



## BayFedOnline Agreement and Electronic Funds Transfer Disclosure for Businesses

**INTRODUCTION:** This Agreement and Disclosure specifically governs Bay Federal Credit Union's Online Electronic Funds Transfer Service (BayFedOnline) and contains your and our rights and responsibilities and the terms and conditions under which this service is provided. Please read this Agreement and Disclosure carefully and retain it for your records.

In this Agreement and Disclosure, the words "you," "your," and "yours" mean each and every one of you who utilizes the BayFedOnline service. The words "we," "us," "our," and "Credit Union" each mean Bay Federal Credit Union. . In order for your Organization to use Bay Federal Credit Union's online banking services offered through BayFedOnline, your Organization must agree to and sign this Online Access Agreement and the Corporate Resolution that follows and return them to Bay Federal Credit Union. Upon our receipt of this Agreement, signed by an authorized representative of yours, and the Corporate Resolution described below, your Security Administrator will be able to establish the BayFedOnline service for your Organization.

BayFedOnline allows the Security Administrator and other authorized persons (collectively called "Users") in your Organization to use a personal computer equipped with an active connection to an Internet Service Provider to access your account(s), 24 hours a day, 7 days a week, with possible interruptions due to system maintenance or causes beyond our control. Upon opening your membership and providing the signed Agreement and Corporate Resolution authorizing this service, the Users you authorize will be able, by use of an individual sign-on identification ("User Identification") and a password ("Access Code"), to complete confidential inquiries on your accounts established at Bay Federal Credit Union and perform any or all of the following functions, as granted by the Security Administrator. In addition, Users will be able to perform any functions that may be added to the BayFedOnline service, as granted by the Security Administrator Management (Administration) of Your BayFedOnline Service

- a. Manage Accounts - Request accounts to be enrolled or deleted for BayFedOnline services, and establish and edit transactional limitations on these accounts;
  - b. Manage Users - Add, delete and modify other Users. Each User can be granted or denied transactional privileges and authority on an account by account basis. Any Users can be granted the authority to perform any or all of the functions listed in this Agreement or which are later added to the BayFedOnline service;
  - c. Manage Company - Establish transactional limitations and approval requirements for BayFedOnline services;
  - d. Manage Reports - Create and view reports detailing User and account information
- Inquiries and Transactions on Your EC\*Web Service Users may complete, when available, the following transactions in addition to inquiries:
- a. Intra-financial institution transfers between checking, savings, and money market accounts;
  - b. Intra-financial institution transfers from checking, savings, or money market accounts to loan accounts;
  - c. Advances against a line of credit loan account to be transferred to checking, savings, or money market accounts;
  - d. Funds Transfers such as wire origination, ACH origination and bill payments;
  - e. Communicate directly with Bay Federal Credit Union through Electronic Messaging;
  - f. Inquiries on accounts held at third parties, where available;
  - g. Download account transaction information using Account Reconciliation Services

**CORPORATE RESOLUTION INFORMATION:** Any corporate resolution ON FILE WITH US giving authority for BayFedOnline service supersedes any resolution, signature card or other document on file with us that limits authority over any specific account or all of your accounts with us. A change in the authority over any specific account or all of your accounts with us made in any resolution, signature card or other document on file with us will NOT change this Agreement, or any accompanying Corporate Resolution, change this Agreement, or any accompanying Corporate Resolution.

**SECURITY ADMINISTRATOR RESPONSIBILITY:** Upon completion of the BayFedOnline setup process, the Security Administrator identified in the enrollment process and authorized by the Corporate Resolution will select and provide to us an initial User Identification. Once we enter the User Identification into our system and provide the Security Administrator with an Access Code, the Security Administrator will be able to set up and manage BayFedOnline service by using their User

Identification and Access Code. The Security Administrator will then be able to set up any desired Users, designating the levels of account access and privileges, and will be responsible for providing these Users with their respective User Identification and Access Code. Bay Federal Credit Union will require a new Corporate Resolution to change the status of a Security Administrator.

**AUTHORIZATION FOR TRANSACTIONS:** You agree that the Security Administrator identified in the Corporate Resolution ON FILE WITH US has authority to establish the BayFedOnline service for your Organization and establish additional Users with the access capability and privileges as determined by the Security Administrator in establishing and managing your BayFedOnline service. You agree that each individual who has been issued a User Identification and Access Code has general authority from your Organization to give instructions and authorize transactions with respect to your accounts BayFedOnline, including general authority over the movement of your Organization's funds between your accounts at Bay Federal Credit Union or to third parties including via the Bill Payment Service, ACH Service or Fund Transfer Service, and to perform inquiries on your accounts. You agree that Bay Federal Credit Union has full authorization from your Organization to rely and act upon any instructions received from Users without further inquiry.

**GOVERNING LAW:** This Agreement and the rights and obligations you and Bay Federal Credit Union have, are governed by and interpreted according to California and federal law. Regulation J governs a funds transfer if any part of it is carried out through Fedwire.

**SEPARATE ACCOUNT AGREEMENTS AND DISCLOSURES:** Each of your accounts at Bay Federal Credit Union is also governed by the separate account agreement you have with us for the account and the applicable account disclosures ("Account Agreement and Disclosures", "Account Information and Fee Schedule" and "Dividend Rate Schedule") that have been delivered to you. All agreements applicable to your various accounts or loan relationships with us shall continue in full force and effect except as specifically modified by this Agreement, and shall be applicable to all transactions initiated by use of a User Identification and Access Code. However, if any such account is an account requiring two or more signatures, all signature requirements are hereby waived by you and all signers. In addition, you and all signers agree to any transaction initiated by the use of a User Identification and Access Code and agree to be bound by the transaction.

**CONTACT INFORMATION:** For further information regarding this Agreement, BayFedOnline or other Credit Union inquiries, please call 831.479.6000 or toll-free at 888.4BAYFED. You may also write to us at Bay Federal Credit Union, 3333 Clares Street, Capitola, CA 95010 .

The terms and conditions of this Agreement and Disclosure are in addition to the terms and conditions of any and all other deposit account and credit agreements, including all such disclosures made pursuant to such agreements you have with the Credit Union.

**LIMITS ON TRANSFERS AND TRANSACTIONS:** There are no limits on the number or value of transactions you may initiate through BayFedOnline except as stated below, provided collected funds are available in your account or sufficient credit is available on your line of credit. You cannot initiate transfers using BayFedOnline to or from Certificate or IRA accounts, or any restricted accounts. Overdraft protection (if any) is NOT automatically triggered to cover "insufficient funds" transactions. We reserve the right to limit the frequency and dollar amount of any transactions at any time for security reasons.

**TRANSACTION LIMITATIONS ON SAVINGS AND MONEY MARKET ACCOUNTS:** No more than six preauthorized, automatic, online, telephone transfer, automated clearing house (ACH), check, draft, debit card or similar orders may be made from your savings account or money market deposit account to another account at the Credit Union or to a third party in any calendar month. If you exceed, or attempt to exceed, these transfer limits, the excess transfer requests may be refused or reversed, a fee may be imposed on the excess transfer request, and the Credit Union may reclassify or close your account. Transfers initiated by telephone must be counted among the six monthly transfers, except that there are no limits on the number of convenient transfers and withdrawals paid directly to an Account Holder when initiated by mail, messenger, automated teller machine, or made by telephone (via check mailed to the depositor). There are no limits on the number of withdrawals if initiated in person. You may transfer any available balance, unless limited under another agreement.

**FINANCE CHARGES ON LOAN TRANSFERS:** Each transfer made from your VISA account, Signature Line of Credit, home equity line of credit account, or any other revolving line of credit account you may have with us, is considered a cash advance. Finance charges begin to accrue from the effective date of each loan transfer in accordance with the terms of your credit agreement(s).

**FUNDS AVAILABILITY AND ACCRUAL OF DIVIDENDS:** Funds from electronic funds transfer credits/deposits will be available

on the effective date of the transfer in accordance with our "Funds Availability Policy," which can be found within the Truth-In-Savings Disclosure under the section entitled "Your Ability to Withdraw Funds." Dividends begin to accrue on the effective date of the transfer.

**ISSUANCE AND CONFIDENTIALITY OF YOUR PASSWORD:** You are required to select a Password for use with the BayFedOnline service. The Password is required for security purposes in connection with the authentication of loan applications, transfers and payments you initiate through the BayFedOnline service. Your Password is confidential and should NOT be disclosed to others or recorded on documentation or records located on or around your personal computer. You are responsible for the proper safekeeping of your Password. You agree not to disclose or otherwise make your Password available to anyone not authorized to sign on your accounts. If you authorize anyone to use your Password, that authority shall continue until you specifically revoke such authority by changing the Password or by notifying the Credit Union and obtaining a replacement Password. You understand that if you reveal your Password to anyone, or request that the Credit Union issue a Password to anyone else, you have authorized that individual to transfer and withdraw funds from any of your accounts which can be accessed by the Password, regardless of whether that person is authorized to transfer or withdraw funds from the account(s) by any means other than by use of BayFedOnline.

If you fail to maintain security of your Password and the Credit Union suffers a loss, we reserve the right to terminate BayFedOnline services to you under this Agreement and Disclosure as well as other Credit Union deposit and loan services. Users of the BayFedOnline service should utilize such other Password protection precautions as may be appropriate under any particular set of circumstances to ensure proper security over system access and access to account and transaction information and funds transfer capabilities. BayFedOnline provides the capability for you to change your Password. To help safeguard your security, you should change your Password frequently. If you forget your Password or your system access is disabled due to the use of an incorrect Password, you must contact the Member Service Call Center to have a temporary Password issued to you. Contact the Member Service Call Center at 831.479.6000 or 888.4BAYFED. We reserve the right to require written request for a new/replacement Password.

**FREQUENCY OF TRANSFERS:** Transfers can be requested for one time only or scheduled to automatically recur weekly, monthly, quarterly, or annually. Recurring transfers can be open-ended and continue indefinitely until cancelled; or, they can be limited to a specific number of occurrences as established by you.

**PROCESSING DATES, FUNDS AVAILABILITY, AND CANCELLATION INSTRUCTIONS FOR TRANSFERS:** Today's Date Transfers - Funds are immediately deducted from your account and cannot be canceled for any reason once the transfer request has been completed. Sufficient funds must be available in the account from which the transfer is being made at the time of transfer.

**CROSS-ACCOUNT TRANSFERS:** BayFedOnline allows you to deposit funds into another member's account such as a spouse or children's accounts. However, it does not allow you to access the destination account information. These transfers are permitted to any account (unless otherwise restricted) as established within the membership account structure. The Credit Union reserves the right at any time to restrict or prohibit transfer capabilities on specific types of accounts.

BayFedOnline transfer capabilities are divided into two types: (1) transfers between your membership accounts which have different account numbers, but in which the accountholder and his or her Social Security number are the same on both accounts; or (2) transfers to another member's account of which you are not a legal owner (Transfers to Third Parties).

In order to transfer available funds from one account to another, you must log on to BayFedOnline using the membership account number from which you wish to transfer the funds.

**ACCOUNT STATEMENTS:** Your completed BayFedOnline transactions will appear on your periodic account statements. You will get a monthly account statement on the electronic funds transfer activity on your accounts unless there are no transfers in a particular month. In any case, you will get a statement at least quarterly. Be sure to review and verify all statement information thoroughly. You may also obtain information on transfers and payments by inquiry of your transactional account history using BayFedOnline.

**eSTATEMENTS:** When you request eStatements, you agree to receive your monthly or quarterly member account statements electronically (Bay Federal Credit Union's eStatement service). We will generate periodic account statements, which reflect all activity for the preceding statement period. When Statements are available for review we will notify you by e-mail that your statements are available for review, using the e-mail address on our account records. If we are unable to deliver proper notification to the e-mail address you provided, we will make reasonable attempts to obtain this information and if unsuccessful

provide you with a statement mailed through the United State Postal Service. Your mailing address and e-mail address, if applicable, should be kept current at all times. Member account statements include activity and balance information on savings, checking, and other share accounts as well as loans and lines of credit (excluding VISA or Real Estate Loans). Your account statements are made available to you when you log on to BayFed Online using your Password and select Online Statements, and are provided in readable, printable, and downloadable format from this site. You agree that in addition to your regular monthly member account statement we may also send you important notices and disclosures as required by law or regulation regarding your membership and accounts. These notices and disclosures may be sent separately or incorporated into Bay Federal Credit Union's monthly Member Newsletters, which are made available at the time your statement is available for viewing.

To access and retain your Online Statements or important notices you can use a computer to print your statements online or download them by saving them to your system's hard drive.

You have the right to request a copy of your member account statement by accessing your account profile within BayFedOnline. You have the right to withdraw your consent to receive your statements in electronic form by accessing your account profile on BayFedOnline or contacting our Member Service Call Center at 831.479.6000 or 888.4BAYFED and requesting withdrawal from BayFed Online e Statement service.

**CREDIT UNION'S LIABILITY FOR FAILURE TO MAKE TRANSFERS:** If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we may be liable for your losses and damages. However, there are some exceptions. We will NOT be liable, for example, if: (1) Through no fault of ours, you do not have enough available funds in your account to make the transfer; (2) The transfer would exceed any permitted overdraft line you have with us; (3) Circumstances beyond our control (such as fire, flood, power failure, labor dispute, computer breakdown, telephone line disruption, or a natural disaster) prevent or delay the transfer despite reasonable precaution taken by us; (4) The funds in your account are subject to legal process, an uncollected funds hold, or are otherwise not available for withdrawal; (5) The Password or transaction information or other information you have provided is incorrect, incomplete, ambiguous, or untimely; (6) The system was not working properly and you knew about the breakdown when you started the transfer; or (7) You are in default on an account to which you are attempting a transfer. (There may be other exceptions stated in our agreement with you.)

In addition, the Credit Union will also have no liability whatsoever for failure to complete a payment or transfer you initiate or attempt to initiate through BayFedOnline under any of the following circumstances: (1) If you did not properly follow BayFedOnline instructions on how to make the transfer or payment; (2) If you did not give the Credit Union complete, correct and current instructions or information to process your transaction request; (3) If you did not authorize a payment soon enough for the payment to be made, transmitted, received, and credited by the payee/vendor; (4) If the Credit Union made a timely payment but the payee/vendor did not promptly credit your payment after receipt; (5) If your personal computer and/or software malfunctioned for any reason; (6) If the transfer or payment could not be completed due to system unavailability or a telecommunication or Internet Service Provider service failure; or (7) We blocked the transfer to protect the integrity or security of the system.

**YOUR RESPONSIBILITY & LIABILITY FOR UNAUTHORIZED TRANSFERS:** You are responsible for all transfers and payments you initiate and authorize using BayFedOnline. If you permit other persons to use BayFedOnline and your Password, you are responsible for any transactions they authorize from any of your accounts. Notify us IMMEDIATELY if you believe that your Password has been lost or stolen or that someone has used it or may use it to access your accounts and transfer money without your permission. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account plus any available credit on your line(s) of credit. Contact our Member Service Call Center at 831.479.6000 or 888.4BAYFED. Our address is: Bay Federal Credit Union, 3333 Clares Street, Capitola, CA 95010.

If you notify us within two (2) business days after learning or suspecting that your Password was lost, stolen, or used by someone without your permission, you can lose no more than \$50.00. If you do NOT notify us within two (2) business days after you learn of the loss or theft of your Password, and we can prove we could have stopped someone from using your Password without your permission had you told us, you could lose as much as \$500. Also, if your statement shows transfers that you did not make, tell us AT ONCE. If you do not tell us within sixty (60) days after the statement was mailed or made available to you, you may not get back any money you lost after the sixty (60) days if we can prove that we could have prevented someone from taking the money had you told us in time. If a valid reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time period.

**IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC FUNDS TRANSFERS:** Contact our Member Service Call Center at 831.479.6000 or 888.4BAYFED, write us at Bay Federal Credit Union, 3333 Clares Street, Capitola, CA 95010 as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on a

statement or receipt. We must hear from you no later than sixty (60) days after we sent the FIRST statement on which the problem or error appeared

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

If you tell us orally, we may require that you send us your complaint or question in writing within ten (10) business days. We will determine whether an error occurred within ten (10) business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to forty-five (45) calendar days to investigate your complaint or question. If we decide to do this, we will credit your account within ten (10) business days for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or request in writing and we do not receive it within ten (10) business days, we may not credit your account. For errors involving new accounts, point-of-sale, or foreign initiated transactions, we may take up to ninety (90) days to investigate your complaint or question. For new accounts, we may take up to twenty (20) business days to credit your account for the amount you think is in error. We will tell you the results within three (3) business days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation

**FEES AND CHARGES:** There is no fee for the BayFedOnline service. However, you are solely responsible for the payment of any Internet Service Provider, telephone, and utility company charges incurred in connection with accessing the BayFed Online service. There are no fees and charges related to the Bill Pay Service feature of BayFedOnline.

**ACCOUNT TRANSACTION HISTORY:** Each time you inquire and download account transactional information, you will receive information for at least the last sixty (60) calendar days. This means that you may need to download transactional information at least once every sixty (60) days if you wish to have all of your account information on your personal computer.

**ELECTRONIC PRESENTMENT AND PAYMENT OF CHECKS:** In some cases when you write a check to a merchant in payment of goods or services, the merchant may present that check electronically for payment instead of sending us the paper check. Generally, merchants who make use of electronic presentment of checks will inform you of their intention to do so at the time you give them your check. When we receive these items in electronic form, they will be debited against your account the same as if we had received the actual paper checks; however, these transactions are covered under the provisions of the Electronic Fund Transfers Act. When you provide information to a merchant from your personal check (such as the MICR encoded routing, account and serial numbers), or send your check to a lockbox regardless of whether the check is blank, partially or fully completed, along with your signature, and the check is converted into an electronic funds transfer (or "EFT") to debit the funds from your account, this is covered under the provisions and protections of the Electronic Fund Transfers Act.

When a paper check has been returned unpaid to a merchant because there are not sufficient funds in your account to cover it, the merchant may represent the check to us electronically. The check represented electronically, can be processed as an ACH payment, up to 3 times until it clears (which includes the first presentment which may or may not have been in check form). Represented check entries, which result from the original check being processed in paper form, are NOT covered under the Electronic Funds Transfer Act; it is covered by the Uniform Commercial Code (UCC), and Federal Reserve Regulation CC.

If you wish to place a stop payment order on a check that you have given to a merchant who intends to present it to us electronically, we must receive your stop payment order in such time and manner that allows us a reasonable opportunity to act upon it before we receive the electronic debit entry.

**RIGHT TO STOP PAYMENT ON ELECTRONIC TRANSFERS:** A Stop Payment order cannot be placed once a BayFedOnline transfer has been initiated by you and accepted by the system, or a bill payment transfer has been made and your account has been debited on the scheduled payment date. If you have made a transfer in error, you must reverse the transaction by initiating a correcting transfer. (Note: Transfers cannot be corrected via BayFed Online when made as transfer/payments to closed-end loan accounts. Contact the Credit Union if you require reversal of these transactions or need additional assistance.) For further information on placing stop payments on bill payment transfers before payment is made, refer to the BayFedOnline Bill Pay Service Agreement.

**E-MAIL CAPABILITIES AND LIMITATIONS:** The BayFedOnline service includes e-mail capabilities allowing you to send and receive electronic e-mail messages to and from the Credit Union. The Credit Union will not immediately receive and review e-mail messages that you send and will NOT process any request for a funds transfer received via e-mail. Further, the Credit Union may not act upon requests for Stop Payments, requests for replacement Passwords, reports of lost or stolen Passwords or

unauthorized transactions (refer to "Member's Responsibility and Liability for Unauthorized Transfers" above for appropriate action), reports of lost or stolen ATM or VISA Cards, or on any other request in which the Credit Union would normally require written notification or your authorizing signature, without first confirming the authenticity of the e-mail request/notification via telephone. In some instances, written confirmation reflecting your authorizing signature may still be required. The Credit Union will not take action based on your e-mail requests until the Credit Union actually receives your message and has a reasonable opportunity to act. If your request requires immediate attention, contact our Member Service Call Center directly at 831.479.6000 or 888.4BAYFED.

**DISCLOSURE OF ACCOUNT INFORMATION TO THIRD PARTIES:** We will disclose information to third parties about your account or the transfers you make: (a) Where it is necessary for completing transfers; or (b) In order to comply with government agency or court orders; or (c) In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or (d) If you give us your written permission.

**SYSTEM UNAVAILABILITY:** Access to BayFedOnline may be unavailable at times for the following reasons: (1) Scheduled Maintenance - there will be necessary periods when systems require maintenance or upgrades; (2) Unscheduled Maintenance - BayFedOnline may be unavailable when unforeseen maintenance is necessary; (3) System Outages - major unforeseen events, such as, but not limited to, earthquakes, fires, floods, computer failures, interruptions in telephone service, or electrical outages, may cause system unavailability; or, (4) Internet Service Provider - failure by or unavailability of an Internet Service Provider. We will make all reasonable efforts to ensure the availability of BayFedOnline; however, we are in no way liable for system unavailability or any consequential damages that may result.

**NOTIFICATION AND CHANGES IN TERMS AND CONDITIONS:** Any notification, required or appropriate, will be mailed or made available to you online using the current address or e-mail address as it appears on our records. We may change or amend any part of this Agreement and Disclosure at any time, including changes in terms, conditions, and fees, as long as we give you advance notice as required by law.

**OTHER LIMITATIONS OF LIABILITY:** You are solely responsible for the selection, installation, maintenance, and operation of your personal computer and software. The Credit Union expressly disclaims any and all liability as it relates to the improper use of your personal computer and the transmission of data except as provided by statute. The Credit Union is not responsible for any errors or failures due to any malfunction of your personal computer or the software, or unsuitability of your personal computer or software, or any virus, or any problems that may be associated with the use of an online service.

**TERMINATION AND AUTOMATIC DEACTIVATION OF SERVICE:** You may terminate your BayFedOnline service at any time by providing written notice to the Credit Union and immediately discontinuing use of the service, or by discontinuing use of the service (by not logging on to the service) for a three (3) consecutive month period. You are solely responsible for notifying any participating merchants (when applicable) that you have terminated your bill payment transfer capabilities. If you do not utilize the BayFedOnline (by not logging on to the service) for three (3) consecutive months, your access to the Service will automatically be deactivated. If this occurs and you wish to reactivate your BayFedOnline service, you must contact the Credit Union by telephone or in person. We reserve the right to require written reapplication before we reactivate your BayFedOnline system access. The Credit Union may also terminate the BayFedOnline service and this Agreement and Disclosure at any time by giving you advance notification, either orally or in writing. Whether you or the Credit Union terminates your BayFedOnline service and this Agreement and Disclosure, the termination shall not affect your obligations under this Agreement and Disclosure for any transfers or payments made prior to termination.

**ENFORCEMENT:** You agree to be liable to the Credit Union for any liability, loss, or expense as provided in this Agreement that the Credit Union incurs as a result of any dispute involving your accounts or services. You authorize the Credit Union to deduct any such liability, loss, or expense from your account without prior notice to you. In the event either party brings a legal action to enforce this Agreement or collect any overdrawn funds on accounts accessed under this Agreement, the prevailing party shall be entitled, subject to California law, to payment by the other party of its reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions, if applicable. Should any one or more provisions of this Agreement be determined illegal or unenforceable in any relevant jurisdiction, then such provision may be modified by the proper court, if possible, but only to the extent necessary to make the provision enforceable, and any such modification shall not affect any other provision of this Agreement.

**GOVERNING LAW:** This Agreement is made in California and shall be governed by the laws of the State of California to the extent that California Law is not inconsistent with controlling Federal law. You also understand that California's "Choice of Law Rules" will not be applied if they would result in the application of non-California law.

