

# AGREEMENTS AND DISCLOSURES

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About your Arrowhead Credit Union Accounts.

Effective: February 1, 2016

Please retain this important document for your records





**MEMBER ACCOUNT AGREEMENT AND DISCLOSURE**

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In this Member Account Agreement and Disclosure (hereinafter referred to as "Agreement"), the words YOU, YOUR and YOURS mean each and all of those (whether one or more persons) who are subject to this Agreement as a result of signing a Membership Signature Card for one or more deposit accounts with us. The words WE, US, OUR and CREDIT UNION mean ARROWHEAD CREDIT UNION. The terms, conditions and information contained in the Membership Signature Card, and all amendments thereto, are by this reference hereby incorporated in their entirety into this Agreement and become an integral part of this Agreement. This Agreement governs your accounts with us and related services, and replaces all prior agreements with the Credit Union regarding them. By signing the Credit Union's Membership Signature Card for your account or using your account or any service we provide, you will be considered to have received and agreed to this Agreement.

You should retain a copy of this Agreement (and any information that the Credit Union provides you regarding changes to this Agreement) for as long as you maintain your account with us.

**IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT.** To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

**WHAT THIS MEANS FOR YOU:** When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

**PART I: BINDING ARBITRATION CONSENT AND AGREEMENT**

You and we agree to attempt to informally settle any disputes arising out of, affecting, or relating to your accounts or your relationship with us. If that cannot be done, you and we agree that any claim or dispute between us that is filed or initiated after the Effective Date of this Binding Arbitration Consent and Agreement ("Claim"), even if the Claim arose prior to the Effective Date of this Binding Arbitration Consent and Agreement, that arises out of or relates to this Agreement, your accounts or your use of our products or services shall, whether such Claim is in contract, tort, statute, or otherwise, at the election of either you or us, be resolved by BINDING ARBITRATION administered by the American Arbitration Association ("AAA") in accordance with its applicable rules and procedures for consumer disputes ("Rules"). The Rules can be obtained on the AAA website free of charge at [www.adr.org](http://www.adr.org); or, a copy of the Rules can be obtained at any branch upon request. AS A RESULT, IF EITHER YOU OR WE ELECT TO RESOLVE A PARTICULAR CLAIM THROUGH ARBITRATION, YOU WILL GIVE UP YOUR RIGHT TO GO TO COURT TO ASSERT OR DEFEND YOUR RIGHTS UNDER THIS AGREEMENT (EXCEPT FOR CLAIMS BROUGHT INDIVIDUALLY WITHIN SMALL CLAIMS COURT JURISDICTION, SO LONG AS THE CLAIM REMAINS IN SMALL CLAIMS COURT). This Binding Arbitration Consent and Agreement will be interpreted and enforced in accordance with the Federal Arbitration Act in Title 9 of the U.S. Code to the fullest extent possible, notwithstanding any state law to the contrary, regardless of the origin or nature of the Claim. You acknowledge that this Binding Arbitration Consent and Agreement does not prevent you from submitting any issue relating to your accounts for review or consideration by a federal, state, or local governmental agency or entity, nor does it prevent such agency or entity seeking relief on your behalf.

By consenting to BINDING ARBITRATION, you understand and agree with the following terms:

- **SELECTION OF ARBITRATOR:** If either you or we elect to resolve a Claim through binding arbitration, your rights will be determined by a neutral arbitrator and NOT a judge or jury, in accordance with all applicable laws and Rules. The neutral arbitrator will be selected in accordance with the Rules, and must have experience and knowledge in financial transactions. In the event of a conflict between the Rules and this Binding Arbitration Consent and Agreement, this Binding Arbitration Consent and Agreement will supersede the conflicting Rules only to the extent of the inconsistency. If AAA is unavailable to resolve the Claim, and if you and we do not agree on a substitute, then you can select the appropriate forum for the Claim.
- **EFFECTIVE DATE:** This Binding Arbitration Consent and Agreement is effective upon the 61st day after we provide this Binding Arbitration Consent and Agreement to you ("Effective Date"), unless you opt-out in accordance with the requirements of the RIGHT TO OPT-OUT hereunder.
- **CLAIMS ARISING PRIOR TO EFFECTIVE DATE:** THIS BINDING ARBITRATION CONSENT AND AGREEMENT APPLIES TO ALL CLAIMS THAT ARE FILED OR INITIATED AFTER THE EFFECTIVE DATE, EVEN IF THE CLAIM ARISES OUT OF, AFFECTS, OR RELATES TO CONDUCT THAT OCCURRED PRIOR TO THE EFFECTIVE DATE. If a Claim is filed or initiated prior to the Effective Date, this Binding Arbitration Consent and Agreement will not apply to such Claim.
- **ARBITRATION PROCEEDINGS:** Arbitration proceedings provide you a fair hearing, but the arbitration procedures are simpler and more limited than rules applicable in court. Discovery will be available for non-privileged information to the fullest extent permitted under the Rules. Any defenses that would apply to a Claim if it was brought in a court of law will apply in any arbitration proceeding between us, including defenses based on the expiration of the applicable statute of limitations or otherwise relating to the timeliness of the initiation of the Claim, and the commencement of an arbitration proceeding under this Binding Arbitration Consent and Agreement will be deemed the commencement of an action for such purposes. Arbitration decisions are as enforceable as any court order and are subject to very limited review by a court and cannot be appealed. Arbitrators can award the same remedies including damages, injunctive relief on an individual basis, and other remedies that a court can award. Any determination as to whether this Binding Arbitration Consent and Agreement is valid or enforceable in part or in its entirety will be made solely by the arbitrator, including without limitation any issues relating to whether a Claim is subject to arbitration.
- **CLASS ACTION WAIVER:** ANY ARBITRATION OF A CLAIM WILL BE ON AN INDIVIDUAL BASIS. YOU UNDERSTAND AND AGREE THAT YOU ARE WAIVING THE RIGHT TO PARTICIPATE AS A CLASS REPRESENTATIVE OR CLASS MEMBER IN A CLASS ACTION.
- **LOCATION:** The place of arbitration shall be within 50 miles of your residence at the time the arbitration is commenced.
- **COSTS:** You understand we will pay for any filing, administration, and arbitrator fees as imposed on you by AAA, although you will be responsible for your attorneys' fees unless you prevail on the merits of your Claim in arbitration.
- **ATTORNEYS' FEES:** If you prevail on the merits of your Claim in arbitration, we will pay your attorneys' fees. You will not be required to pay our attorneys' fees if you prevail.
- **SEVERABILITY:** In the event that the Class Action Waiver in this Binding Arbitration Consent and Agreement is found to be unenforceable for any reason in relation to a Claim involving class action allegations, the remainder of this Binding Arbitration Consent and Agreement will be unenforceable. If any provision in this Binding Arbitration Consent and Agreement, other than the Class Action Waiver, is found to be unenforceable, the remaining provisions will remain enforceable.
- **SURVIVAL:** This Binding Arbitration Consent and Agreement will survive termination of the Agreement.
- **RIGHT OF OPT-OUT:** You have the right to opt-out of this Binding Arbitration Consent and Agreement, provided that you notify us of your intent to opt-out within 60 days after we provide you this Binding Arbitration Consent and Agreement. Your opt-out is only effective if you notify us in writing at Arrowhead Credit Union, Attn: Account Administration Department #72, PO Box 735, San Bernardino, CA 92402 within such 60 day time period. If you fail to opt-out within this 60 day time period, you will be deemed to have provided your consent to the resolution of your Claims through binding arbitration. In the event you opt-out of this Binding Arbitration Consent and Agreement, such opt-out will not affect other terms and conditions of your Agreement.

FOR MORE DETAILS or if you have questions, you may call us or visit a branch. If you have questions about AAA procedures, you should check AAA's website, [www.adr.org](http://www.adr.org), OR call AAA at (800) 778-7879. You understand that any debt or loan obligation you may have with us that is subject to the Federal Truth in Lending Act, 15 USC 1601 et seq., is not subject to this Binding Arbitration Consent and Agreement.

**PART II: TRUTH-IN-SAVINGS AGREEMENT AND DISCLOSURE**

**SECTION 1. PAYMENT OF DIVIDENDS**

The frequency and conditions upon which dividends are paid on all accounts are in accordance with the Bylaws of this Credit Union, the California Credit Union law, and the Truth-in-Savings Act and Regulations. Dividends are paid from current income and available earnings after required transfers to reserves at the end of a dividend period.

The dividend rate and Annual Percentage Yield (APY) may change at the discretion of the Credit Union. Current rate information and minimum balance to open and to earn the APY for these accounts are set forth in the Deposit Accounts Sheet accompanying this Agreement. You may also obtain current rate information by calling the Credit Union at (800) 743-7228 or visiting our website at [www.arrowheadcu.org](http://www.arrowheadcu.org).

**Compounding and Crediting for all Accounts.** For all dividend bearing accounts, dividends will be compounded monthly and will be credited monthly. For these accounts, the dividend period is monthly. 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 follows the ending date of a dividend period, and for this example is February 1. Dividends on Share Certificate Accounts are compounded and will be credited as set forth in the Share Certificate Agreement and Disclosure Statement when issued. Dividends are credited to accounts the first day of the succeeding month; for example, dividends for January's dividend period are credited February 1. If you close your account before dividends are credited, you will receive the accrued dividends.

**Balance Computation Method:** Dividends are calculated by the average daily balance method which applies a periodic rate to the average daily balance in the account each day. The average daily balance is calculated by adding the balance in the account for each day of the period and dividing that figure by the number of days in the period.

Dividends will begin to accrue on the business day you deposit cash or non-cash items (e.g., checks) to your account if deposited before the close of business.

## SECTION 2. TERMS AND CONDITIONS

### TERMS AND CONDITIONS APPLICABLE TO ALL ACCOUNTS:

1. You must be and remain a member in good standing to maintain any account. In order to become a member, you must pay a one-time, non-refundable Membership Entrance Fee. If you fail to complete the purchase of one (1) share within six (6) months of your admission to membership, or within six (6) months from the increase in the par value in shares, or if you reduce your share account balance below the par value of one (1) share and do not increase the balance to at least the par value of one (1) share within six (6) months of the reduction, you may be terminated from membership at the end of a dividend period.
2. Our delay in enforcing any of the terms and conditions of this Agreement will not prohibit us from enforcing such terms and conditions at a later date.
3. We reserve the right to change any provision of or establish new provisions to this Agreement upon thirty (30) days written notice.
4. We may refuse to follow any of your instructions, accept any deposit, or process any transaction, that in our sole judgment are illegal, fraudulent, inconsistent with our policies, or those of any of our third party processors, 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.
5. We reserve the right to refuse to open any account, to provide any service in connection with an account, or to accept additional deposits to an existing account.
6. All payees listed on a check must sign the check that is deposited or cashed, and must be a joint owner on the account, present a valid Class I identification (e.g., California Driver's License) or have their endorsements guaranteed by another financial institution. All multiple party checks without proper identification are subject to being returned. Notwithstanding the foregoing, you authorize us, in our discretion, to accept transfers, checks, drafts and other items for deposit into any of your accounts if they are made payable to, or to the order of, any one or more joint owners on the account, whether or not they are endorsed by all payees. You authorize us to supply missing endorsements of any owners on any item that we take for collection, payment, or deposit to your account. 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. All checks payable to multiple payees with the connecting word "and" requires each payee's personal endorsement. If you deposit items which bear the endorsement of more than one person or persons that are not known to us or that require endorsement of more than one payee, we may refuse the item or require all endorsers to be present, have valid identification, or to have their endorsements guaranteed before we accept the item.
7. You authorize us to accept deposits to your account at any time, from any party, made in any manner, without questioning the authority of the person making the deposit, and to give cash back to any authorized signer(s) or designated agent on any check payable to any one or more of the account owners, whether or not it is endorsed by you. The Credit Union may also refuse to accept all or any part of any deposit.
8. You understand and agree that we use automated means to process checks and other items written on or deposited to your account. This means that we do not individually examine all of your items to determine if the item is properly completed, signed and endorsed or to determine if it contains any information other than what is encoded in magnetic ink. Although we may manually review checks or other items drawn on your account, you understand and agree reasonable commercial standards do not require us to do so. Our use of automated means to process checks and other items prevents us from inspecting or looking for special instructions or "restrictive legends" on checks (e.g., "Void after 6 months," "Void over \$50," "Payment in Full," and the like), whether on the front or back, in any form or format. For this reason, we are not required to honor any restrictive legend placed on checks you write unless we have agreed in writing to the restrictions. If you cash or deposit an item or write a check with such notation, you agree that it applies only between you and the payee or maker. The notation will have no effect on us, and you agree to accept responsibility for payment of the item. You agree to indemnify and hold us harmless from any claim or alleged loss of any maker or payee involving such notations, whether you are the maker or payee or the funds are otherwise deposited into an account in which you have an interest.
9. We may refuse to accept for deposit or collection an item that is payable in currency other than U.S. dollars or an item that is not drawn on a financial institution chartered in the U.S. (each, a "non-U.S. item"). If we accept a non-U.S. item for deposit or collection, you accept all risks associated with foreign currency fluctuation (exchange rate risk) and with any late return of the item. You agree that we may use our current buying and selling rate, as applicable when processing a non-U.S. item and may recover from any account you maintain with us any loss incurred by us as a result of our processing such an item for you. We reserve the right to place longer holds on non-U.S. items than the time frames specified in our Funds Availability Policy.
10. We have the right to charge back to or otherwise debit any account you maintain with us for any deposited item that is returned (and assess any associated fees and to reverse or recover any associated interest that may have accrued), even if you have made withdrawals against it. This right of charge back or debit is not affected by the expiration of any applicable midnight deadline, provided we do not have actual knowledge that such deadline has expired or, having such knowledge, we conclude that: (1) the deposited item is returned in accordance with the laws governing your account or rule (including a clearing house rule); and/or (2) we have received a breach of warranty claim in connection with the deposited item.

We have the right to pursue collection of such deposited item, even to the extent of allowing the payor bank to hold the deposited item beyond the midnight deadline in an attempt to recover payment. We may, without notice to you, redeposit a returned deposited item and represent it for payment by any means (including electronic means), unless we have received instructions from you not to redeposit such deposited item. We will have no liability for taking or failing to take any action to recover payment of a returned deposited item.

If one of your deposited items is returned with a claim that there is a breach of warranty (for example, that it bears a forged endorsement or is altered in any way), we may debit your account for the amount of the item (plus any associated fees) and pay the amount to the claiming party. We are under no duty to question the truth of the facts that are being asserted, to assess the timeliness of the claim, or to assert any defense.

We need not give you any prior notification of our actions with respect to the claim. You agree to immediately repay any overdrafts. We may create substitute checks from your deposited items to facilitate the forward collection of such items. You agree to indemnify and hold us and our officers, directors, employees, and agents harmless from all damages, losses, liabilities, expenses and fees (including reasonable attorneys' fees) arising out of or in any way connected with such substitute check, including without limitation, any claim based on image quality of such substitute check.

11. You acknowledge and agree that we may, at our option, choose to create and retain electronic copies of original account records and any other records, and thereafter dispose of the originals. You further agree that electronically scanned and stored images of records will have the same effect as the original records.
12. We act only as a collecting agent for any items deposited to your account, and we do not assume any responsibility beyond the exercise of ordinary care. Any deposit that we accept and credit to your account is provisional and subject to our receipt of final payment. If final payment is not received, we reserve the right to charge your account for the amount of the deposit and impose a Return Check fee as set forth in the *Schedule of Fees*. In addition, we may reverse or otherwise adjust any credit we believe we have erroneously made to your account at any time without prior notice to you. We are not responsible for any deposits or other transactions initiated by mail until the item is actually received by us. We will not be responsible for any deposits or other transactions during the course of delivery to us by any courier or other third party until the item(s) is/are actually received by us. We will not be liable for the negligence or willful misconduct of any correspondent (any financial institution, processor, agency or company involved in the collection process). You agree to indemnify and hold the Credit Union harmless from and against any and all liabilities resulting from an item placed for collection.
13. We will mail, send electronically, or otherwise make available to you, your statements for your account, notices and other information regarding your account (collectively "account-related information") to the postal or electronic address of the owner as reflected in our records for your account. If there is more than one owner on your account, we may send account related information to any one of them.

Mailed account-related information will be deemed to have been delivered the second business day following the day account-related information was mailed. Account-related information made available electronically will be deemed to have been delivered on the date we make it available to you.

You will exercise reasonable care and promptness in examining your statements. You must promptly notify us of, and reimburse us for, any erroneous credit to your account within thirty (30) days after we mail or otherwise make statements available to you. You must promptly notify us of any claim for credit or refund due to an unauthorized transaction. For purposes of this Agreement, an unauthorized transaction is a transaction that was not authorized by you, including but not limited to an erroneous or unauthorized debit. It might include a missing signature, an unauthorized signature, or an alteration, or otherwise a transaction that was not authorized by you. If you fail to uphold these duties, you understand and agree that you are precluded from asserting the error or unauthorized payment against us if: (1) we suffer a loss on the item because of your failure; or (2) we pay on another item presented by the same wrongdoer if the payment was made before you properly notified us.

14. Unless otherwise prohibited by the laws governing your account, if any account-related information documents are returned, or, in the case of online statement email notifications the email notice is returned undeliverable, we may classify your account as "inactive." This means we may discontinue sending and may destroy account-related information sent to you until you provide a valid postal or electronic address to us.
15. Any written notice you give to us is effective when it is actually received by us. Any written notice we give to you is effective on the date we deposit such notice in the U.S. Mail, postage prepaid, and addressed to you at your statement mailing address, or, if you have agreed to receive notices from us in an electronic format, any notice we give to you is effective on the date we make the notice available to you in an electronic format. Notice to any one account owner is considered notice to all owners of the account.
16. We agree to investigate any transaction you have reported to us as unauthorized (a "claim of unauthorized transaction"). You agree to: (1) submit your claim of unauthorized transaction in writing to us by completing a declaration under penalty of perjury describing your claim of unauthorized transaction (in an affidavit form approved by us, if so requested); (2) file a police report; (3) complete and return to us any documents requested of you; and (4) in all respects, cooperate fully with us in our investigation of your claim of unauthorized transaction.

We reserve the right to reverse any credit made to your account if you fail to sign such documents, cooperate fully with our investigation of your claim of unauthorized transaction or our efforts to recover funds related to your claim of unauthorized transaction or if we determine that the transaction that gave rise to your claim of unauthorized transaction was proper.

17. We or you may close any of your account(s) at any time. You understand and agree, however, that our authority may not be changed or terminated except by written notice to us, which will not affect prior transactions. If an account is closed, we may send the collected balance on deposit in your account by regular mail to your most recent address shown in our records. Items presented for payment after the account is closed may be dishonored. We may require you to close your account and apply for a new account if: (1) there is a change in owners or authorized signers; (2) there has been a forgery or fraud reported or committed involving your account; (3) there is a dispute as to the ownership of the funds in your account; (4) any checks are lost or stolen; or (5) we deem it necessary in order to prevent a loss to us.
18. If we receive conflicting claims regarding funds in your account(s), including, but not limited to, disputes between joint owners, a payee, a beneficiary of a trust account or a payable on death account, or any other person claiming an interest to funds in your account, we may, without liability to you and in our sole and absolute discretion, take one or more of the following actions: (1) restrict the account and deny access to all until such time as the conflicting claims are resolved to our satisfaction; (2) close the account and send the funds to the owner or owners of the account, according to our records, at the statement mailing address; (3) interplead all or any portion of the funds from an account into an appropriate court for resolution; or (4) restrict the account until our receipt of either written instructions as to the distribution of funds signed by all affected parties or an order from a court of proper jurisdiction authorizing or directing us to distribute the funds. We may charge your account for expenses (including attorneys' fees and expenses) and fees we incur. In addition, if we receive written notice from any account owner that withdrawals, in accordance with the terms of the account, should not be permitted, we may refuse, without liability, to pay any sums on deposit pending determination of the rights of the owners. Such written notice(s) will become effective only upon receipt and after we have had a reasonable opportunity to act thereon.
19. We reserve the right to close any account(s) and terminate your membership should we discover that any of your accounts with us have been deliberately manipulated by you to our detriment, or to the detriment of any other accountholder. "Manipulation" includes, but is not limited to, making unauthorized withdrawals or other transactions, kiting and repeated patterns of transactions which have no apparent business reason other than to take advantage of Regulation CC hold periods and/or "interest float" to our detriment.
20. In order for us to service your account or to collect any amounts you owe, you agree that we may from time to time make calls and/or send text messages to you at any telephone number(s) associated with your account, including wireless telephone numbers that could result in charges to you. The manner in which these calls or text messages are made to you may include, but is not limited to, the use of prerecorded/artificial voice messages and/or an automatic telephone dialing system. You further agree that, in order for us to service your account or to collect any amounts you owe, we may send e-mails to you at any e-mail address you provide to us. You may revoke this consent at any time by notifying us in writing at Arrowhead Credit Union, P.O. Box 735, San Bernardino, CA 92402-0735.
21. You acknowledge that we may be obligated to report cases of actual or suspected financial abuse of elders or dependent care adults. If we suspect such financial abuse, you understand and agree that, in addition to reporting such abuse as may be required under applicable law, we have the right to freeze the account, refuse to complete transactions on the account, or to take any other action(s) that we deem appropriate under the circumstances. You agree to indemnify and hold us harmless from and against all damages, losses, liabilities, expenses, and fees (including reasonable attorneys' fees), arising out of or related to any action or inaction related to the matters described in this paragraph.
22. We may rely solely on our records to determine the form of ownership of your account. We may presume that any person named in addition to you in our records for your account owns the funds in your account with you as a joint owner, unless our records indicate that the person has some other relationship to the account.
23. We may recognize the signature of anyone who signed a Membership Signature Card as authorized to transact business on that account. Any payment made on your account by us in good faith and in reliance on the terms and conditions of this Agreement and/or the Membership Signature Card will be valid and discharge us from liability. Without limitation to the foregoing, we may honor checks drawn against your account by authorized signers, even if the checks are made payable to them, to cash or for deposit to their personal accounts. We have no duty to investigate or question withdrawals or the application of funds.
24. We reserve the right to require you to give not less than seven (7) and up to sixty (60) days written notice of your intention to withdraw funds from any account except checking accounts.

25. You understand and agree that Individual, Joint and Pay-on-Death accounts may be subject to the Multiple Party Accounts Law, Division 5 of the California Probate Code, as now in effect or hereafter amended.
26. Ownership for all accounts will be established and determined by the most recent Membership Signature Card or other document(s) evidencing such account(s). A different form of ownership may be established by executing a new Membership Signature Card and a new account number will be assigned. The word "owner(s)" means the owner of the funds in the case of an individual account and it means the joint owners (both as an individual and as a group) in the case of a joint account. Owner(s) agree that any and all sums on deposit will be subject to withdrawal or receipt by any owner and any such withdrawal or receipt will be valid and discharge us from any liability.
27. You are required to keep us informed of your current address. You agree to notify us promptly of any change of address or a legal name change. You may notify us in person at our office or by sending a written and signed notice to Arrowhead Credit Union, Attn: Account Administration Department #72, PO Box 735, San Bernardino, CA 92402. In the event that you fail to do this, a charge may be made to your account for the actual cost of a necessary locator service paid to a person or business normally engaged in providing such service and incurred in determining your address. This charge will be set forth in the *Schedule of Fees*. An administrative hold may also be placed on the funds in your account(s) if mail is returned to us.
28. You agree to notify us immediately of the death or court declared incompetence of any owner of your account. You agree to inform each owner of your account of the obligation to notify us of such an event as well. If you die or are declared legally incompetent, we can continue to accept and collect items deposited to your account until we know of your death or adjudication of incompetency and have a reasonable opportunity to act.
29. All non-cash payments will be credited subject to final payment on the day of deposit. Your right to withdraw the funds represented by certain checks or other items you deposit may be delayed for several days. You will be notified if your right to withdraw funds will be delayed. Please refer to the Credit Union's Funds Availability Policy for further details.
30. You agree that we will not be responsible for any damages you incur in the event you deposit an item with us which is subsequently returned unpaid by the paying bank and that return is "late" due to markings on the back of the item caused by you or a prior endorser.
31. You authorize us to accept and pay any check without regard to the date of the check. We are under no obligation to pay a check which is presented more than six (6) months after its date, but we may do so at our discretion and charge your account without liability, even if the presentation occurs after the expiration of a stop payment order or notice of postdated change. You agree that we are not required to identify stale dated checks or seek your permission to pay them. We may assess a special handling charge upon receipt of any such item in accordance with the *Schedule of Fees*.
32. All accounts are subject to the *Schedule of Fees* of the Credit Union. We will debit such charges against any account you own (including accounts on which you are a joint owner) except your IRA without prior notice to you. Only fees related to an IRA will be deducted from an IRA. If sufficient funds are not available, the charges are payable on demand and, for checking accounts, will be treated as an overdraft.
33. If you do not conduct a transaction on your account (i.e., a withdrawal, deposit, or transfer to or from your account, other than an automated transaction) for twelve (12) consecutive months, we may classify it as an "inactive" account. We will notify you in writing at your last known address if your account is classified as "inactive." We may charge a monthly Inactive Account Fee as set forth in the *Schedule of Fees* until you initiate a transaction. Once you initiate a transaction, either in person or in writing, we will reactivate your account.
34. Any account that has a zero (\$0.00) balance for a period of ninety (90) days or more is subject to closure.
35. State law establishes procedures under which unclaimed property must be surrendered to the state. In the State of California, funds in your account are considered unclaimed if a period of three (3) years has elapsed since the last time you:
- Increased or decreased the amount of funds on deposit with us or presented an appropriate record for crediting of dividends or cashed a dividend check from any of your accounts with us; or
  - Corresponded in writing with us concerning the funds on deposit; or
  - Otherwise indicated an interest in the funds on deposit as evidenced by a memorandum on file with us.
- The funds in your deposit account will not be surrendered to the state, however, if, during the previous three (3) years, you have owned another deposit account (or individual retirement or similar account) with us and, with respect to that deposit account, you have done any of the acts described in paragraphs (a), (b), or (c) above (or, with respect to an individual retirement or similar account, you have increased or decreased the principal, accepted payment of principal or income, or in writing concerning the property or otherwise indicated an interest), and, with regard to the funds in the deposit account that would otherwise be surrendered to the state, we have "communicated" (i.e., sent account statements or statements of interest paid for federal and state income tax purposes) electronically or in writing with you at the address to which communications regarding the other deposit account are regularly sent.
- We may charge a fee for mailing you a notice regarding your unclaimed property as set forth in the *Schedule of Fees*. To recover funds turned over to the state, you must file a claim with the state.
36. Our relationship with you concerning your account is that of debtor and creditor; no fiduciary, quasi-fiduciary, or special relationship exists between us and you.
37. For the safety of both staff and members, the Credit Union does not keep large amounts of cash at branch locations. Arrangements for large cash withdrawals may be made with the Branch Manager at the branch location of our choice. Large cash withdrawal requests may require up to seven (7) business days advance notice to process. You understand and agree that you will be responsible for all fees that may be assessed by a third party on the Credit Union in connection with your request (e.g. cash delivery charges). In addition, you may be asked to sign a form releasing us from any liability.
38. Federal law requires us to report certain domestic currency transactions and foreign transactions. This reporting applies to all member accounts at the Credit Union.
39. We agree to retain and furnish to you, if requested, photocopies of certain records pertaining to your account and that these records will be available to you for the time period required by law. You agree to pay applicable fees as listed in the *Schedule of Fees*.
40. You understand and agree that we must comply if we are served with any notice of garnishment or of attachment, tax levy, withholding order, injunction, restraining order, search warrant, government agency request for information, forfeiture, seizure, subpoena, or other legal process relating to your account that we know or otherwise believe in good faith is valid, whether served in person, by mail, or by electronic notification, at any Credit Union branch. 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. We may charge a fee, as set forth in the *Schedule of Fees*, and we may assess this fee against any account you maintain with us, including the account that is the subject of the legal process. You understand and agree that if a subpoena or legal process requires us to release information about an owner on an account, we must comply with such request and the information released pursuant to such subpoena or legal process may include information about other owners on the account, even if their information was not expressly requested by the subpoena or legal process.
41. You understand and agree that you are not permitted to place a stop payment on a cashier's and/or a Credit Union official check unless the cashier's check or Credit Union official check is lost, stolen or destroyed. In the event that a cashier's check or Credit Union official check is lost, stolen or destroyed, in order to effectuate a stop payment, you must execute and deliver to us a written Declaration of Loss and Claim for Reimbursement ("Declaration of Loss") and/or affidavit in a form acceptable to us and in time for us to have a reasonable time to act thereon. You further understand and agree that the Declaration of Loss is not immediately enforceable upon your submission. Specifically, you understand and agree that, pursuant to the California Uniform Commercial Code, we will not process your stop payment request until the later of (1) the time the Declaration of Loss form is properly delivered to us by you, or (2) the 90th day following the date of the cashier's check or official check. We may, however, in our sole and absolute discretion, process your stop payment request sooner. You agree to defend, indemnify, and hold us harmless from and against any loss or claim arising out of our attempt to, or stopping payment on, such cashier's check.
42. You authorize us to gather whatever credit, checking account and employment information we consider appropriate from time to time. You understand that this will assist us, for example, in determining your initial and ongoing eligibility for your account and/or in connection with making future credit opportunities available to you. You authorize us to give information concerning our experiences with you to others.
43. It is your responsibility to protect the account numbers and electronic access devices (e.g., a Visa Debit Card) we provide you for your account(s). You agree not to discuss, compare or share information about your account number(s) with anyone unless you are willing to give them full use of your money. An account number can be used by thieves to encode your number on a false demand draft which looks and functions like an authorized check. If you furnish your access device and grant actual authority to make transfers to another person (a family member or friend, for example) who then exceeds that authority, you are liable for the transfers unless we have been notified that transfers by that person are no longer authorized.
- Your account number can also be used to electronically remove money from your account. If you provide your account number in response to a telephone solicitation for the purpose of making a transfer (to purchase a service or merchandise, for example), payment can be made from your account even though you did not contact us directly and order the payment.
- You must also take precaution in safeguarding your blank checks. Notify us at once if you believe your checks have been lost or stolen.
- You agree that if we offer you services appropriate for your account to help identify and limit fraud or other unauthorized transactions against your account, such as commercially reasonable security procedures, and you decline those services, you will be responsible for any fraudulent or unauthorized transactions which could have been prevented by the services we offered.
44. Federal law requires that we obtain and have certified by you a Taxpayer Identification Number (TIN) on all accounts. We will not open an account without this identification number. To avoid backup withholding tax on accounts that earn interest or dividends, you must submit Internal Revenue Service (IRS) Form W-9 or Form W-8BEN and supporting information and/or documentation to us.
- Upon the death of the primary owner, we must be provided with the estate's or successor's TIN or we may either refuse to pay interest earned on the account since the date of the death or withhold a portion of the interest that has been earned on the account since the date of the death.
45. We may, without prior notice and when permitted by law, exercise our right of setoff against any of the funds in any of your accounts against any debt (whether or not matured, due, payable, in default or accelerated) or obligation that you owe us, now or in the future, by any of you having the right of withdrawal.
- This right of setoff does not apply if prohibited by law. For example, we will not exercise our right of setoff: (1) against an Individual Retirement Account (IRA) or similar tax-deferred account, or (2) if the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest). We will not be liable for the dishonor of any check when the dishonor occurs because we set off a debt against your account. You agree to hold us harmless from any claim arising as a result of our exercise of our right of setoff. You also grant us a security interest in each account you own to secure any debt that you owe, or may owe, us now or in the future.
- We will also have the right to place an administrative hold on such funds pending setoff. We may apply all funds in a joint account to satisfy a debt owed to us by any one or more of the joint owners. In addition, we may, after the death of any account owner, setoff against a joint account or an account with POD beneficiaries the debts and obligations of the deceased account owner, up to the full amount in the account at the time of the account owner's death.
- Moreover, you knowingly consent and expressly agree that the application of an offset of funds in any account includes the offset of government benefits (such as Social Security and other public benefit funds) deposited in your account to the maximum extent permitted by applicable state and federal law.
46. You may conduct transactions on your Arrowhead Credit Union account(s) at CO-OP Shared Branching locations. All transactions conducted at a CO-OP Shared Branching location are subject to CO-OP's operating procedures, policies, and fees. Funds deposited at CO-OP Shared Branching locations may not be available for immediate withdrawal. Check holds are the same as for similar checks deposited at an Arrowhead Credit Union proprietary branch; please refer to Part IV of this Agreement for our Funds Availability Policy. Check holds cannot be removed by CO-OP Shared Branching personnel. Transactions at CO-OP Shared Branching locations are subject to this Agreement and are subject to host credit union verification. Certain transactions at CO-OP Shared Branching locations may be subject to our fee(s) as stated on the current *Schedule of Fees*.
47. Member accounts in this Credit Union are federally insured by the National Credit Union Share Insurance Fund.
48. An action or proceeding by you to enforce an obligation, duty, or right arising under this Agreement or by law with respect to your account must be commenced within one (1) year after the cause of action accrues.
49. You agree to indemnify, defend, and hold us and our employees harmless from and against every claim, demand, action, cost, loss, liability, and expense including, without limitation, attorneys' fees, collection costs, skip-tracing fees, an outside services fees which we incur by acting in accordance with this Agreement or as a result of your failure to abide by its terms.
50. Your account will be governed by California law to the extent that California law is not inconsistent with controlling federal law. However, California's choice of law rules will not be applied if that would result in the application of non-California law.
51. If you choose to appoint an agent to act on your behalf pursuant to a power of attorney ("POA"), we may rely on instructions provided by the agent and will have no liability or responsibility to verify the transactions. The POA must be properly executed, facially valid under California law and the form of appointment must be acceptable to us. In accordance with the terms of the POA, the agent you designate to act on your behalf will be authorized to transact business on your account(s) pursuant to the terms of such POA.

Notwithstanding the foregoing, we reserve the right to contact you as the principal under the POA, to verify your intent, prior to acting under the authority of the POA. You further agree that unless prohibited by law,

we may refuse, with or without cause, to accept or otherwise act under a POA, which you grant to others.

If we choose to accept the POA, you understand and agree that we may act under the terms of such POA and to the extent permitted by law, revocation of the POA will not become effective until we have received written notification thereof. You agree to indemnify and hold us harmless for any claims that may arise against us because of our reliance on a POA.

We are not liable for any transactions by an agent for a deceased or incompetent account owner, unless we have written notice provided in accordance with applicable law that you, as the principal under the POA are deceased, have revoked the powers of the agent, or you are adjudicated totally or partially incapacitated by a court of competent jurisdiction, and we have had time to act on that notice.

52. You agree to pay our costs of collection, including reasonable attorneys' fees and court costs, with regard to any check drawn on us by you or any item you deposit with us that causes us to incur a loss.
53. You agree that your telephone communications with us may be monitored and recorded to improve member service and security.
54. If we receive a deposit for your account, you agree that we do not have to provide you with notice of the deposit other than by reflecting the deposit on your next regular periodic statement, even if the Automated Clearing House (ACH) or wire transfer rules would otherwise require such a notice. Further, you understand and agree that no interest liability will arise under California Uniform Commercial Code Section 11404(b) even if no special notice is sent to you.
55. You understand that you may elect from time to time to use Credit Union or other parties' social media tools and sources; that there is no claim of privacy or privilege regarding information you share or information discernible from such use or sharing; and the use of such information by us does not violate your privacy or other rights.
56. **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 AGREEMENT, REGARDLESS OF WHETHER YOU HAVE ADVISED US OF THE POSSIBILITY THAT YOU MAY INCUR SUCH DAMAGES.**

#### ACCOUNT OWNERSHIP AND BENEFICIARY DESIGNATION:

These rules apply to this account depending on the form of ownership and beneficiary designation, if any, specified on the account records. We reserve the right to refuse some forms of ownership on any or all of our accounts. We may also refuse to open an account for any reason. We make no representations as to the appropriateness or effect of the ownership and beneficiary designation, except as they determine to whom we pay the account funds.

1. **Single-Party (Individual) Account.** A single-party account is an account owned by one member. A single-party account is also referred to as an individual account. For purposes of this Agreement, we will use the term "individual account."
2. **Multiple-Party (Joint) Account.** A multiple-party account is an account owned by two or more persons. A multiple-party account is also referred to as a joint account. For purposes of this Agreement, we will use the term "joint account." All joint owners agree with each other and with us that all sums now paid in or here after paid in by any one or all account owner(s), including all dividends thereon, if any, are and will be owned by all account owner(s) jointly and equally regardless of their net contributions with a right of survivorship and will be subject to withdrawal or receipt by any of the account owner(s) or the survivor(s) of any of the account owner(s). We are not obligated to inquire as to the source of funds received for deposit to a joint account or to inquire as to the proposed use of any sums withdrawn from the account for the purpose of establishing net contributions. Being a joint owner of a member's account does not constitute Credit Union membership for the joint owner. Joint owners may be non-members. A right of survivorship arising from the express terms of a joint account cannot be changed by a will.

Unless otherwise agreed in writing between you and us, each joint owner, without the consent of any other joint owner, may, and hereby is authorized by every other joint owner, to conduct any transaction permitted under this Agreement, including without limitation: (1) to withdraw all or any part of the account funds; (2) to pledge the account funds as collateral to us for any obligation, whether that of one or more joint owners; (3) to endorse and deposit checks and other items payable to any joint owner; (4) to give stop payment orders on any check or item, whether drawn by that joint owner, or not; (5) to consent to or revoke consent to payment of service charges on overdrafts that result from ATM transactions or one-time debit card transactions under the Courtesy Pay Service; and (6) to close the account, with the disbursement of account proceeds as instructed by the joint owner. Unless otherwise agreed in writing between the joint owners, if a request is made to alter the terms of the account and it is not signed by all of the joint owners on the account, we may in our discretion refuse to honor the request if it would change our obligations or rights under this Agreement.

Your obligations under this Agreement are joint and several. This means that each joint owner is fully and personally obligated under the terms of this Agreement, including liability for overdrafts, irrespective of which joint owner benefited from the withdrawal.

3. **Payable-on-Death Designation.** A payable-on-death (POD) account designation is an instruction to the Credit Union that an account so designated is payable to the owner or owners during their lifetime, and upon the death of the last account owner, payable first to us to the extent of any outstanding matured or unmatured debts owed to us by you, and second, to your designated POD payee(s). If the account is a joint account, all sums are payable to one or more account owner(s) during their lives and on the death of all of them, first to us to the extent of any outstanding matured or unmatured debts owed to us by any of you, and second, to one or more POD payees then surviving in equal and undivided shares. Accounts payable to more than one surviving beneficiary are owned jointly by such beneficiaries without rights of survivorship and disbursement will be made in equal shares to each of the beneficiaries. Any POD designation will not apply to Individual Retirement Accounts (IRAs) which will be governed by a separate beneficiary designation. The Credit Union does not have any obligation whatsoever to notify any beneficiary of the existence of any account or the vesting of the beneficiary's interest in any account, except as otherwise provided by law.
4. **Rights at Death.**
  - **Individual Account Without Payable-on-Death Designation.** Upon the death of the owner, ownership passes to the deceased owner's estate.
  - **Individual Account With Payable-on-Death Designation.** Upon the death of the owner, ownership passes to the designated POD beneficiary(ies) and is not part of the deceased owner's estate.
  - **Joint Account Without Payable-on-Death Designation.** Upon the death of an account owner, ownership passes to the surviving account owner(s). Upon the death of the last surviving owner, ownership passes to the last surviving owner's estate.
  - **Joint Account With Payable-on-Death Designation.** Upon the death of the last surviving owner, ownership passes to the designated POD beneficiaries and is not part of the last surviving owner's estate.

For joint accounts, a surviving owner's ownership interest is subject to the Credit Union's right of setoff for the deceased owner's obligations, and to any security interest or pledge granted by a deceased owner, even if a surviving owner did not consent to it.

#### TERMS AND CONDITIONS APPLICABLE TO CALIFORNIA UNIFORM TRANSFERS TO MINORS' ACT ACCOUNTS:

1. The transferor/custodian is opening an account as custodian for the minor named on the Transfer to Minors Account Signature Card ("UTMA Account Agreement") under the California Uniform Transfers to Minors Act. The transfer of money to the minor named on the UTMA Account Agreement, which transfer will be deemed to include all dividends and any future deposits or other additions thereto, is irrevocable and is made in accordance with and to include all provisions of the said statute of the State of California now in effect or hereinafter amended.
2. You acknowledge that by signing the UTMA Account Agreement, you have received the funds deposited to the account as custodian for the minor named therein under the California Uniform Transfers to Minors Act and you agree to the applicable terms and conditions set forth in this Agreement as well as the terms and conditions of the UTMA Account Agreement. You acknowledge and agree that neither the donor of the funds nor the custodian is entitled to the use or benefit of the funds, except for the benefit of the minor as allowed by the California Uniform Transfers to Minors Act. You also acknowledge and agree that we have no duty whatsoever to monitor or insure that the acts of the custodian (or successor custodian) are for the minor's benefit.
3. For this type of account, the minor's Social Security Number/Tax Identification Number is used for the Backup Withholding Certification.
4. Funds in an UTMA may not be pledged as security for any loan(s).
5. Custodial accounts are not subject to the Multiple Party Accounts Law.
6. You, as custodian, agree to indemnify and hold us harmless from and against any and all loss, costs, damage, liability, or expense, including reasonable attorneys' fees, we may suffer or incur arising out of any action or claim by any beneficiary with respect to the authority or actions taken by you in handling or dealing with the account.
7. You acknowledge and agree that upon the minor reaching the age of majority, or other age stipulated in any applicable court order, that the account must be closed by the custodian. When the minor reaches the age that transfer by the custodian to the minor is mandated, or anytime thereafter, we may pay the funds on deposit in the account to the minor in accordance with the custodian's duty without waiting for instructions from the custodian. The custodian agrees to keep the Credit Union informed of the minor's residence.

#### TERMS AND CONDITIONS APPLICABLE TO TRUST ACCOUNTS:

1. If you are a trustor/trustee and want to establish an account in connection with a written trust instrument, we may require you to provide us with a notarized trust certification confirming your power as a trustee prior to opening the account.
2. We are not required to know, understand, interpret, or enforce the terms of your written trust instrument.
3. You acknowledge that the account is governed by the applicable terms and conditions set forth in this Agreement and by the terms and conditions set forth in the Trust Account Signature Card that you will be asked to sign when the account is opened.
4. Trust accounts are not subject to the Multiple Party Accounts Law.

#### TERMS AND CONDITIONS APPLICABLE TO TOTTEN TRUST ACCOUNTS:

The Credit Union no longer offers Totten Trust Accounts. However, if you currently have a Totten Trust Account, the following terms and conditions apply to such account: All funds in this Totten Trust Account and all dividends paid or credited thereon will be held by the Trustee(s) in trust for the beneficiary(ies) named at account opening is subject to the right of the Trustee(s) or any one of them from time to time and in their sole discretion to revoke the same to the extent of any withdrawal of funds from this account. Upon the death of the Trustee, (or if more than one, upon the death of the last surviving Trustee), the balance remaining in this account will be distributed to the beneficiaries in equal shares. If there are no surviving beneficiaries, the balance remaining in this account will be distributed to the estate of the last surviving Trustee. The Credit Union may require certain legal documents before releasing funds in the account. Until final payment is made, the Credit Union will continue to operate the account according to the terms of this Agreement. The terms of this account may not be altered by will or other testamentary instrument.

#### TERMS AND CONDITIONS APPLICABLE TO FIDUCIARY ACCOUNTS:

1. Accounts may be opened by a person acting in a fiduciary capacity. A fiduciary is someone who is appointed to act on behalf of and for the benefit of another. This account may be opened and maintained by a person or persons named as a trustee under a written trust agreement or as executors, administrators, conservators, or guardians under court orders. By the authority vested in you as a fiduciary, you, acting individually or jointly, are authorized and empowered to transact business of any character in connection with this account. Your authority will continue in force until written notice to the contrary is received by us.
2. If the account is opened as a blocked account, you understand and agree that you will file with the court a written receipt including an agreement with us that the funds in the account, including any dividends, may not be withdrawn or pledged except upon court order.
3. Funds in a fiduciary account may not be pledged as security for any loan(s).
4. Fiduciary accounts are not subject to the Multiple Party Accounts Law.

#### TERMS AND CONDITIONS APPLICABLE TO SOLE PROPRIETORSHIP ACCOUNTS:

1. You affirm that you are the sole proprietor of the sole proprietorship named on the Business Account Membership Signature Card. We may pay out funds with your signature. We may accept and/or endorse checks or other items made payable to you or the sole proprietorship named on the Business Account Membership Signature Card, which we receive for deposit.
2. Funds in a sole proprietorship account may not be pledged as security for any loan(s).
3. Sole proprietorship accounts are not subject to the Multiple Party Accounts Law.

#### ABOUT OUR SAVINGS ACCOUNTS

Arrowhead Credit Union's savings accounts let you deposit your money in a savings account and withdraw your money at any time (with the exception of Individual Retirement Accounts, Club Accounts, and Share

Certificate Accounts). Our share accounts are Regular Savings Accounts, Special Occasion Accounts, Holiday Club Accounts, Money Market Accounts, Share Certificate Accounts, and Individual Retirement Accounts.

1. **Rate Information.** Our savings accounts are designated as variable rate accounts on the *Deposit Accounts Sheet*. Rates and yields may change at any time as determined by the Credit Union Board of Directors.
2. **Transaction Limitations.** During any calendar month, no more than six (6) withdrawals or transfers made to another account at the Credit Union or to a third party by means of a pre-authorized, automatic transfer, online or telephonic order or instruction, whether initiated by check, draft, debit card, or similar order payable to a third party, may be made from each savings account or money market deposit account. If you exceed or attempt to exceed these transfer limits, the excess transfer requests may be refused or reversed, a fee may be imposed on the excess transfer requests as set forth in the *Schedule of Fees*, and the Credit Union may reclassify or close the account. Transfers initiated by calling the Credit Union or through the "CU Hear" Audio Response Service are counted among the six (6) monthly transfers, except that there are no limits on the number of withdrawals paid directly to you when such transfers or withdrawals are made by mail, messenger, automated teller machine (ATM), or in person, or when such withdrawals are made by telephone (via check mailed payable to you).

#### **TERMS AND CONDITIONS APPLICABLE TO REGULAR SAVINGS ACCOUNTS:**

1. A Regular Savings Account is our primary savings account.
2. The minimum deposit required to open a Regular Savings Account is set forth on the *Deposit Accounts Sheet*.
3. You must maintain the minimum average daily balance set forth on the *Deposit Accounts Sheet* in your Regular Savings Account to obtain the disclosed Annual Percentage Yield (APY) and to avoid closure.
4. A monthly service fee applies to this account. Please refer to the *Schedule of Fees*.

#### **TERMS AND CONDITIONS APPLICABLE TO SPECIAL OCCASION ACCOUNTS:**

1. We offer a Special Occasion Account you can use to save for vacations, weddings, etc. Special Occasion Account deposits may be made in any manner including payroll deduction.
2. The minimum deposit required to open a Special Occasion Account is set forth on the *Deposit Accounts Sheet*.
3. You must maintain the minimum average daily balance set forth on the *Deposit Accounts Sheet* each day to obtain the disclosed APY and to avoid closure. No dividends will be paid on balances below \$.01.
4. There are no monthly service fees for this account.
5. The maximum number of withdrawals you may make is one (1) per calendar month. If you exceed the withdrawal limitation in any calendar month, you will be assessed the service fee as stated on the *Schedule of Fees*.
6. Funds in Special Occasion Accounts may not be accessed by ATM, Funds in Special Occasion Accounts may not be used as an overdraft source for any checking account, etc.

#### **TERMS AND CONDITIONS APPLICABLE TO HOLIDAY CLUB ACCOUNTS:**

1. Holiday Club Accounts provide our members with an easy way to save for their holiday expenses.
2. A Holiday Club Account may be opened at any time. Holiday Club Account deposits may be made in any manner, including payroll deduction.
3. The minimum deposit required to open a Holiday Club Account is set forth on the *Deposit Accounts Sheet*. A recurring minimum monthly deposit as set forth in the *Deposit Accounts Sheet* must be made into the account by transfer from another Credit Union account or direct deposit in order to avoid closure.
4. You must maintain the minimum average daily balance set forth on the *Deposit Accounts Sheet* each day to obtain the disclosed APY and to avoid closure. No dividends will be paid on balances below \$.01.
5. There are no monthly service fees for this account.
6. The funds deposited into this account are not available for withdrawal until the first (1st) business day of November. Withdrawals may be made between November 1 and December 31 and during the first seven (7) days after the account is opened without being assessed a fee. If a withdrawal is necessary between January 1 and October 31, you will be assessed the service fee as stated on the *Schedule of Fees*. If you deposit funds to a Holiday Club Account after November 1st, the account will be automatically reopened for your convenience.
7. Your Holiday Club Account may be closed at your request any time.
8. Funds in a Holiday Savings Account may not be pledged as security for any loan(s).
9. Funds in a Holiday Savings Account may not be used as an overdraft source for any checking account.

#### **TERMS AND CONDITIONS APPLICABLE TO KIDS SAVINGS ACCOUNTS:**

1. The Kids Savings Account is offered to eligible members up to twelve (12) years of age. Upon reaching thirteen (13) years of age, your Kids Savings Account will convert to a Teens Savings Account.
2. For this type of account, the minor's Social Security Number/Tax Identification Number is used for the Backup Withholding Certification. A parent or legal guardian must be a joint owner on the account.
3. The minimum deposit required to open a Kids Savings Account is set forth on the *Deposit Accounts Sheet*.
4. You must maintain the minimum average daily balance set forth on the *Deposit Accounts Sheet* to obtain the disclosed APY and to avoid closure.
5. There are no monthly service fees for this account.

#### **TERMS AND CONDITIONS APPLICABLE TO TEENS SAVINGS ACCOUNTS:**

1. The Teens Savings Account is offered to eligible members between the ages of thirteen (13) and twenty-one (21). Upon reaching twenty-one (21) years of age, your Teens Savings Account will convert to a Regular Savings Account.
2. For this type of account, the minor's Social Security Number/Tax Identification Number is used for the Backup Withholding Certification. A parent or legal guardian must be a joint owner on the account.
3. The minimum deposit required to open a Teens Savings Account is set forth on the *Deposit Accounts Sheet*.
4. You must maintain the minimum average daily balance set forth on the *Deposit Accounts Sheet* to obtain the disclosed APY and to avoid closure.

#### **TERMS AND CONDITIONS APPLICABLE TO MONEY MARKET ACCOUNTS:**

1. The minimum deposit required to open a Money Market Account is set forth on the *Deposit Accounts Sheet*.
2. You must maintain the minimum average daily balance set forth on the *Deposit Accounts Sheet* to obtain the Annual Percentage Yield (APY). Withdrawals below the minimum average daily balance will reduce your earnings.
3. Funds in a Money Market Account may not be pledged as security for any loan.

#### **TERMS AND CONDITIONS APPLICABLE TO SHARE CERTIFICATE ACCOUNTS:**

1. Our Share Certificate Accounts are fixed-rate accounts and are non-negotiable and non-transferable. A Share Certificate Account is subject to the applicable terms and conditions set forth in this Agreement as well as the terms and conditions set forth in the Share Certificate Agreement and Disclosure Statement, which will be provided to you in accordance with applicable law.
2. The minimum deposit required to open this account is set forth in the *Deposit Accounts Sheet*.

#### **TERMS AND CONDITIONS APPLICABLE TO INDIVIDUAL RETIREMENT ACCOUNTS (IRAs):**

1. We offer IRAs to encourage our members to save for their retirement years. An IRA is subject to the applicable terms and conditions set forth in this Agreement as well as the terms and conditions set forth in the *Individual Retirement Account Agreement and Disclosure Statement* which by this reference is incorporated into this Agreement in its entirety. When you open your IRA, the *Individual Retirement Account Agreement and Disclosure Statement* and related disclosures will be provided to you in accordance with applicable law.
2. The minimum deposit required to open and maintain an IRA is set forth in the *Deposit Accounts Sheet*.
3. The minimum balance required to obtain the disclosed APY is \$100.00
4. You may not pledge any of the funds on deposit in the account as security for any loan(s).
5. Certain federal and state penalties may apply to amounts withdrawn from IRAs. These are set forth in applicable federal and state laws and regulations, which are incorporated herein by this reference.
6. Funds in an IRA will be considered abandoned and will be turned over to the state if you have not done any of the following for a period of more than three (3) years after the funds become payable or distributable:
  - a. Increased or decreased principal;
  - b. Accepted payment of principal or income (dividends);
  - c. Communicated with us concerning the funds or otherwise indicated an interest therein.

#### **TERMS AND CONDITIONS APPLICABLE TO CHECKING ACCOUNTS:**

Arrowhead Credit Union offers two (2) types of checking accounts that let you withdraw your money and write checks against your account at any time. Our checking accounts are Arrowhead Checking Account and Dividend Checking Account.

1. The minimum balance required to open any checking account is set forth in the *Deposit Accounts Sheet*.
2. The Arrowhead Checking Account is a non-dividend earning account. The minimum deposit required for you to open an Arrowhead Checking Account is set forth in the *Deposit Accounts Sheet*. There is no minimum balance required to maintain the account. There is a monthly service fee as stated on the *Schedule of Fees* assessed to the account. The monthly service fee is waived if you elect to receive electronic statements (e-statements).
3. The Dividend Checking Account is designated as a variable rate account on the *Deposit Accounts Sheet*. This rate and yield may change at any time as determined by the Credit Union Board of Directors. The minimum deposit required for you to open your Dividend Checking Account is set forth in the *Deposit Accounts Sheet* to obtain the APY. You must maintain the minimum average daily balance indicated on the *Schedule of Fees* to avoid the monthly service fee as stated in the *Schedule of Fees*.
4. We may, at our discretion, but are not obligated to, nor will we be liable for, refusal to pay funds from this account:
  - a. When such payment would draw the account below the minimum balance for the account as established from time to time by us.
  - b. If drawn by means not authorized in advance by us.
  - c. Against checks presented over six (6) months past their issue dates.
  - d. Against uncollected non-cash items.
5. We may pay and charge to your applicable account checks or other debit items ("items") drawn by and payable to any person, organization, association or corporation whom you have authorized by providing sample MICR encoded information identifying your account, provided there are sufficient funds in your account to pay such items. You agree that our rights in respect to such items will be the same as if it were an item drawn and signed by you personally. This authority will remain in effect until revoked by you in writing (to us and to the agency to which the sample MICR writing was provided) and we have had a reasonable opportunity to act on it. You agree that we will be fully protected in honoring such items. You further agree that if any such item is dishonored, whether with or without cause, and whether intentional or inadvertent, we will have no liability whatsoever, even though such dishonor results in the forfeiture of insurance, or other loss or damage to you of any kind.
6. If we have made good faith payment to a holder, we may charge your account according to:
  - a. The original terms of your check; or
  - b. The terms of your completed check unless we have notice that any such completion is improper.
7. You, or any other person authorized to draw on the account, may request a stop payment of any check payable against your account, provided your request is timely and affords us a reasonable opportunity to act upon it under our rules. You may also stop payment on a line of credit check. You may request a stop payment by telephone, mail or in person. Your stop payment request must include the account number, check number, exact amount, check date, and name of payee. This information must be exact because stop payment orders are processed using automated means. We will not be liable for paying a check over a stop payment request if the request is incomplete or incorrect. A stop payment fee will be assessed for each stop payment as set forth in our *Schedule of Fees*. Stop payments will be valid no longer than six (6) months, but may be renewed for additional six (6) month periods by given notice during the time that the stop payment order was effective. We are not obligated to notify you when a stop payment order expires. You have the burden

- of establishing the fact and amount of loss resulting from payment contrary to a binding stop payment request. You may not stop payment on completed electronic point-of-sale transactions, and, except under certain limited circumstances, cashier's checks, certified checks, or checks issued or guaranteed by us. You assign to us all rights against the payee or any other holder of the item. You agree to cooperate with us in any legal actions that we may take against such persons. You should be aware that anyone holding the item may be entitled to enforce payment against you despite the stop-payment order. You agree to indemnify, defend, and hold us harmless for all claims, actions, and damages related to or arising from our action in stopping payment of any check pursuant to your request.
8. Your death, dissolution or incompetence will not revoke our authority to accept, pay or collect a check or to account for proceeds of its collection until we know of the fact of death or adjudication of incompetence and have a reasonable opportunity to act on it. Even with knowledge, we may for ten (10) days after the date of death, dissolution or incapacity, 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 us. We must be notified if any of you die, become incapacitated, or your organization is dissolved.
  9. If we have paid a check under circumstances giving a basis for objection by you, we will be subrogated to the rights of:
    - a. Any holder in due course on the check against the drawer or maker;
    - b. The payee or any other holder of the check against the drawer or maker either on the item or under the transaction out of which the item arose; and
    - c. 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.
  10. In the event of wrongful dishonor which occurs by mistake, our liability will be limited to actual damages you prove. In the event of a dishonor of any check or other debit on your account, our determination of whether sufficient funds exist in your account may be made at any time between the time the item is received and the time it is returned.
  11. We are neither given notice, or otherwise affected by, a restrictive endorsement of any person or entity except our immediate transferor.
  12. You agree that in the event you draw a check on your account with us, that you will hold us harmless and indemnify us from any liability you incur due to a delay or misrouting of the check where the delay or misrouting is caused by markings placed on the check by you or a prior endorser that obscure any depository endorsement placed by us or our agent.
  13. We may recognize the signature of anyone who signed the Membership Signature Card as authorized to transact any business on this account including, but not limited to, the causing or making of overdrafts and endorsement of checks payable to any owner of this account.
  14. You may not pledge any or all of the funds on deposit in your checking accounts as security for any loan(s).
  15. You will notify us immediately at (800) 743-7228 if your checks are lost or stolen. You agree that you will be responsible for losses caused by a delay in your notification to us.
  16. You acknowledge that we do not sell checks. As a convenience to you, we will submit your initial check order and any reorders for personalized checks ordered through us to the printer named on the face of the order. If the printer accepts the initial order and any re-orders, the printer will mail the checks either directly to you. You authorize us to charge your checking account for the cost of checks ordered through us, plus applicable sales tax and shipping costs at the fee set forth in the *Schedule of Fees*. You are responsible for verifying the accuracy of all information shown on your checks, whether you order them through us or else where. You agree to imprint only those names of authorized owners on your checks.
  17. We may provide you with temporary checks that include the exact Magnetic Ink Character Recognition (MICR) line, including routing number and account number, necessary for the proper processing of your checks. You are responsible for ensuring that any checks you use to draw on your account include this same MICR encoding. You understand that it is your responsibility to ensure that checks you order from any third party printer are printed in accordance with applicable standards set by the American National Standards Institute (ANSI) for font, per, toner, and positioning. You understand that if checks you write do not have the correct routing number, they may not be properly posted, and that if any other part of the encoding is incorrect, posting of the checks may be delayed. If you fail to include proper MICR encoding on your checks and this results in any such check being hand processed by us, then you will pay a fee as set forth in the *Schedule of Fees*.
  18. Paid checks remain the property of the Credit Union upon payment and are not returned to you with periodic statements. Checks are imaged on both sides and stored for seven (7) years from date of posting. You may request and we will provide you with a copy of a requested item within a reasonable time. Imaged checks are also available on the online banking system. We will not charge you for the first two (2) copies of items you request appearing on any statement. Additional copies will be subject to an assessment of a fee as set forth in the *Schedule of Fees*. If you have not ordered your Arrowhead Credit Union checks through our approved check vendors, you understand and agree that we are not responsible for the quality of any check copy that you request from us. If at any time you should use checks printed by a check vendor that was not approved by us, we reserve the right to reject any check of poor quality.
  19. A postdated check is one which bears a date later than the date on which the check is presented. We may refuse to accept postdated checks or we may treat postdated checks as though the checks were written on the date presented. In the event that we accept a postdated check, we may charge against your account a postdated check even though payment is made before the date of the check. Notice may be written or oral and it must include the exact amount, account number, check number, date of check, and name of payee. The notice will be valid for up to six (6) months, and can be renewed within six (6) months for another successive six (6) month period. A fee may be assessed for this service as set forth in the *Schedule of Fees*.
  20. All checks written on your account must be drawn in U.S. dollars.
  21. If a transaction involves a remotely-created check, we reserve the right to accept or reject the item for deposit into any of your accounts. If you deposit a remotely-created check into any of your accounts, you represent and warrant to us that you have instituted procedures to ensure that these drafts are authorized by the person on whose account the remotely-created check is drawn, in the amount stated on the check, and to the payee stated on the check. If a remotely-created check which you have deposited into your account is returned by the drawee-payor or bank for any reason, you agree that we may debit your account for the amount of the item, plus any applicable fees. If the debit causes your account to be over drawn, you agree to pay the overdraft amount on our demand. For purposes of this Agreement, the term "remotely-created check" means a check that is not created by the paying bank and that does not bear a signature applied, or purported to be applied, by the person on whose account the check is drawn.
  22. Our measure of damages for failure to exercise ordinary care in handling a check will not exceed the amount of the item.

#### TERMS AND CONDITIONS APPLICABLE TO TEEN DEBIT ACCOUNTS

1. The Teen Debit Account is offered to eligible members between the ages of thirteen (13) and seventeen (17). Upon reaching eighteen (18) years of age, your Teen Debit Account will convert to a Arrowhead Checking Account.
2. For this type of account, the minor's Social Security Number/Tax Identification Number is used for the Backup Withholding Certification. A parent or legal guardian must be a joint owner on the account for as long as it is open.  
The parent/legal guardian understands and agrees that he/she is responsible and legally liable for any and all transactions on the Teen Debit Account for as long as it is open, even after the minor reaches the age of eighteen (18). Parent/legal guardian expressly authorizes Arrowhead Credit Union to issue a VISA Debit Card to the minor in connection with opening a Teen Debit Account.

Without limitation to the foregoing, parent/legal guardian understands and agrees that he/she is responsible and legally liable for: (1) any withdrawals on the Teen Debit Account made by the minor by ATM, CU Hear, online banking, or otherwise; (2) any overdrafts or negative balance on the Teen Debit Account created by the minor by whatever means; and (3) any claims by third parties upon the Teen Debit Account, the Teen Debit Account funds, and/or any other matter related to Teen Debit Account transactions(s) by the minor.

3. The Teen Debit Account is a non-dividend earning account.
4. A minor is permitted to have only one Teen Debit Account.
5. The minimum deposit required to open a Teen Debit Account is set forth on the *Deposit Accounts Sheet*.
6. Access to the Teen Debit Account is available only with a Visa Debit Card. The Teen Debit Card will be issued in the minor's name. There are no check writing privileges.
7. Courtesy Pay service is not available on Teen Debit Accounts. Any items returned unpaid because of insufficient funds in the Teen Debit Account will be subject to Non-Sufficient Funds (NSF) Fee. Each joint account owner is jointly and severally responsible for paying any overdrafts created by the other account owner(s), whether or not the joint account owner participated in the transaction or benefitted from its proceeds.

#### PART III: YOUR LIABILITY FOR OVERDRAFTS:

**GENERAL.** You are responsible for keeping track of the funds in your account that are available for you to use before you write a check, make a cash withdrawal at an ATM, use your debit card for a transaction, initiate automated clearing house (ACH) transactions, and/or schedule bill payments. You need to manage your funds responsibly. We encourage you to keep a running balance that reflects all of your transactions. It is important that you keep track of the transactions you may have authorized (such as outstanding checks, debit card transactions, pending ACH items or bill payments you have authorized), as your available balance (discussed in more detail below) will not reflect these transactions until they are paid from your account.

"Overdrawing" your account means that there are not enough available funds in your account to pay for a transaction. Some transactions that can result in an overdraft in your checking account may include, but are not limited to: (1) the payment of checks, electronic fund transfers, telephone initiated transfers, preauthorized payments under our Bill Pay Service, or other withdrawal requests authorized by you including, but not limited to, ATM transactions, debit card transactions, point-of-sale (POS) transactions, ACH transactions and other preauthorized transfers for which funds are not available; (2) items deposited by you returned unpaid; (3) fees; or (4) items deposited by you that are on hold and treated as not yet available according to our Funds Availability Policy.

**PAYMENT OF OVERDRAFTS.** We are not obligated to pay any item presented for payment against your account if your account does not have enough available funds. If we pay a transaction that overdraws your account, we are not obligated to continue paying such transactions in the future. We may pay all, some, or none of your overdrafts, without notice to you. You are liable to us to repay any overdrafts on your account whether you created them or not. If you do not pay us, and we take collection action against you, you agree to pay for any costs of collection. We may close, without notice, any account with excessive overdraft activity, and report the account to a consumer reporting agency.

We assess a fee for each item that we either pay, which results in an overdraft, or do not pay (return), which would have resulted in an overdraft had we paid it. If we pay an item in accordance with our Courtesy Pay Service (described in more detail below), we will charge a Courtesy Pay Fee. If we return an item, we will charge a Non-Sufficient Funds (NSF) Fee. Refer to the *Schedule of Fees* for a listing of fees.

We limit the number of Courtesy Pay Fees we charge in a business day for items that result in overdrafts when your account does not have enough available funds. Refer to the *Schedule of Fees* for the limit. We will not charge a fee if your ending account available balance is overdrawn by a certain dollar amount. Refer to the *Schedule of Fees* for this amount. We recommend that you enroll in one of the Optional Overdraft Protection plans described below. These plans can help you avoid overdrafts and returned items. Fees do apply when you use an optional overdraft protection plan but are less expensive than NSF and Courtesy Pay Fees. Refer to the "Optional Overdraft Protection Plans" section below for more information.

**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, by phone, 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. It reflects transactions that have posted to your account, but not transactions that have been authorized and are pending. 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. Any purchases, holds, fees, other charges, or deposits made on your account that have not yet posted will not appear in your actual balance. For example, if you have a \$50 actual balance, but you just wrote a check for \$40, then your actual balance will show as \$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 paying NSF or Courtesy Pay fees. The available balance includes 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 were to 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). In that case, we will place a "hold" on your account for \$20. Your actual balance would still be \$50 because this transaction has not yet posted, but your available balance would be \$30 because you have committed to pay the restaurant \$20. When the restaurant submits its bill for payment (which could be the same day or a few days later), we will post the transaction to your account and your actual balance will be reduced by \$20.

We use your available balance to determine when your account is overdrawn. 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. A hold is placed on your account, so your available balance is only \$30. Your actual balance is still \$50.

Before the restaurant charge is sent to us for processing, a check that you wrote for \$40 clears. Because you have only \$30 available (you have committed to pay the restaurant \$20), your account will be overdrawn by \$10, even though your actual balance is \$50. In this case, we may pay the \$40 check, but you will be charged a Courtesy Pay Fee as set forth in the *Schedule of Fees*. That fee will be deducted from your account, further reducing the actual and available balance.

Your account is considered overdrawn when the available balance in your account is negative (less than \$0). **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 your available balance may not reflect all your outstanding checks, automatic bill payments that you have authorized, or other outstanding transactions that have not 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 two (2) business days of authorization (or for up to thirty (30) business days for certain types of debit card transactions, including but not limited to car rental transactions, cash transactions and international transactions), we may release the authorization hold on the transaction. The available balance will not reflect this transaction once the hold has been released, which generally occurs when the transaction has been received by us and paid from your account. Refer to the section titled "Authorization Holds for Debit Card Transactions" below for information about how authorization holds affect your available balance.

Finally, your available balance may not reflect the most recent deposits to your account. Refer to Part IV of this Agreement titled "Funds Availability Policy" for information regarding the availability for withdrawal of your deposits.

**HOW TRANSACTIONS ARE POSTED TO YOUR ACCOUNT.** There are basically two types of transactions in your account: credits or deposits of money into your account, and debits or withdrawals out of your account. It is important to understand how each is applied to your account so that you know how much money you have and how much is available to you at any given time. This section explains generally how and when we post transactions to your account.

We can receive credit and debit transactions in different forms at various times each business day. We reserve the right to determine the timing and order in which such transactions are posted to your account to the extent permitted by law. We determine the order in which we process and post credits and debits to your account based on a number of factors.

We may pay or authorize some transactions, and decline or return others, in any order we deem appropriate to the extent permitted by law. When the available balance in your account is not sufficient to cover all of the transactions presented that day, some posting orders can result in more returned items and more NSF and Courtesy Pay fees than other posting orders.

Some items are received by us individually and others are received in batches at various times each business day. Items that we currently receive individually include ATM withdrawals, debit card transactions, Point-of-Sale (POS) transactions, and teller transactions. These individual items are generally posted to your account as they are received by us each business day. Items that we currently receive in batches include checks drawn on your account presented by other financial institutions, "on us" checks, and ACH transactions. If multiple checks are presented on any given day, they are cleared in check order sequence, beginning with lower check numbers clearing first, followed by higher check numbers. We generally post batched transactions as they are received throughout each business day (subject to certain exceptions). For non-check batched transactions we receive at the same time on a particular business day, we will generally post those non-check batched transactions in the order they are presented in the file and credits before debits.

The order in which items are posted to your account will depend on a number of factors. For example, in connection with our item posting process, we reserve the right to: (1) establish different categories of items, (2) establish a posting order for each category of item(s), (3) establish different posting orders for items within each category, and (4) change the timing of when items are posted during the day and whether they are posted individually or in batches. Except to the extent limited by applicable law, we have the right to change any of the factors described in (1), (2), (3) and (4) listed above at any time without notice to you.

**AUTHORIZATION HOLDS FOR DEBIT CARD TRANSACTIONS.** When you use your debit card to pay for goods or services, the merchant may seek our prior authorization for the transaction. When we authorize the transaction, we commit to make the requested funds available when the transaction finally posts and as such, we generally place a temporary hold against some or all of the funds in the account linked to your debit card. Until the transaction finally settles or we determine that it is unlikely to be processed, the funds subject to the hold will not be available to you for other purposes. We refer to this temporary hold as an "authorization hold," and the amount of the authorization hold will be subtracted from your available balance as they are received by us throughout each day. At some point after you complete the transaction, it is processed by the merchant and submitted to us for payment. This can happen hours or sometimes days after your transaction, depending on the merchant and its processing company. 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. This can happen at merchants such as, but not limited to, a restaurant or a gas station, where your debit card is swiped before your actual transaction amount is known, or because you may choose to add a tip to a restaurant transaction or because the amount of gas you pump is unknown when your card is swiped. For those 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.

We are permitted to place an authorization hold on your account for up to three (3) business days (or for up to thirty (30) business days for certain types of debit card transactions, including but not limited to, car rental transactions, cash transactions and international transactions) from the time of the authorization or until the transaction is paid from your account. 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.

In certain instances, when the amount of the authorization hold is either more or less than the amount of the actual transaction, we may maintain the authorization hold even after the purchase amount is actually paid from your account. However, in these instances, we will not maintain an authorization hold for longer than three (3) business days (or for up to thirty (30) business days for certain transactions).

**OPTIONAL OVERDRAFT PROTECTION PLANS.** We offer optional overdraft protection plans such as an Overdraft Transfer Service where funds from an eligible linked account are used for overdraft protection, or you may apply for a personal Line of Credit or Credit Card loan account where your line of credit or credit card is used for overdraft protection. If you apply and qualify for these optional services, we will look first to these services for overdraft protection before applying our discretionary Courtesy Pay service when your account is overdrawn. The Overdraft Transfer Service plan, Line of Credit and Credit Card may save you money on the total fees you pay us for overdraft protection.

- **Overdraft Transfer Service.** With this service, you authorize us to make transfers of available funds automatically from your eligible linked account to cover overdrafts in your checking account. Transfers from your eligible linked account are made in \$100.00 increments as needed to pay the overdraft and fees. Each transfer counts as one of the six (6) limited transactions you are allowed each month from savings or money market accounts. Refer to Part II Section 2 of this Agreement, the section titled "About Our Savings Accounts-Transactions Limitations" for more information. Savings accounts are automatically set up for this service. You must request to link any other eligible account.
- **Line of Credit.** This is a revolving line of credit, which is available to members meeting certain credit requirements. With this plan, you authorize us to automatically advance in \$100.00 increments from your Line of Credit (linked to your checking account) to cover your overdraft, up to your credit limit. You must repay what you have borrowed in full or in minimum monthly payments (in addition to any late charges, finance charges and annual fees). If you apply for the Line of Credit, you will be provided with our Line of Credit Agreement, which contains the terms and conditions applicable to the Line of Credit. You must request to link your Line of Credit loan for this service.
- **Credit Card.** This is a revolving loan, which is available to members meeting certain credit requirements. With this plan, you authorize us to automatically advance in \$100.00 increments from your Credit Card (linked to your checking account) to cover your overdraft, up to your credit limit. You must repay what you have borrowed in full or in minimum monthly payments (in addition to any late charges, finance charges and annual fees). If you apply for the Credit Card, you will be provided with a separate Agreement, which contains the terms and conditions applicable to the Credit Card. You must request to link your Credit Card loan for this service.

Overdrafts paid by the Overdraft Transfer Service or an advance on your Line of Credit or Credit Card are subject to a per-item Transfer Fee as set forth in the *Schedule of Fees*.

If you decline to utilize any of the optional overdraft protection plans and you are not eligible for our Courtesy Pay service, and there are not enough available funds in your checking account to pay an item, your items will not be paid, they will be returned, and a NSF fee will be charged for each item returned.

Transfers will appear on your periodic statements for each applicable account.

**LIMITS ON OVERDRAFT PROTECTION.** We will not transfer more than the available account balance in an eligible linked account or the available credit (as of the end of the previous business day) on a Line of Credit or Credit Card account, even if the amount of the overdraft is more than the available amount. If the available balance in an eligible linked account or the available credit on a Line of Credit or Credit Card account is not enough to pay all the transactions you have initiated on any day plus the Overdraft Transfer Fee, we will transfer funds to pay one or more transactions plus the fee as available. Any transactions that are not paid by the transfer will either be paid or returned, and Transfer Fees or NSF Fees will be charged as if you did not have overdraft protection.

**TERMINATION OF OPTIONAL OVERDRAFT PROTECTION PLANS.** We may terminate optional overdraft protection services at any time with or without notice to you. Any owner of the checking account, any owner of an eligible linked account used for overdraft protection, or any borrower on a Line of Credit or Credit Card account used for overdraft protection may cancel overdraft protection in person or in writing. Cancellation will be effective after we have received notice and have had a reasonable time to act on it.

#### **COURTESY PAY SERVICE AGREEMENT**

In accordance with our commitment to provide valued service and benefits, we may, at our discretion, pay your overdrafts that would cause your eligible checking account to have a negative balance up to the amount of your Courtesy Pay limit, which is determined by us in our sole and absolute discretion. We refer to this service as our Courtesy Pay Service (hereinafter referred to as the "Service"). The Service is different than the Overdraft Transfer Service, Line of Credit and Credit Card plans. This Courtesy Pay Service Agreement ("Courtesy Pay Agreement") sets forth the terms and conditions applicable to the Service.

**What Overdraft Transactions are Covered?** The Service is available only for the payment of checks, bill payments, and ACH items. The Service is not available for ATM transactions and one-time debit card transactions, unless you opt-in, as described in the next section below.

**Optional Overdraft Transactions.** The following types of transactions require you to "opt in" (you must provide us with your approval to enroll) if you would like to include them in the Service. Choosing not to opt in may result in these transactions being declined:

- ATM transactions One-time
- Visa Debit Card transactions

You understand and agree that we do not require you to authorize the Service for your ATM transactions and one-time debit card transactions as a condition of us providing the Service to you for your checks, bill payments,



ACH or other transactions subject to this Courtesy Pay Agreement. If you want the Credit Union to authorize and pay overdrafts for the above transactions, you must provide us with your consent by: (1) calling us at (800) 743-7228; (2) visiting any branch or (3) mailing an opt-in consent form to Arrowhead Credit Union, Attn: Account Administration Department #72, PO Box 735, San Bernardino, CA 92402.

**Eligibility for the Courtesy Pay Service.** The Service is not a credit product and requires no application or credit approval process; it is a feature that is automatically included with eligible checking accounts (unless you opt out of the Service entirely as described below). Eligibility is at the sole discretion of the Credit Union and is based on you managing your checking account in a responsible manner. We may suspend or permanently revoke the Service from your checking account, in our sole and absolute discretion.

**The Courtesy Pay Service is a benefit. Any payment made by us under the Service will be made on a case-by-case basis, in our sole and absolute discretion. The Service does not constitute an actual or implied agreement between you and the Credit Union, nor does it constitute an actual or implied obligation of the Credit Union. The Service is a privilege that the Credit Union provides from time to time and which may be terminated or suspended by the Credit Union at any time, without prior notice, reason or cause.**

**When is the overdrawn (negative) balance amount due?** The total of the overdraft (negative) balance in your checking account, including any and all fees and charges, is due and payable upon demand, and you are required to immediately deposit sufficient funds to cover the overdraft paid by us and pay the related fees.

**Courtesy Pay Fees.** A Courtesy Pay Fee will be charged to your checking account, in accordance with our *Schedule of Fees*, for each overdraft that is authorized and paid through the Service. This means that more than one Courtesy Fee may be assessed against your checking account per day depending upon the number of overdrafts authorized and paid through the Service. Refer to the *Schedule of Fees* for the daily fee limit amounts. You understand that your Courtesy Pay Limit will be reduced by the amount of each overdraft paid by us through the Service and the amount of the related Courtesy Pay Fee imposed until such amounts are repaid by you as set forth herein at which time we may replenish your Courtesy Pay Limit by the amount of the repayment. If we choose not to pay the item/transaction under the Service, you are subject to a Non-Sufficient Funds (NSF) Fee for each such item in accordance with our *Schedule of Fees*. Your periodic statement will itemize Courtesy Pay Fees and NSF Fees for each cycle, as well as the year-to-date total of fees.

**Transfers to Cover Overdrafts.** You understand and agree that we have the right to transfer available funds to your checking account from any of your other account(s) with us (excluding IRAs and certificate accounts), including account(s) upon which you are a joint owner, in an amount equal to the overdraft and related fees.

**Right of Setoff.** In addition to any other rights that we may have, you agree that any deposits or future deposits in or other credits to any account in which you may now or in the future may have an interest are subject to our right of setoff for any liabilities, obligations or other amounts owed to us by you (e.g. overdrafts and any related fees and charges) and such is applicable regardless of any contribution to the account or source of funds in the account. Unless you opt out of the Service (see below), you consent and expressly agree that the application of setoff of funds in any account includes the setoff of government benefits (such as Social Security and other public benefit funds) deposited to the account from which the overdraft or related fees are paid to the maximum extent permitted by applicable state and federal law. Each person who causes an overdraft, which is paid by us, agrees to be individually and jointly obligated to repay the unpaid overdrawn (negative) balance in accordance with the terms and conditions of this Courtesy Pay Agreement.

**Default.** You will be in default under the terms of this Courtesy Pay Agreement if you fail to live up to any of the terms and conditions set forth herein or you are in default on any loan obligation with us and/or an overdrawn (negative) balance exists in any other deposit account with us on which you are an owner. If you are in default, in addition to any other rights we may have, we may temporarily suspend overdraft privileges, terminate the Service or close your checking account and demand immediate payment of the entire unpaid overdrawn (negative) balance. You also agree to pay any collection costs, attorneys' fees and court costs that we may incur as a result of your default.

**Termination; Suspension.** We may terminate or suspend the Service at any time without prior notice. In no event will any termination relieve you of your obligation to repay such sums already overdrafted, fees, collection costs and attorneys' fees, if any. We can delay enforcing any of your rights under this Agreement without losing them.

**Your Right to Opt Out of the Courtesy Pay Service.** If you prefer not to have the Service, visit us in a branch, contact us at (800) 743-7228, or write to us at Arrowhead Credit Union, Attn: Account Administration Department #72, PO Box 735, San Bernardino, CA 92402, and include your name, member number and a state that you are opting out of the Credit Union's Courtesy Pay Service and we will remove the Service from your checking account. If you opt out of the Service, you will still be charged our NSF Fee for each item returned.

**Optional Overdraft Protection Plans.** As discussed in more detail above, we also offer optional overdraft protection plans, such as a link to an eligible account or a Line of Credit or Credit Card account, which may be less expensive than our Courtesy Pay Service. To learn more, please ask us about these plans.

**The best way to know how much money you have and avoid paying NSF or Courtesy Pay fees is to record and track all of your transactions.**

**IF YOU DO NOT UNDERSTAND ANY PROVISION IN THIS PART III, YOUR LIABILITY FOR OVERDRAFTS, OR IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT US AT (800) 743-7228.**

#### **PART IV: FUNDS AVAILABILITY POLICY**

Our policy is to make funds from your cash and check deposits available to you on the first (1st) business day after the day we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit.

Once deposited funds are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit on a business day that we are open, we will consider that day to be the day of your deposit.

However, if you make a deposit on a day we are not open, we will consider that the deposit was made on the next business day we are open.

#### **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 (1st) 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 (2nd) business day after the day of your deposit. However, the first \$200 of your deposits will be available on the first (1st) business day after the day of deposit.

If we are not going to make all of the funds from your deposit available on the first (1st) business day after the day of deposit, 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 or electronically deliver the notice, if you have agreed to receive notices from us in an electronic format, by the business day after we receive your deposit.

If you will need the funds from a deposit immediately, you should ask us when the funds will be available.

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

1. We believe a check you deposit will not be paid.
2. You deposit checks totaling more than \$5,000 on any one day.
3. You redeposit a check that has been returned unpaid.
4. You have overdrawn your account repeatedly in the last six (6) months.
5. There is an emergency, such as failure of communications or computer equipment.

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 (7th) business day after the day of your deposit.

#### **Deposits At Nonproprietary Automated Teller Machines:**

Funds from any deposits (cash or checks) made at automated teller machines (ATMs) we do not own or operate may not be available until the fifth (5th) business day after the day of your deposit. This rule does not apply at ATMs that we own or operate.

All ATMs that we own or operate are identified as our machines.

#### **Special Rules For New Accounts:**

If you are a new member, the following special rules will apply during the first thirty (30) days your account is open.

Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,000 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 (1st) business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5,000 will be available on the ninth (9th) business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,000 will not be available until the second (2nd) business day after the day of your deposit.

Funds from all other check deposits will be available on the eleventh (11th) business day after the day of your deposit.

#### **Special Notice Regarding Endorsement Standards:**

The federal law dealing with funds availability requires the financial institution's endorsement area on the back of a check be kept clear or unobstructed. This rule is designed to prevent unnecessary delays in processing your deposits as well as to promote speedier returns of dishonored checks. Only the 1-1/2 inch space from the "trailing edge" (the left edge of the check when it is facing you) can be used by you for endorsements or any other markings.

We will not be responsible for any damages incurred in the event you deposit an item which is subsequently returned unpaid by the paying bank and that return is "late" due to markings on the check caused by you or a prior endorser on the back of the check.

In the event that you draw a check on your checking or loan account with us, you are responsible for any delay or misrouting of the check caused by markings placed on the check by you that obscure any depository endorsements placed by us or our agent and you agree to hold us harmless and indemnify us from any liability due to such delay or misrouting.

### **Initial Deposits For Online Accounts**

Funds from an initial deposit made by transfer from another financial institution through the Automated Clearing House (ACH) system may not be available until the seventh (7th) business day after the day of your deposit. In addition, funds from an initial deposit made with a debit or credit card may not be available until the seventh (7th) business day after the day of your deposit. You are solely responsible for any cash advance or other fees or penalties that may be assessed by your debit/credit card issuer.

### **PART V: ELECTRONIC SERVICES AGREEMENT AND DISCLOSURE**

This Part V of the Agreement sets forth the terms and conditions governing the use of Arrowhead Credit Union's electronic services. Your acceptance, retention, or use of an ATM Card, Visa Debit Card, Personal Identification Number (PIN) or other electronic funds transaction hereunder constitutes an agreement between us and you as described below.

These disclosures are given by us in compliance with the Electronic Fund Transfer Act (15 U.S.C. Section 1693 et seq.) and Regulation E (12 CFR 1005 et seq.) to inform you of certain terms and conditions for use of the electronic services described in this Agreement.

At the present time, we offer several types of electronic services:

- Preauthorized deposits of net paycheck;
- Payroll deductions;
- Preauthorized deposits of pension checks and federal recurring payments (for example, Social Security payments);
- Preauthorized withdrawals for bill payments and other recurring payments;
- Automated Teller Machine (ATM) electronic fund transfer services at Credit Union-owned ("Proprietary") ATMs and on "Shared Network" ATMs such as the CO-OP Network, and such other systems as may be added from time to time;
- Visa Credit Card cash advances at ATMs on the Visa network;
- Audio Response Electronic Telephone Banking ("CU Hear");
- Online Banking;
- Visa Debit Card (including PIN and signature based transactions);
- Electronic Check Transactions;
- Transactions at a Point-of-Sale (POS) terminal whether or not an access device is used;
- Mobile Banking; and
- Mobile Remote Deposit Capture

General disclosures applicable to all electronic services offered by us is given below, with certain specific disclosure information for each service following in separate sections. All applications for electronic services are subject to our approval.

### **GENERAL DISCLOSURES APPLICABLE TO ALL ELECTRONIC SERVICES**

#### **Business Day Disclosure:**

Our business days are Monday through Friday, except federal holidays. Branch hours and holiday schedules may be obtained through our website ([www.arrowheadcu.org](http://www.arrowheadcu.org)) or by contacting us at (800) 743-7228. Our proprietary ATMs are generally available 24 hours a day, 7 days a week, with minor interruptions for system maintenance or technical difficulties. "CU Hear" Audio Response Services, Online Banking, and the Bill Payment Service are generally available for your convenience 24 hours a day, 7 days a week, with minor interruptions for system maintenance or technical difficulties, including those of the Internet service provider and Internet software.

#### **Disclosure of Account Information to Third Parties:**

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

1. When it is necessary to complete an electronic transaction; or
2. In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or
3. In order to comply with a government agency, court order, or any legal process; or
4. If you give us permission in writing.

#### **Right to Receive Documentation of Transactions:**

1. **Terminal Transfers.** In most cases, you will receive a receipt at the time you make any transfer to or from your account using an ATM or when you make a purchase using a POS terminal. You should retain this receipt to compare with your statement from us. Federal law provides that a receipt need not be made available to you if the amount of the transfer initiated at an electronic terminal is \$15 or less.
2. **Periodic Statements.** You will receive a monthly account statement for each month in which an electronic fund transfer is made (but at least a quarterly statement if no transfers are made), which will show the amount of the transfer, the date that the transfer was credited or debited to your account, the type of transfer, the account(s) accessed by the transfer, and the name of any third party to or from whom funds were transferred. You agree to immediately review each periodic statement mailed or otherwise made available to you to ensure that each and every transaction has been authorized by you. Your failure to promptly report any allegedly unauthorized transaction may result in future allegedly unauthorized transactions to be considered authorized.
3. **Online Banking Transactions.** You may print a record of any individual transaction conducted through Online Banking up to 360 days after the transaction is completed.

#### **Your Liability for Unauthorized Transactions and Advisability of Prompt Reporting:**

You must tell us AT ONCE if you believe your ATM Card, Visa Debit Card, or your ATM Card PIN, Visa Debit Card PIN, "CU Hear" Audio Response Service PIN, or Online Banking PIN (collectively "Card(s) and/or PIN(s)") have been lost or stolen or if you believe that an electronic fund transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. A written notification to us should follow your telephone call. You could lose all the money in your account (plus your maximum overdraft line of credit, if you have one). However, if you believe your Card(s) and/or PIN(s) have been lost or stolen, and you tell us within two (2) business days after you learn of the loss or theft, you can lose no more than \$50 if someone used your Card(s) and/or PIN(s) without your permission.

If you do NOT tell us within two (2) business days after you learn of the loss or theft of your Card(s) and/or PIN(s) and we can prove we could have stopped someone from using your Card(s) and/or PIN(s) without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, including those made by Card, PIN or other means, you must tell us at once. If you do NOT tell us within sixty (60) days after the statement was mailed or delivered to you, you may not get back any money you lost after the sixty (60) days if we can prove that we could have stopped someone from taking the money if you had told us in time.

If you can document that a good reason (such as a long trip or hospital stay) kept you from telling us, we will extend the time period.

If you have authorized someone else to use your Card(s) and/or PINs, you are responsible for all transactions that person or person initiates at anytime, even if the amount or transactions exceed what you may have authorized.

#### **Special Notice to Visa Debit Card Cardholders:**

If you are using a Visa Debit Card for transactions that take place on the VISA network system, you understand that Visa Operating Rules and Regulations provide for \$0 liability ("Zero Liability") for losses from unauthorized (fraudulent) activity, unless you were grossly negligent or engaged in fraud in handling your account or Visa Debit Card. Zero Liability does NOT apply to ATM transactions that are not processed through Visa (such as a cash withdrawal from your checking account). You must refer to the section of this Agreement regarding liability for unauthorized ATM transactions. Zero Liability also will not apply to Visa Debit Cards issued outside the U.S. or to Visa commercial cards. You must provide a written statement regarding any claim of unauthorized Visa transactions.

If you notify us of unauthorized transactions which were processed through Visa (this does not include cash withdrawals at an ATM using your Visa Debit Card), we will provide provisional credit to your account within ten (10) business days of the notification. If you tell us orally, we will require that you send us your complaint in writing within ten (10) business days. We will not credit your account until your written complaint is received. "Unauthorized" means the use of your Visa Debit Card by a person, other than you, who does not have actual, implied or apparent authority for such use and from which you receive no benefit.

#### **How to Notify the Credit Union in the Event of an Unauthorized Transaction:**

If you believe your Card(s) and/or PIN(s) have been lost or stolen or that someone will or may use it to transfer money from your account(s) without your permission, you must telephone us at: (800) 743-7228 during business hours. You may also write to us at Arrowhead Credit Union, Attn: Account Administration Department #72, PO Box 735, San Bernardino, CA 92402. 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.

#### **In case of errors or questions about your electronic services transactions:**

In case of errors or questions about your electronic services transactions, telephone us at (800) 743-7228, or write to us at Arrowhead Credit Union, Attn: Account Administration Department #72, PO Box 735, San Bernardino, CA 92402 as soon as you can, if you think your periodic statement or receipt is wrong or if you need more information about a transaction listed on your periodic statement or receipt. We must hear from you no later than sixty (60) days after we send you the FIRST periodic statement on which the problem or error appeared. You must:

1. Tell us your name and account number;
2. Describe the error or the transaction you are unsure about and explain, as clearly as you can, why you believe it is an error or why you need more information; and
3. Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within ten (10) business days.

We will determine whether an error occurred within ten (10) business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to forty-five (45) days to investigate your complaint or question. If we decide to do this, we will credit your account within ten (10) business days for the amount you think is in error so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint in writing and we do not receive it within ten (10) business days, we may not credit your account.

In accordance with Visa Operating Rules and Regulations, you will receive provisional credit for Visa Debit Card losses for unauthorized use within ten (10) business days after you have notified us of the loss. However, please refer to the "Additional Disclosures Applicable to PIN-Less Visa Debit Card Transactions" section for further details regarding Visa Debit Card transactions initiated through a non-Visa debit network.

You also understand and agree that it is your responsibility to carefully review each receipt or sales slip you receive when you conduct a Visa Debit Card transaction. In addition, you agree that, to the extent a Visa

Debit Card transaction is initiated using your PIN or when you sign a sales slip, it is presumed that you authorized the transaction, and the amount thereof, because the authorization was initiated through your PIN or by your signature on the sales slip. In such event, you understand and agree that the burden is on you to conclusively prove that the use of your Visa Debit Card and/or the amount of the transaction was unauthorized.

For errors involving new accounts, point-of-sale, or foreign-initiated transactions, we may take up to ninety (90) days to investigate your complaint or question. For new accounts, we may take up to twenty (20) business days to credit your account for the amount you think is in error. Your account is considered a new account for the first 30 days after the first deposit is made, unless each of you already has an established account with us before this account is opened.

We will tell you the results within three (3) business days after completing our investigation. If we decide that there was no error, we will send you a written explanation. If we provisionally credited your account, we will reverse the provisional credit and notify you of the date we reversed the credit and the amount of the debit. You may ask for copies of the documents that we used in our investigation.

**Our Liability for Failure to Make or Complete Electronic Fund Transfers:**

If we do not properly complete an electronic funds transaction to or from your account on time or in the correct amount according to our agreement with you, we may be liable for your losses and damages. However, there are some exceptions. We will not be liable, for instance, if:

1. Circumstances beyond our control (such as fire, flood, earthquake, electrical failure, malfunction of central data processing facility, etc.) that prevent the transaction, despite reasonable precautions that we have taken;
2. Through no fault of ours, you do not have enough money in your account (or sufficient collected funds) to complete the transaction(s);
3. The funds in your account are subject to an uncollected funds hold, legal process, or other circumstances restricting such transaction or payment;
4. We received incorrect or incomplete information from you or from third parties (e.g., the U.S. Treasury, an automated clearing house, or a terminal owner);
5. The ATM or network system was not working properly and you knew about this breakdown when you started the transaction;
6. The ATM where you were conducting the transaction did not have enough cash or cash in the denominations you requested;
7. Your ATM Card, Visa Debit Card, Visa Credit Card, Visa Debit Card PIN, Visa Credit Card PIN, "CU Hear" Audio Response Service PIN, or Online Banking system PIN you provide is incorrect or incomplete, has been reported lost or stolen, has expired, is damaged so that the mechanical device cannot read the encoding strip, is inactive due to non-use, is retained by us due to your misuse or suspected fraudulent activities, is retained by us at your request, or your ATM PIN, Visa Debit Card PIN, Visa Credit Card PIN, "CU Hear" Audio Response Services PIN, or Online Banking PIN has been repeatedly entered incorrectly;
8. The transaction would exceed an unused line of credit (e.g., your Line of Credit limit or Visa Credit Card limit);
9. Our failure to complete the transaction or the placement of a block on your account is done to protect the security of your account and/or the electronic terminal system;
10. You make an error in keying your deposit at an ATM or through the Online Banking system (and if you make such error, we are not responsible for bounced checks, forfeited dividends, and other consequences which may result);
11. The payee mishandles or delays a payment sent by the Bill Payment Service;
12. Any transaction is prohibited by law, regulation, court order, or would be considered illegal activity; or
13. You have not provided our Bill Payment Service provider with the correct names, phone numbers, or account information for those persons or entities to whom you wish to direct payment.

There may be other exceptions not specifically mentioned above.

Provided that none of the foregoing exceptions to the service performance obligations are applicable, if we cause an incorrect amount of funds to be debited from your account, or caused funds from your account to be transferred to a person or entity which does not comply with your bill payment instructions, we will be responsible for returning the improperly transferred funds to your account and for directing to the proper recipient any previously misdirected bill payments or transfers.

**THE FORGOING CONSTITUTES OUR ENTIRE LIABILITY AND YOUR EXCLUSIVE REMEDY. IN NO EVENT WILL WE BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR EXEMPLARY DAMAGES, INCLUDING LOSS OF PROFITS (EVEN IF ADVISED OF THE POSSIBILITY THEREOF) ARISING IN ANY WAY OUT OF THE INSTALLATION, USE, OR MAINTENANCE OF ANY EQUIPMENT, SOFTWARE, AND/OR SERVICE.**

**Personal Identification Numbers (PIN):**

You understand that you cannot use your ATM Card, Visa Debit Card or Visa Credit Card at a Visa terminal, nor may you use "CU Hear" Audio Response Services or Online Banking without the applicable identification number which we refer to as a PIN. You are responsible for the safekeeping of your PIN(s) provided by us or selected by you and for all transactions by use of a PIN. You will notify us immediately and send written confirmation if your PINs are disclosed to anyone other than the joint owner of your account. You understand and agree that you must change the PIN immediately to prevent transactions on your account(s) if anyone not authorized by you has access to the PIN. If you disclose your PIN(s) to anyone, however, you understand that you have given them access to your account(s) via the applicable electronic transfer system and that you are responsible for any such transaction. You further understand that your PIN(s) are not transferable and you will not disclose the PIN(s) or permit any unauthorized use thereof.

**Fees for Electronic Funds Transaction Services:**

All fees associated with your electronic funds transactions are disclosed in the *Schedule of Fees*, which accompanies this Agreement and is incorporated herein by reference. Any fees charged will be deducted from your checking or regular savings account.

If you have been issued an additional card (whether ATM Card, Visa Debit Card or Visa Credit Card) for a joint owner or authorized user on your account, any applicable transaction fees outlined in the *Schedule of Fees* will be based on combined transactions. Withdrawals from more than one account or additional withdrawals from the same account during a single access will be counted as multiple withdrawals. Generally, transaction fees will be charged to your account within two (2) business days from the day they are incurred. The fee may not be recorded on the transaction receipt produced by the ATM, but it will be itemized on your monthly statement.

If you use an ATM that is not operated by us, you may be subject to additional fee(s) imposed by another financial institution, merchant and/or by an automated transfer network. You may be charged a fee for a balance inquiry even if you do not complete a funds transfer. This practice is known as "surcharging" and is in addition to any ATM fees charged by us.

**Electronic Funds Transaction Limitations:**

For all accounts except checking accounts, during any calendar month, no more than six (6) withdrawals or transfers made to another account at the Credit Union or to a third party by means of a preauthorized, automatic transfer, online or telephonic order or instruction, whether initiated by check, draft, debit card, or similar order payable to a third party, may be made from each savings account or money market deposit account. If you exceed, or attempt to exceed, these transfer limits, the excess transfer requests may be refused or reversed, a fee may be imposed on the excess transfer requests as set forth in the *Schedule of Fees*, and we may reclassify or close the account. You may make an unlimited number of withdrawals from, or transfers among, your savings accounts by mail, messenger, in person at the Credit Union, or at an ATM, subject to any limitations set forth in this Agreement, or when such withdrawals are made by telephone (via check mailed made payable to you).

Each transfer or payment through Online Banking from your savings account is counted as one of the six (6) limited transfers you are permitted each statement period. We recommend that you not use a savings account as your bill payment account because of these limits on transfers.

**Verification:**

All transactions affected by use of ATMs, POS terminals, Electronic Check Transactions, CU Hear, Online Banking, or other electronic transaction contemplated hereunder which would otherwise require your actual signature, or other authorization, will be valid and effective as if actually signed by you when accomplished by use of an Electronic Check Transaction, the Card(s) and/or PIN(s), or as otherwise authorized under this Agreement.

**Change in Terms:**

We may change the terms and charges for the services described in this Agreement and may amend, modify, add to, or delete from this Agreement from time to time. If you have an account with us through which electronic transactions are being processed, you will receive written notice of the change in terms at least twenty-one (21) days prior to the effective date of the change(s), or as otherwise provided by law. Further, the Credit Union may, from time to time, revise or update the programs, electronic services, and/or related material(s) rendering such prior versions obsolete. Consequently, the Credit Union reserves the right to terminate this Agreement as to all such prior versions of the programs, electronic services, and/or related material(s) and limit access to the Credit Union's more recent versions and updates.

**Termination of Electronic Services:**

You may, by written request, terminate any of the electronic services provided for in this Agreement. Termination by any one account owner will be binding on all account owners and we are not required to notify other account owners of the termination. We reserve the right to terminate this Agreement and your access to the electronic services, in whole or in part, at any time and for any reason. In addition, electronic services may be suspended, without advance notice, if there are insufficient funds in any one of your accounts or if any of your accounts are not in good standing as defined in our Member Conduct and Limitation of Services Policy. After suspension, electronic services may be reinstated, at our discretion, once there are sufficient funds in your account(s) to cover any fees and other transfers and debits. If you ask us to terminate your account or your access to any of the electronic services, you will remain liable for subsequent transactions performed on your account. Termination of electronic services does not terminate your accounts or agreements with us and will not affect your authorization for transfers and payments made prior to termination. Upon termination of this Agreement or the electronic services, the Credit Union will use commercially reasonable efforts to cancel any applicable account transactions you have previously authorized, but we make no guarantee that we will be able to do so. You will be solely responsible for any fees that apply to any such cancellation. Any payment(s) or other transactions that the Credit Union is not able to cancel or that have already been processed before the requested termination date will be completed.

**Notice and Communications:**

Except as otherwise provided in this Agreement, all notices required to be sent to you will be effective the second business day following the day after we mail or deliver them to the last known address that we have for you in our records or on the date we make such notices available to you through Online Banking if you have agreed to receive notices from us in an electronic format. You are required to keep us informed of your current address. You agree to notify us promptly of any change of address. You may notify us in person at any of our offices, via Online Banking or by sending a written and signed notice to Arrowhead Credit Union, Attn: Account Administration Department #72, PO Box 735, San Bernardino, CA 92402.

**Collections:**

You agree that we will be entitled to recover any money owed by you as a result of your use of, or the use of anyone you have provided with access to, any of our electronic services and you agree to repay any amounts which create an overdrawn balance on any of your accounts immediately upon demand. We have a security interest in your present and future deposits and have the right to apply such deposits to any money you owe. If any legal action is required to enforce any provision of this Agreement or to collect money you owe, you agree to pay all costs of collections, including reasonable attorneys' fees, court costs, and other charges incurred for enforcing our rights under this Agreement.

**Severability:**

If any part of this Agreement should be held to be unenforceable, the remaining provisions of this Agreement will remain in full force and effect.

**Governing Law:**

You understand and agree that this Agreement and all questions relating to its validity, interpretation, performance, and enforcement will be governed by and construed in accordance with the internal laws of the State of California, notwithstanding any conflict-of-laws doctrines of such state or other jurisdiction to the contrary. You also agree to submit to the personal jurisdiction of the courts of the State of California.

**No Waiver:**

The Credit Union can delay enforcing any of the provision under this Agreement or the law any number of times without losing its right to enforce them at a later date.

**Relationship to Other Disclosures:**

The information in this Part V applies only to the electronic service transactions described herein. Provisions in other disclosure documents, as may be revised by us from time to time, continue to apply, except to the extent expressly modified by this Agreement.

**Account Access:**

Your accounts, Visa Debit Card, and any other access device or method (including ACH and electronic check transactions) may not be used for any illegal activity or transaction. Display of a payment card logo by, for example, an online merchant does not necessarily mean that transactions are lawful in all jurisdictions in which the cardholder may be located. You understand that you may not utilize your accounts, Visa Debit Card, or any other access device or method for the purchase of any goods or services on the Internet that involve online gambling of any sort. Prohibited activity and transactions include, but are not limited to, any quasi-cash or online gambling transaction, electronic commerce gambling transaction conducted over an open network, and any betting transaction including the purchase of lottery tickets or casino gaming chips or off-track betting or wagering. We may deny authorization of any transactions identified as gambling. However, in the event that a transaction described in this paragraph is approved and processed, you will still be responsible for such charges.

**Unlawful Internet Gambling Enforcement Act of 2006 (UIGEA):**

In accordance with the requirements of the Unlawful Internet Gambling Enforcement Act of 2006, and Regulation GG, this notification is to inform you that restricted transactions are prohibited from being processed through your account or banking relationship with us. "Restricted transactions" are transactions involving the knowing transmittal or receipt of credit, funds, checks, instruments or other proceeds to or from another person engaged in the business of wagering or betting in connection with unlawful Internet gambling. If you do engage in an Internet gambling business and open a new account with us, we will ask that you provide evidence of your legal capacity to do so.

**Disputes:**

In the event of a dispute regarding the electronic services, we and you agree to resolve the dispute by looking to this Agreement. You agree that this Agreement is the complete and exclusive statement of the agreement between you and the Credit Union, which supersedes any proposal or prior agreement, oral or written, and any other communications between you and the Credit Union relating to the subject matter of this Agreement.

**Recording of Phone Calls:**

You authorize us and our agents to record any phone call between you and us concerning the electronic services.

**Assignment:**

You may not assign this Agreement to any other party. The Credit Union may assign this Agreement at any time in its sole discretion. The Credit Union may also assign or delegate any of its rights and responsibilities under this Agreement to independent contractors or other third parties.

**Headings:**

Headings are for convenience only and will not control or affect the meaning or construction of any of the provisions of this Agreement.

**DISCLAIMER OF WARRANTIES AND LIMITATION OF LIABILITY:**

YOU UNDERSTAND AND AGREE THAT THE ELECTRONIC SERVICES ARE PROVIDED "AS-IS." EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT OR AS REQUIRED BY LAW, THE CREDIT UNION ASSUMES NO RESPONSIBILITY FOR THE TIMELINESS, DELETION, MIS-DELIVERY OR FAILURE TO STORE ANY USER COMMUNICATIONS OR PERSONALIZATION SETTINGS. YOU UNDERSTAND AND EXPRESSLY AGREE THAT USE OF THE ELECTRONIC SERVICES IS AT YOUR SOLE RISK, THAT ANY MATERIAL AND/OR DATA DOWNLOADED OR OTHERWISE OBTAINED THROUGH THE USE OF THE 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 AGREEMENT, 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, AND THE CREDIT UNION MAKES NO WARRANTY OR REPRESENTATION REGARDING THE RESULTS THAT MAY BE OBTAINED FROM THE USE OF THE ELECTRONIC SERVICES, THE ACCURACY OR RELIABILITY OF ANY INFORMATION OBTAINED THROUGH THE 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.

EXCEPT AS DESCRIBED IN THIS AGREEMENT, THE CREDIT UNION WILL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES OF ANY KIND RESULTING FROM YOUR USE OF OR YOUR INABILITY TO USE THE ELECTRONIC SERVICES, ANY INACCURACY OF ANY INFORMATION OR AMOUNT RETRIEVED BY YOU FROM THE ACCOUNTS, ANY BREACH OF SECURITY CAUSED BY A THIRD PARTY, ANY TRANSACTIONS ENTERED INTO BASED ON THE ELECTRONIC SERVICES, ANY LOSS OF, UNAUTHORIZED ACCESS TO OR ALTERATION OF A USER'S TRANSMISSION OR DATA OR FOR THE COST OF PROCUREMENT OF SUBSTITUTE GOODS AND SERVICES, INCLUDING BUT NOT LIMITED TO DAMAGES FOR LOSS OF PROFITS, USE, DATA OR OTHER INTANGIBLES, EVEN IF THE CREDIT UNION HAD BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

**Your Agreement to Indemnify us:**

Except to the extent that the Credit Union is liable under the terms of this Agreement or another agreement governing the applicable account, you agree to indemnify, defend, and hold the Credit Union, its affiliates, officers, directors, employees, consultants, agents, service providers, and licensors, harmless from any and all third-party claims, liability, damages, and/or costs (including but not limited to reasonable attorney's fees) arising from:

- 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;
- any fraud, manipulation, or other breach of this Agreement by you;
- your violation of any law or rights of a third party; or
- the provision of the electronic services or use of the electronic services by you or 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 the electronic services by you or a joint account owner or other authorized person.

**Copy Received:**

You acknowledge receipt of a copy of this Agreement.

**ADDITIONAL DISCLOSURES APPLICABLE TO PREAUTHORIZED DEPOSIT OF NET PAYCHECK, PAYROLL DEDUCTIONS, PENSION CHECKS, AND FEDERAL RECURRING PAYMENTS**

If you have arranged to have preauthorized electronic deposits of your net paycheck (if available from your employer), payroll deductions, pension checks, or federal recurring payments (for example, Social Security payments), the following information applies to you:

**Account Access:**

Preauthorized deposits may be made only to your checking or savings accounts.

**Notification of Preauthorized Deposits:**

If you have arranged with a third party (for example, the Social Security Administration) to make preauthorized deposits to your account at least once every sixty (60) days, that third party making preauthorized deposits may have agreed to notify you every time the party sends us money to deposit to your account. If you have not made such an arrangement, you may telephone us at (800) 743-7228 and we will advise you whether or not the preauthorized deposit has been made.

**Documentation of Preauthorized Deposits:**

You will receive a monthly account statement for each month in which a preauthorized deposit is made, but at least quarterly if no preauthorized deposits are made. However, if the only electronic funds service you have with us is preauthorized deposits, then we reserve the right to send you a quarterly statement only.

**Direct Deposits:**

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

**ADDITIONAL DISCLOSURES APPLICABLE TO PREAUTHORIZED PAYMENT SERVICES**

If you have requested a preauthorized payment to a third party from any Credit Union account, the following applies to you:

**Account Access:**

Preauthorized payments may be made from your savings or checking account(s) only. If your preauthorized payment due date is scheduled to occur on a non-business day it will be sent out the next business day.

**Right to Receive Documentation of Preauthorized Payment:**

1. **Initial Authorization:** You can get copies of the preauthorized payment documentation from the party receiving the payment at the time you give them the initial authorization.
2. **Notice of Varying Amount:** If your preauthorized payment may vary in amount, the party who will receive the payment is required to tell you ten (10) days before each such payment when it will be made and how much it will be.
3. **Periodic Statement:** You will receive a monthly statement for each month in which a transfer is made, but at least quarterly if no transfers are made.

**Right to Stop Preauthorized Payment:**

If you want to stop a preauthorized payment or revoke a preauthorized payment authorization, you must call us at (800) 743-7228, or write to us at Arrowhead Credit Union, P.O. Box 735, San Bernardino, CA 92402-0735, in time for us to receive your stop payment request no less than three (3) business days or more before the next payment from your account is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within fourteen (14) days after you call. An oral request to stop payment ceases to be binding after fourteen (14) days if you have not provided us with any required written confirmation of your request. We will charge you for each stop payment order you give pursuant to our current *Schedule of Fees*. Such stop payment request will apply only to that particular payment. If you have given us a request to cancel the entire preauthorized payment authorization, you understand and agree that you must also contact the third party to cancel (revoke) the entire preauthorized payment authorization and provide us with a copy of your written revocation notice to the third party.

**Our Liability for Failure to Stop Payment:**

If you order us to stop one of your preauthorized payments no less than three (3) business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages, to the extent provided by law.

**ADDITIONAL DISCLOSURES APPLICABLE TO "CU HEAR" AUDIO RESPONSE SERVICES**

CU Hear Audio Response Service is a telephone banking service that allows you to perform monetary transactions and account balance inquiries without assistance from our staff. You will actually "talk" directly with our computer through the use of a touch-tone phone. CU Hear is available for your convenience 24 hours a day, 7 days a week, with minor interruptions for system maintenance or technical difficulties.

**CU Hear Personal Identification Number (PIN):**

Before you can use CU Hear, you will need to create a PIN by registering your member number and personal information in CU Hear. You are responsible for the safekeeping of your CU Hear PIN for all transactions made by use of the Audio Response Service. This PIN will be different from your Arrowhead Credit Union ATM, Visa Debit Card or Visa Credit Card PIN.

You must notify us immediately by phone and send written confirmation if your CU Hear PIN is disclosed to anyone other than any joint owner of your account. You understand and agree that you must change your CU Hear PIN immediately to prevent transactions on your account if anyone not authorized by you has access to your CU Hear PIN. If you disclose your CU Hear PIN to anyone, however, you understand that you have given them access to your account(s) via the Audio Response Service and that you are responsible for any such transactions. You further understand that your CU Hear PIN is not transferable and you will not disclose your CU Hear PIN or permit any unauthorized use thereof. If the wrong PIN is entered three (3) times consecutively, your access to CU Hear will be restricted and you will need to contact us to restore access. We are authorized to act on any instructions received under your CU Hear PIN.

**Types of Available Transactions:**

You may use CU Hear to:

1. Make transfers between your savings, checking, Visa or Line of Credit loan accounts;
2. Make inquiries regarding account and loan balances;
3. Obtain loan payment due date and pay off information;
4. Make loan payments by transferring the amount of the payment due from your savings or checking account;
5. Request a withdrawal from your savings and checking accounts (except from IRAs or from the principal of a Share Certificate Account) by Credit Union check;
6. Access your Line of Credit account to request loan advances;
7. Verify cleared checks;
8. Obtain dividend information; and

We may offer additional services in the future and, if so, you will be notified of them.

**Limitations on Frequency and Dollar Amount of Transactions:**

Account withdrawals to you through CU Hear are unlimited to the extent you have funds available in your account(s), or available credit from your Line of Credit or Visa credit card account, and there are no dollar limitations on transfers. However, the frequency of telephone transfers is limited pursuant to Regulation D restrictions as disclosed in this Agreement.

For security reasons, in the event your CU Hear PIN is lost or stolen there may be restrictions on transactions you can conduct using the Audio Response Service.

**Withdrawal Checks:**

Credit Union checks are prepared for withdrawals requested using CU Hear. We will mail these checks to you at your last address of record. Checks requested on any business days will be mailed on the next business day.

**ADDITIONAL DISCLOSURES APPLICABLE TO ONLINE BANKING AND THE BILL PAYMENT SERVICE**

Online Banking is our electronic banking service that allows access to your accounts without assistance from our staff by using our Internet website and your Online Banking Member# or Username and password. The Online Banking system is available for your convenience 24 hours a day, 7 days a week, with minor interruptions for system maintenance or technical difficulties. The Bill Payment Service is an electronic method of paying bills. You must have a checking account with us to use this service. If you would like to take advantage of these online services, visit our website and enroll with your eligible Credit Union accounts. Additional disclosures and specific terms and conditions for using Online Banking and the Bill Payment Service will be provided when you enroll.

**ADDITIONAL DISCLOSURES APPLICABLE TO MOBILE BANKING**

Mobile Banking is a personal financial information management service that allows you to access your Credit Union account information, products and services similar to Online Banking and engage in such other financial transactions using compatible and supported mobile devices. All features and services available through Online Banking are not available via Mobile Banking. Mobile Banking is subject to the terms and conditions of the Online Banking and Bill payment Service, which will be provided to you when you enroll in Online Banking.

**ADDITIONAL DISCLOSURES APPLICABLE TO MOBILE DEPOSIT**

Mobile Deposit is designed to allow you to make deposits to your designated eligible accounts using a compatible mobile wireless device to photograph an image of an original paper check that is drawn on or is payable through a United States financial institution and to electronically submit a digital image of such paper check to us or our designated processor. The Mobile Deposit service is subject to the terms and conditions of the Mobile Deposit Disclosure, which will be provided to you when you enroll in the service.

**ADDITIONAL DISCLOSURES APPLICABLE TO ATM CARDS AND VISA DEBIT CARDS**

In this section, "Card" refers to your Arrowhead Credit Union ATM Card or Visa Debit Card and any duplicates, renewals, or substitutions the Credit Union issues to you, unless otherwise noted. The disclosures in this section apply to the use of your Card to conduct electronic fund transfers, including, but not limited to, use of the Card at ATMs and POS terminals. By use of your Card at a participating POS terminal, you authorize us to make withdrawals from your checking account for cash advances and/or purchases. Access to ATMs is through the use of a Card and a PIN.

An ATM Card may be used to make POS purchases which will debit your checking account that is linked to the ATM Card. If your ATM Card is not linked to a checking account, we will link your ATM Card to your Regular Savings Account, which will be debited when you use your ATM Card to make POS purchases. ATM Cards are offered only to members eighteen (18) years of age or older.

**Account Access:**

You may use your Card to withdraw cash from your checking account by way of a cash advance from merchants, financial institutions, or others who honor the Card and/or to pay for purchases from merchants, financial institutions, and others who honor the Card. However, we are not responsible for the refusal or inability of any ATM or POS terminal, merchant, or financial institution to honor the Card, to complete a transaction, or for their retention of the Card. You understand that your Card is not a credit card and does not provide "credit" which means that you may not defer payment of Card transactions.

**Types of Available ATM Transactions:**

Transaction types and services may be limited on certain ATMs on the systems which we do not own (non-proprietary ATMs), such as, for example, withdrawal limits. If a transaction or service type is not available, the attempted transaction will generally be refused as an invalid transaction.

You can use your Card to perform the following ATM transactions:

1. Make deposits to your savings or checking account at our proprietary ATMs (and some designated CO-OP Network ATMs).
  2. Withdraw cash from your savings, money market, checking and loan accounts.
  3. Transfer funds between your savings, checking, and loan accounts.
  4. Make balance inquiries at our proprietary ATMs (and some shared network ATMs).
  5. Make loan payments by transfer of funds from your savings or checking account at our proprietary ATMs (and some shared network ATMs).
- We may offer additional ATM services in the future and, if so, you will be notified of them.

Unless otherwise noted, the above services are generally available at ATMs on the CO-OP Network and shared network systems. Services, however, may be restricted on certain ATMs on the systems which we do not own. In such case, the Shared Network ATMs may refuse an attempted transaction.

**Deposits:**

You understand and agree that we accept deposits at an ATM subject to verification and collection by us and such deposits may only be credited or withdrawn in accordance with our Funds Availability Policy. Transactions accomplished after the close of business each day will be deemed to have occurred on our next business day. We are not responsible for delays in a deposit due to improper identification on the deposit envelope or improper keying of your transaction. Information accompanying a deposit should include your name, our name, your member number, and where you want your deposit to go. If it is for a loan payment, the loan payment coupon should be included in the deposit envelope. If you make a deposit to your checking account with us, the checking account deposit slip should be included, unless the ATM is image-enabled, in which case a deposit slip may not be necessary.

**ATM Transaction Fees:**

You understand that withdrawals from network ATMs may be subject to Credit Union fees as disclosed in the *Schedule of Fees*. When you use an ATM not owned by us, you may be charged a fee by the ATM operator and/or any network used (and you may be charged a fee for a balance inquiry even if you do not complete a funds transfer). Any fees charged will be deducted from your checking or savings account.

**ATM Transaction Limitations:**

1. You understand and agree that you may use your Card at ATMs, using your PIN, to conduct up to a maximum of seventeen (17) transactions, or to withdraw up to a maximum of \$510, whichever comes first, each day,

- as long as your available balance will cover the transaction. For purposes of the daily limits only, a "day" is defined as the twenty-four (24) hour period from midnight to midnight, Pacific Standard Time. If a transaction is initiated in another time zone, it will be processed when we receive it. Notwithstanding the foregoing, you understand that withdrawal limitations may vary between shared networks and individual ATMs. In addition, we reserve the right to adjust your maximum per day cash disbursement levels, from time to time, at our sole discretion.
- Minimum withdrawal amounts and increment amounts may vary depending on the shared network or ATM you access. For example, the minimum withdrawal and increment amount on some shared network machines is \$20.
  - For security reasons, in the event your Card or PIN is lost or stolen, there may be restrictions on transactions you can make at the ATMs.

#### **Authorization Holds for Visa Debit Card Transactions:**

When you use your Visa Debit Card to pay for goods or services, the merchant may seek our prior authorization for the transaction, at which time we will generally place a hold on some or all of the funds in your account for up to three (3) days or until the transaction is paid from your account. For more information regarding how debit card authorization holds impact your available account balance, refer to Part III of this Agreement, entitled "Your Liability for Overdrafts."

#### **Optional Overdraft Protection Plans:**

You understand that you can authorize us to link your Card to an overdraft protection source, including, but not limited to, a savings account and/or a Line of Credit account, to fund any overdrafts on your checking account. Refer to the section entitled "Optional Overdraft Protection Plans" in Part III of this Agreement for additional information regarding Optional Overdraft Protection Plans.

#### **Authorized Use – Card and PIN:**

Both the Card and a PIN will be required each time you use an ATM, engage in a POS or other electronic funds transaction. You agree to memorize your PIN and you will not write it on the Card(s). If you forget the PIN, you may contact us and we will issue a Replacement PIN for which there may be a Replacement PIN fee, as stated in our current *Schedule of Fees*. You must observe the following conditions for both the privacy and protection of your account and the system:

- YOU MUST KEEP YOUR CARD IN A SAFE PLACE AND PERMIT NO UNAUTHORIZED PERSON TO USE IT;
- YOU MUST NOT TELL ANY UNAUTHORIZED PERSON YOUR PIN OR WRITE YOUR PIN ON YOUR CARD (OR ANY PLACE) OR OTHERWISE MAKE IT AVAILABLE TO ANYONE ELSE;
- YOU MUST TELL US IMMEDIATELY OF ANY LOSS OR THEFT OF YOUR CARD AND/OR PIN.
- IF YOU AUTHORIZE US TO ISSUE A CARD (OR ANY OTHER ACCESS DEVICE) TO ANYONE ELSE, YOU AUTHORIZE THAT INDIVIDUAL TO WITHDRAW FUNDS FROM ANY ACCOUNT WHICH CAN BE ACCESSED BY THE CARD, REGARDLESS OF WHETHER THAT INDIVIDUAL IS AUTHORIZED TO WITHDRAW MONEY FROM THE ACCOUNT BY ANY MEANS OTHER THAN BY USE OF THE CARD.
- IF YOU GIVE YOUR CARD OR PIN TO ANYONE, ANY WITHDRAWAL OR TRANSFER BY THAT PERSON WILL BE CONSIDERED TO BE AUTHORIZED BY YOU, EVEN IF THEY EXCEED YOUR AUTHORITY.

#### **Safety at the ATM:**

You understand that you should use caution at all times when using an ATM. Some precautions you can take are: (1) avoid ATMs that are obstructed from view or unlit at night; (2) observe the area for anything unusual or suspicious; (3) when possible, bring a companion along, especially at night; (4) lock your vehicle when you leave it; (5) have your Card in your hand as you approach the ATM and avoid reaching in your wallet or purse in front of the ATM; (6) avoid counting your cash at the ATM; (7) lock the doors, roll up all but the driver's window, and keep the engine running when using a drive-up ATM; (8) prevent others from seeing you enter your PIN by using your body to shield their view; and (9) do not accept assistance from anyone you do not know when using an ATM. We want ATMs to be safe and convenient for you. Tell us if you know of any problem with the facility. For example, let us know if a light is not working or there is any damage to the facility. If you feel unsafe for any reason, you should leave the area immediately. If someone follows you after using the ATM, you should quickly go to a safe area that is well populated and well lit. You should report any incident to the police as soon as possible.

#### **Ownership Of The Card:**

You may request one Card to access your account(s) without a charge. If your Card is lost or stolen, you may also be charged a Replacement Card Fee. These fees are set forth in the *Schedule of Fees*. The Card remains our property and you agree to surrender the Card to us upon demand. We may cancel, modify, or restrict the use of any Card upon proper notice or without notice if: (1) any of your accounts are overdrawn; (2) you use your Card in a manner which may cause a loss to us; (3) your account is inactive, which is defined by us as an account that has had no member-initiated transaction activity for twelve (12) consecutive months; (4) any mail sent to your address is returned to us as undeliverable; (5) any email sent to you by us is returned as undeliverable; (6) your account has one (1) or more NSF items or transactions; (7) we are aware that you have violated any term of this Agreement, whether or not we suffer a loss; or (8) where necessary to maintain or restore the security of your account(s) or the POS system. We also reserve the right to recall the Card through retrieval by any of the ATMs.

#### **Making Electronic Funds Transactions:**

You agree to follow the instructions posted or otherwise given by us or any ATM network or POS terminal concerning use of the machine/terminal.

#### **Point-of-Sale (POS) Transactions – Dollar Limitations (Visa Debit Card):**

The following daily limits apply to POS transactions you conduct using your Card to the extent you have available funds in your checking account.

You may use your Visa Debit Card for POS transactions: (1) up to \$2,500 or your available account balance, whichever is less, each twenty-four (24) hour period for PIN-based transactions; and (2) up to \$10,000 or your available account balance, whichever is less, each twenty-four (24) hour period for signature-based transactions. At your request, we may make an exception to the dollar limits for each twenty-four (24) hour period on Visa Debit Card transactions to accommodate a single transaction in excess of such limit, provided your available checking account balance will cover the transaction.

For Teen Debit Account holders, you may make ATM cash withdrawals or POS transactions up to \$300 each twenty-four (24) hour period as long as your available balance will cover the transaction,

Various institutions that participate in networks of which the Credit Union is a member may have withdrawal limits different from the amount set forth herein. In the event that a specific ATM is so limited, you may not be able to withdraw more than the cash limit of that particular ATM. Subject to the dollar limits set forth herein, there are no limits on the number of daily POS transactions you may make using your Card. ATM & POS terminal owners, merchants and retailers may restrict cash withdrawals and purchases to lower limits and charge proprietary fees.

#### **Returns and Adjustments (Visa Debit Card):**

Merchants and others who honor Visa Debit Cards may give credit for returns or adjustments, and they will do so by sending us a credit slip that we will post to your checking account.

#### **Foreign Transactions (Visa Debit Card):**

Purchases and cash advances processed outside of the United States or in a foreign currency will be billed to your account in U.S. dollars. The conversion to U.S. dollars will be made in accordance with the Visa operating regulations for international transactions. In the event that an international transaction is converted to U.S. dollars the exchange rate between the transaction currency and the billing currency used for processing international transactions will be: (1) a rate selected by Visa from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Visa itself receives; or (2) the government-mandated rate in effect for the applicable central processing date. The rate in effect on the applicable processing date may differ from the rate on the date you used your Visa Debit Card. When a credit to the account does not fully offset a charge to the account due to changes in the rate, you are responsible for the difference. You will be charged a 1% Foreign Transaction Fee for each purchase or cash advance processed outside of the United States, in a foreign currency. You will be charged a .8% Foreign Transaction Fee for each purchase or cash advance processed outside of the United States, in U.S. dollars, regardless of whether there is a currency conversion associated with the transaction.

#### **Card Claims and Transaction Questions:**

When you authorize other parties to debit your checking account, you are responsible for these transactions. Thus, you may have to contact these parties directly if you have questions or complaints about your transactions. Any claims concerning property or services purchased with your Visa Debit Card must be resolved by you directly with the merchant or seller who accepted the Visa Debit Card. You understand that we will not be able to help you because we only have the information received from the third party. Any claim or defense that you assert will not relieve you of your obligation to pay us the total amount of the sales slip, unless otherwise permitted by law. You are not permitted to stop payment on any purchase through the use of your Visa Debit Card.

#### **ADDITIONAL DISCLOSURES APPLICABLE TO PIN-LESS VISA DEBIT CARD TRANSACTIONS**

##### **PIN-less Visa Debit Card Transactions:**

We allow non-Visa debit transaction processing. This means you may use your Visa Debit Card on a non-Visa network (also known as a PIN-Debit Network) without using a PIN to authenticate your transactions. Visa Operating Rules and Regulations generally define a PIN-Debit Network as a non-VISA debit network that typically authenticates transactions by use of a PIN, but that is not generally known for having a card program.

There are two types of authenticated transactions when using a debit card: PIN and signature. In a PIN-based debit card transaction, a cardholder enters a PIN to authorize the transaction. In a signature-based debit card transaction, a cardholder signs a receipt. You may choose to purchase goods and services with your Visa Debit Card through a PIN-Debit Network without the requirement of entering your PIN. The non-Visa debit network that supports PIN-less transactions for the Credit Union is the STAR Network.

Examples of PIN-less debit transactions include initiating a payment directly with the biller (possibly via telephone, Internet, or kiosk locations), responding to a logo displayed at a payment site and choosing to direct payment through that network, and having your identity verified using known information derived from an existing relationship with you instead of through the use of your PIN.

You understand that the terms and conditions of your agreement with us relating to Visa debit transactions do not apply to non-Visa debit transactions. For example, the additional limits on liability (sometimes referred to as Visa's Zero Liability program), \$50 loss cap, Visa's provisional credit policies, Visa's chargeback and dispute resolution rules, and the streamlined error resolution procedures offered on Visa Debit Card transactions are not applicable to transactions processed on a PIN-Debit Network.

#### **ADDITIONAL DISCLOSURES APPLICABLE TO ELECTRONIC CHECK TRANSACTIONS**

If you have authorized a one-time transfer of funds from your account via ACH where you have provided a paper check or check information to a merchant or other payee in person, by telephone, or via the Internet, to capture the routing, account, and serial numbers to electronically initiate the transfer (an "Electronic Check Transaction"), the following applies to you:

##### **Types of Available Transactions:**

You may authorize a merchant or other payee to make a one-time Electronic Check Transaction from your checking account using information from your check to (1) pay for purchases or (2) pay bills. You may also authorize a merchant or other payee to debit your checking account for returned check fees or returned debit entry fees.

You may make such a payment via ACH where you have provided a paper check to enable the merchant or other payee to capture the routing, account, and serial numbers to initiate the transfer, whether the check is blank, partially completed, or fully completed and signed; whether the check is presented at POS or is mailed to a merchant or other payee or lockbox and later converted to an electronic fund transaction; whether the

check is retained by the consumer, the merchant, other payee, or the payee's financial institution; or you have provided the merchant or payee with the routing, account, and serial numbers by telephone or via the Internet to make a payment or a purchase.

**Account Access:**

Electronic Check Transactions may be made from your checking account only.

**Limitations on Dollar Amounts of Transactions:**

You may make Electronic Check Transactions only to the extent that you have available funds in your checking account.

**Remotely-Created Checks:**

If the Electronic Check Transaction involves a remotely-created check, we reserve the right to accept or reject the item for deposit into any of your accounts. If you deposit a remotely-created check into any of your accounts, you represent and warrant to us that you have instituted procedures to ensure that these drafts are authorized by the person on whose account the remotely-created check is drawn in the amount stated on the check and to the payee stated on the check. If a remotely-created check which you have deposited into your account is returned by the drawee-payor bank for any reason, you agree that we may debit your account for the amount of the item, plus any applicable fees. If the debit causes your account to be overdrawn, you agree to pay the overdrawn amount on our demand. For purposes of this Agreement, the term "remotely-created check" means a check that is not created by the paying bank and that does not bear a signature applied, or purported to be applied, by the person on whose account the check is drawn.

**PART VI: WIRE TRANSFER AND AUTOMATED CLEARING HOUSE (ACH) DISCLOSURE**

**Applicable Law**

This agreement and notice applies to funds transfers as defined in the Article 4A of the Uniform Commercial Code and Subpart B of Regulation J of the Board of Governors of the Federal Reserve System.

**Funds Transfer Cut-Off Time**

The Credit Union may establish or change cut-off times for the receipt and processing of funds transfer requests, amendments, or cancellations. Unless other times are posted for the various types of funds transfers, the cut-off time will be at 12:00 p.m. on each weekday that the Credit Union is open excluding holidays. Payment orders, cancellations, or amendments received after the applicable cut-off time may be treated as having been received on the next funds transfer business day and processed accordingly.

**Service Charges/Fees**

The Credit Union may charge your account for the amount of any funds transfer initiated by you or by any person authorized by you as a joint tenant or other authorized party with the right of access to the account from which the funds transfer is to be made. Please refer to our *Schedule of Fees* for current fees.

**Security Procedures**

The Credit Union may establish, from time to time, security procedures to verify the authenticity of a payment order. You will be notified of the security procedure, if any, to be used to verify payment orders issued by you or for which your account will be liable. You agree that the authenticity of payment orders may be verified using that security procedure unless you notify the Credit Union in writing that you do not agree to that security procedure. In that event, the Credit Union shall have no obligation to accept any payment order from you or other authorized parties on the account until you and the Credit Union agree, in writing, on an alternate security procedure.

**Use of FedWire**

If you send or receive a wire transfer, Fedwire may be used. Regulation J is the law covering all Fedwire transactions. This means that your rights and liabilities in a wire transfer involving Fedwire will be governed by Regulation J.

**Identification of Beneficiary**

If you give the Credit Union a payment order which identifies the beneficiary (recipient of the funds) by both name and identifying or account number, payment may be made by the beneficiary's bank on the basis of the identifying or bank account number, even if the number identifies a person different than the named beneficiary. This means that you will be responsible to the Credit Union if the funds transfer is completed on the basis of the identification number you provided the Credit Union.

**Identification of Beneficiary and Intermediary Bank by Numbers**

If you give the Credit Union a payment order which identifies an intermediary or beneficiary's bank by both name and an identifying number, a receiving bank may rely on the number as the proper identification even if it identifies a different bank than the named bank. This means that you will be responsible for any loss or expenses incurred by a receiving bank which executes or attempts to execute the payment order in reliance on the identifying number you provided.

**Provisional ACH Payments**

The Credit Union may at its discretion give you credit for Automated Clearing House (ACH) payments before it receives final settlement of the funds transfer. Any such credit is provisional until the Credit Union receives final settlement of the payment. You are hereby notified and agree, if the Credit Union does not receive such final settlement, that it is entitled to a refund from you of the amount credited to you in connection with that ACH entry. This means that the Credit Union may provide you with access to ACH funds before the Credit Union actually receives the money. However, if the Credit Union does not receive the money, then the Credit Union may reverse the entry on your account and you would be liable to repay the Credit Union.

**Notice of Receipt of ACH Funds**

ACH transactions are governed by operating rules of the National Automated Clearing House Association. In accordance with these rules, the Credit Union will not provide you with next day notice of receipt of ACH credit transfers to your account. You will continue to receive notices of receipt of ACH items in the periodic account statements which we provide.

**Receipt of Incoming (Non-ACH) Funds Transfers**

If the Credit Union receives a funds transfer for you or for other persons authorized to have access to your account, you agree that the Credit Union is not obligated to provide you with next day notice of the receipt of the funds transfer. The Credit Union will provide you with notification of the receipt of all funds transfers by including such items in the periodic account statements which we provide. You may, of course, inquire between receipt of periodic statements whether or not a specific funds transfer has been received.

**PART VII: MEMBER CONDUCT AND LIMITATION OF SERVICES**

The Credit Union is committed to making services available to members in good standing and maintaining an environment free from unacceptable conduct. In the event that any member or non-member engages in any type of conduct deemed unacceptable, the availability of services may be limited, restricted or revoked.