

Business Account Agreement and Disclosure

Important account information
for our business members.

BUSINESS ACCOUNT AGREEMENT & DISCLOSURE

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INTRODUCTION

This Business Account Agreement and Disclosure is your copy of the terms and conditions applicable to your business deposit accounts at California Credit Union. This disclosure is written in "Plain English" so you can understand and agree to the terms and conditions. Please keep this document with your permanent records, together with any amendments (modifications, deletions or additions) we may make in the future. In this agreement and disclosure "we," "us," "our," and "Credit Union" means California Credit Union. The words "you," "your," and "yours" mean you the Member Business, or other signer, as well as anyone you permit to access your account. The words "authorized signer" mean a person who has your actual or apparent authority to transact business on your account(s), whether or not such person has signed the Business Account Application or other documentation for your account(s). The words "card" or "cards" mean your Business Debit Card as applicable to the section in which it is contained. The acronym "ATM" means automated teller machine. The term "account" and "accounts" refer to the type of account applicable to the section in which the reference is made. The term "item" refers to a check, electronic debit, or other instrument that is deposited to or is debited from your account.

MEMBERSHIP ELIGIBILITY

To be eligible for membership in the Credit Union, you must be an individual or entity qualifying within the Credit Union's field of membership. To become a member you must pay a membership fee. You authorize us to check your account, credit, employment history, and to obtain personal and business credit reports from third parties, including credit reporting agencies, to verify your eligibility for accounts and services.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government fight the funding of terrorism and money laundering activities, Federal law (USA Patriot Act) requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account and to understand the expected activity on the account. These procedures are designed to prevent crimes, such as identity theft and account fraud that terrorists commit to finance their operations against the United States and its citizens. What this means to you: When you open an account, we will ask you for your name, address, date of birth, and other information that will enable us to identify you and/or your business. We may also ask to see your driver's license or other identifying government issued documents and supporting documents as required by the Credit Union's current policy. We may retain copies of any or all documents you present to establish your identity as an individual, and as a business entity. We may also refuse to accept any documents presented at our own discretion.

We will ask you for information regarding the source of funds, frequency of, or the purpose of transactions. Future inquiries may solicit information about the relationship you have with the persons you send funds to or person that send funds to you. During account opening, you must complete the questionnaire on the back of the business application to satisfy compliance requirements.

We may, at our discretion, elect not to open an account, may close an existing account if either personal or business account issues arise, or refuse to conduct a transaction based on the information given to us.

Change to Terms, Fees and Conditions – We reserve the right, upon appropriate written notice if required, to change any provision of an account agreement including adding or deleting terms. If you maintain your account(s) after the effective date of the change, you indicate your agreement to such change. We may also change the terms and conditions of this Business Account Agreement and Disclosure booklet including adding or deleting terms, upon appropriate written notice, if required. We may advise you of such changes in statements, newsletters, online or other appropriate manner. If you maintain your account(s) after the effective date of any such change(s), including adding or deleting terms, you indicate your agreement to the change(s).

TYPES OF BUSINESS ACCOUNT OWNERSHIP

Regular membership accounts may be held as follows:

- Individual ownership is an account for any individual who does not want anyone else to have access to their Credit Union account and desires to be the only owner of the account.
- Corporation ownership is an account in which stockholders are the legal owners that appoint the directors, who manage the corporation's affairs and officers, and are insulated from personal liability. A corporation can be held privately by one person, closely held by several stockholders, or publicly traded by hundreds or thousands of stockholders. Required documents include an endorsed filed Articles of Incorporation along with either the Corporate Resolution or Minutes, and Filed and Published Fictitious Name Statement if applicable.
- General Partnership ownership is an account for two or more persons engaged in a business for profit and all partners are liable jointly and severally for all obligations of the partnership unless agreed by the claimant, even after the partnership dissolves. Documentation required includes a General Partnership Agreement, and Filed and Published Fictitious Name Statement.
- Limited Liability Company (LLC) ownership is an account that may be managed by one or more managers or members. It is a cross between corporations and partnerships. As a separate legal entity, an LLC has the liability protection of a corporation and the tax accounting of a partnership. Required documents include a filed Articles of Organization (LLC 1), Statement of Information (LLC-12), Operating Agreement signed by all LLC members, and a Filed and Published Fictitious Name Statement if applicable.
- Limited Liability Partnership (LLP) ownership is a special type of general partnership where the licensed members of the LLP

are not jointly and severally liable for any debts or torts of the partnership, but partners remain liable for all partnership debt, obligations and liabilities. A filed Certificate of Registration (LLP-1) or Operating Agreement is required to show current owners, along with a Filed and Published Fictitious Name Statement if applicable.

- Limited Partnership ownership is an account in which one or more general partners recruit a group of investors to finance a particular business venture. Limited partners do not participate in the management or operation of the business. The Limited Partner's liability is the amount of their investment. A Certificate of Limited Partnership (LP-1) and execution of a written partnership agreement would be required, along with a Filed and Published Fictitious Name Statement if applicable.
- Sole Proprietorship ownership is an account that is owned by one owner, or may also be owned by husband and wife. A Fictitious Name Statement must be filed with the County Recorder if operating under a fictitious business or trade name. Either Social Security Number or an Employer ID Number may be used as Taxpayer ID Number or record for business.
- Unincorporated Associations/Organizations ownership is an account for an entity that is not fully incorporated. Documentation such as Bylaws and Board Resolution or Minutes is required to show who may be authorized signer(s) on the account. When such an account is issued in the name of a legal entity, such as a club or league, we reserve the right to require the governing body of the legal entity to give us a separate authorization telling us who is authorized to act on its behalf.
- Held in Trust and Other Fiduciary – We may open fiduciary accounts to meet member needs. While this agreement is generally applicable to these special accounts, these accounts are subject to additional rules designed to take their unique characteristics into account. A Fiduciary Account is opened by a person acting in a fiduciary capacity. For instance, trustees under written trust agreements, or executors, administrators, or conservators under court orders, called “Letters”. The terms of any Trust instrument, court order or other relevant document will govern the account. Although there are many types of fiduciary accounts, the most common include Trusts, pension, employee benefits, Blocked, Guardianship, Conservatorship, Representative Payee, and Estate. Special Purpose Memorial Accounts, which are often for public contributions after a highly publicized tragic event, may also fall under this category. Further information is available from the credit union concerning these special accounts.
- Additional documentation will be required for out-of-state and nonconforming entities. We reserve the right to refuse to open an account for you or your business for any reason, including concerns or doubts about the entity documents presented.

GENERAL TERMS AND CONDITIONS APPLICABLE TO ALL REGULAR BUSINESS MEMBERSHIP ACCOUNTS

The following terms, along with the terms stated in other applicable sections generally applies to all regular business membership accounts at the Credit Union.

Adding Accounts – You may open additional types of accounts. The authorized signer(s) on the new accounts may be the same as those on the original account. If you want a different Taxpayer Identification Number (TIN) on the new account, you must complete and sign a new Business Account Application and you will be assigned a new business member account number.

Account Conversion – Based on the level of activity on your account, we reserve the right to convert your account to another type of checking with different activity limits and pricing. We will give you notice if we elect to convert your account.

Arbitration – Any dispute concerning your account with us may be submitted to arbitration at either party's request, provided that no disputes that are within a small claims court's jurisdiction and that remain in small claims court are subject to this paragraph. Under this procedure, this dispute will be submitted to a neutral party for determination rather than having the dispute resolved by a judge and/or a jury. The arbitration will be binding and will be conducted in San Diego County, California, under the Commercial Arbitration Rules of the American Arbitration Association.

Authorized Signers – We may continue to recognize an authorized signer's authority until we have received and have had a reasonable time to act upon your written modification or revocation of it. You are responsible for ensuring that each authorized signer is provided a copy of this Business Account Agreement and Disclosure and is familiar with it. Unless you have instructed the Credit Union in writing to the contrary, the Credit Union may consider communications about your account from an authorized signer on your account as communications from you. You agree to notify the Credit Union immediately in writing if any authorized signer's authority has been terminated.

You agree to be responsible to us for the actions of authorized signers on your account. You are responsible for monitoring your business account(s), supervising employees and other persons authorized to conduct business on your account(s), reviewing all statements and other information we send you regarding your account(s), and immediately reporting to us any suspicious activity. We will be responsible for unauthorized activity on your accounts only if it results from our negligence or intentional act or omission in handling your transactions. If unauthorized activity on your account(s) is the result of actions of employees, officers, directors or other agents of your business, you agree that you will first look to any faithful performance bonds or similar insurance coverage you maintain to cover losses resulting from unauthorized activity on your Credit Union account(s). Our liability for any unauthorized activity that results from our negligence will be reduced by any amount you are able to recover from your own insurance company.

Call Monitoring – To ensure that you receive courteous and efficient service when calling our Contact Center, supervisory personnel will randomly monitor telephone conversations. Calls are recorded for security purposes.

Change of Your Personal Information – You agree to promptly notify us of any change in your entity ownership, name, physical

address, mailing address, email address, or phone numbers. If you fail to notify us of your current address your account will be subject to a returned statement service charge. We may also charge your account for the cost of any locator service necessary to determine your address. The maximum amount of any such charge shall be established by the Board of Directors, and these service charges will be collected no more than once in any 12-month period.

Contacting You – We may need to contact you to provide you important information about your accounts, services, or debts you owe.

Contact methods include mail, email, online banking secure message, or by telephone. Email communications will not include sensitive information such as your account number. By maintaining an account relationship, you authorize us and our authorized representatives to communicate with you.

Checks –

Conditional Check – “Conditional” checks include, but are not limited to, checks containing the statement that the check is not good for or after a specified number of days after the date of the check, or that a check may not exceed a certain dollar amount, or even that the check requires two signatures for endorsement. You agree that we are not required to identify or verify such limitations and that the Credit Union will have no liability for paying a check even if there is printing on the check indicating conditions must be met before the check is negotiated.

Foreign Check – We may at our option accept deposited foreign checks “for collection” which means we will wait to receive final credit from the issuer’s bank before crediting your account. We may refuse to accept “for deposit” or “for collection” items payable through a foreign bank or items in a currency other than U.S. dollars. If we accept such an item, you have all the risk associated with the currency value fluctuation (exchange rate risk). Items drawn on foreign banks may be returned later than similar items drawn on U.S. banks. You have the risk of late return. You agree that we may use our current buying or selling rate, as applicable, when processing a foreign currency item and may recover from your account any loss incurred by us when processing such an item for you. You also agree to reimburse the Credit Union any fees we are charged for processing your deposited foreign check.

Post Dated Check – If you write a post-dated check (dated in the future), we may pay the check and charge it to your account even if it is presented for payment prior to the date written on the check unless you give us written notice of such post-dating and place a stop payment order. You also agree that if you place a stop payment order then you will describe the check with reasonable certainty so as to afford us a reasonable opportunity to act on it. The placement of a stop payment order is subject to our stop payment fee detailed in our current Business Rates, Fees and Charges schedule.

Closure of Accounts – Accounts will automatically be closed when the net activity each day results in a zero (\$0.00) or negative ending balance each day and remains so for any 60-day period.

To protect the credit union from losses, we reserve the right to close accounts where, for example, there has been a claim of unauthorized account access, and to open a new account where appropriate.

You must be and remain a member in good standing to enjoy membership services. For example, if you caused us a loss, we may choose to limit you to the right to vote and the right to maintain a share account. No account (except checking) is transferable except as defined in Regulation D, and no transfer of voting rights or other membership privileges is permitted by virtue of a transfer of shares. Either the Credit Union or you may terminate an account(s) at any time; however you understand that our authority may not be changed or terminated except by written notice, which will not affect prior transactions. If we open an account and we subsequently determine that you were not eligible for this account, we reserve the right to close this account and transfer all shares to a new or existing account or return your deposited funds to you. If an individual or any authorized signer(s) on a business or consumer account should cause a loss to the Credit Union, regardless of who is at fault, we retain the right to no longer offer consumer and/or business accounts to the member or business. If we determine that a consumer account is being used as a commercial business account we reserve the right to close this account or transfer all shares to an appropriate Member Business account. Additionally, any disruptive or offensive behavior or sexual harassment of our employees will not be tolerated, and will provide grounds for termination of your membership and closure of your accounts with the Credit Union.

Corrections to your Account – You agree that we may make corrections to your account when we find an error. Errors include, but are not limited to, correcting a deposit credited in the wrong amount or account or adjusting the rate on your account if it is found to be incorrect at the time the account was opened or changed. Fees may apply with any adjustment to a misposted deposit.

Death, Incompetence, or Disability – The death, incompetence, disability or dissolved entity of the principal account owner(s) shall not revoke our authority to accept, pay or collect a check until we know of the fact of death or adjudication of incompetence and have the reasonable opportunity to act on it. Even with knowledge, we may, for 10 days after the date of death, incompetence, or disability, pay or guarantee checks 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 the Credit Union. We may also freeze, refuse and/or reverse transactions if we become aware of the death or incompetence of any principal owner/signer. You should notify us immediately if any owner or authorized signer on your account dies or is declared legally incompetent.

Disclaimer of Warranties – You understand and agree that accounts and electronic services are provided “as-is.” Except as otherwise provided in this Business Account Agreement and Disclosure or as required by law, the Credit Union assumes no responsibility for the timeliness, deletion, mis-delivery, or failure to store any communications, personalizations, or electronic settings. You under-

stand and expressly agree that the use of electronic services is at your sole risk, and that any material and/or data downloaded or otherwise obtained through the use of electronic services is downloaded or obtained at your own discretion and risk, and that you will be solely responsible for any damages, including without limitation damage to your computer system or mobile device or loss of data that results from the download or the obtaining of such material and/or data.

Except as expressly set forth in this Business Account Agreement and Disclosure, the Credit Union disclaims all warranties of any kind, express or implied, including without limitation any warranty of merchantability, fitness for a particular purpose, or non-infringement of intellectual property or third party rights, regarding its services, including electronic services. The Credit Union makes no warranty or representation regarding the results that may be obtained from the use of electronic services, the accuracy or reliability of any information obtained through electronic services, the accuracy of any information retrieved by you from the accounts or that the electronic services will meet any user's requirements, be uninterrupted, timely, secure, or error free.

Endorsements – You agree to endorse each check in the area designated on the back. If you endorse a check outside of that area, or make an endorsement that is illegible or incomplete, we may, at our option, accept such nonconforming endorsement and you agree to hold us harmless from any loss, delay, liability, claim or damage which may arise as a result.

We may endorse and/or collect items deposited to your account without your endorsement but may, at our option, require your personal endorsement prior to accepting an item for deposit. You also authorize us to collect any unendorsed item that is made payable to you without first supplying your endorsement, provided the item was deposited to your account. If you deposit items which bear the endorsement of more than one person or persons who are not signers on the account, we may refuse the item or may require all endorser to be present and to provide identification acceptable to us, at our discretion, or to have their endorsement guaranteed before we accept an item.

Facsimile Signatures – We may rely on the facsimile signature of any person on an item, if the facsimile signature resembles or appears to be that of an authorized signer whom you have designated as authorized to sign by facsimile signature or who in fact as a matter of practice signs by facsimile signature. You are responsible for any improper or unauthorized use of a facsimile signature. We may treat as authorized by you any signature that purports to be that of a facsimile signature authorized by you. For purposes of this section, a “facsimile signature” includes any signature stamp, electronic signature program or software, or other means to affix writing to an item.

Fees and Charges – A list of the rates, fees, and charges associated with all business accounts discussed in this booklet is detailed in the current Business Fees and Charges which is provided with this Agreement.

Fraud Protection – We may offer you services to assist you in mitigating the risk of fraud on your account, such as positive pay, ACH fraud filters and electronic transaction authorization services. We may also recommend you use implement specific fraud protection measures, as a best practice. If we expressly recommended in writing that you use a specific fraud protection service we offer or measure, and you either: (a) fail to use the recommended fraud protection service or measure; or (b) fail to use the recommended fraud protection service or measure in a manner that is consistent with written documentation provided to you, you will be treated as having assumed the risk of any losses that could have been prevented if you had used the recommended fraud protection service or measure in accordance with applicable documentation.

Illegal Activity – Any financial service provided by the Credit Union may be used for any transaction permitted by law. You agree illegal use of any financial service, for example Internet gambling, marijuana related businesses, or any “racketeering activity” as defined in 18 U.S.C. § 1961, will be deemed a default and/or breach of contract and such service and/or other related services may be terminated at our discretion. You further agree, should illegal use occur by you, to waive the right to sue the Credit Union for your illegal activity directly or indirectly and hold the Credit Union harmless from any legal action or liability, directly or indirectly, resulting from such illegal use.

Additionally, you agree not to use the Business Debit Card to engage in any illegal activity (for example, funding any account that is set up to facilitate Internet gambling). You agree not to engage in any transaction or transmittals involving credit, funds or proceeds in connection with unlawful Internet gambling as set forth in the Unlawful Internet Gambling Enforcement Act of 2006 and its implementing Regulation GG. Further, you agree and acknowledge that if the Credit Union determines in its sole discretion that it must block or prevent a credit or debit (including those credits and debits by means of card system) to or from your account(s) pursuant to the Unlawful Internet Gambling Enforcement Act of 2006 and its implementing Regulation GG, then the Credit Union may do so without being liable to you for any damages. You agree that none of the foregoing will be deemed to be wrongful dishonor by the Credit Union. Finally, you agree to take steps to ensure each cardholder will not use his or her Business Debit Card or any linked account for any transaction that is illegal under the laws governing your account(s).

Imaging of Documentation – To make documentation retention more efficient and effective the Credit Union creates electronic images of all account documentation. These electronic images will be relied upon for document reproduction. The images produced by the Credit Union will be accepted as representations of the original and will be acceptable in any court of law. The imaging system will be used by the Credit Union and will comply will all state and federal record retention guidelines.

Inactive Accounts/Unclaimed Property – If you do not conduct transactions that increase or decrease the balance of your account for an extended period, we will classify your account as inactive or dormant. Credit Union charges, dividend payments, and corrections are not considered activity affecting the balance of your account.

For security reasons, we may refuse to post any transactions (deposits and withdrawals) to inactive or dormant accounts unless we can confirm that you initiated the transaction.

As required by law, we will escheat your funds, including accumulated dividends earned, to the state of your last known address on file with us if you do not do any of the following for the time period required by that state (for example, three years in California):

- i. claim a cash dividend, deposit or withdraw funds; OR
- ii. correspond in writing with the Credit Union or by calling us, indicating an interest in the funds; OR
- iii. otherwise indicate an interest which is evidenced by a memorandum or other record on file with the Credit Union. (Example: a pledge of shares as security for a loan).

Once funds are surrendered to the state, we no longer have any liability or responsibility with respect to the funds. If your address is in a foreign country, or your state does not have an escheat rule, your funds will be escheated to the state of California.

We reserve the right to assess a fee to accounts for which there has been no monetary transactions for 180 days (other than fees, dividends or other Credit Union initiated activity), as set forth in the Business Fees and Charges schedule as permitted by law. In the event such causes the balance to be reduced to zero, your account may be closed. The fee will not be reimbursed for inactive accounts that are later reclassified as active.

Indemnification – You agree to indemnify, defend, and hold the Credit Union, its affiliates, officers, directors, employees, consultants, agents, service providers, and licensors, harmless from and against any and all claims, demands, actions, costs, losses, liability, expenses and fees (including, without limitation reasonable attorneys' fees, collection costs, skip-tracing fees, and outside services fees) which we incur by acting in accordance with this Business Account Agreement and Disclosure or as a result of your failure to abide by its terms, including but not limited to those arising from:

- a. A third party claim, action, or allegation of infringement, misuse, or misappropriation based on information, data, files, or other materials submitted by you to us;
- b. Any fraud, manipulation, or other breach of this Business Account Agreement and Disclosure by you;
- c. Your violation of any law or rights of a third party; or
- d. Your provision of access to your account(s), services, or electronic services to any third party.

We reserve the right, at our own expense, to assume the exclusive defense and control of any matter otherwise subject to indemnification by you, in which event you will cooperate with us in asserting any available defenses. You will not settle any action or claims on our behalf without our prior written consent. This indemnification is provided without regard to whether the Credit Union's claim for indemnification is due to the use of accounts or the electronic services by you or a joint account owner or other authorized person.

Insurance Coverage – If you maintain insurance coverage for employee fraud and/or embezzlement, we reserve the right to require you to file a claim with your insurance company before you make any claim against us. In such event, we will only consider your claim after we have reviewed your insurance company's decision, and our liability to you, if any, will be reduced by the amount your insurance company pays you.

Legal Process – We must comply with any writ of attachment, execution, garnishment, tax withholding order or other levy, restraining order, subpoena, warrant, injunction, government agency request for information or other legal process relating to your account which we believe to be valid and applicable to your account. A legal processing fee, hourly research fee, and copy charges may be assessed and charged to your account as disclosed in our Business Fees and Charges schedule unless prohibited by law even if the legal process is later released.

Our processing cutoff times with respect to any knowledge, notice, stop payment order, or legal process received by us involving a check under the applicable State's version of the Uniform Commercial Code Section, is the later of 10:00 a.m. on a business day or one hour after we open for the business day following the business day on which we received the check.

You direct us not to contest any such notice of legal process and understand that we are under no obligation to notify you of the legal process and will not notify you if prohibited by law. You agree that you must contest any such legal process or our compliance with it directly with the third party issuing the legal process, and not with us.

If we are required to pay any attachment, garnishment, writ, levy or other legal process related to your account, we may debit your account even if such creates an overdraft or results in an early withdrawal penalty. If we incur any expenses, including (without limit) research, photocopy, handling and administrative costs and reasonable attorney's fees, in responding to an attachment, garnishment, levy or other legal process that is not otherwise reimbursed, we may charge those expenses to any account you maintain with us, including the account that is the subject of the legal process, without prior notice to you.

Limitation of Liability – YOU UNDERSTAND AND AGREE THAT WE WILL NOT BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, INDIRECT OR PUNITIVE DAMAGES IN ANY CLAIM OR ACTION ARISING FROM THIS BUSINESS ACCOUNT AGREEMENT AND DISCLOSURE, REGARDLESS OF WHETHER YOU HAVE ADVISED US OF THE POSSIBILITY THAT YOU MAY INCUR SUCH DAMAGES.

Nature of Dividends – Dividends are paid from current income and available earnings after required transfers to reserves at the end of a dividend period. California Credit Union law prohibits the guarantee of dividends as dividends are based upon available earnings at the end of a dividend period.

Non-transferable/Non-negotiable – Your account is non-transferable and non-negotiable. The funds in your account may not be pledged to secure any obligation of an owner, except obligations with the Credit Union.

Notice of Withdrawal – In accordance with the bylaws and State law, the Board of Directors of the Credit Union may require up to 60 days written withdrawal notice on all accounts, except for noninterest-bearing Business Checking Accounts, and 30 days notice for Business Certificate accounts. We reserve the right to at any time require not less than seven days notice in writing before each withdrawal from an interest bearing account other than a time deposit, or from any other Savings Account as defined by Regulation D.

Ownership/Authority Disputes – If the ownership of an account is in question, we are unable to determine the authority of any representative of an authorized signer to transact to our satisfaction, or believe a transaction is fraudulent or may violate law, we may refuse the transaction, interplead all or any portion of the funds from an account into an appropriate court for resolution, close the account and send the funds to the owner or owners of the account according to our records, or freeze the account. We may, at our discretion, require that you or your authorized representative provide us court instructions or other documents naming the person authorized to act on the account.

Pledging Shares for Loans – You may pledge any or all of the shares on deposit in your Business Savings, Business Money Market or Business Certificate Accounts as security for any member business loan(s) subject to current loan policies. Further, a pledge of shares by any one of you shall be binding on all of you.

Power of Attorney – If you elect to appoint an attorney-in-fact (agent), the appointment of such agent must be in a form satisfactory to us. We may require that you or the agent present the original document before we honor the appointment. Unless prohibited by law, we may refuse to honor any Power of Attorney presented to us. We may require that the agent sign an affidavit that the powers as stated in the appointment, have not been revoked or terminated.

You agree that we may rely on the instructions of your agent until you notify us in writing of the revocation or termination of the appointment and allow us a reasonable opportunity to act upon your instruction. The authority of the agent terminates upon the principal's incapacitation, except when the appointment includes durable powers, or upon death of the principal.

Pre-authorized Transfer to a Loan – You must have sufficient available funds on deposit in your Credit Union account on the date your automatic pre-authorized transfer to pay a loan is scheduled to be made. When you do not have sufficient available funds our Insufficient or Unavailable funds fee will apply as disclosed in our Business Fees and Charges schedule.

Public Funds – The Credit Union does provide secured accounts for municipalities and other publicly owned entities. Please contact the Business Banking Department for details.

Refusing Your Instructions – We may refuse to follow any of your instructions that in our sole judgment are illegal or would expose us to potential liability. Alternatively, we may require adequate security or invoke other security measures to protect us from all losses and expenses incurred if we follow your instructions. You agree to reimburse us for any damages, losses, liabilities, expenses and fees (including, but not limited to, reasonable attorneys' fees) that we incur in connection with your account if we take an action in accordance with your or what purports to be your oral, written or electronic instructions.

Releasing Account Information – We will only disclose/release nonpublic personal information about you in conformity with state and federal law and our Privacy Policy, a copy of which was provided to you, and will be provided to you on an annual basis.

Returned Items – If you cash or deposit a check or other item which is later returned unpaid or for which we receive notice in lieu of return or notice of intended return, you agree that we may charge your account for the full amount of the check or other item, including any interest accrued on the amount of the check or other item from the date of deposit or endorsement. Returned items are subject to the fee disclosed in our Business Fees and Charges schedule. Our right to charge your account for the returned item will apply without regard to whether the item is returned to us timely or whether there is any other claim or defense that the item has been improperly returned to us. We may also send the unpaid item back for collection up to three times but we are not obligated to do so. If we send the item back for collection we may do so without notifying you. We may also charge your account for an item if we receive an affidavit of forged endorsement or alteration, or similar document, and we have no obligation to investigate the accuracy of such affidavit or similar document.

Should a problem occur in collecting an unpaid item, you are responsible for any fees or charges incurred by the Credit Union when trying to obtain payment for you. In the event you have insufficient available funds remaining in the account, the authorized signer(s) agree that we may exercise our right to setoff against any account in which there is similar ownership and we may setoff against the account for any amounts due related to any other account owned by all of you. This may result in assessment of an early withdrawal penalty. We will return the unpaid item (or an image of the item if the original is not available) to you after your account is charged for the amount of the item and our fee. If we cannot recover the full amount of the item, we will not return the item (or image) to you until sufficient funds are available to cover the item and fee.

If a government benefit deposit is made to your account by check or electronic payment, you agree that in the event that we received a notice of reclamation that we may debit any accounts owned by you to meet the demand for payment received by the government agency. If the reclamation should cause an overdrawn balance, you agree to repay us promptly. If you do not repay us within 7 days of the overdraft, your account will be subject to our overdrawn balance fee.

Right of Setoff, Banker's Lien And Security Interest – Subject to applicable law, we may (without further notice) charge against and deduct from your account any due and payable debt owed to us now or in the future, by any owner having the right of withdrawal, to the extent of such persons' or legal entity's right to withdraw. This is called a right of setoff. If the debt arises from a note, "any due and payable debt" includes the total amount of which we are entitled to demand payment under the terms of the note at the time we charge the account, including any balance the due date for which we properly accelerate under the note.

In addition to these contract rights, we may also have rights under a “statutory lien.” A “lien” on property is a creditor’s right to obtain ownership of the property in the event a debtor defaults on a debt. A “statutory lien” is one created by federal or state statute. If federal or state law provides us with a statutory lien, then we are authorized to apply, without prior notice, your shares and dividends to any debt you owe us, in accord with the statutory lien. Neither our contract rights nor rights under a statutory lien apply to this account if prohibited by law.

If we exercise our right of setoff or banker’s lien, we will comply with applicable law and will notify you of the action taken. If we exercise our right of setoff or banker’s lien against an account that is subject to an early withdrawal penalty, the account will be assessed the applicable early withdrawal penalty. We will not be liable for the dishonor of any check or draft when the dishonor occurs because we charge and deduct an amount you owe us from your account. You agree to indemnify and hold us harmless from any claim arising as a result of our exercise of our right of setoff or banker’s lien.

You agree to pledge all shares, payments on shares, dividends on shares, and deposits (excluding accounts to the extent that applicable law precludes the pledge of such accounts) in all accounts held by you now or in the future with us, as security for all your obligations with the Credit Union. These obligations include but are not limited to principal, interest, late charges, finance charges, costs, and expenses, including attorney’s fees. You authorize us, without further notice, to apply any and all shares, payments, dividends and deposits to the payment of each obligation if you should default. You agree that the Credit Union’s lien is independent of any security agreement you may sign, and we may enforce its lien in any manner, at any time allowed by law. You agree that you own any shares pledged and that there are no liens against them other than the Credit Union’s.

Severability – If any of the provisions of this Business Account Agreement and Disclosure are determined to be void or invalid, the remainder of the Business Account Agreement and Disclosure shall remain in full force and effect.

Statutory Lien – The California Credit Union Law grants to the credit union, we elect to impress, and you consent to a lien on all shares and deposits you have with us to the extent of any loan or other charges payable by you. In other words, we can, under certain circumstances, use funds in your account(s) to pay any debt owed to us by you.

Statements – Business statements are mailed on a monthly basis, indicating any of the following transactions for the month:

- Cleared checks
- Electronic Funds Transfers (includes ACH and Wires)
- ATM deposits or withdrawals
- Online banking or Phone transfer of funds between your accounts
- Deposits made at a Branch or via Remote Deposit

The types of Statements Available:

Business Analysis Statement – If you have an Analyzed Business Checking Account, you will receive a separate statement itemizing the calculation of your periodic service charge.

Combined Statements – You may request and we may, at our own option, require combined statements for two or more accounts. At our option, we may combine statements for any of your accounts. Generally, each checking account may not be combined with another checking account on the same statement. All accounts on a combined statement will have the same statement cutoff date which may be a different date than the previous cutoff date before the statement was combined. When statements are combined, whether or not at your request, unless you notify us to the contrary in writing, you agree that copies of such statements may be provided to any accountholder(s) or signer(s) or representative(s) of any other account whose information is included on such statements.

Electronic Statements – Periodic statements are available electronically for selected accounts. See separate disclosure outlining their availability.

Periodic Statements – We will provide all periodic statements or other notices as directed by the authorized signer(s). You agree that notice to one authorized signer is considered notice to all owners, and is binding on all of you. You are responsible for examining each statement and reporting any irregularities to us. We will not be responsible for any forged, altered, unauthorized or unsigned items drawn on your account if: 1) you fail to notify us within 60 days of the mailing date of the earliest statement containing any forgery, alteration, or unauthorized signature on any item described in the statement, or 2) any items are forged or altered in a manner not detectable by a reasonable person, including the unauthorized use of a facsimile signature machine.

We mail your statement to you. If statements we mail to you are returned, we may destroy them. We are not responsible for statements lost while not in our possession. Within limited time limits you may obtain an additional copy of your statement online, or for a fee you can get copies directly from us.

Sweep Processing – Accounts consist of a transaction sub-account and a savings sub-account. Funds not routinely needed to pay debits may be transferred from the transaction sub-account to a savings sub-account. Funds may be transferred periodically between the two sub-accounts. If the Account has sufficient balance to receive dividends the transaction and savings sub-accounts dividend calculation will remain. If the Account does not have sufficient balance to receive dividends the transaction and savings sub-account will be non-dividend bearing. The savings sub account will be governed by the rules governing other savings accounts

within the Withdrawals Section of the Account Agreement and Disclosure. This process will NOT affect the available balance, the dividends earned, the NCUA insurance, the monthly statement, or any other feature of these accounts.

Tax Reporting – Credited dividends of \$10 or more on all savings, checking, and certificate accounts are reported to the Internal Revenue Service and the Franchise Tax.

Transaction Identity Information – When you conduct a transaction we may ask you for identification such as a driver's license, U.S. Passport, or Resident Alien Identification. Federal laws may require that we obtain additional information about you, someone acting on your behalf, or someone presenting a check you wrote to them. This information includes name, address, Social Security Number, Taxpayer Identification Number or Employer Identification Number, a government issued identification number, and occupation. We may also ask for information regarding the source of funds, frequency of, or the purpose of transactions. If the information required to comply with federal laws is not provided, we will refuse to conduct the transaction.

Requests not made in person – We will process transactions or other requests that are not made in person if we can reasonably determine your identity. For phone requests, we may use a pre-established verbal key word or password given to us or ask you for personally identifying information along with activity on your account. We may call you at a phone number already in our records to confirm you authorized the transaction. We may limit amount or type of a transaction that is not made in person. If your identity is not established to our satisfaction, we will not process the transaction.

Transaction Limitations – See the transaction limitations for business savings and business money market accounts.

Underwriting Risk – The processing of certain items, including but not limited to ACH Origination, Online Wires, Remote Deposits, Positive Pay, Paper Drafts, and Internet transactions, can carry additional risk for the Credit Union. We reserve the right to require additional credit and/or financial information to underwrite the risk of processing certain select items or we may refuse to process items that carry additional risk, and establish limits and/or require additional agreements and/or disclosures.

Waiver – Our delay in enforcing any of the terms and conditions of this Business Account Agreement and Disclosure will not prohibit us from enforcing such terms and conditions at a later date. Any waiver by us shall not be deemed a waiver of other rights or of the same rights at another time. You hereby waive diligence, demand, presentment, protest, and notice of every kind, except as set forth in this Business Account Agreement and Disclosure.

FUNDS-AVAILABILITY POLICY

Your Ability To Withdraw Funds – Our policy is to make funds from your cash and check deposits available to you on the first business day after the day we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written.

Business Days – For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit in person at a branch during normal business hours on a business day, we will consider that day to be the day of your deposit. Otherwise, it will be the next business day.

Drop Box – If you make a deposit at one of our after-hours depositories or in a deposit box in one of our lobbies before 2 p.m. on a business day, we will consider that day to be the day of your deposit. If your deposit is made in an after-hours depository or a lobby deposit box after 2 p.m. or in one of our branches on a day other than a business day, we will consider that the deposit was made on the next business day. Designated depository bags must be used, and a depository key may be provided at a charge for businesses that make large or bulky item deposits. Additionally, member business must abide by the terms of the Night Depository Agreement.

Longer Delays May Apply – In some cases, we will not make all of the funds that you deposit by check available to you on the first business day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. The first \$225 of your deposits, however, may be available on the first business day.

If we are not going to make all of the funds from your deposit available on the first business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the next business day after we receive your deposit. If you will need the funds from a deposit right away, you should ask us when the funds will be available.

In addition, funds you deposit by check may be delayed under the following circumstances:

- We believe a check you deposit will not be paid.
- A check must be submitted for collection.
- You deposit checks totaling more than \$5,525 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- You deposit checks by ATM or Mobile device.
- There is an emergency, such as failure of computer or communications equipment.

- Please also refer to Special Rules for New Accounts below.

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 the seventh business day after the day of your deposit.

Holds on Other Funds

Other Account – If we accept for deposit a check that is drawn on another financial institution, 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 within the same Taxpayer Identification Number. 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.

Special Rules for New Accounts

If you are a new member business, the following special rules may apply.

Funds from electronic deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,525 of a day's total deposits of 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 deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over \$5,525 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 \$5,525 will not be available until the second business day after the day of your deposit.

Funds from all other check deposits will be available on the ninth business day after the day of your deposit.

TAXPAYER IDENTIFICATION NUMBERS AND BACKUP WITHHOLDING

On Accounts Opened After 12/31/83

Federal Law requires that you provide the Credit Union with your Taxpayer Identification Number (TIN). For individuals, sole proprietors, and single-owned LLCs, your TIN may be your social security number. For other business entities, the TIN may be an Employer Identification Number (EIN). This number will be used when reporting dividends earned to the Internal Revenue Service (IRS). Dividends earned will be reported to the IRS under the TIN of the primary member.

How To Obtain A TIN – If you do not currently have a TIN, you should apply for one immediately by completing Federal form SS-5, application for a Social Security Number Card (individuals) or Federal form SS-4, application for Employer Identification Number (businesses, organizations, and other entities). You may also call the Business & Specialty Tax Line at (800) 829-4933 or apply online at the IRS website <http://www.irs.gov/businesses/small/article/0,,id=102767,00.html>.

Certification of TIN by Account Owner(s) – The Interest and Dividend Tax Compliance Act of 1983 requires payers to withhold and send to the IRS a percentage of payments of interest, dividends and certain other payments under certain conditions. This is called backup withholding.

Other taxing authorities may similarly require backup withholding.

You are certifying, under penalties of perjury, that the TIN you have given us is correct. The name on the account must match exactly with the TIN on file with the IRS. You are also certifying that you are not subject to backup withholding either because you have not been notified by the IRS that you are subject to backup withholding, or the IRS has notified you that you are no longer subject to backup withholding except when you notify us otherwise on your account application taxpayer identification number certification.

You will not be subject to backup withholding unless:

- i. you fail to furnish your TIN to us; OR
- ii. the Internal Revenue Service notifies us that you furnished an incorrect TIN; OR
- iii. you are notified that you are subject to backup withholding (under Section 3406 (a)(1)(c) of the Internal Revenue Code; OR
- iv. for an interest or dividend account opened after December 31, 1983, you fail to certify to us that you are not subject to backup withholding under (iii) above, or fail to certify your TIN.

For payments other than interest or dividends, you are subject to backup withholding only if (i) or (ii) above apply.

IRS Penalties

Penalty for Failure to Furnish Taxpayer Identification Number – If you fail to furnish your TIN to a payer, you are subject to penalty of \$50 for each failure unless your failure is due to reasonable cause and not to willful neglect.

ONLINE STATEMENTS & IMPORTANT NOTICES

Online Statements – Once the Online Delivery Preference is selected, we will deliver a notice to the external email address of the primary owner provided to us when the statement is available online. You are required to promptly notify us of any change in your

email address by calling us at (800) 848-5654.

If your paper statement for an account is combined with one or more other accounts, all accounts will appear on one combined statement. Online statements may only be provided for the TIN of the entity enrolled in online banking. Therefore, even if personal accounts or entities with a different TIN are accessible via the same business sign-on ID, online statements may not be available.

Important Notices – When you select electronic delivery of your statements, you also agree to receive any legal notices or other important information currently delivered with your paper statements (“Important Notices”) regarding these accounts online. We may from time to time offer other legal notices through Digital Banking. Your request for such delivery will be your acknowledgment that this section governs the delivery of the legal notices. The Message Center may be accessed by you through your Digital Banking Sign-on ID and password.

Examples of Important Notices that may be delivered online include, without limitation, Change of Terms notices, privacy statements, service notifications, and legally required notices under one or more of the following: Equal Credit Opportunity Act and Regulation B, Uniform Commercial Code, Funds Availability Act and Regulation CC, the National Credit Union Administration rules including Truth in Savings, the Internal Revenue Code and Fair Credit Reporting Act, Automatic Clearinghouse (ACH) Origination, Telephone Transfers, Wires, and Anti-Money Laundering.

Important Notices will be available to you for at least 90 days after the original distribution date, if required by law, and if no such requirement for such period as we may determine at our discretion.

You may obtain a paper or online copy of Important Notices (other than Important Notices which are included in an online statement) by calling us at (800) 848-5654. You will not be charged any fees for the paper or online copy of such notices as described above.

TERMS AND CONDITIONS APPLICABLE TO BUSINESS CHECKING ACCOUNTS

Authorized Signer Liabilities – All of you agree that all authorized signers are jointly and severally responsible and liable for all overdrafts, charges and fees attributable to any one of you and we are authorized to collect such overdrafts, charges and fees from any of you or the business entity regardless of which owner/signer caused such overdraft, charge or fee.

Cashing Checks for Non-members – We will generally cash a check you write against your account for a non-member. We will ask the payee for identifying information such as a driver’s license, U.S. Passport, or Resident Alien identification along with a second ID such as a credit card. We may also require that the payee obtain an endorsement guarantee from their financial institution and the payee may be required to affix their thumb or fingerprint to the check. If the identification presented does not sufficiently identify the payee to our satisfaction, we reserve the right to refuse encashment. Checks payable to a business will not be cashed but your check may be replaced with a Credit Union check payable to the business. We may charge a fee to the non-member for check cashing services.

Closure of Checking Account – Checking accounts may be closed at Credit Union’s discretion if member is uncooperative with our compliance laws regarding the source of wealth, or if any abuse or misuse is detected. For example, your account has excessive non-sufficient funds (NSF) activity, whether or not the items presented are paid or returned.

Fees and Charges – Your checking account is subject to the Credit Union’s Business Rates and Charges schedule. We will debit such charges against the checking account, except where there are insufficient funds available and then such charges may be treated as overdrafts.

Ordering Checks – The Credit Union has agreements with several check printing vendors that will accept the responsibility to insure that the MICR encoding for the routing, account and check number meets Credit Union and industry standards. Business members may order or print checks from another company at their own discretion. However, if they choose to do so, they must agree to maintain consistent account vesting information and follow the Credit Union policy and industry standards. Upon request, the Credit Union can provide a Spec Sheet that details the required spacing and alignment. We may refuse to accept checks if our equipment is unable to read or process such checks, and you are liable for any resulting costs and/or losses as a result of your choice of check printers.

Payment of Checks – If we have made good faith payment to a payee/holder, we may charge your account according to:

- the original tenor of your check; or
- the tenor of your completed check unless we have noticed any such completion is improper.

If we have paid a check under circumstances giving a basis of objection by you, we shall be subrogated to the rights of:

- any holder in due course on the check against the drawer or maker; and
- the payee or any other holder of the check against the drawer or maker either on the item or the transaction out of which the item arose; and
- the drawer or maker against the payee or any other holder of the check with respect to the transaction out of which the check arose.

Payment of Pre-Authorized Checks/Paper Drafts – We may pay and charge to your Checking Account checks/drafts drawn by and payable to any persons or organizations whom you have authorized by providing sample MICR encoded information for your account, if there are sufficient funds in your account to pay such checks. You agree that our rights with respect to such checks shall

be the same as if they were checks drawn and signed by you personally. This authority shall remain in effect until revoked by you in writing with the persons or organizations you authorized. You agree that we shall be fully protected in honoring such checks. You may also similarly order stop payment on a Pre-Authorized Check/Paper Draft, provided that you describe such item with reasonable certainty so that other Pre-Authorized Checks/Drafts are not affected by your order. You agree that if, in order to effect your order, we stop payment on similar items, we will be held harmless and have no liability.

Processing Transactions / Order of Payment – To maximize the number of items that will clear your account, we generally process your checks and electronic payments from low to high dollar amount. Checks are processed separately from electronic payments (including checks that are converted to an electronic debit). ATM and Point of Sale transactions are posted immediately upon presentment without regard to the amount or date and time of the transaction. We may process certain types of transactions before other types depending on the method in which it is presented to us (for example, a check presented for payment at one of our branches during business hours may be deducted from your account immediately or processed separately from other checks presented for payment). Processing includes placing a hold on your account, paying checks or other payments (and decisions regarding payment or return) and other aspects of our processing your checks, electronic debits, withdrawals or other charges (such as assessment of fees and charges for insufficient/unavailable funds or charges for returning checks, electronic payments, withdrawals or other charges). Some fees and charges are posted throughout the day while others are debited after checks and electronic payments are processed. If you authorize a transaction that will result in a fee or other charge, you should be sure sufficient funds are in your account to cover the fee or charge as well as checks or other payments you've authorized.

Reporting Lost or Stolen Checks – You agree to secure your checks for safekeeping and to notify the Credit Union immediately if your checks are lost or stolen by calling our Contact Center at (800) 848-5654 or visiting any branch location. You may also send a secured message or do a stop payment on either a specific or range of checks via online banking. The Credit Union will not be held liable for unauthorized use of the checks by others or any negligence on your part.

Compromised Account – You agree to notify the Credit Union immediately for any unauthorized activity identified on your account. When the compromise includes routing and account number information, you agree to open a new account and begin the close-out process to safeguard against future loss to you and the Credit Union. Should you fail to close the existing account in a timely fashion, you will be treated as having assumed the risk of any losses that could have been prevented if you had converted activity to a new checking account.

Restrictions on Payment of Funds – We may, at our discretion, but are not obligated to (nor shall we be liable for refusal to), pay funds from this account under the following conditions:

- When such payment would draw the account below the minimum balance as established from time to time by the Credit Union.
- If such payment is drawn by means not authorized in advance by the Credit Union. "Authorized means" include, but are not limited to, payment by pre-printed Credit Union checks, withdrawal via the use of an ATM, transfers initiated by telephone, Business Debit Card (check card) transfers, point of sale transfers, ACH withdrawals, online banking, or by other electronic means.

Stopping Payment of a Check – Provided such request is timely, (so that we shall have reasonable opportunity to act upon it) you may order stop payment of any check you write payable against your account. See our Business Fees and Charges schedule. Stop payment orders, whether written or oral, will expire after 180 calendar days, except when checks have been reported lost or stolen at which time the stop payment may be extended. Stop payment orders must be renewed in writing prior to the expiration date. You have the burden of establishing the fact and amount of loss resulting from payment contrary to a binding stop payment order.

Overdrawing Your Account

DO NOT OVERDRAW YOUR ACCOUNT – Fees and charges for overdrawing your account can be expensive. This section helps explain overdrafts and how they affect you. An overdraft occurs when you do not have enough available funds on deposit in your account to pay checks, electronic debits, withdrawals and other payments that are being charged to your account, but the transaction is paid anyway, resulting in a negative balance. An overdraft is the negative balance that results. It can occur due to an ATM withdrawal, a debit card transaction, a pre-authorized automatic debit, a telephone or web-initiated transfer, a check, or paper or electronic transfers or withdrawal. When you conduct a transaction, make sure that you have enough available funds on deposit in your account (or under an overdraft protection plan) to cover the transaction and avoid the overdraft. For example, if you make a deposit by check and availability is delayed, the amount of the hold is considered "uncollected" and/or "unavailable." If a check, electronic payment, withdrawal or other charge (individually and collectively a "transaction" or "transactions") attempts to clear during the hold period before funds are available, the transaction is subject to being returned or we may, at our discretion, overdraw your account, pay the transaction, and charge you a fee.

It is important to note, that it is unlawful to intentionally issue drafts against non-sufficient funds and if you do not have some form of overdraft protection in place for your checking account any items presented against non-sufficient funds will likely not be paid. Whether your overdrafts will be paid is discretionary and we reserve the right not to pay checks, electronic debits, withdrawals or other charges presented for payment against insufficient unavailable funds. The Credit Union will not carry overdrawn accounts; however from time to time we may make a business decision to pay an item(s) against non-sufficient available funds. You will be responsible for any and all overdrafts regardless of the circumstances that created the deficit. The Credit Union will not be responsible for any damages created by an item that was paid even if you assumed it would be returned due to non-sufficient available funds. Any prior history of paying items provides no guarantee, either implied or explicit, that the Credit Union will continue to do so. For

example, reasons we typically do not pay overdrafts include, but are not limited to, the following:

- The linked savings or other account or line of credit you designate does not have sufficient available funds to cover the check, electronic debit, withdrawal or other charge;
- Your account is new and you have not maintained a positive balance for at least 90 consecutive days;
- Any accounts owned by you or one of your authorized signers is not in good standing;
- You are not making regular deposits;
- You have too many overdrafts;
- We receive notice that you or any authorized signer(s) or related business entities have been reported for account abuse or caused a loss to another financial organization or merchant or you misuse your account with us.

Overdrawn Balance Fee – Overdrafts are not “free.” Fees and charges can quickly add up and quickly become significant. Overdrafts are due and payable within one calendar day without notice or demand required. If you do not deposit sufficient funds to cover the overdraft balance within 7 days, you will be charged a sustained overdraft fee. We will charge this fee up to once each month as permitted by law. Therefore, you need to avoid overdrafts and, if they occur, pay them off quickly.

Processing your checks, deposits and other payments is a dynamic environment that is complex and may change due to technological innovation, changes in payment systems or changes in our policies and practices, including our order of processing. Once funds are surrendered to the state, we no longer have any liability or responsibility with respect to the funds. Overdrafts can arise due to a number of factors, so bear in mind that:

- You should not assume or expect that you will be able to avoid an overdraft by making a covering deposit before your transaction settles with us. Your checks, for example, can clear very quickly – sometimes even on the same day as you deliver the check to a merchant or other payee.
- As noted above, transactions may not be processed in the order in which they occur and the order in which transactions are processed and cleared can affect the total amount of overdraft fees incurred by you.
- If you use a debit card, sometimes a hold is placed on your account. The hold amount may be more than the actual transaction, based on system processing methods and the type of transaction and the merchant involved. A hold can result in an overdraft, since “held” funds are not available. You should therefore check to be sure your funds are not being “held” if you are concerned that another transaction might cause an overdraft.
- You can see an account balance online, via an ATM or by calling us.
- You may not be able to tell if a particular transaction will or may cause an overdraft. For example, a merchant point-of-sale terminal may not provide account balances, or a balance at an ATM may reflect the prior business day’s balance information. Your account balance is continually changing, so any balance you see may not reflect current transactions or may otherwise be out of date. You can call us at (800) 848-5654 if you want clearer information about your balances, to help avoid overdrafts.
- You should not expect us to monitor or track your overdraft usage and to warn you or caution you if the usage pattern becomes excessive or high. We may contact you if this is the case, possibly to suggest an alternative arrangement such as one of our overdraft protection plans.
- Extensive use of overdrafts is an indicator of poor account management and can result in the loss of checking account privileges.

AVOIDING OVERDRAFTS – Business members are strongly encouraged to monitor their account activity and balances online daily. There are ways to avoid overdrafts, including avoiding poor account management. We offer overdraft protection plans through a link to a savings or other account or through a line of credit. Please refer to the “Overdraft Protection Plan” section of this Business Account Agreement and Disclosure for details on our overdraft protection plan. Additional terms and conditions for a line of credit overdraft protection plan may be provided to you separately.

Overdraft Protection Plan – To avoid insufficient or unavailable funds fees you should be certain that your account has sufficient available funds at the time you write a check, use your debit card at an ATM or Point of Sale terminal, or when a pre-authorized electronic debit is scheduled to be withdrawn from your account and ensure that sufficient funds remain available for all such transactions when they are posted to your account.

To help you avoid returned checks and insufficient/unavailable funds fees, you may designate a business savings/money market deposit account (subject to the limits by Federal Regulation D as explained under Specific Account Transaction Limitations in the Truth-in-Savings section of this agreement) or pre-approved Business Line of Credit owned by you as an overdraft source, provided it is with the same Tax ID number. We will pay overdrafts up to the available balances of your checking account plus all your overdraft sources by transferring funds from the overdraft source in the order previously designated by you. An overdraft transfer fee may apply for the transfer from your overdraft source. See our Business Fees and Charges schedule. Any Overdraft protection transfer fee will be debited from the overdraft source account.

Though there are fees and charges if your transaction is covered using one of these overdraft protection plans, they are normally less expensive and are a promise by us to honor (up to the available funds or credit limit). Using one of these overdraft protection plans is normally a better way to manage your account than overdrawing your account. If you are interested, call us at (800) 848-5654 to speak with a Credit Union representative about linking another account to avoid overdrafts or establishing a line of credit to

cover overdrafts.

By signing our Overdraft Protection Plan Agreement, you authorize us to transfer funds to your checking account regardless of the type of transaction (including fees charged) that caused your checking account to have a negative balance.

We may terminate optional overdraft protection services at any time without prior notice to you. Any owner of the checking account, any owner of a linked account used for overdraft protection, or any borrower on an overdraft line of credit account used for overdraft protection may cancel overdraft protection in person, by calling the Credit Union at (800) 848-5654, or in writing. Cancellation will be effective after we have received notice and have had a reasonable time to act on it.

Your Checking Account Balance – Your checking account has two kinds of balances: the actual balance and the available balance. Both can be checked when you review your account online, at a Credit Union-owned ATM, through automated telephone, or at a branch. It is important to understand how the two balances work so that you know how much money is in your account at any given time. This section explains actual and available balances and how they work.

Your actual balance is the amount of money that is actually in your account at any given time, but not all funds included in the actual balance are considered available for transactions on your account. The actual balance is also referred to as: (a) your balance on Credit Union ATM screens, (b) your balance in Digital Banking and in Mobile Banking, and (c) your balance when you use our automated telephone banking system. Your actual balance reflects transactions that have posted to your account, but not transactions that have been authorized and are pending, while pending deposits that are subject to holds under our Funds Availability Policy will be reflected in the actual balance even though they are not yet “available.” While the term “actual” may sound as though the number you see is an up-to-date indication of what is in your account that you can spend, that is not always the case. Your actual balance will not reflect any purchases, holds, fees, other charges, or deposits made on your account that have not yet posted. For example, if you have a \$50 actual balance, but you just wrote a check for \$40, then your actual balance is \$50 but it does not reflect the pending check transaction. So at that point, you have an actual balance of \$50, but you have already spent \$40.

Your available balance is the amount of money in your account that is available to you to use without incurring an overdraft fee. The available balance takes into account factors such as holds placed on deposits and pending transactions (such as pending debit card purchases) that the Credit Union has authorized but that have not yet posted to your account. For example, assume you have an actual balance of \$50 and an available balance of \$50. If you use your debit card at a restaurant to buy lunch for \$20, then that merchant could ask us to pre-authorize the payment in that amount (or even a different amount). Under this example, if the merchant requested preauthorization in the amount of \$20, we will place a “hold” on your account for \$20 (referred to as an “authorization hold”). Your actual balance would still be \$50 because this transaction has not yet posted, but your available balance would be \$30 because of the restaurant’s preauthorization request that resulted in an authorization hold on \$20 in your account. When the restaurant submits its bill for payment (which could be a few days later and for a different amount than the amount of the authorization hold), we will release the authorization hold, post the transaction to your account, and your actual and available balance will be reduced by the amount of the posted transaction.

We use your available balance to determine whether your account is overdrawn and whether unavailable funds fee will be assessed. Your account is considered overdrawn when the available balance in your account is negative (less than \$0). In making this determination, we check your available balance at two separate times—first, at the time a merchant authorization request is received, and second, when the transaction “settles” and posts to your account. If your available balance is insufficient for the merchant’s authorization request, we will decline the request. If your available balance is sufficient to cover a merchant’s authorization request, the authorization request will be approved and an authorization hold will be placed on your account in the amount of the merchant’s authorization request, and the available balance will be reduced by the amount of the authorization hold. If the transaction later “settles” and posts to your account at a time when the available balance is insufficient to pay the posted transaction without causing the account to have a negative balance (less than \$0), we will charge an unavailable funds fee on that transaction even though the available balance was sufficient to cover it at the time the transaction was authorized. The following example illustrates how this works:

Assume your actual and available balance are both \$50, and you use your debit card at a restaurant for \$20. If the restaurant requests preauthorization in the amount of \$20, an authorization hold is placed on \$20 in your account, so your available balance is only \$30. Your actual balance would remain \$50. Before the restaurant charge is sent to us for payment, a check that you wrote for \$40 clears. Because your available balance is only \$30 (due to the authorization hold of \$20), your account will be overdrawn by \$10, even though your actual balance is \$50. In this case, if we pay the \$40 check under the standard overdraft service, we will charge you an unavailable funds fee, which will be deducted from your account, further increasing the overdrawn amount. In addition, when the restaurant charge is finally submitted to us for payment, we will release the authorization hold and pay the transaction amount (which may be \$20 or even a different amount, for example, if you added a tip) to the restaurant. Because the amount of the restaurant charge exceeded your available balance at the time the restaurant charge “settled” (i.e., posted to your account), we will charge you an additional unavailable funds fee, even though the restaurant transaction was authorized and approved with a sufficient available balance.

YOU ACKNOWLEDGE THAT YOU MAY STILL OVERDRAW YOUR ACCOUNT EVEN THOUGH THE AVAILABLE BALANCE APPEARS TO SHOW THERE ARE SUFFICIENT FUNDS TO COVER A TRANSACTION THAT YOU WANT TO MAKE. This is because we check your available balance at two separate times as explained above, in addition to the fact that your available balance may not reflect all your outstanding checks, automatic bill payments that you have authorized, or other outstanding transactions that have not yet been paid from your account. In the example above, the outstanding check will not be reflected in your available balance until it is presented to us and paid from your account.

In addition, your available balance may not reflect all of your debit card transactions. For example, if a merchant obtains our prior

authorization but does not submit a one-time debit card transaction for payment within three (3) business days of authorization, we must release the authorization hold on the transaction. The available balance will not reflect this transaction once the hold has been released.

Finally, your available balance may not reflect the most recent deposits to your account. Refer to our Funds Availability Policy for information regarding the availability for withdrawal of your deposits.

Check Clearing in the 21st Century Act (Check 21) Disclosures

Substitute Checks and Your Rights

What is a substitute check? To make check processing faster, 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 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 returned checks or imaged items 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 your 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, NSF 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 you make a claim for a refund? If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us at California Credit Union, (800) 848-5654. 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:

- i. A description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect);
- ii. An estimate of the amount of your loss;
- iii. An explanation of why the substitute check or image you received is insufficient to confirm that you suffered a loss; and
- iv. A copy of the substitute check [and or] the following information to help us identify the substitute check: (identifying information, for example the check number, who wrote the check, the amount of the check).

ELECTRONIC FINANCIAL SERVICES

Electronic Funds Transfer (EFT) Agreement and Disclosure

This Electronic Funds Transfer (EFT) Agreement and Disclosure is the contract that covers your and our rights and responsibilities concerning the electronic funds transfer services offered by the Credit Union. Electronic funds transfers are electronically initiated transfers of money from your account through the electronic funds transfer services described below. By using any such EFT service, each of you, jointly and severally, agree to the terms and conditions in this agreement and any amendments. We may offer new EFT services from time to time, and if so, you agree that all the terms and conditions contained in this disclosure will apply to such new EFT services to the extent not inconsistent with the new EFT Service Agreement.

Business deposit accounts are those you use for business purposes rather than for personal, family or household purposes. This section also contains specific information about Business Debit Cards, ATM's, Telephone Banking (our automated telephone service), Digital Banking (our Internet banking service), direct deposits, pre-authorized third party transfers, and fund transfers. It does not include transactions initiated by check, draft or other paper instrument.

Please note that Regulation E of the Board of Governors of the Federal Reserve System applies to transactions involving electronic banking services for personal accounts but not for business accounts.

Digital Banking

This service allows you to access your Credit Union business accounts and perform certain banking transactions, such as transfer-

ring money between your business accounts linked to the service, checking your business account balance, and downloading account activity information, using a computer and a modem. You may access Digital Banking through our web site. When you enroll online you will be asked to read and approve the online disclosure and agreement. By clicking on the Approve button you acknowledge that you have read and agreed to all of the provision in the agreement. If you wish to take advantage of the enhanced online services available at the Credit Union, including ACH Origination, Positive Pay, Remote Deposit Capture and Online Wire Transfers, you must review, agree, and sign the Digital Banking Agreement and corresponding agreement(s) before you will be allowed access to the services. ACH Origination, Positive Pay, Remote Deposit Capture, and Wire Transfer access is subject to risk underwriting and Credit Union approval.

Pre-authorized Payments and Electronic Transfers

Pre-authorized (Third Party) Electronic Transfers – If you authorize third parties, such as retailers or their processors, to debit a Credit Union business checking or business savings account for cash or purchases, you should be aware of the following:

- These parties are responsible for these transactions. You may have to contact them directly if you have questions or complaints. We may not be able to help you because we have only the information received from the third party.
- You should not give your PIN to another party. If you use the services of a third party, and you need to choose a PIN for that service, we advise you not to select your Credit Union PIN.
- If you lose your Business Debit Card, you must immediately notify us and all other parties whom you've authorized to use your card to debit your business accounts. Both they and we can then act to prevent misuse of your card. We do not necessarily know what other parties you've authorized to debit your account.
- Third parties may assess a fee for ATM or point-of-sale transactions. This fee may be included in the transaction amount that appears on your business account statement.

Right to stop payment and procedure for doing so – You must stop any electronic payment you've authorized us to make if you no longer wish the payment to be taken from your account. **HOWEVER, YOU MUST CANCEL THE PRE-AUTHORIZED TRANSACTION WITH YOUR VENDOR FIRST.** You may stop payment on a Pre-authorized Electronic Payment by calling our Contact Center at (800) 848-5654. If you call us, we may require you to put your request in writing. We must receive it within 14 days of your call. You may also visit or write any branch office and complete an "ACH Stop Payment Request" form. We must receive your request at least three business days before the scheduled payment. Please inform us if the payment is a recurring transaction. This will enable us to attempt to cancel the authorization and to prevent recurring payments. To dispute an electronic payment that has already occurred on your account, a "Written Statement of Unauthorized Debit (ACH)" form must be completed and given to us within 60 days of the effective date of the ACH debit and 14 days of notifying us by phone or in person. We will charge a fee for each stop payment order you give. (Refer to the Business Fees and Charges schedule for fee amount.)

Liability for failure to stop payment of pre-authorized transfer – If you order us to stop one of these payments 3 business days or more before the transfer is scheduled, and we do not do so, we will be liable up to the amount of the item.

In Case of Errors or Questions about Your Electronic Transfers

- Telephone us at (800) 848-5654
- Write us at California Credit Union, P.O. Box 85833, San Diego, CA 92186-5833
- Send a secure message via Digital Banking on our website.

Tell us about errors 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.

- Tell us your name and account 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.
- At our own discretion, since business accounts are not subject to Regulation E, we are under no obligation to refund.

Business Debit Card Services

The Credit Union offers the Business Debit Card, which is a combined ATM and Debit check card for access to ATMs and other electronic access, on a case-by-case basis, subject to risk underwriting and Credit Union approval. A Business Debit Card will be issued in the name of the Business and the Card Holder upon the request of an Authorized User/Cardholder. **Cards issued to Authorized Users require the authorization and acknowledgment of risk and responsibility as detailed in the Business Debit Card Access Terms & Conditions; liability may fall upon both cardholder and business entity.**

VISA's Zero Liability for non-PIN Transactions Disclosure – If someone uses your card as a check card (no PIN was required to complete the transactions) you are not liable for any unauthorized transactions. This policy covers United States issued cards only and does not apply to transactions requiring your PIN.

International Service Assessment – The exchange rate between the transaction currency and the billing currency used for pro-

cessing international transactions is a rate selected by VISA from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary for the rate VISA itself receives, or the government-mandated rate in effect for the applicable central processing date, plus 1 percent.

Contact Information in the Event of an Unauthorized Transfer – If you believe your Business Debit Card and/or PIN has been lost or stolen, call (888) 220-9591 or write: California Credit Union, Electronic Funds Services Department, P.O. Box 85833, San Diego, CA 92186-5833.

You should also call the number or write to the address listed above if you believe a transfer has been made using the information from your check without your permission.

Business Debit Cards Types – There are three types of Business Debit Cards available:

- Deposit Only
- Standard
- Preferred

Business Debit Card ATM Transactions – You may use your Business Debit Card and PIN at Credit Union owned and operated ATMs to make deposits, withdrawals, and balance inquiries on your accounts. Withdrawals and balance inquiries are also available through affiliated ATM networks. You may also make transfers between the savings account and checking account accessed by your card. You may also use your card and PIN at Point-of-sale (POS) terminals to make purchases and get cash back at participating merchant locations. POS transactions will be taken out of your Checking Account only. (Subject to card limitations).

Business Debit Card Point of Sale (POS) – In addition to ATM transactions performed with your PIN, you may use your Business Debit Card for purchases at all merchant locations that accept Visa credit or check card for payment. When you do so, you use your card as a check card and your card works much like a check you write on your account. Your card is not a credit card, which means you may not defer payment of your Business Debit Card transactions. When you use your card for these transactions, you are making withdrawals from your Checking Account and you must follow the procedures established by the merchant and financial institution for using your card. You may be asked to sign a sales slip, withdrawal slip or other document, or just provide your card, or pass it through an electronic terminal. (Subject to card limitations).

Even though your Business Checking Account may have a balance sufficient to cover a requested withdrawal, you recognize that electronic terminals, merchants, financial institutions, and others who accept the card or the account number of the card, may not be able to obtain an authorization from their processing center. The Credit Union is not liable for the refusal or inability of any electronic terminal, merchant or financial institution to honor the card or to complete a withdrawal from your account or for their retention of the card.

The transaction amount, including any charges imposed by the merchant or financial institution, is deducted from your Business Checking Account. We may debit or place a hold on your account for a transaction either on the day it is presented to us for payment by electronic or other means, or on the day we receive notice of the transaction, whichever is earlier. If a merchant or other financial institution requests an authorization for a transaction, we will place a hold on available funds in your account for up to three (3) calendar days for the authorized transaction amount. As a result you will not have access to the funds on hold other than for the transaction authorized for the period of the hold.

At some point after you sign for the transaction, it is processed by the merchant and submitted to us for payment. This can happen hours or sometimes days after you signed for it, depending on the merchant and its processing company. However, if the transaction is not submitted for payment, we will release the authorization hold, which will increase your available balance until the transaction is submitted for payment by the merchant and finally posted to your account. If this happens, we must honor the prior authorization and will pay the transaction from your account. These payment requests are received in real time throughout the day and are posted to your account as they are received.

The amount of an authorization hold may differ from the actual transaction amount because the actual transaction amount may not yet be known to the merchant when the authorization request is submitted. For example, this can happen in connection with transactions where your debit card is swiped before your actual transaction amount is known, such as at a restaurant (where you may choose to add a tip to the transaction amount) or gas station. For these types of transactions, there may be no authorization hold, or the amount of the authorization hold may be different from the transaction amount. In some other cases we may not receive an authorization request from the merchant, and there will be no authorization hold reflected in your available balance. We cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for payment.

You may stop payment on a future pre-authorized recurring payment made with your card. See Pre-authorized Payments and Electronic Transfers – Right to stop payment and procedure for doing so in this disclosure for details. However, you may not stop payment on a check card POS transaction made with your card. We have no obligation to reverse any disputed merchant transaction. However, this does not affect your rights concerning unauthorized use or errors on your account. Because your card is not a credit card, if you have a problem with the quality of goods or services purchased with the card, or any similar dispute with a merchant, you must settle it directly with the merchant. Merchants and others who honor Business Debit Cards may give credit for returns and adjustments and they will do so by initiating a credit to the Credit Union—we will in turn credit that amount to your checking account.

Limitations on dollar amounts of transfers –

- **At ATM/POS Terminals** – Depending on the type of Business Debit Card used, the business may withdraw up to the following maximum daily amounts as specified below, or the balance in the business checking account plus the available amount in any overdraft source designated by you whichever is less, at Credit Union owned and operated machines, or other affiliated network ATMs.
 - i. Deposit Only \$0
 - ii. Standard \$500.00
 - iii. Preferred \$1,000.00
- **At Merchants** – Depending on the type of Business Debit Card used, the business may use the Business Debit Card for purchases up to the following maximum amounts as specified below, or the balance in the business checking account plus the available amount in any overdraft source designated by you whichever is less, at participating merchants and for cash withdrawals from financial institutions when no ATM is available. All cash transactions are subject to the ATM maximum daily limit as specified above.
 - i. Deposit Only \$0
 - ii. Standard \$5,000.00
 - iii. Preferred \$10,000.00

We reserve the right to set a lower dollar limit for ATM/POS transactions occurring during an interruption in the electronic connection between the retail outlet and the Credit Union or any other person or entity or for any other reason which we deem to be in the Credit Union's best interest.

Transfer types and limitations – The following account access is available. You may use your Business Debit Card and PIN to:

- i. Withdraw cash from your checking or savings account at an ATM.
- ii. Make deposits to your checking or savings account at any Credit Union ATM or select Co-Op ATMs. Transfer funds between your checking and savings accounts whenever you request.
- iii. Pay for purchases at places that have agreed to accept a VISA® Debit card.
- iv. Pay bills directly by telephone from your checking account in the amounts and on the days you request.

Some of these services may not be available at all terminals.

Limitations on frequency of transfers – For security reasons, you may be limited to 10 transactions per day in any combination of ATM and/or Point of Sale (POS) transactions.

Fees and Charges – All Credit Union fees and charges applicable to your Business Debit Cards are contained in the Credit Union's Business Fees and Charges schedule, which includes NSF/UCF fees (no "opt-in" requirement applies). Additionally, foreign ATM operators (non-Credit Union owned machines) may impose a fee (surcharge) for an EFT (Electronic Funds Transfer) or balance inquiry conducted at such operator's ATM. A network fee may also be imposed by any national, regional, or local network used to complete an ATM transaction, including balance inquiries.

Confidentiality – We will disclose information to third parties about your account or the transfers you make:

- i. Where it is necessary for completing transfers, or
- ii. In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant, or
- iii. In order to comply with government agency or court orders, or
- iv. If you give us your written permission.

Documentation –

Terminal transfers. You can get a receipt at the time you make any transfer to or from your account using an automated teller machine or point of sale terminal. Keep these receipts to compare with your statement from the Credit Union.

Pre-authorized credits. If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, the person or company making the deposit will tell you every time they send us the money. You can also call us at (800) 848-5654 to find out whether or not the deposit has been made.

Periodic statements. You will get a monthly account statement, which will show all electronic activity.

Overdraft Protection – Debit Card transactions will be approved for payment if there are non-sufficient available funds in your Checking Account provided there are sufficient amounts available on your line of Credit loan account or in your accounts designated as overdraft protection.

Payment of Transactions – Use of the card to make payments, purchase, or to obtain cash withdrawals from merchants, financial institutions, or others who honor the card is an order by you (or by anyone else you authorize to use the card) for the withdrawal and will be charged to your Checking Account.

ATM Deposits – All deposits made at Credit Union ATMs will be credited to your account provisionally, subject to verification and

collection of the funds. Funds deposited in ATMs are generally available on the 2nd business day after the day of your deposit but may be subject to longer periods in accordance with Credit Union check hold policies (see "Funds-Availability Policy.") This may affect your ability to withdraw funds. Deposits made at non-Credit Union ATMs, for example CO-OP ATMS, are subject to a minimum 5 day hold. All Credit Union ATMs that accept deposits are labeled with our name.

Personal Identification Number (PIN) Security – Accounts can be accessed via ATM and POS terminals only when the PIN is known. Therefore, revealing your PIN constitutes authorization for use by others, such as for instance, a family member, employee or co-worker. You agree to be liable for their actions. Your PIN should be memorized...do not write it on the card or any other place on your person (such as a checkbook, wallet, or purse). If you forget the PIN, you can have the PIN reissued by contacting our Contact Center at (800) 848-5654 and by visiting one of our branches.

Renewal of Cards – For your protection, your card is issued with an expiration date and mailed to the signer's address, not the business. If your account is active and in good standing before expiration of your card, we will issue you a renewal card.

Revocation Of Card Privileges – If for any reason your account is deemed unsatisfactory by us, or if you fail to pay the Credit Union any amount owed on a loan or other obligation you are contractually required to pay, or if you cause the Credit Union any loss, the Credit Union may, at its discretion, revoke your card privileges or reduce the amount you may withdraw.

Termination or Amendment – The card is the property of the Credit Union and you agree to surrender it to the Credit Union promptly upon demand. We may revoke the card at any time without prior notice or liability. The Credit Union reserves the rights to amend, modify, revoke or cancel the terms of this Agreement and Disclosure or any transaction services contemplated herein. If the law requires notification, notice will be mailed to you at the address shown on the Credit Union's records. It is your obligation to notify us of a change of address. Any revised, amended or modified terms or conditions will be effective at the earliest date allowed by law.

Safety Notice for ATM, POS and Drop Box Facilities

The Credit Union has provided for your information a list of safety precautions regarding the use of Automated Teller Machines (ATMs), POS terminals and exterior drop box facilities.

- Be aware of your surroundings, particularly at night.
- Consider having someone accompany you when the facility is used after dark.
- Close the entry door of any facility equipped with a door.
- If another person is uncomfortably close to you at the time of your transaction, ask the person to step back before you complete your transaction.
- Refrain from displaying your cash at the facility. As soon as your transaction is completed, place your money in your purse or wallet. Count the cash later in the safety of your car or home.
- If you notice anything suspicious at the facility, consider using another facility or coming back later. If you are in the middle of a transaction and you notice something suspicious, cancel the transaction, take your ATM card and/or deposit envelope, and leave.
- If you are followed after making a transaction, go to the nearest public area where people are located.
- Do not write your PIN on your card.
- Report all crimes to law enforcement officials immediately.

Telephone Banking Automated Services

Telephone Banking Automated Services enables you to access your account and complete certain financial transactions on your Business Accounts and Loans from your home, office or anywhere there is a touch-tone phone.

If we approve Telephone Banking access for your accounts, you will be required to select a separate PIN for use with this service. You must use your PIN along with your account number to access your accounts. Telephone Banking is available for your convenience 7 days a week, 24 hours per day. This service may be interrupted for a short time each day for data processing.

Transactions Available – At the present time you may use Telephone Banking to access accounts within the same EIN for the following:

- inquire into your account balance(s).
- verify if a check has cleared your account(s) in the last 6 weeks.
- transfer funds from your accounts to make a Credit Union loan payment.
- transfer funds between your account(s).
- withdraw funds from your account(s).
- change your PIN at any time.

There is a 7:00 p.m. cutoff for same day transaction processing.

Personal Identification Number (PIN) Security – Revealing your PIN constitutes authorization for its use by others, and you agree to be liable for their actions. Your PIN should be memorized...do not write it on your person (such as a checkbook, wallet, or purse). If you forget your PIN, you can have the PIN reissued by contacting the Credit Union Contact Center at (800) 848-5654.

Important Information About Telephone Banking Account Access – You understand that you will have a Credit Union member number, to which multiple products/services can be added (i.e. Checking, Money Market Accounts, etc.). You may have different account owners/signers on the various accounts. You further understand and agree that by disclosing your Credit Union member number and PIN, you are allowing complete telephone access via a touch-tone telephone to all your accounts by all owners regardless of who is authorized to sign on an account.

Transaction Limitations – The Credit Union reserves the right to refuse any transaction which would draw upon insufficient available funds, exceed a credit limit, or lower an account below a required balance. The service will discontinue if no transaction is entered after numerous unsuccessful attempts to enter a transaction, and there may be limits on the duration of each telephone call.

Direct Deposit Electronic Transfers

If you arrange for another person or an organization (such as a government agency or another financial institution) to make electronic deposits to your Credit Union business accounts at regular intervals at least once every 60 days or to make electronic payments from your Credit Union business accounts to another person or an organization at regular intervals, you should be aware of the following provisions:

- Your transfer record for electronic deposits, the person or organization may tell you each time they send us a deposit. If they don't, you may use our website on or after the scheduled date of the deposit to find out if the deposit was made.
- If you have electronic deposits made to your savings or money market deposit account(s), you receive statements at least quarterly. If you have electronic payments made from your savings account, you receive statements monthly.
- For checking accounts, you receive statements monthly.
- If your electronic payments vary in amount, the person or organization you're going to pay is required to tell you, 10 days before each payment, how much it will be and when you must make it unless you've made other arrangements with them.

ACH and Wire Funds Transfer Services

The following terms and conditions apply to funds transfers (ACH or Wire Transfers) you send or receive through us. If you have a specific agreement with us for these services, these provisions supplement but do not contradict that agreement. These terms and conditions do not apply to a funds transfer, any part of which is governed by the Electronic Fund Transfer Act of 1978 as amended from time to time.

Governing Laws – The rights, duties, and liabilities of parties to this Agreement shall be subject to Division 11 of the California Commercial Code. In all other aspects, this Agreement will be subject to the laws of the State of California. If any part of a wire transfer involves the use of Fedwire, the rights and obligations of the Credit Union and the Member regarding that wire transfer are governed by Regulation J of the Federal Reserve Board.

Definition of a Funds Transfer – Division 11 of the California Commercial Code defines the following terms: "funds transfer," "payment order" and "beneficiary." These terms have the same meaning that they have under Division 11 of the California Commercial Code. A funds transfer is the process of carrying out payment orders that lead to paying a beneficiary. The payment order is the instruction you give or we receive regarding a funds transfer. Said instructions may be in writing, online, by telephone or facsimile.

Funds transfers cover those made or received by you, and are applicable to both business and personal accounts and include internal transfers from one deposit account to another, as well as to external transfers that you direct. Funds transfer services include wire transfers and transfers through an automated clearinghouse (ACH) system.

Cut-Off Times For Wire Transfers – Unless otherwise provided by the Credit Union, the cut-off time for receipt and processing of outgoing wire transfer orders shall be 12:00 p.m. Pacific Standard Time and 3:00 p.m. Pacific Standard Time for incoming wire transfer orders on each business day. The same cut-off time shall be applicable to communications canceling or amending a payment order.

Online Requests to Transfer Funds – If you initiate requests for funds transfer via online banking you agree to read and follow all the provisions in the Digital Banking Agreement and the Addendums corresponding to Wire Transfers and ACH Origination. The individual that you authorized to act as the Online Administrator will have the ability to create additional online users and delegate powers to initiate and approve requests for transfer. It will be your responsibility to establish internal controls and safeguard access codes to ensure that all transfers are properly authorized. The Credit Union will assume that all requests received have been properly authorized.

Fees and Charges – All fees and charges applicable to ACH processing and Wire Transfers are contained in the Credit Union's Business Fees and Charges schedule and are subject to change from time to time.

Sending Funds Transfers

You may give us instructions to pay money or have another bank pay money to a beneficiary. The beneficiary may be you or another person.

Security Procedures – You agree that your instruction for a funds transfer shall be carried out using “commercially reasonable” security procedures. These security procedures are to verify that a payment order or a communication amending or canceling a payment order is yours or that of your authorized agent and is further intended to detect error in the transmission or in the content of the payment order or communication. Such procedures may include special codes, identifying words or numbers, and/or callback procedures, or any other kind of procedure designed to ensure the funds transfer is an authorized instruction and to insure its accuracy.

You acknowledge that such security procedures are for your protection and are confidential, and are to be held by you in the strictest confidence. You will assume all losses should the security procedures be breached by you in any manner. If a funds transfer request is carried out by use of the commercially reasonable security procedures, you are responsible for any losses incurred, and you will be precluded from claiming that the transfer was not authorized.

Reasons for Our Non-Acceptance of Payment Orders – We shall not accept nor execute, and may reject any payment order if:

- the account from which it is to be made does not contain sufficient available and collected funds.
- the payment order is not authorized or does not comply with applicable security procedures.
- in the exercise of good faith, we have reasonable cause for rejecting the payment order.
- the reasonable belief on our part that the acting upon by us of a funds transfer would constitute a possibility of us violating any guideline, rule, or regulation of any government authority.

If we reject, do not accept, nor execute a payment order, we shall notify you of such non-acceptance, non-execution or rejection, orally, electronically, or in writing. We will send written notices by mail by the end of the next business day after submission of your order. We are neither liable to you for the rejection nor obligated to pay you interest for the period before you receive notice of rejection.

Authorization of a Funds Transfer – Those persons authorized to initiate a funds transfer shall be any authorized signer or Digital Banking user of the account that is to be debited. Any such person shall have the right to authorize a funds transfer and you shall be precluded from denying the authority of such person. Funds transfers as authorized by you shall be debited from the account you indicate. We shall also debit that account for any fees relating to the sending or the receiving of the funds transfer.

Amending Payment Orders – You have no right to amend or cancel a payment order after we receive it. If you ask us to do so, we may make a reasonable effort to act on your request. But we are not liable to you, if for any reason, a payment order is not amended or canceled. You agree to reimburse us for any costs, losses, or damages that we incur in connection with your **request to amend or cancel a payment order**.

Discrepancies between Account Numbers and Account Names – The beneficiary of a wire transfer (the party to whom you are sending funds) is identified both by name and an identifying number such as account number, name and a routing/transit (R/T) or other identifying number identifies the financial institution to which a transfer is being sent. If you provide an erroneous account number, funds may be transferred to the account of the party holding that number even though the number may identify a person other than the beneficiary named. In such an event, you will be responsible for recovery of any funds sent to the wrong party and you will still be obligated to pay us the amount of your payment order. You acknowledge that the financial institution to which you direct the funds sent will rely on the account number you give, and will pay to the account number you designated.

Means of Transmittal – We may select any intermediary bank, funds transfer system, or means of transmittal to send your payment orders. Our selection may be different from that indicated in your instructions.

Notification of Funds Sent – We notify you about your payment orders for funds transfers by listing them on your account statement. You must notify us at once if you think a payment order for a funds transfer is incorrect. You must send us written notice, including a statement of relevant facts, no later than 14 days after the date you receive the first notice or statement on which the problem or error appears. If you fail to notify us within this 14 day period, we will not be liable for any loss of interest because of an unauthorized or erroneous debit or because your statement or notice is incorrect.

Our Liability – If we are obligated to pay for loss of interest on your payment order that results from our error or delay, which is caused by a lack of ordinary care on our part, we calculate compensation as follows: The interest applicable to the account to/from which a wire transfer is sent or received shall determine the interest rate applicable to the funds sent/received. We are not liable, in any case, for any special, indirect, exemplary or, consequential damages (including lost profits) of any kind.

Receiving Funds Transfers

We may receive instructions to pay funds to your account. We may receive funds transfers directly from the sender, through a funds transfer system such as an ACH system or through some other communications system. When we give you credit for an ACH credit entry, it is provisional until we receive final settlement for the entry. If we do not receive final settlement, you must return the funds previously credited to your account to us and the person who sent the ACH credit entry will not be treated as having paid you.

Notification of Funds Received – We notify you about your payment orders for funds transfers by listing them on your account statement. If you have arranged a direct deposit to your account or are expecting a funds transfer into your account, you can verify by logging onto online banking or by calling our Telephone Banking automated service line (800) 848-5654, option 1 to find out whether or not the deposit/fund transfer has been made. Other forms of verification may incur a fee. The Credit Union agrees to provide notice of funds transfers and/or ACH transfers in your regular periodic statement.

Delay or Non-Credit of Funds Transfers – Without any liability to you, we may not act or may delay in acting on a payment order,

or we may not credit or may delay in crediting a funds transfer to your account, if any of the following occurs:

- i. Legal constraint, including legal process affecting you, of which we have actual knowledge.
- ii. Interruption of communication facilities.
- iii. Equipment failure.
- iv. War or any other similar kind of civil insurrection or disturbance.
- v. Emergency conditions.
- vi. Other circumstances beyond our control.
- vii. The reasonable belief on our part that the acting upon by us of a funds transfer would constitute a possibility of us violating any guideline, rule, or regulation of any government authority.

IMPORTANT INFORMATION ABOUT THE TYPES OF BUSINESS ACCOUNTS OFFERED

Basic Business Checking Accounts

Dividends – This account does not pay dividends.

Minimum Balance Requirements – The minimum balance to open this account is \$200.

This account is subject to fees as detailed in the current Business Fees, and Charges schedule. The Monthly Fee is waived with eStatements or a minimum average daily balance of \$1,000.

Transaction Limitations – The first 150 checks paid each calendar month have no per item fee. Over 150 checks paid each month will have a per item fee. The first 20 deposits made each calendar month have no fees. Over 20 deposits each month have a per deposit fee. Fees are detailed in the current Business Fees, and Charges schedule.

Premium Business Checking

Dividends – Dividends are calculated using the daily balance method that applies a daily periodic rate to the daily balance each day during the month above a specified minimum threshold. Dividends begin to accrue on the business day of deposit and shall continue to accrue until the day funds are withdrawn.

Dividends are compounded monthly and paid to your account(s) after the close of business on the last day of each calendar month. For example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period and for the example above is January 31.

Rate Information – The Dividend Rate and the Annual Percentage Yield (APY) on your account(s) are available on the Business Rates schedule which accompanies this Account Agreement and Disclosure. This account has a variable dividend rate and APY which the Board of Directors determines at its sole discretion. There is no limitation on the amount or frequency the rate may change. The rates and yields in effect during the statement cycle will appear on your statement.

Minimum Balance Requirements – The minimum balance to open this account is \$200.

You must maintain a minimum daily balance of \$50,000 in your account to obtain the disclosed Annual Percentage Yield. If your account balance falls below the \$2,500 minimum average daily balance during any calendar month, your account will be assessed the Monthly Service Fee as detailed in the current Business Fees, and Charges schedule.

This account is subject to fees as detailed in the current Business Fees and Charges schedule.

Transaction Limitations – The first 300 checks paid each calendar month have no per item fee. Over 300 checks paid each month will have a per item fee. The first 30 deposits made each calendar month have no fees. Over 30 deposits each month have a per deposit fee. Fees are detailed in the current Business Fees, and Charges schedule.

School Premium Business Checking

Dividends – Dividends are calculated using the daily balance method that applies a daily periodic rate to the daily balance each day during the month above a specified minimum threshold. Dividends begin to accrue on the business day of deposit and shall continue to accrue until the day funds are withdrawn.

Dividends are compounded monthly and paid to your account(s) after the close of business on the last day of each calendar month. For example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period and for the example above is January 31.

Rate Information – The Dividend Rate and the Annual Percentage Yield (APY) on your account(s) are available on the Business Rates schedule which accompanies this Account Agreement and Disclosure. This account has a variable dividend rate and APY which the Board of Directors determines at its sole discretion. There is no limitation on the amount or frequency the rate may change. The rates and yields in effect during the statement cycle will appear on your statement.

Minimum Balance Requirements – The minimum balance to open this account is \$200.

You must maintain a minimum daily balance of \$50,000 in your account to obtain the disclosed Annual Percentage Yield. If your account balance falls below the \$2,500 minimum daily balance during any calendar month, your account will be assessed the Monthly Service Fee as detailed in the current Business Fees and Charges schedule.

This account is subject to fees as detailed in the current Fees and Charges schedule.

Transaction Limitations – The first 300 checks paid each calendar month have no per item fee. Over 300 checks paid each month will have a per item fee. The first 30 deposits made each calendar month have no fees. Over 30 deposits each month have a per deposit fee.

Remote Deposit Checking

Dividends – This account does not pay dividends.

Minimum Balance Requirements – The minimum balance to open this account is \$200.

This account is subject to fees as detailed in the current Business Fees and Charges schedule. The Monthly Service Fee is waived when you maintain an average monthly balance of \$50,000.

Transaction Limitations – The first 300 checks paid each calendar month have no per item fee. Over 300 checks paid each month will have a per item fee. The first 30 deposits made each calendar month have no fees. Over 30 deposits each month have a per deposit fee.

Analyzed Business Checking

Analyzed Business Checking is intended for businesses with moderate to high transaction activity, cash usage, and/or for businesses that use a variety of our services. Balances earn credits that can partially or completely offset account transaction and service charges.

Monthly Service Charge – With this account, we measure the services you use against an earnings allowance based on the collected balances you keep in your account. We charge you for those services that are not offset by the earnings allowance.

We assess a monthly maintenance charge, to which we add fees for services you use. An itemized schedule of fees for services is included in our Business Fees and Charges schedule. For more information about additional services, please contact one of our branch staff members or call our Contact Center at (800) 848-5654.

On the days when your average collected balances for the statement period are positive, you receive an earnings allowance, which can offset all or part of your monthly fees and charges. The earnings allowance applies only to the current statement period. It doesn't accrue beyond the statement period, and any excess earnings allowance is not credited to your account.

To calculate your average positive collected balances, we subtract the average float on your deposits from your average ledger balance. Float is caused by the delay in the receipt of funds from the Federal Reserve or other clearing banks for checks that you deposit. Deposited checks drawn on any Credit Union account, wires and ACH deposits will not be included in the float calculations (zero days float).

Average Negative Collected Balance will result when the average float exceeds your average ledger balance. On the days that your collected balance is negative you will incur an interest charge. The charge is defined as the "Borrowing Rate," on the Business Fees and Charges schedule.

With notice, if required, from time to time the Credit Union may change the rates and fees. The Credit Union may not initially charge all of the fees that are disclosed in the schedule; however, we reserve the right to, without notice, to begin charging any fees that had been disclosed and temporarily waived.

We generally deduct any fees and charges not offset by an earnings allowance from your account at the end of the month. Corrections, adjustment, and select third party soft charges may post in the following month.

Zero Balance Checking

Zero Balance Checking (ZBA) is a special form of Analyzed Business Checking. It is a sub account in an Analysis Group, linked to a host consolidated account. The ledger balance in the ZBA sweeps to the main Analyzed Account nightly or funds from the consolidated account sweep to the ZBA to cover paid items. The balance is always swept to zero nightly, and the available balance for the ZBA includes the collected balance of the consolidated host account. ZBA provides ease of use for member to view checks clearing the account without having them obstruct the use of the operating account.

Monthly Service Charge – We assess a monthly maintenance charge, to which we add fees for services you use. An itemized schedule of fees for services is included in our Business Fees and Charges schedule. For more information about additional services, please contact one of our branch staff members or call our Contact Center at (800) 848-5654.

Business Sweep Accounts

The Business Sweep Account is an Investment Savings Account that earns a dividend rate based on a tiered schedule that is published, and updated monthly, in the Business Rates, Fees and Charges schedule. This account benefits the member by maintaining the minimal funds in the checking account to pay share drafts and acquire sufficient earnings credit for the Analyzed Account, while

minimizing dividends in the Sweep Account. Funds move back and forth between the two accounts based on pre-determined balances.

Dividends – Dividends are calculated using the daily balance method that applies a daily periodic rate to the full amount of principal in the account at the end of each day. Dividends begin to accrue on the business day of deposit and shall continue to accrue until the day funds are withdrawn.

Transaction Limitations – Activity on the Business Sweep Account will be limited to transfers to and from the linked Checking Account. No other activity will be supported including internal deposits, direct withdrawals, ACH debits or credits or automatic transfers for loan or other payments. Minimum and maximum peg balances and additional information on the transfer relationship between the host checking account and the sweep savings account are detailed in the Member Business Sweep Account Agreement.

Monthly Charge – The Business Sweep Account must be linked to a Credit Union Business Analyzed Checking Account and any fees or transaction charges will be included on the monthly Summary Analysis Statement. The monthly access fee is disclosed in the Business Rates, Fees and Charges schedule and is subject to change.

Business IOLTA Checking (Interest on Lawyer Trust Accounts)

A traditional Checking account which earns dividends on balances of \$2,500 or more, remitted to The State Bar of California. Attorneys are able to hold funds in trust for a specific client; however, when the dollar amount is nominal, or duration of the trust is short term, funds held in trust for multiple clients can be pooled into an IOLTA Account.

Dividends – Dividends are calculated using the daily balance method that applies a daily periodic rate to the daily balance each day during the month above a specified minimum threshold. Dividends begin to accrue on the business day of deposit and shall continue to accrue until the day funds are withdrawn.

Dividends are compounded monthly and paid to your account(s) after the close of business on the last day of each calendar month. For example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period and for the example above is January 31.

Dividends paid on the account are paid to the State Bar of California, less any fees associated with the account.

Rate Information – The Dividend Rate and the Annual Percentage Yield (APY) on your account(s) are available on the Business Rates schedule which accompanies this Account Agreement and Disclosure. This account has a variable dividend rate and APY which the Board of Directors determines at its sole discretion. There is no limitation on the amount or frequency the rate may change. The rates and yields in effect during the statement cycle will appear on your statement.

Minimum Balance Requirements – The minimum balance to open this account is \$200. The minimum balance to earn dividends is \$2,500.

This account is subject to fees as detailed in the current Business Fees and Charges schedule. Only earned dividends can be used to pay assessed fees and charges.

Transaction Limitations – The first 150 checks paid each calendar month have no per item fee. Over 150 checks paid each month will have a per item fee. The first 20 deposits made each calendar month have no fees. Over 20 deposits each month have a per deposit fee.

Account Requirement – Only attorneys or law firms who maintain their primary deposit relationship with the Credit Union are eligible to open this account.

These accounts allow you to earn dividends (interest) and are subject to fees as detailed in the current Business Rates, Fees and Charges schedule.

Business Savings Accounts

Dividends – Dividends are calculated using the daily balance method that applies a daily periodic rate to the daily balance each day during the month above a specified minimum threshold. Dividends begin to accrue on the business day of deposit and shall continue to accrue until the day funds are withdrawn.

Dividends are compounded monthly and paid to your account(s) after the close of business on the last day of each calendar month. For example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period and for the example above is January 31.

Rate Information – The Dividend Rate and the Annual Percentage Yield (APY) on your account(s) are available on the Business Rates schedule which accompanies this Account Agreement and Disclosure. This account has a variable dividend rate and APY which the Board of Directors determines at its sole discretion. There is no limitation on the amount or frequency the rate may change. The rates and yields in effect during the statement cycle will appear on your statement.

Minimum Balance Requirements – The minimum balance to open this account is \$200.

You must maintain a minimum daily balance of \$200 in your account to obtain the disclosed Annual Percentage Yield. If your daily average balance falls below the \$100 minimum daily balance during any calendar month, your account will be assessed the Monthly Service Fee as detailed in the current Fees and Charges schedule.

This account is subject to fees as detailed in the current Fees and Charges schedule. The Monthly Statement Fee is waived on accounts with an average daily balance of \$100.

Transaction Limitations – This account is subject to the restrictions of Federal Reserve Board Regulation D limiting to six (6) withdrawals or transfers per calendar month. See General Term and Conditions section.

If you make more than six (6) withdrawals in a calendar month, you will be subject to the Excessive Withdrawals fee as detailed in the current Fees and Charges schedule.

Business Money Market Accounts

Dividends – Dividends are calculated using the daily balance method that applies a daily periodic rate to the daily balance each day during the month above a specified minimum threshold. Dividends begin to accrue on the business day of deposit and shall continue to accrue until the day funds are withdrawn.

Dividends are compounded monthly and paid to your account(s) after the close of business on the last day of each calendar month. For example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period and for the example above is January 31.

Rate Information – The Dividend Rate and the Annual Percentage Yield (APY) on your account(s) are available on the Business Rates schedule which accompanies this Account Agreement and Disclosure. This account has a variable dividend rate and APY which the Board of Directors determines at its sole discretion. There is no limitation on the amount or frequency the rate may change. The rates and yields in effect during the statement cycle will appear on your statement.

Minimum Balance Requirements – The minimum balance to open this account is \$2,500.

If your account balance falls below the \$2,500 minimum daily balance during any calendar month, your account will be assessed the Monthly Service Fee. This account is subject to fees as detailed in the current Business Fees, and Charges schedule. The Monthly Statement Fee is waived on accounts with a minimum daily balance of \$2,500.

Transaction Limitations – This account is subject to the restrictions of Federal Reserve Board Regulation D limiting to six (6) withdrawals or transfers per calendar month. See General Term and Conditions section.

If you make more than six (6) withdrawals in a calendar month, you will be subject to the Excessive Withdrawals fee as detailed in the current Business Rates, Fees, and Charges schedule.

Business Contractor Retention Money Market

Dividends – Dividends are calculated using the daily balance method that applies a daily periodic rate to the daily balance each day during the month above a specified minimum threshold. Dividends begin to accrue on the business day of deposit and shall continue to accrue until the day funds are withdrawn.

Dividends are compounded monthly and paid to your account(s) after the close of business on the last day of each calendar month. For example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period and for the example above is January 31.

Rate Information – The Dividend Rate and the Annual Percentage Yield (APY) on your account(s) are available on the Business Rates schedule which accompanies this Account Agreement and Disclosure. This account has a variable dividend rate and APY which the Board of Directors determines at its sole discretion. There is no limitation on the amount or frequency the rate may change. The rates and yields in effect during the statement cycle will appear on your statement.

Minimum Balance Requirements – There is no minimum balance to open this account.

If your account balance falls below the \$2,500 minimum daily balance during any calendar month, your account will be assessed the Monthly Service Fee. This account is subject to fees as detailed in the current Business Fees and Charges schedule. The Monthly Statement Fee is waived on accounts with a minimum daily balance of \$2,500.

Transaction Limitations – Dividends earned on the account belong to the contractor as described in the Escrow Agreement for Security Deposits in Lieu of Retention. Two signatures are not required to complete the transfer of dividends.

This account is subject to the restrictions of Federal Reserve Board Regulation D limiting to six (6) withdrawals or transfers per calendar month. See General Term and Conditions section. If you make more than six (6) withdrawals in a calendar month, you will be subject to the Excessive Withdrawals fee as detailed in the current Business Fees and Charges schedule.

Refer to Escrow Agreement for Security Deposits in Lieu of Retention for further account details.

Business Share Certificates

Dividends – Dividends are calculated using the daily balance method that applies a daily periodic rate to the daily balance each day during the month above a specified minimum threshold. Dividends begin to accrue on the business day you deposit funds into your account.

Dividends are compounded daily and paid to your account(s) on the calendar day anniversary of the calendar day you opened the certificate. For example, if you opened your certificate on February 14, your dividends will be paid to you on the 14th of the each succeeding month for the term of your certificate.

Alternatively, you may choose to have dividends paid to you or to another account every month rather than credited to this account. You may also have the dividends transferred to your account at another financial institution by electronic transfer (ACH).

Rate Information – The Dividend Rate and the Annual Percentage Yield (APY) on your account(s) are available on the Business Rates schedule which accompanies this Account Agreement and Disclosure. This account has a fixed dividend rate and APY which the Board of Directors determines at its sole discretion. There is no limitation on the amount or frequency the rate may change. The rates and yields in effect during the statement cycle will appear on your statement.

Certificate Maturity – This type of account will automatically renew at maturity for the same term as the original account. You may prevent renewal if we receive written notice from you before maturity of your intention not to renew or you withdraw the funds in the account at maturity (or within the grace period of seven calendar days). We can prevent renewal if we mail notice to you at least 30 calendar days before maturity. If either you or we prevent renewal, your funds will be placed in an existing account or mailed to you, if you do not have another account at the Credit Union.

You will have a grace period of ten calendar days after maturity to withdraw the funds without being charged an early withdrawal penalty.

Transaction Limitations – No additional deposits into the account are permitted after opening. You can only withdraw dividends credited in the term before maturity without penalty. You can withdraw dividends anytime during the term after they are credited to your account. This dividend withdrawal limitation does not apply if you have made arrangements to have dividends paid to you or to another account in lieu of having them credited to this account.

Early Withdrawal Penalties – We may impose a penalty if you withdraw any of the principal before the maturity date. For all accounts, the amount of the early withdrawal penalty is based on the term of your account. The penalty schedule is as follows:

- Maturity date one year or less: 90 days dividends
- Maturity date more than one year: 180 days dividends

The penalty is calculated as a forfeiture of part of the dividends that have been or would be earned on the account. It applies whether or not the dividends have been earned. In other words, if the account has not yet earned enough dividends to cover the penalty, or if the dividend has already been paid, the penalty will be deducted from the principal.

At our option, we may allow full withdrawal before maturity without imposing an early withdrawal penalty when an account owner dies or is determined legally incompetent by a court or other body of competent jurisdiction.

For any account that earns a dividend rate that may vary from time to time during the term, the dividend rate we will use to calculate this early withdrawal penalty will be the dividend rate in effect at the beginning of the term.

Fees & Charges – The account is subject to fees as detailed in the Business Fees and Charges schedule.

Minimum Balance Requirements – The minimum balance that is required to open a Share Certificate account is \$1,000. You must maintain a minimum daily balance of \$1,000 in your account each day to obtain the disclosed annual percentage yield. Your annual percentage yield may be greater if you open a share certificate with a larger opening deposit. Please see our Business Rates schedule for the minimum opening balance and applicable annual percentage yield.

Accelerator Certificates

Dividends – Dividends are calculated using the daily balance method that applies a daily periodic rate to the daily balance each day during the month above a specified minimum threshold. Dividends begin to accrue on the business day you deposit funds into your account.

Dividends are compounded daily and paid to your account(s) on the calendar day anniversary of the calendar day you opened the certificate. For example, if you opened your certificate on February 14, your dividends will be paid to you on the 14th of the each succeeding month for the term of your certificate.

Alternatively, you may choose to have dividends paid to you or to another account every month rather than credited to this account. You may also have the dividends transferred to your account at another financial institution by electronic transfer (ACH).

Rate Information – The Dividend Rate and the Annual Percentage Yield (APY) on your account(s) are available on the Business Rates schedule which accompanies this Account Agreement and Disclosure. This account has a fixed dividend rate and APY which the Board of Directors determines at its sole discretion. There is no limitation on the amount or frequency the rate may change. The rates and yields in effect during the statement cycle will appear on your statement.

You have one opportunity during the term of the certificate to increase the Dividend Rate and APY which will be the Dividend Rate and APY in effect at the time you select.

Certificate Maturity – This type of account will automatically renew at maturity for the same term as the original account. You may prevent renewal if we receive written notice from you before maturity of your intention not to renew or you withdraw the funds in the

account at maturity (or within the grace period of seven calendar days). We can prevent renewal if we mail notice to you at least 30 calendar days before maturity. If either you or we prevent renewal, your funds will be placed in an existing account or mailed to you, if you do not have another account at the Credit Union.

You will have a grace period of ten calendar days after maturity to withdraw the funds without being charged an early withdrawal penalty.

Transaction Limitations – You can only withdraw dividends credited in the term before maturity without penalty. You can withdraw dividends anytime during the term after they are credited to your account. This dividend withdrawal limitation does not apply if you have made arrangements to have dividends paid to you or to another account in lieu of having them credited to this account.

Early Withdrawal Penalties – We may impose a penalty if you withdraw any of the principal before the maturity date. For all accounts, the amount of the early withdrawal penalty is based on the term of your account.

The penalty will be 180 days dividends at the rate in effect at the beginning of the term.

The penalty is calculated as a forfeiture of part of the dividends that have been or would be earned on the account. It applies whether or not the dividends have been earned. In other words, if the account has not yet earned enough dividends to cover the penalty, or if the dividend has already been paid, the penalty will be deducted from the principal.

At our option, we may allow full withdrawal before maturity without imposing an early withdrawal penalty under the following circumstances:

- i. When an account owner dies or is determined legally incompetent by a court or other body of competent jurisdiction.
- ii. Where the account is an Individual Retirement Account (IRA) and any portion is paid within seven days after establishment or the owner becomes legally disabled.

For any account that earns a dividend rate that may vary from time to time during the term, the dividend rate we will use to calculate this early withdrawal penalty will be the dividend rate in effect at the beginning of the term.

Fees & Charges – The account is subject to fees as detailed in the Business Fees and Charges schedule.

Minimum Balance Requirements – The minimum balance that is required to open an Accelerator Certificate account is \$10,000. You must maintain a minimum daily balance of \$10,000 in your account each day to obtain the disclosed annual percentage yield.

Third Party Pledge Savings Certificate

Third Party Pledge Savings Certificates are available to members and member businesses that are required to post a bond for an unrelated third party. You may pick an initial term from 90 days to 60 months.

The unique feature with these certificates is the introduction of a Third Party Payee. The deposits are payable to the payee designated irrevocably by our member or member business upon presentation and surrender of the original certificate, properly endorsed, in an office of the credit union. The credit union shall not be liable for payment of the deposit, in good faith to any person establishing reasonable evidence of their identity as the designated payee. All parties acknowledge that the credit union does not hold any written contracts, specimen signatures or other verifying information for the payee. The credit union shall have no duty to inquire into the propriety of a withdrawal. The member or member business shall indemnify and hold harmless the credit union against claims that arise between the member or member business and the payee. The member/member business' decision to designate a payee is irrevocable; the credit union cannot accept subsequent orders from the member/member business to stop or withhold proceeds from the payee.

Dividends – Dividends are calculated using the daily balance method that applies a daily periodic rate to the daily balance each day during the month above a specified minimum threshold. Dividends begin to accrue on the business day you deposit funds into your account.

Dividends are compounded daily and paid to your account(s) on the calendar day anniversary of the calendar day you opened the certificate. For example, if you opened your certificate on February 14, your dividends will be paid to you on the 14th of the each succeeding month for the term of your certificate.

Alternatively, you may choose to have dividends paid to you or to another account every month rather than credited to this account. You may also have the dividends transferred to your account at another financial institution by electronic transfer (ACH).

Rate Information – The Dividend Rate and the Annual Percentage Yield (APY) on your account(s) are available on the Business Rates schedule which accompanies this Account Agreement and Disclosure. This account has a fixed dividend rate and APY which the Board of Directors determines at its sole discretion. There is no limitation on the amount or frequency the rate may change. The rates and yields in effect during the statement cycle will appear on your statement.

Certificate Maturity – This type of account will automatically renew at maturity for the same term as the original account. You may prevent renewal if we receive written notice from you before maturity of your intention not to renew or you withdraw the funds in the account at maturity (or within the grace period of seven calendar days). We can prevent renewal if we mail notice to you at least 30 calendar days before maturity. If either you or we prevent renewal, your funds will be placed in an existing account or mailed to you, if you do not have another account at the Credit Union.

You will have a grace period of ten calendar days after maturity to withdraw the funds without being charged an early withdrawal penalty.

Transaction Limitations – You can only withdraw dividends credited in the term before maturity without penalty. You can withdraw dividends anytime during the term after they are credited to your account. This dividend withdrawal limitation does not apply if you have made arrangements to have dividends paid to you or to another account in lieu of having them credited to this account.

Early Withdrawal Penalties – We may impose a penalty if you withdraw any of the principal before the maturity date. For all accounts, the amount of the early withdrawal penalty is based on the term of your account. The penalty schedule is as follows:

- Maturity date one year or less: 90 days dividends
- Maturity date more than one year: 180 days dividends

The penalty is calculated as a forfeiture of part of the dividends that have been or would be earned on the account. It applies whether or not the dividends have been earned. In other words, if the account has not yet earned enough dividends to cover the penalty, or if the dividend has already been paid, the penalty will be deducted from the principal.

At our option, we may allow full withdrawal before maturity without imposing an early withdrawal penalty when an account owner dies or is determined legally incompetent by a court or other body of competent jurisdiction.

For any account that earns a dividend rate that may vary from time to time during the term, the dividend rate we will use to calculate this early withdrawal penalty will be the dividend rate in effect at the beginning of the term.

Fees & Charges – The account is subject to fees as detailed in the Business Fees and Charges schedule.

Minimum Balance Requirements – The minimum balance that is required to open this account is \$500. You must maintain a minimum daily balance of \$2,500 in your account each day to obtain the disclosed annual percentage yield. Your annual percentage yield may be greater if you open a share certificate with a larger opening deposit. Please see our Business Rates schedule for the minimum opening balance and applicable annual percentage yield.

Other Features – Unless stated otherwise, all of the features on this special purpose Certificate are consistent with our Member Business Certificates including, but not limited to, the method of calculating and paying dividends. The unique feature with this Certificate is that it is payable to the payee at the maturity of the initial term or any of the subsequent rollover terms. Withdrawals, other than during the grace period of seven (7) days following the initial or subsequent maturities, will be subject to the customary early withdrawal penalties for Member Business Certificates.

DEPOSIT INSURANCE

National Credit Union Share Insurance Fund – Your accounts at the Credit Union are federally insured by the National Credit Union Administration, an agency of the federal government, to the legal maximum by the Federal Credit Union Act.

Individual Retirement Accounts (IRAs) are insured separately to \$250,000 from your other deposits at the Credit Union.

Accounts with multiple beneficiaries may qualify for additional insurance. Refer to NCUA brochure.

CALIFORNIA CREDIT UNION FEES AND CHARGES

Effective May 15, 2017

Account Fees		
Product	Type	Fee
Basic Business Checking	Printed Statement Fee	\$5 Free with eStatements or with an average daily balance \$1,000+
	Monthly Allowance: Additional paid items Additional deposits	150 paid items and 20 deposits \$0.25 \$1.00
Premium Business Checking	Monthly Maintenance Fee	\$15 Free with an average daily balance \$2,500+
	Monthly Allowance: Additional paid items Additional deposits	300 paid items and 30 deposits \$0.25 \$1.00
Remote Deposit Business Checking	Monthly Maintenance Fee	\$35 Free with an average daily balance \$50,000+
	Monthly Allowance: Additional paid items Additional deposits	300 paid items and 30 deposits \$0.25 \$1.00
Analyzed Business Checking <small>(the fees listed herein are in addition to the General Business Service Fees listed above)</small>	Account Fees: Earnings Rate Borrowing Rate Reserve Requirement Monthly Maintenance Sweep Fee	0.75% 3.25% Waived \$18 (per zero balance or analyzed account) \$15 (per zero balance or sweep account)
	Checks/Electronic Debits: Checks paid through in-clearing Checks paid at branch Debits (electronic withdrawals)	\$0.12 \$0.25 \$0.10
	ACH Origination: Item Processing (per item) Returned item Notification of Change	\$0.20 \$10 Waived
	Positive Pay	\$30/month
	Remote Deposit Capture	\$35/month (per terminal)
	Deposits/Electronic Credits: Deposit processed (in branch or remote) Per check deposited ACH credit (electronic deposit)	\$1.25 \$0.10 Waived
	Cash/Currency: Currency deposit/purchase (per \$100) Rolled coin deposit (per roll) Bagged coin deposit (per bag) Boxed coin purchase (per box)	\$0.20 \$0.10 \$3.50 \$3.50
	High Risk/Money Service Business (MSB)	\$50/month (for businesses designated by the government to require additional monitoring)
	Additional 3rd party banking related fees may be processed through analysis	At cost

Account Fees Cont.		
Product	Type	Fee
Business Savings	Below Minimum Balance Fee	\$2.50 waived with \$100+ average daily balance
	Overdraft Protection Transfer Fee	\$4
	Excess Transaction Fee	\$10
Business Money Market	Below Minimum Balance Fee	\$10 Waived with \$2,500+ average daily balance
	Overdraft Protection Transfer Fee	\$4
	Excess Transaction Fee	\$10
Contractor Retention Money Market	Monthly Maintenance Fee	Waived with business relationship
	Excess Transaction Fee	Waived
School Premium Checking	Monthly Maintenance Fee	\$15 Free with an average daily balance \$2,500+
	Monthly Allowance: Additional paid items Additional deposits	300 paid items and 30 deposits \$0.25 \$1
IOLTA Checking <small>(No fees are processed against the account. Fees are only collected from dividends earned prior to remittance to the California State Bar Association.)</small>	Printed Statement Fee	\$5 Free with eStatements or with an average daily balance \$1,000+
	Monthly Allowance: Additional paid items Additional deposits	150 paid items and 20 deposits \$0.25 \$1
Third Party Pledge Certificate	See Business Rate sheet for terms	Offered only to members with full business relationship

General Business Service Fees

Type	Fee
Insufficient Funds (NSF)	\$27 (whether returned or paid, including bill payment, ATM/POS and loan payment transfer)
Unavailable Funds (UCF)	\$27 (whether returned or paid, including bill payment, ATM/POS and loan payment transfer)
Paper copy of bill payment (Digital Banking)	\$2
PIN-Based ATM/Debit Card Usage	Fee Free at CCU and CO-OP Network ATMs \$1.50 + ATM owner surcharge at other ATMs
Lost card replacement	\$5
Check Printing	At Cost
Temporary Checks	\$1/sheet of 3 checks
Deposit Correction	\$5
Cashier's Checks (to 3rd party)	\$5
Collection Item	\$15 + outside costs
Returned item (paper or electronic)	\$20
Stop Payments	\$20
Wire Transfer	\$10 incoming \$25 outgoing \$35 international
Copies	\$2/each (checks, statements, vouchers, or bill payment)
Legal document processing	\$50
Research (all requests)	\$20/hour
Verification of Deposit	\$10
Notary	Free
Escheat Processing	No charge
Re-deposited Item	No charge
Returned Statement (invalid address)	\$5

Please refer to our Business Account Agreement & Disclosure for full details on all Business products and services, truth in savings disclosure, and early withdrawal penalties that may apply to certificates. Terms and conditions subject to change. All fees are per occurrence unless otherwise stated.

California
CREDIT UNION

ccu.org

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