

xceed financial federal credit union

# Agreement and Disclosures

Effective: August 5, 2015



800.XFCU.222      XFCU.ORG

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## INTRODUCTION

I understand that the Agreement and Disclosures booklet, Truth-In-Savings Disclosure, Services and Schedule of Fees, and Rate Sheet (collectively "Agreement") are part of the binding contract between you and me.

In this Agreement, the words "I," "me," "mine," "my," "myself," "we," "us," and "our" mean each and all of those (whether one or more persons) who sign the applicable Membership Application/Signature Card. The words "you," "your," and "yours" mean Xceed Financial Federal Credit Union.

This Agreement is effective August 5, 2015, and supersedes any conflicting terms and conditions contained in previous Agreements and Disclosures.

I agree to read this Agreement carefully and have any additional account owners read it as well, and to file it in a safe place along with other account and services agreement and disclosures.



## **SECTION I: MEMBERSHIP ELIGIBILITY**

Eligibility for Xceed Financial Federal Credit Union (Credit Union) membership requires submission of a Membership Application with a deposit in the amount of the par value of a share (currently \$5.00) or more to open a primary savings account.

In addition, all membership applications are subject to verification of field of membership and other eligibility requirements, applicant's identity, and background information as determined by the Credit Union and/or required by law, prior to membership being granted.

All applicants for membership must submit a valid U.S. government- or state-issued photo identification, a Social Security card and/or a Taxpayer Identification Number, and/or any other required identification as determined by the Credit Union.

As required by federal law, the Credit Union must verify the identity of each person seeking to open an account (including joint owners) and must maintain records of the information used to verify each person's identity.

### **Field of Membership**

Employees of select employer groups (SEGs) are eligible for membership. A list of these companies is on file at the Credit Union headquarters.

Any member of the immediate family or household of a Credit Union member may join or rejoin the Credit Union at any time, provided that the member is in good standing with the Credit Union. Once the immediate family or household member joins the Credit Union, that person's immediate family or household member may also join.

"Immediate family member" is defined as a spouse, child, sibling, parent, grandparent, or grandchild. For the purposes of this definition, immediate family members include stepparents, stepchildren, stepsiblings, and adoptive relationships. "Household" is defined as persons living in the same residence maintaining a single economic unit. Organizations of persons eligible for membership may qualify to open organizational accounts (for example, SEG employees' club accounts). For further information regarding these accounts, contact the Credit Union.

Members of several communities throughout the country are eligible for membership. In addition, a person who is not an employee of a SEG, is not a member of one of the communities served by the Credit Union, or is not an immediate family or household member of an existing Credit Union member may qualify for membership by first joining one of the organizations served by the Credit Union.

A complete listing of all eligible SEGs, communities, and organizations served by the Credit Union is currently available on the Credit Union's website at [xfcuh.org](http://xfcu.org) and at local Financial Centers.

## SECTION II: SHARE ACCOUNT AGREEMENT AND DISCLOSURES

### Terms and Conditions Applicable to All Accounts

"I," "me," "mine," "my," "myself," "we," "us," and "our" mean each and all of those (whether one or more persons) who sign the applicable Membership Application/Signature Card. The words "you," "your," and "yours" mean Xceed Financial Federal Credit Union.

1. I must be and remain a member in good standing to maintain any account. I understand and agree that if I am not a member in good standing, you may limit my access to your services and products.
2. The par value of a share necessary to become a member and maintain accounts with you is currently \$5.00, which must be deposited into a primary savings account.
3. I understand that federal law requires you to obtain, verify, and record information that identifies each person who opens an account. You may use a third-party service or credit report to verify information for legitimate business purposes. You may also report the status and/or closure of my account(s) to such third-party services.
4. I understand that if any part of this Agreement should be held unenforceable, the remaining provisions of this Agreement shall remain in full force and effect. No delay or omission on your part in exercising any rights or remedies shall operate as a waiver of such rights or remedies. A waiver on any one occasion shall not be construed as a bar or waiver of any rights or remedies on future occasions. You reserve the right upon thirty (30) days' written notice to change any provision of this Agreement. You also reserve the right to establish from time to time rules and regulations concerning any account, which will be available for inspection upon request.
5. I understand and agree that if it is necessary for you to take legal action in order to enforce the terms of this Agreement or to recover monies due to you from me, I will be responsible for payment of your collection costs and litigation expenses (including attorneys' fees and court costs).
6. **BINDING ARBITRATION:** You and I agree to attempt to informally settle any disputes affecting my accounts or transactions, or arising out of, or in

any way related to, this Agreement. If that cannot be done, you and I agree that, upon the election of either of us, any claim or dispute, whether in contract, tort, statute, or otherwise, affecting my accounts or transactions and/or arising out of, or relating in any way to, this Agreement will be resolved by **BINDING ARBITRATION** administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules and Mediation Procedures and Supplementary Procedures for Consumer-Related Disputes. As a result, I will **GIVE UP MY RIGHT TO GO TO COURT** to assert or defend my rights under this Agreement (**EXCEPT** for matters within **SMALL CLAIMS COURT** jurisdiction). You and I also agree that the Federal Arbitration Act and related federal laws shall govern the interpretation, implementation, and enforceability of this **BINDING ARBITRATION** provision to the fullest extent possible, to the exclusion of potentially applicable state laws, regardless of the location of the arbitration proceedings or the nature of the disputes between us.

I acknowledge that by agreeing to **BINDING ARBITRATION** I understand and agree to the following terms:

My rights will be determined by a **NEUTRAL ARBITRATOR** and **NOT** a judge or jury. I understand and agree that **I AM WAIVING THE RIGHT TO A TRIAL BY JURY.**

- Arbitration proceedings provide me a **FAIR HEARING**, BUT the arbitration procedures are **SIMPLER AND MORE LIMITED THAN RULES APPLICABLE IN COURT.**
- Arbitration decisions are as enforceable as any court order and are subject to **VERY LIMITED REVIEW BY A COURT.**
- **ARBITRATORS** can award the same **REMEDIES** including **DAMAGES** that a **COURT** can award.
- Any **ARBITRATION** under this **BINDING ARBITRATION** provision **WILL BE ON AN INDIVIDUAL BASIS**. I understand and agree that **I AM WAIVING THE RIGHT TO PARTICIPATE AS A CLASS REPRESENTATIVE OR CLASS MEMBER IN A CLASS ACTION.**
- The **PLACE OF ARBITRATION** shall be in the federal district where I reside.
- You will reimburse me for any **FILING, ADMINISTRATION, AND ARBITRATOR FEES** as imposed by the American Arbitration Association. However, if the arbitrator determines that **MY**

**CLAIM IS FRIVOLOUS, UNWARRANTED, OR BROUGHT FOR AN IMPROPER PURPOSE**

(in accordance with the Federal Rules of Civil Procedure Section 11(b)) **I WILL RETURN TO YOU ANY FILING, ADMINISTRATION, AND ARBITRATOR FEES YOU PAID.**

- **If I PREVAIL** on the merits of my claim in arbitration, you will pay **MY ATTORNEYS' FEES**. I will **NOT** be required to pay **YOUR ATTORNEYS' FEES IF YOU PREVAIL**.

**FOR MORE DETAILS**, I can check the American Arbitration Association's website, [www.adr.org](http://www.adr.org), OR call the American Arbitration Association's Customer Service telephone number at 800.778.7879. I

understand that any loan obligation I may have with you under a written loan note governed by the federal Truth in Lending Act is not subject to this binding arbitration clause.

7. I understand that you may delay enforcing your rights under this Agreement without losing them. Any waiver by you shall not be deemed a waiver of other rights or of the same rights at another time. I waive diligence, demand, presentment, protest, and notice of every kind, except as set forth in this Agreement. If any of the provisions of this Agreement are determined to be void or invalid, the remainder of the Agreement shall remain in full force and effect.
8. I understand that there is a limitation on time to take action. Unless otherwise required by law, an action or proceeding by me to enforce an obligation, duty or right arising under this Agreement or by law with respect to my account or any account service must be commenced within one year after the cause of action occurs.
9. I shall pay you all costs and charges incident to my account according to this Agreement established by you and which you may change from time to time. You shall debit such charges against my account without prior notice, except where there are insufficient funds available, and then such charges shall be treated as overdrafts and due upon demand.
10. I understand that each state has laws that govern when accounts are considered "abandoned" and when you are required to send a member's funds to the state. I must make sure my accounts remain active so that I have the full use of my accounts and avoid the potential of having my account assets transferred to the state as "abandoned property."

The Unclaimed Property Law requires that inactive account balances be remitted to the state controller's office in my state if I have not:



- a. Increased or decreased the amount of the account or presented an appropriate record for crediting dividends.
- b. Corresponded in writing with you concerning the account.
- c. Otherwise indicated an interest in the account as evidenced by a memorandum on file with you.

You may charge a fee for mailing an escheat notice for account balances of \$50 or greater and/or a service charge for official checks escheated to the state. To recover funds turned over to the state, I must file a claim with the state. You will make an effort to notify me in writing at the address listed on your records before any such transfer takes place. After such transfer, my funds can be reclaimed from my state controller's office upon presentation of adequate identification and proof of ownership. You reserve the right to charge a reasonable fee as disclosed in your Services and Schedule of Fees in your attempt to locate me. Information regarding my state's Unclaimed Property Law can be obtained by calling my state controller's office or visiting its website.

11. I understand that, to the extent permitted by federal or the law of my state, this Agreement as well as all of my share accounts and related services will be interpreted and subject to applicable federal laws and the laws of the state of California without resort to California's Conflict of Laws rules.
12. I understand and agree that you may monitor and record telephone conversations regarding my accounts, products or services at any time without further notice to me.
13. I understand that by using a facsimile signature, I am agreeing that you are not responsible for any misuse of the facsimile signature, and I also agree to indemnify and hold you harmless for all losses, claims, damages, or expenses (including attorneys' fees) that are incurred as a result of your payment of a withdrawal bearing a facsimile of my signature or a facsimile that you believe I authorized.
14. I understand that by signing up for Xceed Online, including bill payment, I agree to the terms and conditions that are provided to me electronically and in your Electronic Services Agreement and Disclosure.
15. I understand that no accounts are transferable (except checking accounts) as defined in the Federal Reserve Board's Regulation D, 12 CFR, Part 204. For all accounts, except checking accounts, during any given month, I may not make more than six (6) withdrawals or transfers to another account of mine or

to a third party by means of a check, draft, debit card, preauthorized or automatic transfer, or telephonic order or instruction. Transfers or withdrawals in excess of these limitations may not be honored, and my account may be subject to closure by you.

16. I understand that your bylaws authorize your board of directors to require me to give up to sixty (60) days' written notice of my intention to withdraw savings from any account except a checking account. However, you do reserve the right at any time to require not less than seven (7) days' notice in writing before each withdrawal is performed from an account that earns dividends other than a share certificate account, or from any other savings account defined by Regulation D.
17. I understand that I may be required to request changes to my accounts in writing, that you are not required to act upon instructions received by facsimile or electronically, and that you have the right to require additional information from me before you act on any request. You shall have no liability or responsibility to me or to my heirs, executors, assignees, or representatives when acting upon the reasonable interpretation of my requests.
18. I understand that you may terminate and/or suspend account products at your option without written notice to me. In addition, you reserve the right to charge or amend product features or functions (such as overdrafts) at any time.
19. I agree that if I manipulate my account in an abusive manner or in such a way that constitutes a loss or detriment to you, or if I engage in threatening, harrassing, or illegal behavior effecting you or any person or property in your premises or at any one of your functions, you may close my account(s), except my primary savings account, and/or limit any further communication between you and me to written communication. In addition, I understand that you reserve the right to close any account and terminate your services based on suspected fraudulent transactions, losses sustained on my account(s), or transactions discovered to be deliberately manipulated to the detriment of you. "Manipulation" includes, but is not limited to, kiting and repeated patterns of transactions that have no apparent business reason.
20. I understand that you may comply with any writ of attachment, execution, garnishment, tax levy, restraining order, subpoena, warrant, or other legal process that you believe (correctly or otherwise) to be valid. If you are not fully reimbursed for your record research, photocopying, and handling costs by the party that served the process, you may charge such

costs to my account as disclosed on your Services and Schedule of Fees. Funds you hold or set aside in response to a legal process may not earn dividends. I agree to indemnify, defend, and hold you harmless from all actions, claims, liabilities, losses, costs, and damages associated with your compliance with any process that you believe to be valid.

21. You or I may terminate an account at any time. I understand, however, that your authority may not be changed or terminated except by written notice to me, which will not affect prior transactions. In addition, if you receive written notice from any owner that withdrawals, in accordance with the terms of the account, should not be permitted, you may refuse, without liability, to pay any sums on deposit pending determination of the rights of the owners. Further, if there is more than one owner and there is a conflict among us, you may require the signature of all owners.
22. I understand that the word "owner(s)" on a Membership Application/Signature Card means the owner in the case of a single ownership account, and it means the owners (both as an individual and as a group) in the case of an account with more than one owner. Owner(s) agree(s) that any and all sums heretofore or hereafter paid-in or deposited into an account may be withdrawn or received by any owner, and any such payment shall be valid and discharge you from any liability.
23. I agree that you may recognize the signature of anyone who has signed a Membership Application/Signature Card that I provided to you as authorized to transact any business on that account, including but not limited to, causing or making overdrafts (for which all of us shall be liable) and endorsing checks payable to any signer on the account. Any payment made from my account in good faith and reliance on the terms and conditions of this Agreement and the Membership Application/Signature Card shall be valid and discharge you from liability. Without limitation to the foregoing, you may honor checks drawn against my account by one of us, even if the checks are made payable to one of us, to cash, or for deposit in one of our personal accounts. You have no duty to investigate or question withdrawals or the application of funds.
24. I agree to be responsible to you for the actions of authorized signers on my account. This means that I am responsible for familiarizing authorized signers with all of the terms of this Agreement.
25. I understand that any joint owner of any of the accounts open under the same primary member's membership number may have access to information on all of the accounts under that same primary member's number.

26. I understand to the extent and under the circumstances permitted by federal laws and the laws of my state, individual, joint, trust, and pay-on-death (POD) accounts may be subject to the Multiple Party Accounts Law, Division 5, Part 2, of the California Probate Code, as now in effect or hereafter amended.
27. I understand that if I or any joint owner draws a check or otherwise authorizes withdrawals not presented for payment until after the drawer's death, or if any joint owner is indebted to you at the time of his or her death, you are authorized to pay such checks and withdrawals and exercise your right of offset against the account after such joint owner's death, notwithstanding any rights that a surviving joint owner, a POD payee, or a beneficiary of an "in trust for" (ITF or "trustee for") account may have to the funds in the account. For more information on right of offset, refer below.
28. I agree to notify you immediately of the death or court-declared incompetence of any account holder on my account. You may freeze my account and refuse to accept deposits or allow withdrawals when an account holder dies or is declared incompetent.
29. I understand and agree that title, ownership, and beneficiary designation(s) on my account will be determined by the paperwork I have completed and filed with you. If I want to change my account in any way, I must properly complete additional forms provided by you, which shall not be effective until delivered to and accepted by you. You are authorized to rely solely on the documentation you have in your possession. On behalf of myself, my beneficiaries, and my heirs, I hereby indemnify you and agree to hold you harmless from any and all liability upon your reliance on such documentation.
30. I understand that you reserve the right, in your sole discretion and without liability, to accept or refuse to accept a power of attorney or any other document authorizing a third party to act on my behalf.
31. I understand that if I am under the age of 18 and you allow me to open an account (savings, money market, checking, or share certificate account), you may request my parent or legal guardian to be a joint owner on my account.
32. I understand that share accounts with you are federally insured by the National Credit Union Share Insurance Fund (NCUSIF).
33. I agree that you may endorse and/or collect items deposited to my account without my endorsement except for certain government-issued items (e.g., state or federal tax refunds or Social Security checks), but you may require my personal endorsement prior to

accepting any item for deposit. If I deposit items that bear the endorsement of more than one person or persons who are not known to you or that require endorsement of more than one payee, you may refuse the item or require all endorsers to be present or to have their endorsements guaranteed before you accept the item.

34. I understand I may make deposits to or withdraw from my accounts only in accordance with your policies.
35. I understand and agree that it is your policy not to accept for deposit checks payable to anyone other than an owner on the account (i.e., third-party checks).
36. I understand that anyone can make a deposit to my account and that you will not question the authority of a person making a deposit to my account.
37. I understand that all deposits are subject to verification and agree that if your count differs from mine, your figure will be considered the correct one.
38. I understand and agree that you may use automated means to process checks and other items written on or deposited to my account. Although you may manually review checks or other items drawn on my account, I understand and agree that reasonable commercial standards do not require you to do so.
39. I agree that you will not be responsible for any damages I incur in the event I deposit an item with you that is subsequently returned unpaid by the paying financial institution and the return is "late" due to markings on the back of the check caused by me or a prior endorser.
40. I understand that although you are not obligated to, you may pay or accept checks and other items bearing restrictions or notations (e.g., "Void after 6 months," "Void over \$50," "Payment in Full"), whether on the front or back, in any form or format. If I cash or deposit an item or write a check with such notation, I agree that it applies only between me and the payee or maker. The notation will have no effect on you, and I agree to accept responsibility for payment of the item. I agree to indemnify and hold you harmless from any claim or alleged loss of any maker or payee involving such notations, whether I am the maker or payee or the funds are otherwise deposited into an account in which I earn dividends. I understand if you pay an item or honor my request that overdraws my account, a deposited item has been returned unpaid, or for any other reason my account has become overdrawn, I agree to pay the amount of the overdraft together with any fee or charge, whether or not I signed or requested the

withdrawal or participated in the transaction creating the overdraft.

41. I understand that if a depositor (e.g., a government agency) demands you to return any sums directly deposited to my account during the month of or after the death of any account holder on my account, you may honor such a demand and may debit my account for all amounts returned to the depositor. If the transaction creates an overdraft, I will be required to repay you, and notwithstanding any binding arbitration provision under this Agreement, you may take any necessary legal action in order to seek reimbursement for these amounts.
42. The minimum amount that I may withdraw from any account is \$20. This limitation does not apply to the following:
  - a. Checks drawn on my checking or money market account.
  - b. Withdrawals, preauthorized by me, such as distributions of paid dividends and transfers of funds, pursuant to my overdraft agreement.
  - c. Withdrawals made in person, at a point-of-sale terminal, or through your online banking and automated voice response system.
43. I agree that you are not responsible for any loss or damage that results from my negligence, including without limitation, my failure to adequately safeguard my blank checks or other personal information or means of access to my account. I will notify you immediately if my checks are lost or stolen.
44. I understand that if a disaster occurs, there may be an unforeseen delay in your ability to make funds available and to process deposits, withdrawals, transfers, and other transactions. In addition to natural disasters, the failure of communications or computer systems may also cause unforeseen delays.
45. I understand that in the event that a cashier's or official check is lost or stolen, I must execute and deliver to you a written form to resist payment in time for you to have a reasonable period to act thereon. I further understand and agree that the designated form is not enforceable until the later of: (1) the date the designated form is properly delivered to you, or (2) the 90th day following the date of issuance for the cashier's or official check, or the 90th day following the date of the acceptance of a certified check. I agree to indemnify you for any loss or claim occasioned by your attempting to, or stopping payment on, such check.

46. I understand that you require a minimum of two (2) weeks to process my request to transfer funds from another financial institution to you.
47. I understand that you have the right to restrict the amount of cash each member may transfer or withdraw in a 24-hour period.
48. I understand and agree that in cases where there may be conflicting claims against my account, you are authorized to restrict account transactions until the conflicting claims are resolved to your satisfaction. If you deem necessary, in your sole discretion and judgment, you may submit the conflict to a court of competent jurisdiction to obtain resolution of the conflict. This is commonly referred to as an "interpleader," and I agree to be responsible for costs and attorneys' fees you incur in resolving the conflict.
49. I understand you reserve the right to change your routing number as long as a prior thirty (30)-day notice is provided to me.
50. I understand that you will mail (U.S. mail or electronically) statements and other notices only to the address (physical or electronic) of record of the person whose signature appears first on the Membership Application/Signature Card. I shall exercise reasonable care and promptness in examining all statements and must notify you promptly in writing of any error or unauthorized payment including, but not limited to, an altered item or an unauthorized signature. If I fail to uphold these duties, I understand and agree that I am precluded from asserting the error or unauthorized payment against you if: (1) you suffer a loss on the item because of my failure, or (2) you pay on another item presented by the same wrongdoer if the payment was made before I properly notified you. Notification must be within thirty (30) days of the date of the statement. If I fail to uphold my duties but I can prove that you failed to exercise ordinary care in the payment of the relevant items, then the above preclusion will not apply, and the loss on the items will be allocated between you and me to the extent our respective actions contributed to the loss. If I have failed to examine my statement and report any unauthorized item one (1) year or more after my statement or the item has been made available to me, I cannot recover from you even if you failed to exercise ordinary care in paying the item.
51. I understand and agree that you may combine statements of one or more of my accounts unless otherwise specified by me.
52. I agree to notify you promptly of any change of address. I may notify you in person at any of your offices or by

sending a written and signed notice to your corporate headquarters at 888 North Nash Street, El Segundo, CA 90245. You reserve the right to charge a reasonable fee in your attempt to locate me as disclosed in your Services and Schedule of Fees.

53. Except as prohibited by applicable law, I understand and agree that you may impress and enforce (right of offset) a statutory lien upon my shares and dividends in any and all of my accounts with you to the extent of any loan made to me, charges payable by me, or any liabilities owed to you by me or by any joint owner on the account pursuant to Section 1757(11) of the Federal Credit Union Act or in the event that a negative balance is created in my share account.

The law provides that you may take funds on deposit in my account to satisfy a debt I owe you that is not paid when due. This is called "right of offset." If you exercise your right of offset against an account that is subject to an early withdrawal penalty, the account will be assessed the applicable early withdrawal penalty (whether due to ATM activity, returned deposit activity, fees and charges imposed by you, or otherwise). You may transfer funds to such account from any other share account including accounts upon which I am a joint owner in an amount equal to the negative account balance. You may use funds held in my accounts to repay my obligations to you, whether owned by me individually or jointly with another, including obligations owed by me arising out of another, including obligations are not directly incurred by me; obligations on which I am secondary liable; and any amounts for which I become liable to any governmental agency or department or any company as a result of recurring payments credited to any of your accounts after the death, legal incapacity or other termination of entitlement of the intended recipient of such funds. If I am a sole proprietor, you may use any of my personal or business accounts.

I expressly agree, to the extent that I may do so by contract that such rights extend to any federal or state benefit payments (including without limitation Social Security benefits) electronically deposited into my account. I understand and agree that if I do not want my benefits applied in this way, I may change my direct deposit instructions to the benefits payor at any time. If my account is a joint account and one or more joint owners are indebted to you in any manner, you may use the funds in the joint account to pay the debt without prior notice to me. If you exercise the right of offset against my account, I agree to release and indemnify you from all liability for your actions.

54. I understand that your business days are Monday through Friday, excluding holidays.



55. I may not stop payment on completed electronic point-of-sale transactions debiting my checking account.
56. My death or incompetence, or that of any of us, or dissolution of an entity, shall not revoke your authority to accept, pay, or collect a check(s) or to account for proceeds of its collection until you know of the fact of death or adjudication of incompetence and have a reasonable opportunity to act on it. Even with knowledge, you may at your discretion for ten (10) days after the date of death, dissolution, or incapacity, pay or guarantee a check(s) drawn on or prior to that date, unless ordered in writing to stop payment by a person claiming an interest in the account under rules established by you. One of us shall notify you if any of us dies, becomes incapacitated, or the entity is dissolved.
57. You are neither given notice nor otherwise affected by a restrictive endorsement of any person or entity. If I cash or deposit an item or write a check with a restrictive endorsement, I understand that it applies only between me and the payee or maker of the item, and I agree to accept responsibility for the payment of the item.
58. All non-cash payments shall be credited subject to final payment. My right to withdraw the funds represented by certain checks or other items I deposit may be delayed for several days, pursuant to your Funds Availability Policy. I will be notified if my right to withdraw will be delayed.

### **Terms and Conditions Applicable to Accounts with Check Clearing Privileges**

1. I understand that my checking account(s) as well as select money market account(s) or select line of credit loan(s) have check-clearing privileges.
2. You may pay and charge to my account check(s) drawn by and payable to any person, organization, association, or corporation whom I have authorized by providing sample magnetic ink character recognition (MICR)-encoded information identifying my account, provided there are sufficient funds in my account to pay such check(s). I agree that your rights in respect to such check(s) shall be the same as if it were a check or checks drawn and signed by me personally. This authority shall remain in effect until I have provided written notice revoking this authorization to the agency to which the sample MICR information was provided, and until you have a reasonable opportunity to act upon it. I agree that you shall be fully protected in honoring such check(s). I further agree that if any such check(s) is/are dishonored, whether with or without cause and whether intentionally or inadvertently, you shall be under no liability

whatsoever even when such dishonor results in the forfeiture of insurance, loss, or damage to me of any kind.

3. If you have made a good faith payment to a payee, you may charge my account according to: (1) the original tenor of my check, or (2) the tenor of my completed check unless you have noticed that any such completion is improper.
4. I will notify you immediately if my checks are lost or stolen.
5. Provided such request is timely so that you shall have reasonable opportunity to act upon it under your rules, I may order stop payment of any check payable against my account for a fee as disclosed in your Services and Schedule of Fees. All the information given by me to you regarding such check must be accurate. You may, but shall not be obligated to, receive such order orally, written or electronically. If you do act upon my oral or electronic request to stop payment on a check, I agree to indemnify, defend, and hold you harmless from any and all liability, cost (including attorneys' fees), judgments, and damages of every kind, regardless of the source. In such event, my oral order shall be valid for only fourteen (14) days unless confirmed in writing. Written or electronic orders shall be valid no longer than six (6) months. I have the burden of establishing the fact and amount of loss resulting from payment contrary to a binding stop payment. I understand that I must submit a new stop payment order to extend the period for another six (6) months.
6. You may without liability accept, pay, guarantee, or charge checks to the account in any order convenient to you.
7. In the event of wrongful dishonor that occurs by mistake, liability shall be limited to actual damages. The measure of damages for failure to exercise ordinary care in handling a check is the amount of the item reduced by an amount that could not have been realized by the use of ordinary care.
8. I agree that in the event I draw a check on my account with you, I will hold you harmless and indemnify you from any liability I incur due to a delay or misrouting of the check if the delay or misrouting is caused by markings placed on the check by me or a prior endorser that obscure any depository endorsement placed by you or your agent.
9. I understand that you are not selling checks. As a convenience to me, you will submit my initial order and reorders for personalized account checks to the printer named on the face of the order. If the printer accepts the initial order and reorders, the printer will

mail the checks to me and is authorized to charge my account for the cost of delivered checks ordered, plus applicable sales tax and delivery costs.

10. I understand and agree that my checks are truncated, I will not receive the originals, and you do not inspect the checks for signatures. Check copies are not returned with statements, and when paid, the checks become your property and will not be returned to me. Checks are microfilmed on both sides and stored for seven (7) years from date of posting. Upon my request, you will provide me with a photocopy of a requested item within a reasonable time and for a fee as disclosed in your Services and Schedule of Fees. If I have not ordered my checks through your approved check vendors, I understand and agree that you are not responsible for the quality of any check copy that I request from you. In addition, you are not responsible for any checks not paid as a result of quality or printing errors.
11. You may charge against my account a postdated check even though payment is made before the date of the check. However, if I notify you within a reasonable time to permit you to act and identify the check with reasonable certainty, you cannot pay the check until the due date. Notice may be written or oral, and it must include the exact amount, account number, check number, date of check, and name of payee. If oral, the notice shall be valid for fourteen (14) days. If written, the notice shall be valid for up to six (6) months and can be renewed within six (6) months for another successive six (6)-month period. A fee may be assessed for this service.
12. All checks written on my account must be written in English and drawn in U.S. dollars.
13. The following applies to my checking accounts:
  - a. You may, at your discretion, pay funds from this account without obligation or liability for refusal to pay when such payment would draw the account below the minimum balance for the account as established from time to time by you.
  - b. I understand that the current incremental amounts used for overdrafts are disclosed in your current Services and Schedule of Fees and are subject to change.
  - c. You may, but shall not be required to, pay overdrafts to my account by transferring funds to cover such overdrafts from my designated savings account, money market account, and/or applicable line of credit loan. Overdrafts, if paid, in excess of funds in any loan account are payable on demand.

- d. I authorize you to transfer funds on my written, electronic or oral request to my account. I understand that no more than six (6) overdraft transfers are permitted in any calendar month. You may, but are not required to, pay any check against insufficient funds. Overdrafts, paid in excess of funds available in my account, are payable on demand: if drawn by means not authorized in advance by you, or against checks or electronic debits presented over six (6) months past their dates.
- e. By executing the appropriate written form, I may authorize you to clear all checks validly drawn on my checking account(s) pursuant to the applicable automatic overdraft protection terms. If overdrafts are to be covered by a transfer of funds from my savings or money market account(s) to my checking account(s), such transfer will generally be made only if there are sufficient funds on deposit at the time of transfer. I understand that there might be times when some of the features of overdraft protection may not be available. Examples would include general system maintenance, system overload, or a natural disaster.

**Terms and Conditions Applicable to Account Ownership:  
Individual and Joint Accounts**

1. If there is more than one owner, all of us agree with each other and with you that all sums now paid in or hereafter paid in by any one or all account owner(s), including all dividends thereon, if any, are and shall be owned by all account owners jointly and equally regardless of their net contributions with a right of survivorship and shall be subject to withdrawal or receipt by any of the account owner(s) or the survivor(s) of any of the account owner(s). Any such payment shall be valid and shall discharge you from any liability. We hereby appoint each other as agents and attorneys in fact to overdraft any of our individual or jointly held accounts.
2. You are not obligated to inquire as to the source of funds received for deposit to a joint account or to inquire as to the proposed use of any sums withdrawn from the account for the purpose of establishing net contributions.
3. A transfer of ownership of funds in my account does not transfer voting rights or other privileges of membership.
4. If this is a joint account, and your Agreement so permits, any one of us may pledge any or all of the funds on deposit in the account as collateral security to any loan(s) subject to then current loan policies

except those funds on deposit in checking, money market, IRA, custodial, or trust accounts. Further, a pledge of funds by any one of us shall be binding on all of us.

5. A right of survivorship arising from the express terms of a joint account cannot be changed by my last will and testament.
6. As a primary owner, I understand that if I want to delete joint owners from my account, I must withdraw the funds and open a new account, unless at your sole discretion, you accept a written authorization signed by all joint owners, including myself, directing you to delete the joint owners from any existing account.
7. A joint owner may not terminate the membership of the primary owner of the account.
8. Each account owner expressly agrees that each account holder is jointly and severally liable for any and all overdrafts, losses, or charges to any account created by any account holder(s).

### **Pay-on-Death (POD) Designations**

1. If I have made a pay-on-death designation, all sums are payable on request to me during my lifetime and upon my death to my surviving designated POD payee(s) in equal and individual shares, or if the account is jointly owned, to one or more account owner(s) during their lives and on the death of all of them to one or more payees then surviving in equal and individual shares. If a POD payee dies before all of the account owner(s), all sums are equally divided among the surviving POD payees upon the death of all of the account owner(s).
2. A Pay-on-Death designation cannot be changed by my last will and testament.

### **Trust Accounts**

The following terms and conditions apply to the account(s) opened under a trust with you. I understand that:

1. YOU HAVE NOT RECEIVED A COPY OF THE TRUST INSTRUMENT AND SHALL IN NO EVENT BE LIABLE FOR ITS CONTENTS. The trustee(s) and not you assume full responsibility for enforcing the provisions of the trust instrument.
2. If this is a revocable trust, one or more trustors are members with you. If this is an irrevocable trust, either the trustor or beneficiary must be members, or in the case of multiple trustors or beneficiaries, all the trustors or beneficiaries must be members with you.

All accounts opened in the name of the trust belong solely to the trust. No transfer of voting rights or other membership privileges are permitted by virtue of a transfer of shares. Accounts are not transferable, as defined in the Federal Reserve Board's Regulation D, 12 CFR, Part 204. It is understood that the trust under the Application and Agreement has no voting rights at any membership meeting, although the individual member/ trustor(s) retain(s) his/her/their personal voting rights if he/ she/they retain individual membership with you.

3. The trustee(s) affirm that the successor trustee(s) is/are bound under the trust instrument to serve and is/are authorized and fully qualified to act as trustee(s) in the event that all of the trustees named in the Application and Agreement resign, die, become incapacitated, or otherwise become unable to act as trustees of the trust.
4. In the event that all named trustees and successor trustees die, resign, become incapacitated, refuse to act, or you receive conflicting instructions, you reserve the right to interplead any and all funds held in accounts opened under the Application and Agreement and to deduct attorneys' fees for the interpleader action from the trust account funds.
5. If there is a change in the parties or terms of the trust, including but not limited to, a change in trustor(s) or trustees, all trustors and trustees agree to execute a new Application and Agreement. Such change shall not be effective until you have received a properly completed and executed Application and Agreement and have had a reasonable opportunity to act on it. In the event of a change of address of trustor(s)/ trustee(s), the trustee(s) agree(s) to notify you promptly of such change(s).
6. The trustee(s) certify(ies) that he/she/they is/are duly appointed under the trust instrument and that by the authority vested in the trustee(s) under the trust instrument, any trustee, acting alone or jointly, is authorized and empowered to transact business of any kind in connection with the trust's accounts with you. It is agreed that any transaction by the trustee(s) set forth in the Application and Agreement acting alone or jointly, shall be valid and discharge you from any liability.
7. The trustee(s) may authorize the transaction of any business on accounts held with you in the name of the trust by the trustee's(s') oral or written instruction to you. Trustee(s) may obtain funds from the trust's accounts in the trustee's(s') names or the names of third parties upon any trustee's(s') written, oral, or electronic instruction.

8. If the trustee(s) named on the Application and Agreement borrow(s) from you and the trust instrument must be examined by a third party (for example, a title company), you agree to forward a copy of the trust instrument from the trustee(s) to the third party only if trustee(s) present(s) a sealed envelope containing the trust instrument to you. You will not accept copies of the trust instrument that are not in a sealed envelope. Further, you will not keep any trust instrument in its files or be liable for the contents of a trust instrument. The trustee(s) shall sign a form designated by you that you have received the trust instrument in a sealed envelope when the trustee(s) present(s) the trust instrument to you.
9. The trustee(s) agree(s) that if he/she/they borrow(s) from you and use(s) trust assets as collateral, then the trustor(s) or the trustee(s), as members with you, will, by signing all documents relating to the loan, obligate themselves as individuals in addition to the signatures of the trustee(s) on behalf of the trust.
10. The trustee(s) agree(s) to promptly notify you if any of the trustor(s) or trustee(s) die(s) or become incapacitated. Prior to any successor trustee(s) transacting business on accounts held with you in the name of the trust (including any withdrawal pursuant to Number 11 below), the successor trustee(s) must provide you with either a letter of resignation signed by the existing trustee(s) or a certified copy of the death certificate for the trustee(s). The successor trustee(s) must complete a new Application and Agreement as well as a Certification of Trust. Death, resignation, or incapacity of any trustee(s) or trustor(s) shall not revoke the authority of you to act under the Application and Agreement until written notice of the death, resignation, or incapacity has been presented to you and you have reasonable opportunity to act on it. However, upon presentation of a certified copy of trustee's(s') death certificate(s), resignation(s), or judicial declaration(s) of incapacity, you are authorized to act upon designated successor trustee's(s') instructions in accordance with the terms of the Application and Agreement.
11. The successor trustee(s) shall close all accounts opened under the Application and Agreement within ninety (90) days after receiving notification of death, resignation, or incapacity of the trustee(s). You are authorized, but not required, to close any accounts opened under the Application and Agreement upon the 91st day after receiving notice of the trustee's(s') death(s) and mail a check to the designated successor trustee(s) for the balance of the account made payable to the designated successor trustee(s) as trustee(s) for the above-named trust. The parties may be able to maintain the trust accounts with you under a new Application and Agreement.

12. The trustor(s) and trustee(s) acknowledge and agree that your sole obligation to the trustor(s)/ trustee(s) is as a depository institution and is a debtor/ creditor relationship, and nothing in the Application and Agreement or in the trust instrument shall be construed to impose any duties or obligations whatsoever upon you as a trustee or other fiduciary under the trust instrument or otherwise. Trustor(s) and trustee(s) hereby agree for the trust, themselves, and all trust beneficiaries for the life of the trust and the statutory life of any cause of action involving any account of the trust to indemnify and hold harmless you from any and all claims, suits, actions, damages, judgments, costs, charges, and expenses, including but not limited to, court costs and attorneys' fees resulting from any and all liability, loss, and damage of any nature whatsoever that you shall or may sustain resulting from the establishment, maintenance, and transaction of any business on any trust account with you. The trustor(s) and trustee(s) on behalf of the trust agree to pay any necessary expenses, attorneys' fees, or costs incurred in the enforcement of the Application and Agreement.
13. The trustor(s) and trustee(s) acknowledge and agree that you are relying upon the statements, representations, and warranties made by the trustor(s) and trustee(s) contained in the Application and Agreement, and that you shall not be responsible in any way for verifying either the existence, validity, or legality of the trust itself or the authority or powers of the trustee(s) under the governing trust instrument to establish, maintain, or transact any business on the trust accounts. You reserve the right at any time to require the trustee(s) to execute and provide a Certification of Trust pursuant to California Probate Code Section 18100.5, in form and substance acceptable to you, affirming the existence of the trust and the authority and powers of the trustee(s) hereunder.
14. The Application and Agreement incorporates the full and complete understanding concerning accounts and transaction of business thereon with you for the trust.

## **Custodial Accounts**

### **Uniform Transfer to Minors Act**

1. The transferor/custodian is opening an account as custodian for the minor named on the Membership Application/Signature Card under the Uniform Transfer to Minors Act. To the extent permitted under federal laws and the laws of my state, I understand and agree that the transfer of money, including all dividends and future additions, to the minor named on the Membership Application/Signature Card is irrevocable and made according to and including all provisions of



the said statute of the State of California now in effect or hereinafter amended.

2. I acknowledge that by signing the Membership Application/Signature Card, I have received the funds deposited to the account as custodian for the minor named herein under the Uniform Transfers to Minors Act.
3. None of the funds on deposit in this account may be pledged.
4. The successor custodian named on the Membership Application/Signature Card shall serve if I should be unable to act as custodian because I resign, die, or become legally incapacitated.
5. Custodial accounts are not subject to the Multiple Party Accounts Law.

### **Other Custodial Accounts**

1. The transferor/custodian is opening an account as custodian for the individual named on the Membership Application/Signature Card based upon a court order. The transfer of money, including all dividends and future additions, to the individual named on the Membership Application/Signature Card is made according to the provisions of said court order.
2. I acknowledge that by signing the Membership Application/Signature Card, I have received the funds deposited to the account as custodian for the named individual.
3. None of the funds on deposit in this account may be pledged.
4. Custodial accounts are not subject to the Multiple Party Accounts Law.

### **Fiduciary Accounts**

1. I am duly appointed and acting in the capacity of trustee, executor, administrator, guardian, or conservator. By the authority vested in me, I am acting individually or jointly, authorized and empowered to transact business of any character in connection with this account. My authority shall continue in force until written notice to the contrary is received by you and you have time to act on it.
2. If the account is blocked, I agree that I shall file with the court any required written receipt and documentation that the money in the account, including any dividends thereon, shall not be withdrawn except upon court order.

3. Fiduciary accounts are not subject to the Multiple Party Accounts Law.
4. I agree that you are a mere depository for business transacted with respect to this account and are not acting in a fiduciary capacity.

## **SECTION III: FUNDS AVAILABILITY POLICY**

### **Credits for Deposits**

A receipt may be provided or made available upon request for all deposits to my account, except for remote deposits (e.g., lockbox, night depository services, certain funds transfers). However, the amount on my deposit receipt is based solely on my deposit ticket. Funds from my deposits to my account may not be made immediately available. You shall not be construed to have received for deposit checks sent by mail or placed in the night depository until you have either received actual delivery from the U.S. Postal Service or have removed the checks from the depository. Checks placed in such depository will be removed not later than the next business day. All deposits made by mail and addressed to you without using a specific Financial Center name and street address will be considered received as of the date such deposit is received by such location. For checking accounts, funds will be made available according to Federal Reserve Regulation CC and your Funds Availability Policy. Credits for all deposits are subject to final verification and, after review, you may make adjustments to my account for any errors, including any errors appearing on my deposit ticket, but have no obligation to do so for discrepancies under \$10. In addition, the availability of funds for withdrawal does not mean that the deposited check or other item is "good," has "cleared," or has been paid by the paying financial institution, or that the item will not be returned unpaid and my account subsequently debited, notwithstanding the passage of any period of time or any representation or belief to the contrary. You may accept credits to my account that have been originated by third parties (e.g., ACH credits, wire transfers). However, you may reverse any credit to my account that the originator of such deposit has informed you was in error or was intended for another account without investigating whether such credit was not properly payable to me.

You need not accept for deposit items drawn on a non-U.S. financial institution or items payable in a foreign currency and may instead accept such items on a collection basis, even after you have taken physical possession of such items. If accepted on a collection basis, you will not be obligated to credit my account for such items until you have received final payment. The actual credit for items payable in a foreign currency will be at the exchange rate in effect at the time of final collection in U.S. dollars. Regardless of whether such items are accepted for deposit or on a collection basis,

your Funds Availability Policy will not apply to these items.

I agree that you act only as a collecting agent in receiving items for deposit or collection and assume no responsibility beyond reasonable care. You will use reasonable care in the selection of collecting agents but will not be liable in the case of their failure or negligence or for losses in transit. I agree that you, and each of your correspondents, may send checks subject to collection, directly or indirectly, to any financial institution, depository, maker, or drawer in accordance with your usual custom and may accept checks, drafts, or credits on a conditional basis.

In general, your policy is to make funds available to me on the first business day after the day you receive my deposit. The first \$200 of this deposit will be available on the first business day after the day of my deposit. For my accounts, funds will be made available according to the Federal Reserve Board's Regulation CC and your Funds Availability Policy. Funds may be held for a longer period after review of deposited items.

For purposes of determining the availability of my deposits, every day is a business day, except Saturday, Sunday, and federal holidays. If I make a deposit on a business day that you are open during business hours or through the night depository or lockbox services, you will consider that day to be the day of my deposit. However, if I make a deposit on a Saturday, Sunday, federal holiday, or through the night depository box or lockbox services on a day you are not open or after business hours, you will consider that the deposit was made on the next business day you are open.

### **Longer Delays May Apply**

In some cases, you will not make all the funds I deposit by check available to me on the first business day after the day of my deposit. Depending on the type of check I deposit, funds may not be available until the second or seventh business day following the day of deposit. If there is reasonable doubt of collectability, funds may be held longer. However, the first \$200 of my deposit will be available on the first business day.

Note: You may delay the availability of my funds for one (1) additional day if I request a cash withdrawal, cashier's check, money order, traveler's check, certified check, official check, or any other irrevocable commitment to pay.

If you delay the availability of my funds, you will tell me at the time I make my deposit and tell me when the funds will be available. If my deposit is not made directly to one of your employees or if you decide to take this action after I have left the premises, you will mail me the notice

of the delay the business day after you receive my deposit or balance your ATM. If I need the funds from deposit right away, I should ask you when the funds will be available. In addition, funds I deposit by check may be delayed for a longer period under the following circumstances:

- a. You believe a check I deposited will not be paid.
- b. I deposit checks totaling more than \$5,000 on any one day.
- c. I redeposit a check that has been returned unpaid.
- d. I have overdrawn my account repeatedly in the last six (6) months.
- e. There is an emergency, such as failure of computer or communications equipment.

You will notify me if you delay my ability to withdraw funds for any of these reasons, and you will tell me when the funds will be available. Generally, they will be available no later than the seventh business day after the day of my deposit.

### **Special Rules for New Accounts**

If I am a new member, the following special rules apply during the first thirty (30) days that my account is opened. Funds from electronic direct deposits to my account will be available on the day you receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,000 of a day's total deposits of cashier's, certified, teller's, and traveler's checks and federal, state, and local government checks will be available on the first business day after the day of my deposit if the deposit meets certain conditions. For example, the checks must be payable to me and the excess of more than \$5,000 will be available on the ninth business day after the day of my deposit. If my deposit of these checks (other than a U.S. Treasury check) is not made in person to one of your employees, the first \$5,000 will not be available until the second business day after the day of my deposit.

Funds from all other check deposits will be available no later than the 30th calendar day after the day of my deposit.

In no event does the above policy affect your right to accept or reject an item for deposit or to require written notice of an intended withdrawal. The above policy is subject to change upon fifteen (15) days' written notice.

### **Check Processing, including Check 21—Substitute Checks**

Checks, drafts, and other negotiable instruments, including substitute checks (collectively "checks") deposited to my account or cashed, automated clearinghouse (ACH)

entries, and all other types of external and book-entry funds transfers (checks and funds transfers collectively referred to herein as "items") may be charged back against the account (or an account for split deposits) or any other account of mine with you if you are informed that the item is being or has been returned unpaid (or for checks drawn on other accounts with you, the check is dishonored by you for any reason), without regard to whether such return or dishonor is timely. When a deposited or cashed item is returned, I will be charged a fee as disclosed in your Services and Schedule of Fees. You may charge my account whether or not the check is returned to you and whether or not you can return the item or a copy to me. Even if you verify a deposited or cashed check and tell me that the check has been paid, that will not release my liability as an endorser. This right shall extend to any check or other item deposited into my account or cashed that is finally paid and then is returned because a claim is made that the check or other item was altered, forged, unauthorized, has a missing signature, or should not have been paid for any reason. In lieu of charging my account, you may withhold an amount equal to such check or other item from my account until a final determination of the validity of such claim has been made. You have no duty to return a check that has been charged back to an account if that account has become overdrawn. You are not required to give me next-day notice if a deposited or cashed item is dishonored.

Any check deposited to my account that lacks an endorsement may be, or may be deemed to be, endorsed by you on my behalf with exception of government-issued checks. With respect to any such check, my rights and my liabilities shall be determined as though I actually endorsed and deposited the item. Further, any check deposited to my account that bears my stamped or facsimile endorsement shall be deemed to bear my actual endorsement whether such endorsement was affixed by me or by someone having no authority to supply my endorsement. I agree to assume responsibility for and to indemnify you for any loss you may incur as a result of my failure to comply with the endorsement standards set forth in this Agreement. If I deposit a remotely created check, I guarantee that the check was authorized by the account holder for payment in the amount shown. Remotely created checks are created when an account holder authorizes a payee to draw a check on the account, but instead of the account holder's actual signature, the check identifies that the account holder authorized the check.

You will accept deposits based solely on account numbers listed, and you are not responsible for verifying the name(s) listed on the checks or associated with the account.

You may return or refuse to accept all or any part of a deposit or credit to my account at any time and will not

be liable to me for doing so even if such action causes outstanding items to be dishonored and returned. Returned or refused deposits (or the legal equivalent of the deposited item) will be returned to me. In addition, I will be solely responsible for any loss or liability you sustain in connection with the deposit of substitute checks.

You will not give me next-day notice of receipt of an electronic deposit to my account but will provide such notice to me on my next periodic account statement. I may call you to confirm an ACH or wire transfer deposit.

## **Substitute Checks**

Federal law permits financial institutions to replace original checks with "substitute checks." These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states, "This is a legal copy of my check. I can use it the same way I 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 I receive back from you may be substitute checks. This notice describes rights I have when I receive substitute checks from you. The rights in this notice do not apply to original checks or to electronic debits to my account. However, I have rights under other laws with respect to those transactions.

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

The amount of my refund under this procedure is limited to the amount of my loss or the amount of the substitute check, whichever is less. I am entitled to dividends on the amount of my refunds if my account type earns dividends.

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

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

## Making a Refund Claim

If I believe that I have suffered a loss relating to a substitute check that you received and that was posted to my account, I should contact you at 800.XFCU.222 (800.932.8222).

I must contact you within forty (40) calendar days of the date that you mailed (or otherwise delivered by a means to which I agreed) the substitute check in question or the account statement showing that the substitute check was posted to my account, whichever is later. You will extend this time period if I was not able to make a timely claim because of extraordinary circumstances.

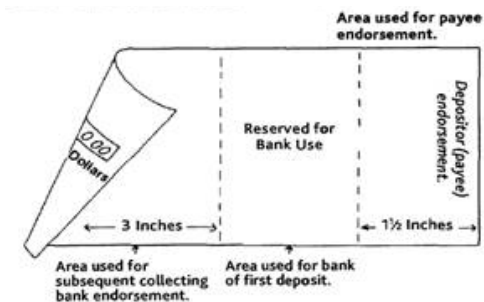
### My Claim Must Include:

- A description of why I have suffered a loss (for example, I think the amount withdrawn was incorrect).
- An estimate of the amount of my loss.
- An explanation of why the substitute check you received is insufficient to confirm that I suffered a loss.
- Information to help you identify the substitute check: the check number, the name of the person to whom I wrote the check, and the amount of the check.

My compliance with your endorsement standards is necessary to help assure that the checks you deposit will be cleared on a timely basis. Your endorsement standards are:

- Member endorsements must be placed in the 1½-inch area starting at the left side of the check.
- The remaining area of the check cannot contain any preprinted, stamped, or handwritten member information.

(The diagram below illustrates where the endorsements must appear to comply with these endorsement standards.)



## **Record Retention**

You shall abide by federal and applicable state record retention laws and may dispose of any records that have been retained or preserved for the period set forth in these laws. Any action by or against me based on, or the determination of which would depend on, the contents of records for which a period of retention or preservation is set forth in these laws shall be brought within the time for which the record must be retained or preserved, unless applicable law provides a shorter limitation period. Any action against me on an automatically renewable share certificate account must be brought within the retention period applicable to that share certificate account based on the stated maturity date in the most recent record evidencing the existence and term of the share certificate account.

## **SECTION IV: ACH AND INCOMING FUNDS TRANSFER AGREEMENT AND NOTICE**

The State of California has adopted as law Article 4A of the Uniform Commercial Code, and the Board of Governors of the Federal Reserve has amended Subpart B of Regulation J. This law and regulation covers the movement of funds by means of wire transfers, automated clearinghouse (ACH) transactions, and some book transfers on your records.

The law is intended to establish a comprehensive legal framework covering the duties, responsibilities, and liabilities of all parties involved in a funds transfer. This ACH and Incoming Funds Transfer Agreement and Notice ("Agreement") contains several notices that you are required to provide to me and establishes other terms of agreement that will apply to all funds transfers that involve me and you. Using you to receive funds transfers shall constitute my acceptance of all of the terms and conditions contained in this Agreement. Except for the Outgoing Wire/Funds Transfer Agreement (For Non-Business Accounts) and the Outgoing Wire transfer Request Form Funds Transfer Terms, to the extent that the terms contained in this ACH and Incoming Funds Transfer Agreement and Notice are different than those in any other agreement or terms of account, this ACH and Incoming Funds Transfer Agreement and Notice shall control and be deemed to modify such other agreements or terms of an account.

1. This Agreement applies to funds transfers as defined in Article 4A of the Uniform Commercial Code (Division 11 of the California Uniform Commercial Code) and Subpart B of Regulation J of the Board of Governors of the Federal Reserve.
2. For incoming funds transfer, you may establish or change cutoff times for receipt and processing of



funds transfers. Unless other times are posted for the types of funds transfers, the cutoff time for incoming funds transfer will be 4:00 p.m., Pacific Time on each weekday that you are open that is not a federal holiday. Funds received after the cutoff time will be deemed received the next business day.

3. If I receive a funds transfer, Fedwire may be used. This means that my rights and liabilities in a funds transfer involving Fedwire will be governed by Regulation J. You will be excused from delaying or failing to execute a funds transfer if it would result in your exceeding any limitation on its intra-day net funds position established through the Federal Reserve guidelines or if it would result in violating any present or future risk control program of the Federal Reserve or a rule or regulation of other governmental regulatory authorities.
4. If you receive a funds transfer for me or for other persons authorized to have access to my account, I agree that you are not obligated to provide me with next day notice of the receipt of the funds transfer. You will provide me with notification of the receipt of all funds transfers by including such items in the periodic account statements which you provide. I may, of course, inquire between receipt of periodic statements whether or not a specific funds transfer has been received.
5. If you become obligated under Article 4A of the Uniform Commercial Code (Division 11 of the California Uniform Commercial Code) to pay dividends to me, I agree that the rate of dividend to be paid will be equal to the dividend rate, on a daily basis, applicable to the account with you to which the funds transfer should have been made or from which the funds transfer was made.
6. You will not be liable for acts or omissions by me or any other person including, without limitation, any funds transfer system, any Federal Reserve Bank, any beneficiary's bank, and any beneficiary, none of which will be deemed your agent.
7. You may charge a service charge for services relating to the receiving of the funds transfer request. Such charge(s) are set forth in your Schedule of Fees and Charges, which is incorporated by this reference.
8. You may give me credit for ACH payments before you receive final settlement of the funds transfer. Any such credit is provisional until you receive final settlement of the payment. I am hereby notified and agree if you do not receive such final settlement, you are entitled to a refund from me of the amount credited to me in connection with that ACH entry. This means that you may provide me with access to ACH funds before you

actually receive the money. However, if you do not receive the money, then you may reverse the entry on my account, and I would be liable to repay you.

9. Notice of ACH payments received will be provided only on my periodic account statement. ACH transactions are governed by operating rules of the National Automated Clearinghouse Association. In accordance with these rules, you will not provide me with next-day notice of receipt of ACH credit transfers to my account. I will continue to receive notices of receipt of ACH items in the periodic account statements that you provide.
10. I understand and agree that in case of unauthorized or improper ACH debit activity on my account, I must complete, sign, and submit a designated form.
11. Except as expressly prohibited by applicable state and federal laws and regulations, I understand and agree that you will not be liable for any loss or liability arising from: (1) any unauthorized transfer or interest thereon (including, but not limited to, fraudulent transfers and/or a transfer which you failed to abide by the agreed upon security procedures) which I fail to report to you within thirty (30) days after my receipt of notification of the transfer; (2) any negligent or intentional action or inaction on the part of any person not within your reasonable control, including, but not limited to, the failure of other financial institutions to provide accurate or timely information; (3) the failure of other financial institutions to accept a funds transfer order; (4) my negligent or intentional action or inaction and/or breach of this Agreement; (5) any ambiguity or inaccuracy in any instruction given to you by me or my Authorized Agent; or (6) any error, failure, or delay in execution of any funds transfer instruction, or cancellation or amendment caused by circumstances beyond your reasonable control, including, but not limited to, any computer or communication facilities malfunction. Except as otherwise provided by applicable state or federal laws or regulations, your liability for any negligent or intentional action or inaction in connection with any funds transfer request will be limited to my direct loss and payment of interest. UNDER NO CIRCUMSTANCES WILL YOU BE LIABLE FOR ANY LOST PROFITS, CONSEQUENTIAL, INDIRECT, PUNITIVE, OR SPECIAL DAMAGES WHICH I MAY SUFFER IN CONNECTION WITH THIS AGREEMENT AND/OR ANY FUNDS TRANSFER REQUEST.
12. Subject to applicable state and federal laws and regulations, you may amend the terms of this Agreement at any time by providing notice of such

amendment to me in writing. By thereafter using or continuing to use your funds transfer services, I agree to such amendments.

13. Except as otherwise expressly provided by applicable state and federal laws and regulations, this Agreement and all transactions initiated hereunder shall be governed by and construed in accordance with federal laws and the laws of the State of California, without resort to California's Conflict of Laws rules.
14. If any part of this Agreement is invalid, illegal, or unenforceable, the remaining provisions will remain in full force and effect.

This credit union is federally insured by the National Credit Union Administration.



at work for **you**<sup>™</sup>