

# All About Your Business Accounts

- Terms And Conditions
- Funds Transfers
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## TERMS AND CONDITIONS OF YOUR ACCOUNT

**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, physical address, date of birth (for individuals), and other information that will allow us to identify you. We may also ask to see your Driver License (for individuals) or other identifying documents and we may retain an image of such documents.

**AGREEMENT** - This document, along with any other documents we give you pertaining to your account(s), is a contract (also referred to as "this agreement") that establishes rules which control your account(s) with us. Please read this carefully and retain it for future reference or log in to Internet Branch online banking, visit the Self Service section to view "Important Information About Your Account." If you open the account (whether in-person, electronically, or by any other method permitted by us) or continue to use the account after receiving a notice of change or amendment, you agree to these rules. You will receive a separate schedule of rates, qualifying balances, and fees if they are not included in this agreement. If you have any questions, please send us a Secure Message within SDCCU Internet Branch online and mobile banking or contact us at (877) 732-2848.

This agreement is subject to applicable federal laws, the laws of the state of California and other applicable rules such as the operating letters of the Federal Reserve Banks and payment processing system rules (except to the extent that this agreement can and does vary such rules or laws). The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here. The purpose of this agreement is to:

- (1) summarize some laws that apply to common transactions;
- (2) establish rules to cover transactions or events which the law does not regulate;
- (3) establish rules for certain transactions or events which the law regulates but permits variation by agreement; and
- (4) give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

If any provision of this agreement is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing either on the business membership application for your account or in some other document. Nothing in this agreement is intended to vary our duty to act in good faith and with ordinary care when required by law.

As used in this agreement the words "we," "our," and "us" mean San Diego County Credit Union (SDCCU®) and the words "you" and "your" mean the account holder(s) and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the account. However, this agreement does not intend, and the terms "you" and "your" should not be interpreted, to expand an individual's responsibility for an organization's liability. If this account is owned by a corporation, partnership or other organization, individual liability is determined by the laws generally applicable to that type of organization. The headings in this agreement are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this agreement should be construed so the singular includes the plural and the plural includes the singular.

**MEMBERSHIP ELIGIBILITY** - To be eligible for membership, you must be a person or entity within SDCCU's field of membership and meet account opening criteria. You must purchase and maintain a minimum of one full share (\$1.00) in your primary share account at all times as a condition of membership. The first \$1.00 deposited into your primary share account (your membership shares) will be held. You cannot use the \$1.00 in your primary share account including and without limitation to pay overdrafts on your checking account, loan or credit card payments, preauthorized withdrawals, Automated Teller Machine (ATM) or other electronic services associated with your account.

**NATIONAL CREDIT UNION SHARE INSURANCE FUND** - SDCCU is federally insured by the National Credit Union Administration.

**UNLAWFUL INTERNET GAMBLING NOTICE** - Restricted transactions as defined in Federal Reserve Regulation GG are prohibited from being processed through this account or relationship. Restricted transactions generally include, but are not limited to, those in which credit, electronic fund transfers, checks, or drafts are knowingly accepted by gambling businesses in connection with the participation by others in unlawful Internet gambling.

**LIABILITY** - You agree, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the schedule of charges. You authorize us to deduct these charges, without notice to you, directly from the account balance as accrued. You will pay any additional reasonable charges for services you request which are not covered by this Agreement.

Each of you also agrees to be jointly and severally (individually) liable for any account shortage resulting from charges or overdrafts, whether caused by you or another with access to this account. This liability is due immediately and can be deducted directly from the account balance whenever sufficient funds are available. You have no right to defer payment of this liability and you are liable regardless of whether you signed the item or benefited from the charge or overdraft.

You will be liable for our costs as well as for our reasonable attorneys' fees, to the extent permitted by law, whether incurred as a result of collection or in any other dispute involving your account. This includes, but is not limited to, disputes between you and another joint owner; you and an authorized signer or similar party; or a third party claiming an interest in your account. This also includes any action that you or a third party takes regarding the account that causes us, in good faith, to seek the advice of an attorney, whether or not we become involved in the dispute. All costs and attorneys' fees can be deducted from your account when they are incurred, without notice to you.

**DEPOSITS** - We will give only provisional credit until collection is final for any items, other than cash, we accept for deposit (including items drawn "on us"). Before settlement of any item becomes final, we act only as your agent, regardless of the form of endorsement or lack of endorsement on the item even though we provide you provisional credit for the item. We may reverse any provisional credit for items that are lost, stolen or returned. Unless prohibited by law, we also reserve the right to charge back to your account the amount of any item deposited to your account or cashed for you which was initially paid by the payor bank and which is later returned to us due to an allegedly forged, unauthorized or missing endorsement, claim of alteration, encoding error or other problem which in our judgment justifies reversal of credit. You authorize us to attempt to collect previously returned items without giving you notice, and in attempting to collect we may permit the payor bank to hold an item beyond the midnight deadline. Actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars. We are not responsible for transactions by mail or outside depository until we actually record them. If you deliver a deposit to us and you will not be present when the deposit is counted, you must provide us an itemized list of the deposit (deposit slip). To process the deposit, we will verify and record the deposit, and credit the deposit to the account. If there are any discrepancies between the amounts shown on the itemized list of the deposit and the amount we determine to be the actual deposit, we will notify you of the discrepancy. You will be entitled to credit only for the actual deposit as determined by us, regardless of what is stated on the itemized deposit slip. We will treat and record all transactions received after our "daily cutoff time" on a business day we are open (if a cutoff time applies), or received on a day we are not open for business, as if initiated on the next business day that we are open. At our option, we may take an item for collection rather than for deposit. If we accept a third-party check for deposit, we may require any third-party endorsers to verify or guarantee their endorsements, or endorse in our presence.

### **WITHDRAWALS** -

**Important terms for accounts where more than one person can withdraw** - Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs to open the account or has authority to make withdrawals may withdraw or transfer all or any part of the account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person who signs or has authority to make withdrawals to endorse any item payable to you or your order for deposit to this account or any other transaction with us.

**Postdated checks** - A postdated check is one which bears a date later than the date on which the check is written. We may properly pay and charge your account for a postdated check even though payment was made before the date of the check, unless we have received written notice of the postdating in time to have a reasonable opportunity to act. Because we process checks mechanically, your notice will not be effective and we will not be liable for failing to honor your notice unless it precisely identifies the number, date, amount and payee of the item.

**Checks and withdrawal rules** - If you do not purchase your check blanks from us, you must be certain that we approve the check blanks you purchase. We may refuse any withdrawal or transfer request which you attempt on forms not approved by us or by any method we do not specifically permit. We may refuse any withdrawal or transfer request which is greater in number than the frequency permitted by our policy, or which is for an amount greater or less than any withdrawal limitations. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply any frequency limitations. In addition, we may place limitations on the account until your identity is verified.

Even if we honor a nonconforming request, we are not required to do so later. If you violate the stated transaction limitations (if any), in our discretion we may close your account or reclassify your account as another type of account. If we reclassify your account, your account will be subject to the fees and earnings rules of the new account classification.

If we are presented with an item drawn against your account that would be a "substitute check," as defined by law, but for an error or defect in the item introduced in the substitute check creation process, you agree that we may pay such item.

**Cash withdrawals** - We recommend you take care when making large cash withdrawals because carrying large amounts of cash may pose a danger to your personal safety. As an alternative to making a large cash withdrawal, you may want to consider a cashier's check or similar instrument. You assume full responsibility of any loss in the event the cash you withdraw is lost, stolen, or destroyed. You agree to hold us harmless from any loss you incur as a result of your decision to withdraw funds in the form of cash.

**Multiple signatures, electronic check conversion, and similar transactions** - An electronic check conversion transaction is a transaction where a check or similar item is converted into an electronic fund transfer as defined in the Electronic Fund Transfers regulation. In these types of transactions the check or similar item is either removed from circulation (truncated) or given back to you. As a result, we have no opportunity to review the signatures or otherwise examine the original check or item. You agree that, as to these or any items as to which we have no opportunity to examine the signatures, you waive any requirement of multiple signatures.

**Posting of Deposits and Withdrawals to/from your Account** - SDCCU generally posts transactions presented on your account in the order described below. This section discusses some of the common transactions that will post to your account.

SDCCU posts the following deposit and/or withdrawal transactions to your account in the order they are received when we receive them.

- One-time and recurring debit-card transactions;
- ACH deposits and withdrawals;
- Deposit and withdrawal transactions made with our tellers;
- Deposit and withdrawal transactions at an ATM;
- Online transfers, SDCCU Mobile Deposit, telephone transfers;
- Wire transfers.

As an example, if we receive, on the same business day, an ACH deposit to your account for \$100 in the morning and an ACH withdrawal from your account for \$100 in the afternoon, the \$100 deposit and any other available balance you had would be utilized to pay the \$100 withdrawal. On a different day, if we receive on the same business day, an ACH withdrawal from your account for \$100 in the morning and an ACH deposit to your account for \$100 in the afternoon, only your available balance would be utilized to cover the \$100 withdrawal since the \$100 deposit was not received when the withdrawal was posted.

SDCCU processes check transactions in a variety of ways depending on the nature of the transaction. SDCCU posts the following checks written against your account in the order they are received when we receive them.

- In-person at any of our branch locations;

- At a SDCCU ATM;
- Through SDCCU Mobile Deposit;
- A check written against your account that is electronically converted, for example by a merchant, into an ACH withdrawal.

SDCCU will post any other check, not described above, at the end of the business day if they are presented to us from another financial institution. These checks will post to your account from the lowest to highest dollar amount.

**Your Available Balance** - The available balance in your account plays a significant role in the operation of your account. Your available balance is the balance in your account that we use to determine if you have sufficient funds to cover a transaction. Your available balance is the most current record we have about the funds that are available for withdrawal from your account. In determining the available balance in your account, we will consider all transactions that have posted to your account, any holds that may be in place on deposits you have made, and pending transactions (such as pending debit card purchases) that the Credit Union has authorized but that have not yet posted to your account.

Your account is considered overdrawn when the available balance in your account is negative. It is very important to understand 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. Your available balance does not reflect all your outstanding checks, automatic bill payments that you have authorized, ACH transactions or other outstanding transactions that have not yet been paid from your account. For example, outstanding checks you have written will not be reflected in your available balance until they are presented to us and paid from your account.

Also, your available balance may not reflect all of your everyday debit card transactions. For example, if a merchant obtains our prior authorization but does not submit a one-time debit card transaction for payment within three (3) business days of authorization (or for up to thirty (30) business days for certain types of debit card transactions), we must release the authorization hold on the transaction. The available balance will not reflect this transaction once the hold has been released until the transaction has been received by us and paid from your account. See the section entitled "Authorization Holds for Debit Card Transactions" for information about how authorization holds affect your available balance. In addition, your available balance may not reflect the most recent deposits to your account. For details on the availability for withdrawal of your deposits, see the section entitled "Funds Availability Disclosure."

**Authorization Holds for Debit Card Transactions** - When you make a purchase with your debit card, the merchant may seek our prior authorization for the transaction. We generally place a temporary hold against some or all of the funds in the account linked to your debit card if and when an authorization request is obtained. The amount of the authorization hold will be subtracted from your available balance (generally in real time as they are received by us throughout each day).

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 (such as a gas station purchase). For those transactions, 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 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) from the time of the authorization. If the transaction is not submitted for payment by the merchant within the specified time period, however, 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. We urge you to record and track all of your transactions closely to confirm that your available balance accurately reflects your spending of funds from the account linked to your debit card.

#### **NONSUFFICIENT FUNDS (NSF) AND OVERDRAFTS**

You are responsible for keeping track of the funds in your account that are available for you to use before you write a check, authorize an ACH transaction, make a cash withdrawal at an ATM, or use your debit card for

a transaction. We encourage you to manage your funds responsibly and avoid overdrafts. Among other things, you should keep a running balance that reflects all of your transactions. It is imperative that you keep track of the outstanding transactions you may have authorized (such as outstanding checks, ACH transactions, or automatic bill payments for example), as your available balance will not reflect these transactions until they are paid from your account. As discussed in the section entitled "Your Available Balance," your available balance may also not reflect all of your debit card transactions. Also remember that you should not assume that you can avoid overdrawing your account by making a deposit before a check or other item is presented for payment because your deposit may not be immediately available for withdrawal. (Refer to "Funds Availability Disclosure" for complete details).

You can avoid fees for nonsufficient funds items and overdrafts by making sure that your account always contains sufficient available funds to cover all of your transactions. We offer Overdraft Transfer, described below that you can use to help you manage your account and help you avoid returned items. If we return the item unpaid, a fee may apply (refer to the Business Services Fee Schedule).

We pay overdrafts at our discretion, which means we do not guarantee that we will always, or ever, authorize and pay them. We are not obligated to pay any item presented for payment against your account if the available balance in your account is nonsufficient to cover the item. If we overdraw your account to pay items on one or more occasions, we are not obligated to continue paying overdraft items in connection with transactions where there is a nonsufficient available balance. We may pay all, some, or none of your overdrafts, without notice to you. If we do not authorize a transaction, we will decline the transaction. If we do not pay an overdraft, then we will return the item unpaid. If we return the item unpaid, a fee may apply. The amount of the fee will depend on the Business Services Fee Schedule in place at the time the fee is assessed (for current fees refer to the Business Services Fee Schedule).

**Overdraft Transfer** - You may set up Overdraft Transfer by linking your checking account to another SDCCU account within the same membership, such as a savings, money market checking or Visa credit card. In the event that you do not have enough available funds in your checking account to cover a transaction, Overdraft Transfer automatically transfers the amount necessary to cover the transaction and the Transfer Fee. The Transfer Fee may apply each time we make a transfer from the designated linked account to your checking account (Refer to the Business Services Fee Schedule).

If you enroll in Overdraft Transfer and link your savings or money market account, transfers are limited per calendar month in compliance with Federal Banking Regulation D (see the Transfer Limitation section regarding savings accounts for more details). If you exceed the transaction limitations, we may, at our discretion; pay the item and charge a Reg D Excess Transaction fee to the checking account (refer to the Business Services Fee Schedule). We will not automatically transfer funds to cover an overdraft from an account that is not linked.

If you enroll in Overdraft Transfer and link your Visa credit card, Overdraft Transfers will be considered cash advances under your credit card agreement and will accrue interest at the APR stated in your Credit Card Agreement. A cash advance fee may apply to each transfer (Refer to your Credit Card Agreement). If you have selected a Visa credit card, transfers will occur if sufficient credit is available and your Visa credit card is not delinquent. There are no limitations on the number of Overdraft Transfers which can be made per month from your Visa credit card.

**Multiple signatures, electronic check conversion and similar transactions** - An electronic check conversion transaction is a transaction where a check or similar item is converted into an electronic fund transfer as defined in the Electronic Fund Transfers regulation. In these types of transactions the check or similar item is either removed from circulation (truncated) or given back to you. As a result, we have no opportunity to review the check to examine the signatures on the item. You agree that, as to these or any items as to which we have no opportunity to examine the signatures, you waive any requirement of multiple signatures.

**BUSINESS, ORGANIZATION AND ASSOCIATION ACCOUNTS** - Earnings in the form of interest, dividends, or credits will be paid only on collected funds, unless otherwise provided by law or our policy. You represent that you have the authority to open and conduct business on this account on behalf of the entity. We may require the governing body of the

entity opening the account to give us a separate authorization telling us who is authorized to act on its behalf. We will honor the authorization until we actually receive written notice of a change from the governing body of the entity.

**BENEFICIAL OWNERS OF LEGAL ENTITY** - To help the government fight financial crime, Federal regulation requires certain financial institutions to obtain, verify and record information about the beneficial owner(s) of legal entity customers. The Certification Regarding Beneficial Owners of Legal Entity Customers form must be completed by the person opening a new account on behalf of a legal entity with any of the following U.S. financial institutions: (i) a bank or credit union; (ii) a broker or dealer in securities; (iii) a mutual fund; (iv) a futures commission merchant or (v) an introducing broker in commodities. For the purposes of the Certification Regarding Beneficial Owners of Legal Entity Customers form, a legal entity includes a corporation, limited liability company or other entity that is created by a filing of a public document with a Secretary of State or similar office, a general partnership and any similar business entity formed in the United States or a foreign country. Legal entity **does not** include sole proprietorships, unincorporated associations or natural persons opening accounts on their own behalf. The following must be provided: name, physical address, date of birth, Driver License, Social Security number or other identifying documents (or passport number or other similar information in the case of foreign persons) for the following individuals, or Beneficial Owners:

- (i) Each individual, if any, who owns, directly or indirectly, 25 percent or more of the equity interests of the legal entity customer (e.g. each natural person that owns 25 percent or more of the shares of a corporation); and
- (ii) An individual with significant responsibility for managing the legal entity customer (e.g. a Chief Executive Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President or Treasurer).

The number of individuals that satisfy this definition of "beneficial owner" may vary. Depending on the factual circumstances, up to four individuals (but as few as zero) may need to be identified. Regardless of the number of individuals identified, you must provide the identifying information of one individual. It is possible that in some circumstances the same individual might be identified (e.g. the President of a company who also holds a 30% equity interest).

**STOP PAYMENTS** - The rules in this section cover stopping payment of items such as checks and drafts. Rules for stopping payment of other types of transfers of funds, such as consumer electronic fund transfers, may be established by law or our policy. If we have not disclosed these rules to you elsewhere, you may ask us about those rules.

We may accept an order to stop payment on any item from any person(s) authorized to transact on the account. You must make any stop-payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it before our stop-payment cutoff time. When you place your stop-payment order we will tell you what information we need to stop payment. This information must be exact since stop-payment orders are handled by automation. If your information is not exact your order will not be effective and we will not be responsible for failure to stop payment.

You may stop payment on any item drawn on your account whether you sign the item or not. Generally, if your stop-payment order is given to us in writing it is effective for six months. Your order will lapse after that time if you do not renew the order in writing before the end of the six-month period. If the original stop-payment order was oral your stop-payment order will lapse after 14 calendar days if you do not confirm your order in writing within that time period. We are not obligated to notify you when a stop-payment order expires.

If you stop payment on an item and we incur any damages or expenses because of the stop payment, you agree to indemnify us for those damages or expenses, including attorneys' fees. 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.

**TRANSFER LIMITATIONS** - For savings and money market accounts you may make up to six (6) transfers or withdrawals by means of a

preauthorized, automatic/electronic or telephonic transfer to another account of yours or to a third party or by check, debit card or similar order to a third party during any calendar month. A preauthorized transfer includes any arrangement with us to pay a third party from your account at (i) a predetermined time; (ii) on a fixed schedule or (iii) upon oral or written orders including orders received through the Automated Clearing House (ACH). If the transfer or withdrawal is initiated in person, by mail or at an ATM then there is no limit on the number of payments that may be made directly to you, directly to us for amounts you owe us or transfers to other accounts you have with us. Withdrawals by phone are also unlimited if you are requesting that a check be mailed to you.

**AMENDMENTS AND TERMINATION** - We may amend or delete any term of our bylaws or this agreement. We may also add new terms to our bylaws or to this agreement. In addition, we may suspend, modify, convert, or terminate a service, convert this account to another account type, or close this account for any reason (including if your membership in the credit union terminates). For any of these types of changes, we will give you reasonable notice in writing by any reasonable method including by mail, by any electronic communication method to which you have agreed, on or with a periodic statement, or through any other method permitted by law. If we close the account, we will tender the account balance to you or your agent personally, by mail, or by another agreed upon method.

Reasonable notice depends on the circumstances, and in some cases, such as when we cannot verify your identity or we suspect fraud, it might be reasonable for us to give you notice after the change becomes effective. For instance, if we suspect fraudulent activity with respect to your account, and if we deem it appropriate under the circumstances and necessary to prevent further fraud, we might immediately freeze or close your account and then give you notice.

Unless otherwise indicated in the notice of change, if we have notified you of a change to your account, and you continue to have your account after the effective date of the change, you have accepted and agreed to the new or modified terms. You should review any change in terms notice carefully as the notice will provide important information of which you may need to be aware.

We reserve the right to waive any term of this agreement. However, such waiver shall not affect our right to enforce the term at a later date.

If you request that we close your account, you are responsible for leaving enough money in the account to cover any outstanding items or transactions to be paid from the account. Once any outstanding items or transactions are paid, we will close the account and tender the account balance, if any, to you or your agent personally, by mail, or by another agreed upon method. Only a joint tenant that is a member can close an account.

Any items and transactions presented for payment after the account is closed may be dishonored. Any deposits we receive after the account is closed may be returned. We will not be liable for any damages for not honoring any such debits or deposits received after the account is closed.

Note: Rules governing changes in interest rates are provided separately in the Truth-in-Savings disclosure or in another document. In addition, for changes governed by a specific law or regulation, we will follow the specific timing and format notice requirements of those laws or regulations.

SDCCU reserves the right to terminate your account, suspend your services, or expel you from membership if you are (i) convicted of a criminal offense, including moral turpitude, (ii) fail to carry out your contracts, agreements, or obligations with us, (iii) exhibit conduct and/or behavior which poses a threat to the health, safety and welfare of our personnel and/or other members through any means (including, but not limited to, electronic communications), (iv) engage in behavior that inflicts or is intended to inflict harm upon, or otherwise harass, bully, disparage or defame SDCCU, its personnel, any SDCCU member, any other individual who is present with a branch, office or location of SDCCU, or any individual otherwise engaged in business on behalf of SDCCU, (v) exhibit behavior which interferes with credit union personnel carrying out their duties or functions, or (vi) refuse to comply with the provisions of California Credit Union Law or SDCCU's bylaws. We reserve the right to decline or close an account based on the types of services offered by the business. The determination of whether you have engaged in activities sufficient to warrant termination of your account, suspension of your services, or expulsion from SDCCU will be made by SDCCU in its discretion based on the circumstances. You must keep us informed of your current address at all times. Notice from us to any one of you is notice to all of you. If we have notified you of a change in any term of your account and you continue to

have your account after the effective date of the change, you have agreed to the new term(s).

**CORRECTION OF CLERICAL ERRORS** - Unless otherwise prohibited by law, you agree, if determined necessary in our reasonable discretion, to allow us to correct clerical errors, such as obtaining your missing signature, on any account documents or disclosures that are part of our agreement with you. For errors on your periodic statement, please refer to the STATEMENTS section.

**NOTICES** - Any written notice you give us is effective when we actually receive it, and it must be given to us according to the specific delivery instructions provided elsewhere, if any. We must receive any notice in time to have a reasonable opportunity to act on it. If a notice is regarding a check or other item, you must give us sufficient information to be able to identify the check or item, including the precise check or item number, amount, date and payee. Notice we give you via the United States Mail is effective when it is deposited in the United States Mail with proper postage and addressed to your mailing address we currently have on file. Notice we give you through your email of record, or other electronic method to which you agreed, will be treated as delivered to you when sent. Notice to any of you is notice to all of you.

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

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

**Your duty to report other errors or problems** - In addition to your duty to review your statements for unauthorized signatures and alterations, you agree to examine your statement with reasonable promptness for any other error or problem - such as an encoding error or an unexpected deposit amount. Also, if you receive or we make available either your items or images of your items, you must examine them for any unauthorized or missing endorsements or any other problems. You agree that the time you have to examine your statement and items and report to us will depend on the circumstances. However, this time period shall not exceed 60 days. Failure to examine your statement and items and report any errors to us within 60 days of when we first send or make the statement available precludes you from asserting a claim against us for any errors on items identified in that statement and as between you and us the loss will be entirely yours.

**Duty to notify if statement not received** - You agree to immediately notify us if you do not receive your statement by the date you normally expect to receive it. Not receiving your statement in a timely manner is a sign that there may be an issue with your account, such as possible fraud or identity theft. Absent a lack of ordinary care by us, a failure to receive your statement in a timely manner does not extend the time you have to conduct your review under this agreement.

**ACCOUNT TRANSFER** - This account may not be transferred or assigned without our prior written consent.

**REIMBURSEMENT OF FEDERAL BENEFIT PAYMENTS** - If we are required for any reason to reimburse the federal government for all or any portion of a benefit payment that was directly deposited into your account, 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 available legal remedy to recover the amount of our liability.

**TEMPORARY ACCOUNT AGREEMENT** - If the account documentation indicates that this is a temporary account agreement, it means that all account

owners have not yet signed the Business Membership Application, or that some other account opening requirement has not been completed. We may give you a duplicate Business Membership Application so that you can obtain all of the necessary signatures and return it to us. Each person who signs to open the account or has authority to make withdrawals (except as indicated to the contrary) and may transact business on this account. However, we may at some time in the future restrict or prohibit further use of this account if you fail to comply with the requirements we have imposed within a reasonable time.

**RIGHT TO REPAYMENT OF INDEBTEDNESS** - You each agree that we may (without prior notice and when permitted by law) charge against and deduct from this account or from any other account you have with us, any due and payable debt any of you owe us now or in the future. If this account is owned by one or more of you as individuals, we may set off any funds in the account against a due and payable debt a partnership owes us now or in the future, to the extent of your liability as a partner for the partnership debt. If your debt arises from a promissory note, then the amount of the due and payable debt will be the full amount we have demanded, as entitled under the terms of the note, and this amount may include any portion of the balance for which we have properly accelerated the due date.

In addition to these contract rights, we may also have rights under a "statutory lien." A "lien" on property is a creditor's right to obtain ownership of the property in the event a debtor defaults on a debt. A "statutory lien" is one created by federal or state statute. If federal or state law provides us with a statutory lien, then we are authorized to apply, without prior notice, your shares and dividends to any debt you owe us, in accord with the statutory lien.

Neither our contract rights nor rights under a statutory lien apply to this account if prohibited by law. For example, neither our contract rights nor rights under a statutory lien apply to this account if: (a) it is an Individual Retirement Account (IRA) or similar tax-deferred account, or (b) the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest), or (c) the debtor's right of withdrawal arises only in a representative capacity, or (d) setoff is prohibited by the Military Lending Act or its implementing regulations. We will not be liable for the dishonor of any check or draft when the dishonor occurs because we charge and deduct an amount you owe us from your account. You agree to hold us harmless from any claim arising as a result of our exercise of our right to repayment.

**RESTRICTIVE LEGENDS OR ENDORSEMENTS** - The automated processing of the large volume of checks we receive prevents us from inspecting or looking for restrictive legends, restrictive endorsements or other special instructions on every check. Examples of restrictive legends placed on checks are "must be presented within 90 days" or "not valid for more than \$1,000." The payee's signature accompanied by the words "for deposit only" is an example of a restrictive endorsement. For this reason, we are not required to honor any restrictive legend or endorsement or other special instruction placed on checks you write unless we have agreed in writing to the restriction or instruction. Unless we have agreed in writing, we are not responsible for any losses, claims, damages or expenses that result from your placement of these restrictions or instructions on your check(s).

**BULK DEPOSITS** - At our discretion, a deposit containing a high volume of checks may be processed as a Bulk Deposit meaning funds are deposited immediately based on the total provided and are verified by the close of that business day. Funds are not available until the amounts are reconciled and any adjustments made in accordance with the Funds Availability Disclosure section of this booklet.

**CHECK PROCESSING** - We process items mechanically by relying almost exclusively on the information encoded in magnetic ink along the bottom of the items. 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. You agree that we have exercised ordinary care if our automated processing is consistent with general banking practice, even though we do not inspect each item. Because we do not inspect each item, if you write a check to multiple payees, we can properly pay the check regardless of the number of endorsements. We are not responsible for any unauthorized signature or alteration that would not be identified by a reasonable inspection of the item. Using an automated process helps us keep costs down for you and all account holders. Unless we have agreed otherwise, you are not entitled to receive any original item after it is paid, although you may request that we provide you with a copy of an item(s).

**CHECK CASHING** - We may charge a fee for anyone that does not have an account with us who is cashing a check, draft or other instrument written on your account. We may also require reasonable identification to cash a check, draft or other instrument. We can decide what identification is reasonable under the circumstances and such identification may be documentary or physical and may include collecting a thumbprint or fingerprint.

**TRUNCATION, SUBSTITUTE CHECKS, AND OTHER CHECK IMAGES** - If you truncate an original check and create a substitute check, or other paper or electronic image of the original check, you warrant that no one will be asked to make payment on the original check, a substitute check or any other electronic or paper image, if the payment obligation relating to the original check has already been paid. You also warrant that any substitute check you create conforms to the legal requirements and generally accepted specifications for substitute checks. You agree to retain the original check in conformance with our policy for retaining original checks. You agree to indemnify us for any loss we may incur as a result of any truncated check transaction you initiate. We can refuse to accept substitute checks that have not previously been warranted by a bank or other financial institution in conformance with the Check 21 Act. Unless specifically stated in a separate agreement between you and us, we do not have to accept any other electronic or paper image of an original check.

**FICTITIOUS BUSINESS NAME ACCOUNTS** - If you hold an account under a fictitious name, each of you represents that one or more of you have the right to use that name and have fulfilled all the legal requirements for using the name and doing business under that name. "Fictitious business name" means, in the case of an individual, a name that does not include the surname (last) of the individual or that suggests the existence of additional owners (e.g., "& Company"). In the case of a partnership, other than a limited partnership, a name that does not include the surname of each general partner or a name that suggests the existence of additional owners is a fictitious business name. In the case of a corporation, any name other than the corporate name stated in its articles of incorporation is a fictitious business name. In the case of a limited partnership or a limited liability company, any name other than the name of the limited partnership or limited liability company on file with the Secretary of State is a fictitious business name.

**FACSIMILE SIGNATURES** - Unless you make advance arrangements with us, we have no obligation to honor facsimile signatures on your checks or other orders. If we do agree to honor items containing facsimile signatures, you authorize us, at any time, to charge you for all checks, drafts, or other orders, for the payment of money, that are drawn on us. You give us this authority regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen filed with us. You must notify us at once if you suspect that your facsimile signature is being or has been misused.

**REMOTELY CREATED CHECKS** - Like any standard check or draft, a remotely created check (sometimes called a telecheck, preauthorized draft or demand draft) is a check or draft that can be used to withdraw money from an account. Unlike a typical check or draft, however, a remotely created check is not issued by the paying bank and does not contain the signature of the account owner (or a signature purported to be the signature of the account owner). In place of a signature, the check usually has a statement that the owner authorized the check or has the owner's name typed or printed on the signature line.

You warrant and agree to the following for every remotely created check we receive from you for deposit or collection: (1) you have received express and verifiable authorization to create the check in the amount and to the payee that appears on the check; (2) you will maintain proof of the authorization for at least 2 years from the date of the authorization, and supply us the proof if we ask; and (3) if a check is returned you owe us the amount of the check, regardless of when the check is returned. We may take funds from your account to pay the amount you owe us, and if there are nonsufficient funds in your account, you still owe us the remaining balance.

**FUNDS TRANSFERS** - You agree that this section is governed by Article 4A of the Uniform Commercial Code - Funds Transfers (UCC 4A) and the terms used in this section have the meaning given to them in UCC 4A. You also agree to be bound by all funds-transfer system rules, rules of the Board of Governors of the Federal Reserve System (Board) and their operating circulars, as appropriate. Unless otherwise required by applicable law, such as Regulation J or the operating circulars of the Board, this section is subject to UCC 4A as adopted in the state in which you have

your account with us. If any part of this section is determined to be unenforceable, the rest shall remain effective. This section controls funds transfers unless supplemented or amended in a separate record. Generally, this section will not apply to you if you are a consumer. For example, this section generally does not apply to a funds transfer if any part of the transfer is governed by the Electronic Fund Transfer Act of 1978 (EFTA). However, this section does apply to a funds transfer that is a remittance transfer as defined in EFTA unless the remittance transfer is an electronic fund transfer as defined in EFTA. To the extent this section is not inconsistent with the EFTA, this section may also apply to a consumer electronic fund transfer sent through the FedNow system or through the Real Time Payments system (RTP) operated by The Clearing House. In addition, even if you are a consumer, this section will apply to that part of any funds transfer that is conducted by Fedwire.

**Funds transfer** - A funds transfer is the transaction or series of transactions that begin with the originator's payment order, made for the purpose of making payment to the beneficiary of the order. A funds transfer is completed by the acceptance by the beneficiary's bank of a payment order for the benefit of the beneficiary of the originator's order. Unless otherwise required by the type of funds transfer you are initiating, you may transmit a payment order orally or in a record, but your order cannot state any condition to payment to the beneficiary other than the time of payment. Credit entries may be made by ACH.

**Authorized account** - An authorized account is a deposit or share account you have with us that you have designated as a source of payment of payment orders you issue to us. If you have not designated an authorized account, any account you have with us is an authorized account to the extent that payment of the payment order is not inconsistent with the use of the account.

**Acceptance of your payment order** - We are not obligated to accept any payment order that you give us, although we normally will accept your payment order if you have a withdrawable credit in an authorized account sufficient to cover the order. If we do not execute your payment order, but give you notice of our rejection of your payment order after the execution date or give you no notice, we are not liable to pay you as restitution any interest on a withdrawable credit in a non-interest-bearing account.

**Cutoff time** - If we do not receive your payment order or communication canceling or amending a payment order before our cutoff time on a funds transfer day for that type of order or communication, the order or communication will be deemed to be received at the opening of our next funds transfer business day.

**Payment of your order** - If we accept a payment order you give us, we may receive payment by automatically deducting from any authorized account the amount of the payment order plus the amount of any expenses and charges for our services in execution of your payment order. We are entitled to payment on the payment or execution date. Unless your payment order specifies otherwise, the payment or execution date is the funds transfer date we receive the payment order. The funds transfer is completed upon acceptance by the beneficiary's bank. Your obligation to pay your payment order is excused if the funds transfer is not completed, but you are still responsible to pay us any expenses and charges for our services. However, if you told us to route the funds transfer through an intermediate bank, and we are unable to obtain a refund because the intermediate bank that you designated has suspended payments, then you are still obligated to pay us for the payment order. You will not be entitled to dividends (if applicable) on any refund you receive because the beneficiary's bank does not accept the payment order.

**Security procedure** - The authenticity of a payment order or communication canceling or amending a payment order issued in your name as sender may be verified by a security procedure which may be described more fully in a separate writing. You affirm that you have no circumstances which are relevant to the determination of a commercially reasonable security procedure unless those circumstances are expressly contained in a separate writing signed by us. You may choose from one or more security procedures that we have developed, or you may develop your own security procedure if it is acceptable to us. If you refuse a commercially reasonable security procedure that we have offered you, you agree that you will be bound by any payment order issued in your name, whether or not authorized, that we accept in good faith and in compliance with the security procedure you have chosen.

**Identifying number** - If your payment order identifies an intermediate bank, beneficiary bank, or beneficiary by name and number, we and every receiving or beneficiary bank may rely upon the identifying number rather than the name to make payment, even if the number identifies an intermediate bank or person different than the bank or beneficiary identified by name. Neither we nor any receiving or beneficiary bank have any responsibility to determine whether the name and identifying number refer to the same financial institution or person.

**Record of oral or telephone orders** - You agree that we may, if we choose, record any oral or telephone payment order or communication of amendment or cancellation.

**Notice of credit** - If we receive a payment order to credit an account you have with us, we are not required to provide you with any notice of the payment order or the credit.

**Provisional credit** - You agree to be bound by the automated clearing house association operating rules that provide that payments made to you or originated by you by funds transfer through the automated clearing house system are provisional until final settlement is made through a Federal Reserve Bank or otherwise payment is made as provided in Article 4A-403(a) of the Uniform Commercial Code and governed by the laws of the state of California.

**Refund of credit** - You agree that if we do not receive payment of an amount credited to your account, we are entitled to a refund from you in the amount credited and the party originating such payment will not be considered to have paid the amount so credited.

**Cancellation or amendment of payment order** - You may cancel or amend a payment order you give us only if we receive the communication of cancellation or amendment before our cutoff time and in time to have a reasonable opportunity to act on it before we accept the payment order. The communication of cancellation or amendment must be presented in conformity with the same security procedure that has been agreed to for payment orders.

**Intermediaries** - We are not liable for the actions of any intermediary, regardless of whether or not we selected the intermediary. We are not responsible for acts of God, outside agencies, or nonsalaried agents.

**Limit on liability** - You waive any claim you may have against us for consequential or special damages, including loss of profit arising out of a payment order or funds transfer, unless this waiver is prohibited by law. We are not responsible for attorney fees you might incur due to erroneous execution of payment order.

**Erroneous execution** - If we receive an order to pay you, and we erroneously pay you more than the amount of the payment order, we are entitled to recover from you the amount in excess of the amount of the payment order, regardless of whether you may have some claim to the excess amount against the originator of the order.

**Duty to report unauthorized or erroneous payment** - You must exercise ordinary care to determine that all payment orders or amendments to payment orders that we accept that are issued in your name are authorized, enforceable, in the correct amount, to the correct beneficiary, and not otherwise erroneous. If you discover (or with reasonable care should have discovered) an unauthorized, unenforceable, or erroneously executed payment order or amendment, you must exercise ordinary care to notify us of the relevant facts. The time you have to notify us will depend on the circumstances, but that time will not in any circumstance exceed 14 days from when you are notified of our acceptance or execution of the payment order or amendment or that your account was debited with respect to the order or amendment. If you do not provide us with timely notice you will not be entitled to dividends (if applicable) on any refundable amount. If we can prove that you failed to perform either of these duties with respect to an erroneous payment and that we incurred a loss as a result of the failure, you are liable to us for the amount of the loss not exceeding the amount of your order.

**Objection to payment** - If we give you a notice that reasonably identifies a payment order issued in your name as sender that we have accepted and received payment for, you cannot claim that we are not entitled to retain the payment unless you notify us of your objection to the payment within 60 days of our notice to you.

**INTERNATIONAL ACH TRANSACTIONS** - Financial institutions are required by law to scrutinize or verify any international ACH transaction (IAT) that they receive against the Specially Designated Nationals (SDN)

list of the Office of Foreign Assets Control (OFAC). This action may, from time to time, cause us to temporarily suspend processing of an IAT and potentially affect the settlement and/or availability of such payments.

**PLEDGES** - Each owner of this account may pledge all or any part of the funds in it for any purpose to which we agree. Any pledge of this account must first be satisfied before the rights of any surviving account owner or account beneficiary become effective. For example, if an account has two owners and one of the owners pledges the account (e.g., uses it to secure a debt) and then dies, (1) the surviving owner's rights in this account do not take effect until the debt has been satisfied, and (2) the debt may be satisfied with the funds in this account.

**POWER OF ATTORNEY** - You may wish to appoint an agent to conduct transactions on your behalf (we, however, have no duty or agreement whatsoever to monitor or insure that the acts of the agent are for your benefit). This may be done by allowing your agent to sign in that capacity on the Business Membership Application or by separate form, such as a power of attorney which is subject for review by SDCCU. A power of attorney continues until your death or the death of the person given the power. If the power of attorney is not "durable," it is revoked when you become incompetent. We may continue to honor the transactions of the agent until: (a) we have received written notice or have actual knowledge of the termination of the authority or the death of an owner, and (b) we have had a reasonable opportunity to act on that notice or knowledge. You agree not to hold us responsible for any loss or damage you may incur as a result of our following instructions given by an agent acting under a valid power of attorney.

**STALE-DATED CHECKS** - We are not obligated to, but may at our option, pay a check, other than a certified check, presented for payment more than six months after its date. If you do not want us to pay a stale-dated check, you must place a stop-payment order on the check in the manner we have described elsewhere.

**ENDORSEMENTS** - We may accept for deposit any item payable to you or your order, even if they are not endorsed by you. We may give cash back to any one of you. We may supply any missing endorsement(s) for any item we accept for deposit or collection, and you warrant that all endorsements are genuine.

**UNCLAIMED PROPERTY** - The law establishes procedures under which unclaimed property must be surrendered to the state (we may have our own rules regarding dormant accounts, and if we charge a fee for dormant accounts it will be disclosed to you elsewhere). Generally, the funds in your account and property in a Safe Deposit Box are considered unclaimed if you have not had any activity or communication with us regarding your account over a period of years. Ask us if you want further information about the period of time or type of activity that will prevent your account from being unclaimed. If your funds are surrendered to the state, you may be able to reclaim them, but your claim must be presented to the state. Once your funds are surrendered, we no longer have any liability or responsibility with respect to the funds. Your property may be transferred to the appropriate state if no activity occurs in the account within the time period specified by applicable state law.

**DEATH OR INCOMPETENCE** - You agree to notify us promptly if any person with a right to withdraw funds from your account(s) dies or is adjudicated (determined by the appropriate official) incompetent. We may continue to honor your checks, items and instructions until: (a) we know of your death or adjudication of incompetence, and (b) we have had a reasonable opportunity to act on that knowledge. You agree that we may pay or certify checks drawn on or before the date of death or adjudication of incompetence for up to ten (10) days after your death or adjudication of incompetence unless ordered to stop payment by someone claiming an interest in the account.

**FIDUCIARY ACCOUNTS** - 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. We are not responsible for the actions of a fiduciary, including the misuse of funds. 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, or conservators under court orders. You understand that by merely opening such an account, we are not acting in the capacity of a trustee in connection with the trust nor do we undertake any obligation to monitor or enforce the terms of the trust or letters.

**CASH TRANSACTION REPORTING** - To help law enforcement agencies detect illegal activities, the law requires all financial institutions to

gather and report information on some types of cash transactions. If the information we need to complete the report is not provided, we are required to refuse to handle the transaction. If you have any questions regarding these rules, the U.S. Treasury Financial Crimes Enforcement Network (FinCEN) maintains a frequently asked questions (FAQ) document online. The FAQ also includes additional information for contacting FinCEN.

**BACKUP WITHHOLDING/TIN CERTIFICATION** - Federal tax law requires us to report dividend payments we make to you of \$10 or more in a year, and to include your Taxpayer Identification Number (TIN) on the report (the TIN may be your Social Security Number if you are an individual or sole proprietor). Reporting includes dividends and bonus payments for purposes of this rule. Therefore, we require you to provide us with your TIN and to certify that it is correct. In some circumstances, federal law requires us to withhold and pay to the IRS a percentage of the dividends that is earned on funds in your accounts. This is known as backup withholding. We will not have to withhold dividend payments when you open your account if you certify your TIN and certify that you are not subject to backup withholding due to underreporting of any dividends. (There are special rules if you do not have a TIN but have applied for one, if you are a foreign person or if you are exempt from the reporting requirements). We may subsequently be required to begin backup withholding if the IRS informs us that you supplied an incorrect TIN or that you underreported your dividend income.

Account Types - TIN

Sole proprietor - SSN of the individual or TIN for the business

Partnership - TIN for the business

LLC - TIN for the business (or individual SSN in certain circumstances)

Corporation - TIN for the business

Business trust - TIN for the trust

**CREDIT VERIFICATION** - You agree that we may verify and re-verify credit, financial history, identification and employment history for all entities and parties related to the account(s), by any necessary means, including obtaining a report from a consumer reporting agency (e.g. credit report, ChexSystem report, etc.).

**LOST, DESTROYED, OR STOLEN CERTIFIED, CASHIER'S, OR TELLER'S CHECKS** - Under some circumstances you may be able to assert a claim for the amount of a lost, destroyed, or stolen certified, cashier's or teller's check. To assert the claim: (a) you must be the remitter (or drawer of a certified check) or payee of the check, (b) we must receive notice from you describing the check with reasonable certainty and asking for payment of the amount of the check, (c) we must receive the notice in time for us to have a reasonable opportunity to act on it, and (d) you must give us a declaration (in a form we require) of your loss with respect to the check. You can ask us for a declaration form. Even if all of these conditions are met, your claim may not be immediately enforceable. We may pay the check until the ninetieth day after the date of the check (or date of acceptance of a certified check). Therefore, your claim is not enforceable until the ninetieth day after the date of the check or date of acceptance, and the conditions listed above have been met. If we have not already paid the check, on the day your claim is enforceable we become obligated to pay you the amount of the check. We will pay you in cash or issue another certified check.

At our option, we may pay you the amount of the check before your claim becomes enforceable. However, we will require you to agree to indemnify us for any losses we might suffer. This means that if the check is presented after we pay your claim, and we pay the check, you are responsible to cover our losses. We may require you to provide a surety bond to assure that you can pay us if we suffer a loss.

**CHANGING ACCOUNT PRODUCTS** - We may change your account to another product offered by us at any time by giving you notice that your account will be changed to another product on a specified date. If your account is a time account, the change will not occur before the next maturity date of your account. If you do not close your account before the date specified in the notice, we may change your account to that other product on the date specified in the notice.

**TRANSACTIONS BY MAIL** - You may deposit checks by mail. You should endorse the check being sent through the mail with the words "For Deposit Only" and should include your correct account number underneath to ensure the check is credited to the correct account. You should use the pre-encoded checking deposit slips found behind your checks in your



checkbook. If you do not use your deposit slip or provide us with instructions indicating how or where the check should be credited, we may apply it to any account or any loan balance you have with us or we may return the check to you. Receipts for such transactions will be mailed to you only if a self-addressed stamped envelope is provided. Following your deposit, examine your statement carefully or call us or send us a Secure Message through Internet Branch online banking to ensure that we received the action. Do not send cash through the mail for deposit.

**LEGAL ACTIONS AFFECTING YOUR ACCOUNT** - If we are served with a subpoena, restraining order, writ of attachment or execution, levy, garnishment, search warrant, or similar order relating to your account (termed "legal action" in this section), we will comply with that legal action as required by applicable law. However, nothing in this agreement shall be construed as a waiver of any rights you may have under applicable law with regards to such legal action. Subject to applicable law, we may, in our sole discretion, choose to freeze the assets in the account and not allow any payments or transfers out of the account, or take other action as may be appropriate under the circumstances, until there is a final court determination regarding the legal action. We may do these things even if the legal action involves less than all of you. In these cases, we will not have any liability to you if there are nonsufficient funds to pay your items because we have withdrawn funds from your account or in any way restricted access to your funds in accordance with the legal action and applicable law. Any fees or expenses we incur in responding to any legal action (including, without limitation, attorneys' fees, and our internal expenses) may be charged against your account, unless otherwise prohibited by applicable law. The list of fees applicable to your account(s) - provided elsewhere - may specify additional fees that we may charge for responding to certain legal actions.

**COLLECTION COSTS AND ATTORNEYS' FEES** - If you are in default under this Agreement, you agree to pay SDCCU's collection costs, attorneys' fees, court costs and any other expense of enforcing SDCCU's rights under this Agreement. Further, if we can prove that you knowingly made false statements or reports for the purpose of influencing our decision in opening an account(s) and/or in providing you service(s), you agree to pay SDCCU's collection costs, attorneys' fees, court costs and any other expense of enforcing our rights under this Agreement.

**CHECK STORAGE AND COPIES** - You agree that you will not receive your canceled checks. We will store your canceled checks or copies of them for a reasonable retention period. You may request copies from us in the manner we require. Please refer to our Business Services Fee Schedule for applicable fees.

#### **ACCOUNT SECURITY**

**Your duty to protect account information and methods of access** - Our policy may require methods of verifying your identity before providing you with a service or allowing you access to your account. We can decide what identification is reasonable under the circumstances. For example, process and identification requirements may vary depending on whether they are online or in person. Identification may be documentary or physical and may include collecting a fingerprint, voiceprint, or other biometric information.

It is your responsibility to protect the account numbers and electronic access devices (e.g., an ATM card, point-of-sale card and/or PIN) we provide you for your accounts. You should also safeguard your username, password, and other access and identifying information when accessing your account through a computer or other electronic, audio, or mobile device or technology. If you give anyone authority to access the account on your behalf, you should exercise caution and ensure the trustworthiness of that agent. Do not discuss, compare, or share information about your account numbers with anyone unless you are willing to give them full use of your money. Checks and electronic withdrawals are processed by automated methods, and anyone who obtains your account number or access device could use it to withdraw money from your account, with or without your permission.

**Account numbers** - Thieves can encode your account number on a check which looks and functions like an authorized check and can be used to withdraw money from your account. Your account number can also be used to issue a "remotely created check." Like a typical check, a remotely created check (sometimes called a telecheck, preauthorized draft or demand draft) is a draft or check that can be used to withdraw money from your account. Unlike a typical check or draft, however, a remotely created check is not issued by the paying bank and does not contain the signature

of the account owner (or a signature purported to be the signature of the account owner). If you have truly authorized the remotely created check (to purchase a service or merchandise, for example), it is properly payable. But it can be risky to authorize a remotely created check. A swindler could issue a remotely created check in an amount greater than you authorized, or issue additional remotely created checks that you have not authorized. We will not know if the withdrawal is unauthorized or in an amount greater than the amount you have authorized. Payment can be made from your account even though you did not contact us directly and order the payment.

**Access devices** - If you furnish your access device and grant actual authority to make transfers to someone who then exceeds that authority, you will be liable for the transfers unless we have been notified that transfers by that person are no longer authorized. Please review the additional information you have received or will receive regarding transfers by access device.

**Blank checks** - You must also take precaution in safeguarding your blank checks. Notify us at once if you think your blank checks have been lost or stolen. As between you and us, if you are negligent in safeguarding your checks, you must bear the loss entirely yourself, or share the loss with us if we failed to use ordinary care which substantially contributes to the loss.

**INSTRUCTIONS FROM YOU** - Unless required by law or we have agreed otherwise in writing, we are not required to act upon instructions you give us via facsimile transmission, email, voicemail, or phone call to a facsimile number, email address, or phone number not designated by us for a particular purpose or for a purpose that is unrelated to the request or instruction.

**MONITORING AND RECORDING TELEPHONE CALLS AND CONSENT TO RECEIVE COMMUNICATIONS** - By signing your Business Membership Agreement or opening an account with SDCCU, you are agreeing that we may monitor or record phone calls for security reasons, to maintain a record and to ensure that you receive courteous and efficient service. You consent in advance to any such recording. We need not remind you of our recording before each phone conversation.

To provide you with the best possible service during our ongoing business relationship, we may need to contact you from time to time by telephone, text messaging or email.

By signing your Business Membership Agreement or opening an account with SDCCU, you authorize us to contact you via email, text or phone, including mobile phone, at any number or email address that you have provided or that otherwise reaches you, for any purpose, including but not limited to service, marketing, or debt collection.

This consent is regardless of whether the number we use to contact you is assigned to a landline, a paging service, a cellular wireless service, a specialized mobile radio service, other radio common carrier service or any other service for which you may be charged for the call. You further authorize us to contact you through the use of voice, voice mail and text messaging, including the use of pre-recorded or artificial voice messages and an automated dialing device automatic telephone dialing system.

If necessary, you may change or remove any of the telephone numbers or email addresses at any time via notarized written request, within SDCCU Internet Branch online and mobile banking or at any branch location to notify us. You agree that you understand that you are not required to provide such consent as a condition of receiving any good or service.

**CLAIM OF LOSS** - The following rules do not apply to a transaction or claim related to a consumer electronic fund transfer governed by Regulation E (e.g., an every day/one-time consumer debit card or ATM transaction). The error resolution procedures for consumer electronic fund transfers can be found in our initial Regulation E disclosure generally titled, "Electronic Fund Transfers." For other transactions or claims, if you claim a credit or refund because of a forgery, alteration, or any other unauthorized withdrawal, you agree to cooperate with us in the investigation of the loss, including giving us an affidavit containing whatever reasonable information we require concerning your account, the transaction, and the circumstances surrounding the loss. You will notify law enforcement authorities of any criminal act related to the claim of lost, missing, or stolen checks or unauthorized withdrawals. We will have a reasonable period of time to investigate the facts and circumstances surrounding any claim of loss. Unless we have acted in bad faith, we will not be liable for special or consequential damages, including loss of profits or opportunity, or for attorneys' fees incurred by you.

You agree that you will not waive any rights you have to recover your loss against anyone who is obligated to repay, insure, or otherwise reimburse you for your loss. You will pursue your rights or, at our option, assign them to us so that we may pursue them. Our liability will be reduced by the amount you recover or are entitled to recover from these other sources.

**EARLY WITHDRAWAL PENALTIES (and involuntary withdrawals) -** We may impose early withdrawal penalties on a withdrawal from a certificate account even if you don't initiate the withdrawal. For instance, the early withdrawal penalty may be imposed if the withdrawal is caused by the enforcement of our right to repayment of indebtedness against funds in the account or as a result of an attachment or other legal process. We may close your account and impose the early withdrawal penalty on the entire account balance in the event of a partial early withdrawal. See your separately provided notice of early withdrawal penalties for early withdrawal for additional information.

**CHANGES IN NAME AND CONTACT INFORMATION -** You are responsible for notifying us of any change in your name, address, or other information we use to communicate with you. Unless we agree otherwise, notice of such a change must be made in writing. Informing us of your address or name change on a check reorder form is not sufficient. We will attempt to communicate with you only by use of the most recent information you have provided to us. If provided elsewhere, we may impose a service fee if we attempt to locate you.

**RESOLVING ACCOUNT DISPUTES -** We may place an administrative hold on the funds in your account (refuse payment or withdrawal of the funds) if it becomes subject to a claim adverse to (1) your own interest; (2) others claiming an interest as survivors or beneficiaries of your account; or (3) a claim arising by operation of law. The hold may be placed for such period of time as we believe reasonably necessary to allow a legal proceeding to determine the merits of the claim or until we receive evidence satisfactory to us that the dispute has been resolved. We will not be liable for any items that are dishonored as a consequence of placing a hold on funds in your account for these reasons.

**WAIVER OF NOTICES -** To the extent permitted by law, you waive any notice of non-payment, dishonor or protest regarding any items credited to or charged against your account. For example, if you deposit a check and it is returned unpaid or we receive a notice of nonpayment, we do not have to notify you unless required by federal Regulation CC or other law.

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## FUNDS AVAILABILITY DISCLOSURE

This policy statement applies to "transaction" accounts and savings accounts for all deposits, excluding deposits made through a remote deposit service, if such a service is offered. For information regarding funds availability for remote deposit services, please refer to the applicable disclosure(s) or visit [sdccu.com](http://sdccu.com). Transaction accounts, in general, are accounts which permit an unlimited number of payments to third persons and an unlimited number of telephone and preauthorized transfers to other accounts of yours with us. Checking accounts are the most common transaction accounts. Feel free to ask us whether any of your other accounts might also be under this policy.

Our policy is to make funds from your cash, check, and electronic direct deposits available to you on the business day we receive your deposit. In some cases, we may delay your ability to withdraw funds. Then, the funds will generally be available to you by the second business day after we receive your deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written.

Please remember that even after we have made funds available to you and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays and federal holidays. If you make a deposit before closing 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 after closing, on a Saturday, or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

- The cut-off time for the lobby and drop box is one hour prior to closing.

If you make a deposit at an ATM we own or operate before 3:00 P.M. Pacific Standard Time (PST) 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 at an ATM we own or operate after 3:00 P.M., on a Saturday or 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

**Case-by-case delays.** In some cases, we will not make all of the funds that you deposit by check available to you immediately. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. The first \$275 of your deposits, however, will be available immediately.

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

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

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

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$6,725 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- There is an emergency, such as failure of computer or communications 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 business day after the day of your deposit.

**SPECIAL RULES FOR NEW ACCOUNTS -** If you are a new member, the following special rules will apply during the first 30 days your account is open.

Funds from electronic direct deposits to your account will generally be available on the day we receive the deposit. Funds from deposits of cash, wire transfers and the first \$6,725 of a day's total deposits of cashier's, certified, teller's, traveler's and federal, state and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over \$6,725 will be available on the second business day after the day of your deposit.

Funds from all other check deposits will be available on the second business day after the day of your deposit unless longer delays apply. The first \$275 of your deposit(s), however, will be available immediately.

**DEPOSITS AT AUTOMATED TELLER MACHINES -** Funds from any deposits (cash or checks) made at ATMs will be available on the second business day after the day of deposit, except that U.S. Treasury checks that are payable to you deposited at ATMs that we own or operate will be available on the first business day after the day of deposit. Also, the first \$275 of a day's deposits made at ATMs we own or operate will be available immediately. Checks drawn on SDCCU will be available on the first business day after the day of deposit if the deposit is made at an ATM located on our premises.

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

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## SUBSTITUTE CHECKS

As our member, we think it is important for you to know about substitute checks. The following Substitute Check Disclosure provides information about substitute checks and your rights.

**What is a substitute check?** - To make check processing faster, federal law permits financial institutions to replace original checks with "substitute checks." These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states: "This is a legal copy of your check. You can use it

the same way you would use the original check." You may use a substitute check as proof of payment just like the original check.

Some or all of the checks that you receive back from us may be substitute checks. This notice describes rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic withdrawals from your account. However, you have rights under other law with respect to those transactions.

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

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to dividends on the amount of your refund if your account is a dividend-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

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

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

**How do I make a claim for a refund?** - If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us by calling, sending us a Secure Message through Internet Branch, writing us or by visiting any of our convenient branch locations.

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

Your claim must include —

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

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## SPECIFIC ACCOUNT DETAILS

**Rate information:** For deposit accounts that earn dividends, the dividend rate and Annual Percentage Yield (APY) may change at any time, as determined by SDCCU's Board of Directors. Refer to the Business Deposit Rates sheets for dividend rates and APYs.

**Balance information:** Refer to the Business Deposit Rates sheets for minimum balance information.

**Nature of dividends:** Dividends are paid from current income and available earnings, after required transfers to reserves at the end of a dividend period.

**Dividend period:** 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 is the last day of the dividend period and for the example above is January 31.

**Average daily balance computation method:** Dividends are calculated using the average daily balance method which applies a periodic rate to the average daily balance in the account for the period. 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. The period we use is the monthly statement cycle.

**Accrual of dividends on noncash deposits:** Dividends will begin to accrue on the business day you deposit noncash items (e.g. checks) to your account, if that account earns dividends and minimum balance requirements are met, if applicable.

**Certificate accounts:** Refer to the certificate account disclosure for information regarding the APY, dividend rate, compounding and crediting, balance information and transaction limitations.

**Fees:** Please see our separate Business Services Fee Schedule for current fees that may apply.

**Transfer limitations:** Please see the transfer limitations section of this booklet and any separate disclosure(s), if applicable, for transfer limitation information.

### AGREEMENT TO ARBITRATE

You agree that any and all claims arising from or relating to this Agreement or any service provided by SDCCU to you and/or the person or entity you represent shall be subject to binding arbitration under the Federal Arbitration Act ("FAA"). This includes claims based on contract, tort, equity, statute, or otherwise, as well as claims regarding the scope and enforceability of this provision. It includes all claims by or against you, the person or entity you represent, SDCCU, and others providing or receiving any product or service related to this Agreement or your account with SDCCU. However, at the election of any party, a court of competent jurisdiction may adjudicate any request for injunctive relief, but all other claims will first be decided by arbitration under this Agreement.

A single Arbitrator shall decide all claims and shall render a final, written decision. You may choose the American Arbitration Association ("AAA"), JAMS, or other similar arbitration service provider acceptable to SDCCU to administer the arbitration. Consistent with the FAA, the appropriate AAA rules, JAMS rules, or other service provider rules shall apply, as determined by the Arbitrator. For AAA and JAMS, these rules are found at [www.adr.org](http://www.adr.org) and [www.jamsadr.com](http://www.jamsadr.com).

Unless otherwise agreed by the parties, the arbitration shall take place in San Diego, California.

Each party to the arbitration shall pay his, her, or its own costs of arbitration. If you cannot afford your arbitration costs, you may apply for a waiver under the relevant rules.

The parties waive any right to bring representative claims on behalf of a class of entities or individuals (the "class action waiver"). The arbitration provision may be severed or modified if necessary to render it enforceable.

San Diego County Credit Union  
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San Diego, CA 92196-1209

Business Days: Monday through Friday  
excluding Federal Holidays

(877) 732-2848 | [sdccu.com](http://sdccu.com)

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