in Section "3.Fees" of this Disclosure.

- Overdraft Line of Credit Account Transactions:** You can use your Overdraft Line, up to your available credit limit, to cover checks and other debit items, that would otherwise overdraw your Checking Account. Funds will be transferred from your Overdraft Line of Credit in increments of \$50. ("Overdraft Line Transactions").
- Credit Limit:** You can use your Overdraft Line up to the credit limit we made available to you. Your credit limit appears in the Overdraft Line of Credit Summary section of your monthly account statement ("monthly statement"). You agree not to exceed your credit limit without our prior approval. We have the right to prohibit advances from your Overdraft Line that will put your Overdraft Line balance over your credit limit. If we allow such advances, you agree to pay us the amount over your credit limit and any associated fees or the entire balance in Overdraft Line immediately, upon our request. We can return any check or other debit item that would put your Overdraft Line balance over your credit limit. You agree to pay any charge for such returned items, such as insufficient fund charges, as shown in the Fee Schedule. We may change your credit limit at any time, or you may apply for a change in your credit limit.

3. **Fees** – The following fees apply to your Overdraft Line:
  - a. **Late Fee**—You will pay a late fee when your Minimum Payment Due is not made by 15 Days after the Payment Due Date shown on your monthly statement. The late fee amount is 5% of the amount that is Past Due.
  - b. **Returned Check Fee**—You will pay a non-sufficient funds (NSF) fee equal to that which is disclosed in the Fee Schedule if a check that you have sent to us in payment of your Overdraft Line is returned unpaid for any reason.
  - c. **Copy Fee**—You will pay a copy fee equal to that which is disclosed in the Fee Schedule for each check, or page of each monthly statement requested.
  - d. **Research Fee**—You will pay a research fee equal to that which is disclosed in the Fee Schedule for any account research or reconciliation unless requested in connection with a valid billing dispute.
  - e. **Collection Fee**—You will pay any reasonable collection costs incurred by us, including court costs and attorneys' fees, if we are required to collect any sums due under this Agreement, to the extent permitted by law. You may be entitled to reasonable attorneys' fees if you prevail in any action brought by us.
  - f. **Automatic Transfer Fee**—You will pay any fees assessed on your deposit account related to overdraft coverage, such as a transfer fee, as disclosed in the Fee Schedule for your checking account.
4. **Finance Charges** You agree to pay a periodic Finance Charge on your Overdraft Line whenever there is an outstanding balance. A Finance Charge calculation will be completed each day that there is an outstanding balance in your Overdraft Line. The daily Finance Charge will be computed by multiplying the Principal Balance of your Overdraft Line at the end of each day by the Daily Periodic Rate. The sum of all of these daily calculations during the billing period will be your FINANCE CHARGES for the billing period.

To obtain the Daily Periodic Rate, we take the ANNUAL PERCENTAGE RATE that is in effect at the time of the calculation, and divide by the number of days in the year. The ANNUAL PERCENTAGE RATE is disclosed to you in our approval letter, and may change if we stipulate such a possibility in the approval letter. The approval letter that you received is incorporated by reference into, and shall be considered a part of, this agreement.

1. **Monthly Statements:** We will provide you a monthly statement at the end of each billing cycle during which your Overdraft Line has a balance greater than \$1. You agree that the monthly statement will be considered correct unless you notify us of any errors within 60 days of the monthly statement date.
2. **Payment Promise:** You agree to pay us the Minimum Payment Due by the Payment Due Date shown on your monthly statement. The Payment Due Date is 20 Days after the Statement Closing Date. The Minimum Payment Due is an amount equal to (a) the entire Current Balance if under \$20, or (b) 2% of the Current Balance plus Finance Charges, or \$20, whichever is greater, plus any amount past due. Each payment received is applied first to your Finance Charges and Fees, then to your Overdraft Line Transaction balance, whether previously billed or made or incurred during the billing cycle. Any credit or payment received over and above the total principal balance plus interest and fees owed on your Overdraft Line will be credited to your Checking Account. Each person who is a joint account holder of the Checking Account is equally and separately responsible for making the payments due under, and keeping the promises made in, this Agreement, to the extent permitted by law. It is not permissible to utilize your Overdraft Line to make a payment to your Overdraft Line.
3. **Deposits:** All deposits to your Checking Account will be added to your Checking Account balance and will not be used to reduce the unpaid balance owed under this agreement.
4. **Termination of the Overdraft Line:** Either you or we may terminate this Agreement without cause by mailed written notice to the other before the date of termination. If you elect to terminate this Agreement, you may by notify us in writing at the following address: **NOVA Customer Service, 1235 Westlakes Drive, Suite 420, Berwyn, PA 19312. 1-877-NOVABANK.** If this Agreement is terminated by either party, you must still pay the full amount that you owe us under the terms of this Agreement.
5. **Assignment:** You may not assign any rights or privileges under this Agreement, but your obligations under it are binding on your heirs or legal representatives, successors, and assigns.
6. **Default:** We may restrict your access to the Overdraft Line, or terminate this Agreement without notice and declare the entire balance due if (a) you make any misrepresentation in connection with your Overdraft Line or your application for the Overdraft Line; (b) you fail to make the Minimum Payment Due by the Payment Due Date; (c) you exceed your credit limit; (d) you default on any other obligation you have with us, or any other creditor; (e) your Checking Account is closed for any reason; or (f) you die or become bankrupt. A copy of our record of any Checking Account or Overdraft Line Transaction will be sufficient evidence to establish the amount you owe us. It will not be necessary for us to produce the original record.
7. **Right of Offset:** The law gives us the right to offset, in certain instances, your property in our possession, including, but not limited to, deposit accounts. This means that if you ever owe us money as a borrower, guarantor or otherwise, and the obligation or debt becomes due, we have a right under this Disclosure (by which you grant us a security interest in your deposit account) to use the money from your account to pay the debt. We shall have this right even if withdrawing the money results in an interest penalty. Our right to offset is automatic and superior to any claims to the account through right of survivorship. You also acknowledge and agree that this right of offset may be exercised with respect to your property in our possession against any sums you owe to us or our successors. We also have the right to offset against any of your joint accounts (regardless of who placed the funds in these accounts), at any time without notifying you in advance, to pay any debt which is due that you or any joint tenant owes us. In addition, we also have the right of offset against any of your tenants by the entireties accounts to pay any individual debt which is due that you owe us. Further, we also have the right to offset against any of your partnership or joint venture accounts (regardless of who placed the funds in these accounts), for any amount you owe us.
8. **Amendment:** We may amend any part of this Agreement by written notice to you at least fifteen (15) days before the start of the billing cycle during which the amendment becomes effective. Any amendment will apply to any unpaid balance then owing on the Overdraft Line and to any future balances, as allowed by law.
9. **Waiver:** No delay or failure to exercise any of our rights under this Agreement will operate as a waiver of any present or future default to prevent us from enforcing any requirement of this Agreement.
10. **Applicable and Conflicting Law:** This Agreement is governed by the laws of the Commonwealth of Pennsylvania. If any laws or regulations conflict with any provisions of this Agreement, that portion will be automatically changed to the extent of the conflict.

#### REGULATION DD TRUTH-IN-SAVINGS DISCLOSURE

The following information is provided to make sure you have a complete understanding of the account you are opening or inquiring about. Please take note of the listing of interest rate information and other information. See the separate Fee Schedule given to you with this disclosure for information regarding the fees applicable to any specific account type. These separate documents are considered a single disclosure.

#### ACCOUNT OWNERSHIP for Buddy Savers Statement Savings Accounts:

This Account is for minors age 17 and under and requires at least one parent or guardian as a co-owner. When the minor turns 18 years of age he/she will be required to change the account to a regular statement savings account. The new titling can be titled as a sole-ownership. Interest earned on the Buddy Savers account will be reported under the Tax I.D. of the minor.

#### Statement Savings Accounts, Money Market Savings Accounts, and Buddy Savers Statement Savings Accounts

**VARIABLE RATE ACCOUNT:** Your interest rate and annual percentage yield may change. **DETERMINATION OF RATE:** At our discretion, we may change the interest rate on your account. **FREQUENCY OF RATE CHANGES:** We may change the interest rate on your account at any time. **TIERING LEVELS AND THEIR APPLICABLE INTEREST RATES:** Statement Savings Accounts and Money Market Savings Accounts: The interest rate/annual percentage yield to be paid on your account will depend upon the collected daily balance in your account. Please refer to the last page of this document to determine what interest rate/annual percentage yield will apply to your applicable tier. **APPLICABLE INTEREST RATES:** Buddy Savers Statement Savings Accounts: The interest rate/annual percentage yield to be paid on your account will depend upon the collected daily balance in your account. Please refer to the end of this document to determine what interest rate/annual percentage yield will apply to your account. **TRANSACTION LIMITATIONS:** You are permitted or authorized to make no more than six (6) transfers and withdrawals per statement cycle by means of a preauthorized or automatic transfer or telephonic agreement, (including data transmission) order or instruction to another account of yours, or to a third party, as well as by a check, Point of Sale transaction Internet debit payments, or similar order payable to third parties. **COMPOUNDING AND CREDITING:** Statement Savings and Money Market Savings Accounts: Interest will be compounded daily and credited to your account on a monthly basis. Buddy Savers Statement Savings Accounts: Interest will be compounded daily and credit to your account on a quarterly basis. **MINIMUM BALANCE REQUIREMENTS TO OPEN THE ACCOUNT:** Statement Savings and Money Market Savings Accounts: You must deposit \$1 to open the account. Buddy Savers Statement Savings Accounts: You must deposit \$25 to open the account. **TO AVOID THE IMPOSITION OF FEES:** Statement Savings Accounts: If your collected balance falls below \$250 on any day during the statement period, a monthly fee equal to that which is disclosed in the Fee Schedule will be assessed. Money Market Savings Accounts: If your collected balance falls below \$1000 on any day during the statement period, a monthly fee equal to that which is disclosed in the Fee Schedule will be assessed. Buddy Savers Statement Savings Accounts: There is no minimum balance requirement on this account. **TO OBTAIN THE ANNUAL PERCENTAGE YIELD DISCLOSED:** Statement Savings and Money Market Savings Accounts: You must maintain the minimum collected balance of your applicable rate tier each day to obtain the disclosed annual percentage yield. If you close your account before interest is credited, you will not receive the accrued interest. Fees may reduce earnings. Buddy Savers Statement Savings Accounts: You must maintain a minimum collected balance of \$1.00 to obtain the disclosed annual percentage yield. If you close your account before interest is credited, you will not receive the accrued interest. Fees may reduce earnings. **BALANCE COMPUTATION METHOD:** We use the daily collected balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day. The amount of your principal is your entire collected balance. **ACCRUAL OF INTEREST ON NON-CASH DEPOSITS:** Interest on non-cash deposits, such as checks, begins to accrue on the business day we receive credit for your deposit from the local Federal Reserve Bank. Interest on transfers and other immediate availability transactions will begin to accrue on the day of deposit. **SPECIAL BUDDY SAVERS STATEMENT SAVINGS ACCOUNT PROVISIONS:** Withdrawals – All withdrawals from this account must be authorized by and signed for by the parent or guardian. **ATM/Debit Cards –** No ATM or Debit Cards will be issued for the Buddy Savers Statement Savings Account. Statements – Statements will be mailed monthly.

#### Checking Accounts

Interest Bearing Accounts: Interest Checking Account, and No Fee Interest Checking Account

Non-Interest Bearing Accounts: Basic Checking Account, and Regular Checking Account

**VARIABLE RATE ACCOUNT:** Interest Checking and No Fee Interest Checking Account: Your interest rate and annual percentage yield may change. **DETERMINATION OF RATE:** Interest Checking Account and No Fee Interest Checking Account: At our discretion, we may change the interest rate on your account. **FREQUENCY OF RATE CHANGES:** Interest Checking Account and No Fee Interest Checking Account: We may change the interest rate on your account at any time. **APPLICABLE INTEREST RATES:** Interest Checking Account and No Fee Interest Checking Account: The interest rate/annual percentage yield to be paid on your account will depend upon the collected daily balance in your account. Please refer to the last page of this document to determine what interest rate/annual percentage yield will apply to your account. **COMPOUNDING AND CREDITING:** Interest Checking Account and No Fee Interest Checking Account: Interest will be compounded daily and credited to your account on a monthly basis. **MINIMUM BALANCE REQUIREMENTS TO OPEN THE ACCOUNT:** Basic Checking, Regular Checking College Checking, Interest Checking: You must deposit \$1 to open the account. **TO AVOID THE IMPOSITION OF FEES:** No Fee Interest Checking: There is no minimum balance requirement. Basic Checking: Includes up to 15 paid checks per statement cycle. There will be a charge equal to that which is disclosed in the Fee Schedule for each paid check in excess of 15 checks per statement cycle. Regular Checking Account: If your collected balance falls below \$500 or your combined deposit balances below \$2500 on any day during the statement period, a monthly fee equal to that which is disclosed in the Fee Schedule will be assessed. Interest Checking Account: If your collected balance falls below \$1000 or your combined deposit balances below \$5000 on any day during the statement period, a monthly fee equal to that which is disclosed in the Fee Schedule will be assessed. **TO OBTAIN THE ANNUAL PERCENTAGE YIELD DISCLOSED:** Interest Checking Accounts and No Fee Interest Checking Accounts: You must maintain the minimum collected balance of your applicable rate tier each day to obtain the disclosed annual percentage yield. If you close your account before interest is credited, you will not receive the accrued interest. Fees may reduce earnings. **BALANCE COMPUTATION METHOD:** Interest Checking Accounts and No Fee Interest Checking Accounts: We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day. The amount of your principal is your entire collected balance. **ACCRUAL OF INTEREST ON NON-CASH DEPOSITS:** Interest Checking Accounts and No Fee Interest Checking Accounts: Interest on non-cash deposits, such as checks, begins to accrue on the business day we receive credit for your deposit from the local Federal Reserve Bank. Interest on transfers and other immediate availability transactions will begin to accrue on the day of deposit.

#### Fixed Rate Certificate of Deposit

**FIXED RATE ACCOUNT:** The interest rate on this account is fixed. You will be paid this rate until the maturity date of the certificate. **COMPOUNDING AND CREDITING:** Interest will be compounded daily on your account. Interest will be credited to your account quarterly unless monthly checks or transfers are taken. Interest may also be credited to your account at maturity, if the term is less than twelve months. See the last page of this document for crediting option selected. **MINIMUM BALANCE REQUIREMENTS TO OPEN THE ACCOUNT:** You must deposit \$500 to open the account. **TO OBTAIN THE ANNUAL PERCENTAGE YIELD DISCLOSED:** You must maintain a minimum balance of \$500 in the account each day to obtain the disclosed annual percentage yield. **BALANCE COMPUTATION METHOD:** We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day. **ACCRUAL OF INTEREST ON NON-CASH DEPOSITS:** Interest begins to accrue on the business day you deposit non-cash items (for example, checks). **TRANSACTION LIMITATIONS:** You may not make deposits into your account until the maturity date. **WHEN YOUR ACCOUNT WILL MATURE:** See the last page of this Disclosure to determine the maturity date or term needed to obtain the annual percentage yield stated. **EARLY WITHDRAWAL PENALTY:** We may impose a penalty if you withdraw any of the principal balance before the maturity date. The amount of the penalty is as follows:

#### CERTIFICATE TERM WITHDRAWAL PENALTY

|                     |     |                         |
|---------------------|-----|-------------------------|
| 3 Months            | 30  | Days of Simple Interest |
| 6 Months            | 90  | Days of Simple Interest |
| 12 Months or longer | 180 | Days of Simple Interest |

The penalty is imposed against the amount withdrawn, whether or not the interest has been earned yet. If you reduce the balance in the account below the minimum balance requirement, we may impose the penalty on the entire account balance. You will then be required to close out your Certificate of Deposit Account. **SPECIAL IRA ACCOUNT PROVISIONS:** If the funds deposited in a certificate account are to open an Individual Retirement Account, no penalty will be imposed for a revocation made within 7 days of establishing the IRA Account. In addition to any penalty that we may impose for early withdrawal, under certain circumstances, there may be an additional IRS penalty. See your Retirement Account Documents for details. **WITHDRAWAL OF INTEREST PRIOR TO MATURITY:** The annual percentage yield

disclosed in the rate section assumes interest will remain on deposit until maturity. Any withdrawal will reduce earnings. RENEWAL OF ACCOUNT: Your account will automatically renew at maturity. If certificate of deposit (time deposit) is withdrawn during the grace period, and the funds are reinvested into a new certificate of deposit (time deposit) interest will be paid up to the issue date of the new certificate at the interest rate in effect on the renewal date of the prior term. No interest will be payable on any certificate of deposit (time deposit) after the final maturity date unless it is renewed. You will have 7 calendar days after the maturity date to withdraw your funds without being charged a penalty. ASSIGNMENT: You may not assign, transfer, or give a security interest in your Certificate without prior written consent of NOVA Bank and noted on our records.

If new account, the Certificate's initial maturity date is \_\_\_\_\_

Issuing Office

Issuing Date

Disclosure Prepared By

| ACCOUNT INFORMATION REQUEST                  | <input type="checkbox"/> NEW ACCOUNT | <input type="checkbox"/> INFORMATION REQUEST |
|--|--------------------------------------|--|
| Account Type                                 | Interest Rate                        | APY*   |
| <b>Buddy Savings Account</b>                 | %                                    | %  |
| <b>Statement Savings</b>                     | %                                    | %  |
| <b>Money Market Savings Account</b>          |                                      |  |
| Under \$10,000.00                            | %                                    | %  |
| \$10,000 - \$24,999.99                       | %                                    | %  |
| \$25,000 - \$49,999.99                       | %                                    | %  |
| \$50,000 - \$99,999.99                       | %                                    | %  |
| \$100,000 - \$249,999.99                     | %                                    | %  |
| \$250,000 - \$499,999.99                     | %                                    | %  |
| \$500,000 - \$999,999.99                     | %                                    | %  |
| \$1,000,000 - \$2,999,999.99                 | %                                    | %  |
| \$3,000,000 and over                         | %                                    | %  |
| <b>Interest Checking</b>                     |                                      |  |
| Under \$10,000.00                            | %                                    | %  |
| \$10,000 - \$24,999.99                       | %                                    | %  |
| \$25,000 - \$49,999.99                       | %                                    | %  |
| \$50,000 - \$99,999.99                       | %                                    | %  |
| \$100,000 and over                           | %                                    | %  |
| <b>No Fee Interest Checking</b>              |                                      |  |
| Under \$10,000.00                            | %                                    | %  |
| \$10,000 - \$24,999.99                       | %                                    | %  |
| \$25,000 - \$49,999.99                       | %                                    | %  |
| \$50,000 - \$99,999.99                       | %                                    | %  |
| \$100,000 and over                           | %                                    | %  |
| <b>Certificate of Deposit (Time Account)</b> |                                      |  |
| Type/Term:                                   | %                                    | %  |

\* Annual Percentage Yield

The above interest rate(s) and annual percentage yield(s) are current as of the date on this disclosure. After this date, please call 1-877-NOVABANK for more current interest rate and annual percentage yield information.

Certificate Accounts: The interest rate(s) and annual percentage yield(s) will be offered at least until \_\_\_\_\_. After this date, please call 1-877-NOVABANK for more current interest rate and annual percentage yield information.

**Certificate of Deposit**

Interest will be credited to your account:

- Monthly                       Quarterly  
 Semi-annually               At Maturity