

BUSINESS ACCOUNT AGREEMENT AND DISCLOSURE

Important document
Please keep for your records



Bay Federal
CREDIT UNION

Making a real difference

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TABLE OF CONTENTS

FORWARD.....	1
PART I – BUSINESS ACCOUNT AGREEMENT AND DISCLOSURES	
Terms and Conditions.....	3
Dividends.....	10
Business Membership Savings Accounts.....	11
Business Regular Savings Accounts.....	12
Business Money Market Accounts.....	12
Business Titanium Savings Accounts.....	12
Business Checking Accounts.....	13
Business Certificate Accounts.....	16
SEP Retirement Plan Accounts.....	18
PART II	
Instructions for IRS Form W-9.....	19
PART III	
Funds Availability Policy.....	27
PART IV	
A. General Disclosures Applicable to All Business Electronic Banking Services.....	29
B. Your Liability for Business Electronic Banking Service Transactions.....	34
C. Additional Disclosures Applicable to Preauthorized Payment Services.....	35
D. Additional Disclosures Applicable to Electronic Check Transactions.....	35
E. Additional Disclosures Applicable to ATM and Check Card Transactions.....	36
F. Additional Disclosures Applicable to Point-of-Sale Transactions.....	39
G. Additional Disclosures Applicable to Online Banking.....	40
PART V	
Funds Transfer Agreement and Notice.....	43

FOREWORD

The purpose of this booklet is to disclose information, terms, conditions, and the various laws and regulations relating to Business Accounts to help you better understand your rights and obligations as a business member of BAY FEDERAL CREDIT UNION.

This Business Account Agreement and Disclosures Booklet ("Agreement"), replaces all prior agreements with BAY FEDERAL CREDIT UNION regarding your Business Accounts.

Throughout this disclosure booklet, the words "you," "your," and "yours" mean the business designated on the Business Account Signature Card and Agreement as well as the owner(s) of such business and all Authorized Signers on a BAY FEDERAL CREDIT UNION business deposit account ("Account"). The words "we," "us," "our" and "Credit Union" mean BAY FEDERAL CREDIT UNION. This Agreement includes the following disclosures applicable to the Credit Union's business deposit accounts and related services that the Credit Union has separately provided to you: (i) the schedule of the Credit Union's fees and other account-related information ("Business Fee Schedule"); (ii) the funds availability policy; (iii) disclosures applicable to business electronic banking services; (iv) a funds transfer agreement and notice; (v) any additional disclosures regarding your Account that the Credit Union may provide to you. You are responsible for ensuring that each Authorized Signer is familiar with this Agreement. Unless you have instructed the Credit Union in writing to the contrary, the Credit Union may consider communications about your Account from an Authorized Signer on your Account as communications from you. You agree to notify the Credit Union immediately in writing if any Authorized Signer's authority has been terminated. By signing the Credit Union's Business Account Signature Card and Agreement for your Account or by using your Account or a service, you will be deemed to have agreed to this Agreement. You agree to review and retain a copy of this Agreement (and any information that the Credit Union provides you regarding changes to this Agreement) for as long as you maintain your Account with the Credit Union.

PART I

BUSINESS ACCOUNT AGREEMENT AND DISCLOSURES

TERMS AND CONDITIONS APPLICABLE TO ALL BUSINESS ACCOUNTS

USA PATRIOT ACT

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. When you open a business account, we will ask for your business documents, business address and Employer Identification Number, the name, residential address, date of birth, taxpayer identification number and other information for each account signer that will allow us to identify you. We will also ask to view and record valid, unexpired government issued picture identification. All signers will be verified through ChexSystems and/or Credit Bureau Report and OFAC. The Credit Union reserves the right to limit services based on information provided by credit reporting agencies and/or ChexSystems after the account is opened.

You must be and remain a member in good standing to maintain any business account (hereinafter "Business Account" or "Account"). To open a Business Account, you will be required to complete the Business Account Signature Card and return it to one of our Member Service Representatives. You must open a Business Membership Savings Account to open any subsequent accounts. You must maintain the Business Membership Savings Account in good standing to avoid closure of that account and any subsequent accounts. The terms, conditions and information contained in the Business Account Signature Card, and all amendments thereto, are hereby incorporated by reference into this Agreement.

PAR VALUE

The par value of a share necessary to become a member and maintain accounts with us is currently \$5.00. This amount must be initially deposited into a Business Membership Savings Account. If you fail to complete payment of one (1) share upon your admission to membership, or within 6 months from the increase in the par value in shares, or if you reduce your primary savings account balance below the par value of one (1) share and do not increase the balance to at least the par value of one (1) share within 6 months of the reduction, you may be terminated from membership at the end of a dividend period.

FEDERAL INSURANCE

Member accounts in this Credit Union are federally insured by the National Credit Union Share Insurance Fund to at least \$100,000.

CHANGE IN TERMS

We reserve the right upon twenty-one (21) days written notice to change any provision of or establish new provisions to this Agreement.

AUTHORIZED SIGNERS

Each Authorized Signer on a Business Account must be at least eighteen (18) years of age. Each Authorized Signer on a Business Account is duly authorized to act with respect to the Account(s) and we are authorized to act on all matters relating to the Account(s) upon the order of any one of the Authorized Signers until we receive written instructions to the contrary from

an authorized representative (as defined on the Business Account Signature Card). You certify that any signatures appearing on the Business Account Signature Card are the genuine signatures of said authorized persons. You agree that any instruction to permit withdrawal only upon the signature of two or more Authorized Signers or agents is for your internal use and benefit only and will not be binding on us. You agree that we shall not be liable for any lack of signatures so long as the instructions contain the signature of or have been authorized by at least one Authorized Signer. Any payment made from your Account in good faith and reliance on the terms and conditions of this Agreement and the Business Account Signature Card shall be valid and discharge us from liability. Without limiting the foregoing, we may honor checks drawn against your Account by Authorized Signers, even if the checks are made payable to them, to cash, or for deposit to their personal accounts. We have no duty to investigate or question withdrawals or the application of funds.

You agree to notify us immediately of the death or court-declared incompetence of any Authorized Signer on your Account. We may freeze your Account and refuse to accept deposits when an Authorized Signer dies or is declared incompetent.

You understand and agree that access to and ownership of an Account is determined by the most recent Business Account Signature Card we have on file. If there is a change to a sole proprietor, partner, member, or office of the business, a new Business Account Signature Card must be filled out for each account affected. If a non-owner Authorized Signer is changing you must complete a Business Account Change Form. Changes to the membership information will be made by you in writing or by another secured method approved by us.

You understand and agree that we may terminate account products at our option without written notice to you. We may also suspend offering account products from time to time at our discretion without notice to you.

NOTIFICATION OF AUTHORIZED SIGNERS/ OWNERSHIP CHANGES

You will promptly notify us of any change of ownership of any business maintaining an account with us, or any change of an Authorized Signer. We may require a new Business Account Signature Card for the business and documentation supporting the change of ownership or change in any Authorized Signer. You will cooperate with us to document any change in ownership or change of an Authorized Signer. We may restrict access to the Account until documentation satisfactory to us is received and shall incur no liability for any such restriction.

You are required to keep us informed of your current address. You agree to notify us promptly of any change of address. You may notify us in person at any of our offices or by sending a written and signed notice to BAY FEDERAL CREDIT UNION, 3333 Clares Street, Capitola, CA 95010. In the event that you fail to do this, a charge may be made to your Account for the actual cost of a necessary locator service paid to a person or concern normally engaged in providing such service and incurred in determining your address. This charge will be imposed in accordance with our Bylaws.

WRITTEN NOTIFICATION OF ACCOUNT CHANGES

You understand and agree that you may be required to request changes to your Accounts in writing, that we are not required to act upon instructions received by facsimile, and that we have the right to require additional information from you before we act on any request. We shall have no liability or responsibility to you when acting upon the reasonable interpretation of your requests.

ENDORSEMENTS

We may endorse and/or collect items deposited to your Account without your endorsement, but may require your personal endorsement prior to accepting an item for deposit. If you deposit items which bear the endorsement of more than one person or persons that are not known to us or that require endorsement of more than one payee, we may refuse the item or require all endorser to be present or to have their endorsements guaranteed before we accept the item. We may refuse to accept any item for deposit, in our reasonable discretion.

CHECK ACCEPTANCE AND PAYMENT

You understand and agree that we may use automated means to process checks and other items written on or deposited to your Account(s). This means that we may not visually examine each of your checks to determine if they are properly completed and endorsed. Although we may manually review checks or other items deposited or drawn on your Account(s), you understand and agree that reasonable commercial standards do not require us to do so. You agree to review all statements as soon as you receive them and to notify us immediately of any discrepancy or error.

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

Although we are not obligated to, we may pay or accept checks and other items bearing restrictions or notations (e.g., "Void after 6 months," "Void over \$50," "Payment in Full," and the like), whether on the front or back, in any form or format. If you cash or deposit an item or write a check with such notation, you agree that it applies only between you and the payee or maker. The notation will have no effect on us, and you agree to accept responsibility for payment of the item. You agree to indemnify and hold us harmless from any claim or alleged loss of any maker or payee involving such notations, whether you are the maker or payee or the funds are otherwise deposited into an account in which you have an interest.

We are under no obligation to pay a check which is presented more than six (6) months after its date, but we may do so at our discretion and charge your Account without liability, even if the presentation occurs after the expiration of a stop payment order or notice of postdated change. You agree that we are not required to identify stale dated checks or seek your permission to pay them. We may assess a special handling charge upon receipt of any such item in addition to a service charge upon the Account in accordance with our Business Fee Schedule.

You understand and agree that it is our policy not to accept for deposit checks payable to anyone other than the business listed on the Business Account Signature Card (third party checks).

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

Account to be overdrawn, you agree to pay the overdrawn amount on our demand.

For purposes of this Agreement, a "substitute check" means a paper reproduction of an original check that contains an image of the front and back of the original check, is suitable for automated processing in the same manner as the original check, and meets the other technical requirements of Regulation "CC." We reserve the right to accept or reject any item for deposit into any of your Accounts. If we accept a substitute check for deposit that you have created, you represent and warrant to us that: (1) the substitute check contains an accurate image of the front and back of the original check and a legend stating that it is the legal equivalent of the original check; (2) no depository bank, drawee, drawer, or indorser will be asked to pay a check that it already has paid; (3) you are entitled to enforce the substitute check; (4) all signatures on the original check are authentic and authorized; (5) the original check has not been altered; (6) you have no knowledge of any insolvency proceeding commenced with respect to the maker of the original check; and (6) all aspects of the original check are genuine. If we accept a substitute check for deposit that you have created, you further agree to indemnify and hold us harmless from and against any and all losses that any recipient of a substitute check suffers due to the receipt of a substitute check instead of an original check.

RETURNED ITEMS

If a check or other item which we cash for you or which you deposit to your Account is returned to us as unpaid for any reason, we may charge your Account for the amount of the check or other item. This may include, among other circumstances, checks which were paid originally and later are returned to us accompanied by documentation indicating that the endorsement is forged or unauthorized or that the item has been altered in any way. We may charge your Account for the amount without questioning the truth of such documentation. We may also charge back any amount of accrued or paid dividends related to the returned check. We may re-present a returned check for payment by the financial institution upon which it is drawn if there were insufficient funds to initially pay the item, but we are not required to do so. If we choose to re-present the check, we may do so without telling you the check was not paid or that we are presenting it again. We may charge a fee for each deposited or cashed check charged back to your Account. We may, at our option, notify you, by telephone or in writing, if a check has been returned unpaid and the fee charged.

TRANSFER OF FUNDS

We may but are not obligated to transfer funds from your Business Savings Account(s) or loan accounts on your written, oral, or electronic request. You understand and agree that no transfer will be made unless there are sufficient available funds on deposit or sufficient credit available at the time of transfer. You agree that any such transfer(s) shall be either in the exact amount authorized, or in multiples of \$50 depending on the overdraft source and will be processed only on our business days. If a transfer is to occur on a day other than a business day, such transfer will occur on the next business day. Moreover, if funds are not available for the transfer on the day authorized, the transfer will occur when sufficient funds become available.

WITHDRAWAL OF FUNDS

We reserve the right, at any time, to require you to give us not less than seven (7) and up to sixty (60) days written notice of your intention to withdraw funds from any account except Checking Accounts.

Advance arrangements may be required prior to withdrawals of large sums of cash.

All non-cash payments shall be credited subject to final payment on the day of deposit. Your right to withdraw the funds represented by certain checks, savings or other items you deposit may be delayed for several days. You will be notified if your right to withdraw funds will be delayed. You will refer to the Credit Union's Funds Availability Policy for further details.

You may not withdraw shares that are pledged as security for loans without the written approval of the credit committee or a loan officer, except to the extent that such shares exceed your total primary and contingent liability to us. You may not withdraw any shares below the amount of your primary or contingent liability to us if you are delinquent as a borrower, or if borrowers for whom you are a comaker, endorser, or guarantor are delinquent, without the written consent of the credit committee or loan officer.

STATEMENTS

We will mail statements and other notices only to the address reflected in the Credit Union's records for your Account. You will exercise reasonable care and promptness in examining all statements and must notify us promptly in writing of any error or unauthorized payment including, but not limited to, an altered item or an unauthorized signature. If you fail to uphold these duties, you understand and agree that you are precluded from asserting the error or unauthorized payment against us if we: 1) suffer a loss on the item because of your failure; or 2) we pay on another item presented by the same wrongdoer if the payment was made before you properly notified us. Notification must be within thirty (30) days of the date of the statement. If you fail to uphold your duties but you can prove that we failed to exercise ordinary care in the payment of the relevant items, then the above preclusion will not apply, and the loss on the items will be allocated between us and you to the extent our respective actions contributed to the loss. If you have failed to examine your statement and report any unauthorized item within thirty (30) days or more after your statement or the item has been made available to you, you cannot recover from us even if we failed to exercise ordinary care in paying the item.

BUSINESS FEE SCHEDULE

You agree to pay the Credit Union in accordance with the Business Fee Schedule, which accompanies this Agreement and is incorporated herein by this reference. We may either directly debit your Account or invoice you for fees and charges incurred in connection with your Account and any service. If there are insufficient funds in your Account to cover the debit, we may overdraw your Account. You agree to promptly pay any invoiced amount.

GENERAL TERMS AND CONDITIONS

We are not responsible for items lost while not in our possession.

You authorize us to obtain your credit report for legitimate business purposes.

You understand and agree that we may monitor and record telephone conversations regarding your Accounts at any time without further notice to you.

You understand and agree that if a disaster occurs, there may be an unforeseen delay in our ability to make funds available and to process deposits. In addition to natural disasters, the failure of communication or computer systems can also cause unforeseen delays.

You understand and agree that anyone can make a deposit to your Account and that we will not question the authority of a person making a deposit to your Account.

In the event that a cashier's, teller's, or certified check is lost or stolen, you must execute and deliver to us a written Declaration of Loss and Claim for Reimbursement and/or an affidavit in a form acceptable to us and in time for us to have a reasonable time to act thereon. You further understand and agree that the Declaration of Loss and Claim for Reimbursement is not enforceable until the later of (i) the time the Declaration of Loss and Claim For Reimbursement is properly delivered to us, or (ii) the 90th day following the date of the cashier's or teller's check, or the 90th day following the date of the acceptance of a certified check. You agree to indemnify us for any loss or claim occasioned by our attempting to, or stopping payment on such check.

We may use a third party service to verify and obtain information regarding your previous banking relationships. We may also report the status and/or closure of your Account to such third party services.

You understand and agree that your services may be reduced, in accordance with our "Eligibility for Member Products and/or Services Policy," should any action by you cause a loss to us.

You agree to be responsible to us for the actions of Authorized Signers on your Account. This means that you are responsible for familiarizing Authorized Signers with all of the terms of this Agreement.

We are not responsible for any loss or damage that result from your negligence, including without limitation your failure to adequately safeguard your blank checks or other means of access to your Account. You will notify us immediately if your checks are lost or stolen.

You understand and agree that by signing up for BAYFEDONLINE Banking, you agree to the terms and conditions that are provided to you electronically.

You understand and agree that we have the right to restrict the amount of cash each member may transfer or withdraw in a 24-hour period.

Federal law requires us to report certain domestic currency transactions and foreign transactions. This reporting applies to all member accounts at the Credit Union.

We agree to retain and furnish to you, if requested, photocopies of certain records pertaining to your Account and that these records for the time frame required by law will be available to you. You agree to pay applicable fees for those copies as set forth in our Business Fee Schedule.

An action or proceeding by you to enforce an obligation, duty or right arising under this Agreement or by law with respect to your Account must be commenced within one (1) year after the cause of action occurs.

You agree to indemnify, defend and hold us and our employees harmless from and against every claim, demand, action, cost, loss, liability and expense including without limitation, attorneys' fees, which we incur by acting in accordance with this Agreement or as a result of your failure to abide by its terms.

Federal law requires that we obtain and have certified by you a Taxpayer Identification Number (TIN) on all accounts. We will **not** open an account without this identification number. For additional information on this requirement, you will read "**INSTRUCTION TO PAYER'S REQUEST FOR**

TAXPAYER IDENTIFICATION NUMBER AND CERTIFICATION (IRS FORM W-9). These instructions are found in Part II of this Agreement.

We may report information about your Account to credit bureaus. Late payments, missed payments, or other defaults on your Account may be reflected in your credit report. If you believe the Credit Union has reported inaccurate information to a credit reporting agency, please contact us at Bay Federal Credit Union, 3333 Clares Street, Capitola, CA 95010, so we can investigate.

INACTIVE OR DORMANT ACCOUNTS

California law states that inactive account balances must be turned over to the state after a period of three (3) years if you have not:

- a. Increased or decreased the amount of any of your Accounts with us (if the Account statements are sent to the same address) or presented an appropriate record for crediting of interest or dividends or cashed a dividend check from any of your Accounts with us; or
- b. Corresponded in writing or electronically with us concerning the Account; or
- c. Otherwise indicated an interest in any of your Accounts with us as evidenced by a memorandum on file with us.

We may charge a fee for mailing an escheat notice for Account balances escheated to the state. Please refer to our Business Fee Schedule. To recover funds turned over to the state, you must file a claim with the state.

ACCOUNT TERMINATION

We or you may terminate an Account at any time. You understand, however, that our authority may not be changed or terminated except by written notice to us, which will not affect prior transactions. Moreover, if we receive conflicting claims to funds in an Account, we may, at our discretion, restrict the Account and deny access to all; close the Account and send the funds to the owner or owners of the Account, according to our records, at the statement mailing address; interplead all or any portion of the funds from an Account to the court; or hold the funds, without liability to anyone, pending resolution of the claim to our satisfaction.

LIABILITY

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

This Agreement as well as all of your deposit accounts will be interpreted and subject to applicable federal law and the laws of the State of California, without resort to California's conflicts of law rules.

You understand and agree that if it is necessary for us to take legal action in order to enforce the terms of this Agreement or to recover monies due us from you, you will be responsible for payment of our collection costs and expenses of litigation (including attorneys' fees and court costs).

We reserve the right to restrict or close any Account(s) and terminate your membership, should we discover that any of your Accounts have been deliberately manipulated by you to our, any other accountholder's, and/or our membership's detriment. "Manipulation" includes, but is not limited to, making unauthorized withdrawals or other transactions, kiting, and repeated patterns of transactions which have no apparent business reason other than to take advantage of Regulation CC hold periods and/or "interest float" to our detriment.

You understand and agree that we may delay enforcing our rights under this Agreement without losing them. Any waiver by us shall not be deemed a waiver of other rights or of the same rights at another time. You waive diligence, demand, presentment, protest, and notice of every kind, except as set forth in this Agreement. If any of the provisions of this Agreement are determined to be void or invalid, the remainder of the Agreement shall remain in full force and effect.

LEVYS AND SUBPOENAS

You understand and agree that we may comply with any writ of attachment, execution, garnishment, tax levy, restraining order, subpoena, warrant, or other legal process which we believe (correctly or otherwise) to be valid. If we are not fully reimbursed for our record research, photocopying, and handling costs by the party that served the process, we may charge such costs to your Account. Funds we hold or set aside in response to a legal process will not earn dividends. You agree to indemnify, defend, and hold us harmless from all actions, claims, liabilities, losses, costs, and damages associated with our compliance with any process that we believe to be valid.

LIENS

Except as prohibited by applicable law, you understand and agree that we may impress and enforce (offset) a statutory lien upon your shares and dividends in any and all of your Accounts with us including without limitation, any owner's personal account(s) (except IRA accounts), for any liabilities, obligations, or other amounts owed to us by you (e.g., overdrafts and any related fees and charges) and such is applicable irrespective of any contribution to the Account or source of funds in the Account. In the event that a negative balance is created in your Account (whether due to ATM activity, returned deposit activity, NSF check activity, Credit Union-imposed fees and charges, or otherwise) or you have other outstanding financial obligations of any kind owed to us, which are in default, you understand and agree that we may transfer funds to such Account from any other deposit account in the businesses' name and/or any owner's personal account(s) (excluding IRA accounts), including accounts upon which the business owner is a joint owner, in an amount equal to the negative account balance or the outstanding financial obligation which is in default. You understand and agree that we may enforce this right without further notice.

DIVIDENDS

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

For all accounts, the Dividend Rate and Annual Percentage Yield (APY) may change daily as determined by the Credit Union's Board of Directors. For specific dividend rate(s) for each type of dividend bearing account, you will refer to the enclosed Business Rate Schedule, which accompanies this Agreement and is incorporated herein by this reference.

Dividend Compounding and Crediting. Dividends will be compounded daily and will be credited monthly. For the Business Savings, Checking, Money Market, Titanium Savings and Certificate accounts the dividend period is monthly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of a dividend period. For this example the dividend declaration date is February 1.

If you close your account before dividends are credited, you will not receive the accrued dividends.

Balance Computation Method. Dividends are calculated by using the daily balance method which applies a daily periodic rate to the balance in the account each day.

Dividends will begin to accrue no later than the business day we receive provisional credit for the deposit of non-cash items (e.g., checks).

TERMS AND CONDITIONS APPLICABLE TO SPECIFIC ACCOUNTS

Business Membership and Savings Accounts

A minimum deposit equal to the par value of a share is required to open a Business Membership Savings Account and become a member of the Credit Union. If the balance of your Business Membership Savings Account(s) is subsequently reduced to less than the par value and remains so after 6 months we may close the Account(s).

You must maintain a minimum daily balance of \$100 in your Account each day to obtain the Annual Percentage Yield stated on the Business Rate Schedule and to avoid a monthly service fee as stated on the Business Fee Schedule.

You understand and agree that if your Business Membership Savings Account balance is reduced to less than the par value of a share, we may transfer enough funds from any other account you may have with us in order to bring your Account balance to the par value of a share.

Preauthorized transfers, automatic transfers, online transfers, payments to other persons, and transfers by telephone from your Business Membership Savings Account are limited to six (6) a month. Preauthorized transfers include automatic bill payments, transfers to your other accounts with the Credit Union, or automatic transfers to other persons that you have authorized the Credit Union to make. If the Credit Union permits such transfers from your Business Membership Savings Account by check, draft, point of sale ("POS") purchases, check card or any similar order for withdrawal, no more than three of the six transfers may be made by such means in a calendar month or statement cycle. If the Credit Union determines that you are exceeding the limits described above on more than an occasional basis, the Credit Union will, at its option, either close your Business Membership Savings Account, transfer the funds on deposit in your Business Membership Savings Account to another Account that you are eligible to maintain, or terminate your right to make transfers and write items against your Business Membership Savings Account.

Business Regular Savings Accounts

There is no minimum deposit required to open a Business Regular Savings Account.

You must maintain a minimum daily balance of \$100 in your Account each day to obtain the Annual Percentage Yield stated on the Business Rate Schedule and to avoid a monthly service fee as stated on the Business Fee Schedule.

Preauthorized transfers, automatic transfers, online transfers, payments to other persons, and transfers by telephone from your Business Regular Savings Account are limited to six (6) a month. Preauthorized transfers include automatic bill payments, transfers to your other accounts with the Credit Union, or automatic transfers to other persons that you have authorized the Credit Union to make. If the Credit Union permits such transfers from your Business Regular Savings Account by check, draft, point of sale ("POS") purchases, check card or any similar order for withdrawal, no more than three of the six transfers may be made by such means in a calendar month or statement cycle. If the Credit Union determines that you are exceeding the limits described above on more than an occasional basis, the Credit Union will, at its option, either close your Business Regular Savings Account, transfer the funds on deposit in your Business Regular Savings Account to another Account that you are eligible to maintain, or terminate your right to make transfers and write items against your Business Regular Savings Account.

Business Money Market Accounts

The minimum deposit required to open a Business Money Market Account is \$1,500.

You must maintain a minimum daily balance of \$2,500 in your Business Money Market Account each day to obtain the Annual Percentage Yield stated on the Business Rate Schedule.

You must maintain a minimum daily balance of \$1,500 in your Business Money Market Account each day to avoid the monthly service fee as stated on the Business Fee Schedule.

Preauthorized transfers, automatic transfers, online transfers, payments to other persons, and transfers by telephone from your Business Money Market Account are limited to six (6) a month. Preauthorized transfers include automatic bill payments, transfers to your other accounts with the Credit Union, or automatic transfers to other persons that you have authorized the Credit Union to make. If the Credit Union permits such transfers from your Business Money Market Account by check, draft, point of sale ("POS") purchases, check card or any similar order for withdrawal, no more than three of the six transfers may be made by such means in a calendar month or statement cycle. If the Credit Union determines that you are exceeding the limits described above on more than an occasional basis, the Credit Union will, at its option, either close your Business Money Market Account, transfer the funds on deposit in your Business Money Market Account to another Account that you are eligible to maintain, or terminate your right to make transfers and write items against your Business Money Market Account.

Business Titanium Savings Accounts

The minimum deposit required for you to open your Titanium Savings Account is \$25,000.00. You must maintain a minimum daily balance of \$25,000.00 or more to obtain the Annual Percentage Rates as stated on

the Rate Schedule. The Titanium Savings account is a tiered-variable rate account. You must maintain the minimum daily balance for each tier to obtain the Annual Percentage Rates as stated on the Rate Schedule. The Dividend Rates and Annual Percentage Rates are determined by the Credit Union's Board and may change at any time after the account is opened.

Additional deposits can be made at any time. If the account balance falls below the required \$25,000.00 minimum balance, the Titanium Savings account will automatically decrease to the Regular Savings Account Rates in effect at that time. You must maintain a minimum daily balance of \$100.00 to obtain the Regular Savings Annual Percentage Yield as stated on the Rate Schedule and to avoid a monthly service fee as stated on the Business Fee Schedule. You must maintain a minimum daily balance of \$5.00 to avoid account closure.

Dividend Compounding and Crediting

Dividends will be compounded daily and will be credited monthly. For the savings accounts the dividend period is monthly. For example, the beginning of the first dividend period of the calendar year is January 1 and the ending date is January 31. All other dividend periods follow the same pattern of dates. The dividend declaration date follows the ending date of a dividend period. For this example, the dividend declaration date is February 1st.

Transaction Limitations

This account may not be accessed by ATM and cannot be used for overdraft protection. The Business Titanium Savings account allows unlimited in person, in-branch, withdrawals or transfers. This account is governed by Regulation D; as such, no more than six preauthorized, automatic, online banking or telephone transfers may be made from your Business Titanium Savings 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, an excess activity fee of \$10.00 will be imposed on each excess transfer request and the Credit Union may reclassify or close your account.

*Transaction fees are subject to change.

Business Checking Accounts

The Credit Union offers a Business Checking Plus Account and Business Checking Account. In the following paragraphs as well as in other sections of this Agreement (other than the Funds Availability Policy disclosures), the words "checking account" refer to your Business Checking Plus Account and/or Business Checking Account, as applicable, as well as to your Business Money Market account that has a checking feature.

The minimum deposit required to open either a Business Checking or Business Checking Plus Account is \$50. There is no monthly service fee for either type of Account. Business Checking is a non-dividend earning account. Business Checking Plus is a dividend-earning account.

Business checking accounts are intended for business/commercial purposes and cannot be used for personal, family or household uses. If any of your checking accounts are being used for personal, family or household purposes, we reserve the right to change the account to a personal checking account.

We may, at our discretion, pay funds from your checking account, without obligation or liability for refusal to pay:

- a. When such payment would draw the checking account below the minimum balance for the checking account as established from time to time by us (“overdrafts”).
- b. If drawn by means not authorized in advance by us.
- c. Against checks or electronic debits presented over six (6) months past their dates.

We may pay and charge to your applicable checking account check(s) drawn by and payable to any person, organization, association, or corporation whom you have authorized by providing sample MICR-encoded information identifying your checking account, provided there are sufficient funds in your checking account to pay such check(s). You agree that our rights in respect to such check(s) shall be the same as if it were a check(s) drawn and signed by you personally. This authority shall remain in effect until you have provided written notice revoking this authorization to the agency to which the sample MICR information was provided, and until we have a reasonable opportunity to act upon it. You agree that we shall be fully protected in honoring such check(s). You further agree that if any such check(s) are dishonored, whether with or without cause and whether intentionally or inadvertently, we shall be under no liability whatsoever, even though such dishonor results in the forfeiture of insurance, loss, or damage to you of any kind.

If we have made good faith payment to a holder, we may charge your checking account according to:

- a. The original terms of your check; or
- b. The terms of your completed check unless we have notice that any such completion is improper.

At your request and risk, and provided such request is timely so that we shall have reasonable opportunity to act upon it under our rules, you may order a stop payment of any check payable against your checking account, and a stop payment fee will be assessed as set forth in the Business Fee Schedule. All the information given by you to us regarding such check must be accurate. We may, but shall not be obligated to, receive such order orally or electronically. If we do act upon your oral or electronic request to stop payment on a check, you agree to indemnify, defend, and hold us harmless from any and all liability, cost (including attorney’s fees), judgments, and damages of every kind, regardless of the source. In such event, your oral order shall be valid for only fourteen (14) days thereafter unless confirmed in writing. Written or electronic orders shall be valid no longer than six (6) months. You have the burden of establishing the fact and amount of loss resulting from payment contrary to a binding stop payment.

You may not stop payment on completed electronic POS transactions debiting your checking account.

Your death or incompetence, or that of any Authorized Signer, or dissolution of your organization, shall not revoke our authority to accept, pay, or collect a check(s) or to account for proceeds of its collection until we know of the fact of death or adjudication of incompetence and have a reasonable opportunity to act on it. Even with knowledge, we may for ten (10) days after the date of death, incapacity, or dissolution of your organization, pay or guarantee a check(s) drawn on or prior to that date, unless ordered in writing to stop payment by a person claiming an interest in the checking account under rules established by us. One of you shall notify us if any of you dies, becomes incapacitated, or your organization is dissolved.

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

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

You understand and agree that the funds must be available in your checking account by the start of business on the day a check is presented to us for payment and that we may, without liability, accept, pay, guarantee, or charge checks to the checking account in any order convenient to us.

In the event of wrongful dishonor that occurs by mistake, liability shall be limited to actual damages you prove. In the event of a dishonor of any check or other debit on your checking account, our determination of whether sufficient funds exist in your checking account may be made at any time between the time the item is received and the time it is returned. If we choose to make a subsequent account balance check, we must use the last figure in deciding whether to dishonor the check or other debit.

We are neither given notice nor otherwise affected by a restrictive endorsement of any person or entity except our immediate transferor.

You may authorize all items from your checking account(s) to be cleared pursuant to a separate written line of credit agreement which you must execute. You agree that overdrafts, if paid in excess of funds in any loan or savings account, are payable on demand. If overdrafts are to be covered by a transfer of funds from either your Business Membership Savings Account or Business Regular Savings Account, such transfer(s) will generally be made only if there are sufficient funds on deposit at the time of transfer. You understand that no more than six (6) automatic transfers are permitted in any calendar month from your Business Membership Savings Account and Business Regular Savings Account in combination with other Regulation D transactions.

You agree that in the event you draw an item on your checking account with us, you will hold us harmless and indemnify us from any liability you incur due to a delay or misrouting of the check where the delay or misrouting is caused by markings placed on the check by you or a prior endorser that obscure any depository endorsement placed by us or our agent.

You understand and agree that none of the funds on deposit in any checking account(s) may be pledged by any of the Authorized Signers as collateral security to any loan(s).

This is a truncated checking account and you hereby waive any and all rights to receive the items without prejudice to any of our defenses available under the California Uniform Commercial Code (UCC). Items are provided with carbonless copies, upon request, and are not returned with statements. You may however view printable front and back images of your cleared checks via BayFedOnline. You may also request, and we will provide within a reasonable time, a legible front and back copy of an individual item. You understand however, that if you have not ordered your Credit Union checks through our approved check vendor(s), we are not responsible for the quality of any check copy that you request from us. In addition, we are not responsible for any checks not paid as a result of quality or printing errors.

We may charge against your checking account a postdated check even though payment is made before the date of the check.

“Conditional” checks include, but are not limited to, checks containing the statement that the check is not good for or after a specified number of days after the date of the check or that a check may not exceed a certain dollar amount. You agree that we are not required to identify such limitation and that we will have no liability for paying a check even if there is printing on the check indicating conditions must be met for negotiation of the item.

With our consent, which may be given or denied at our option, you may use pre-encoded checks or other items for deposit. If you pre-encode checks or other items for deposit, you agree to comply with the pre-encoded deposit specifications as may be established and revised by us from time to time. You also agree to indemnify and hold us harmless from any and all claims, costs, damages, losses, liabilities and expenses, including reasonable attorneys’ fees, which result from a failure to comply with our pre-encoded deposit specifications.

Business Certificate Accounts

In order to open a Business Certificate Account, you must complete an Account Agreement and acknowledge receipt of a copy of the form on which the terms of your selection are indicated.

The minimum deposit required to open a Certificate is set forth on the Business Rate Schedule. The minimum balance required to obtain the Annual Percentage Yield is set forth on the Business Rate Schedule. From time to time we may offer certain promotional Certificate Accounts that have higher minimum balance requirements.

The dividend rate and Annual Percentage Yield are fixed for the term indicated on your Business Rate Schedule. The Annual Percentage Yield is based on the assumption that dividends will remain on deposit until maturity. If you make a withdrawal from your account, your earnings will be reduced.

After the Certificate Account is opened, you may not make additional deposits into or withdrawals of principal from the Certificate Account until the maturity date. You may make withdrawals of dividends from your account at any time. The maturity date will be stated on your new Certificate letter or receipt provided to you at the time of opening your Account.

Your Certificate Account will mature on the date set forth on your receipt provided to you at the time of opening your Account. You agree to keep your funds on deposit until the maturity date. You may make withdrawals from your Certificate Account on the maturity date or within the grace period after that date. We will not agree in advance to allow withdrawal before maturity.

Dividends will be compounded daily and will be credited monthly and at maturity. For the Certificate accounts the dividend period is monthly. All other dividend periods follow this same pattern of dates. The final dividend declaration date may follow the ending date of a dividend period, but dividends will be posted on the last day of the Certificate term, at the rate set forth on your Certificate receipt. If you close your Certificate Account before the maturity date, you will receive accrued dividends, but you will incur an early withdrawal penalty.

Federal Reserve Board Regulations require an early withdrawal penalty of seven (7) days’ interest on amounts withdrawn within the first six (6) days after deposit or any partial withdrawal made prior to the date of maturity.

We agree to disburse paid dividends from the Certificate Account at the end of each dividend period in compliance with your directions on the Certificate receipt.

Except as set forth herein, a substantial penalty is required for early withdrawal. Any withdrawal of the principal amount held in the Certificate Account which does not reduce the balance of the Certificate Account below the minimum qualifying amount will be subject to the following penalties:

If the original term is ninety (90) days or less, the penalty shall be the dividends that would have been earned on the withdrawn amount if held to maturity (this may reduce the principal).

If the original term is more than ninety (90) days but less than one year, the penalty shall be all dividends that would have been earned for the first ninety (90) days on the withdrawn amount (this may reduce the principal).

If the original term is one (1) year or more, the penalty shall be all dividends that would have been earned for the first 180 days on the withdrawn amount (this may reduce the principal).

Any withdrawal of the principal amount held in the Certificate Account which reduces the balance of the Certificate Account below the minimum qualifying amount will result in the cancellation of the certificate and the penalties set forth above will be applied to the entire principal amount. The penalties will be applied to earned dividends only. However, if paid dividends have been withdrawn, the penalties may be applied to the principal held in the Account up to the amount of the dividends that have been previously withdrawn.

Penalties do not apply to:

- a. Withdrawals of earned and paid dividends.
- b. Withdrawals of certificate funds during the ten (10) day grace period following the automatic renewal of the certificate.
- c. Withdrawals made as a result of our voluntary or involuntary liquidation.

As a courtesy, we will, but we are not required to, send you a written maturity notice at least ten (10) days in advance of the maturity date of your Certificate if the Certificate has a term of ninety (90) days or more. You may instruct us in person or in writing prior to the expiration of a ten (10) day grace period following maturity to renew or close the Certificate on a date of your choosing within the grace period. Funds will continue to earn dividends but at the rate of a new Certificate for the same term in effect on the maturity date until such date of closure or renewal.

Unless you instruct us otherwise in person or in writing before the end of the grace period, we will renew the Certificate automatically for the same term as the maturing Certificate, if certificates of that term are then available. The renewal will be effective on the maturity date, and the rate will be the same as our rate for opening a new Certificate of like term on the renewal date. If a Certificate of the same term is not available, we will place the funds from the maturing Certificate into your Business Membership Savings Account.

The term of a Certificate is subject to a 2 month minimum and a 5 year maximum.

Any Authorized Signer may pledge any or all of the shares on deposit in any

Certificate (except an IRA) account as collateral security to any loan or loans in accordance with current loan policies.

SEP Retirement Plan Accounts

SEP Retirement Plan Accounts are only available to individuals who are sole-proprietor business owners and must be opened in the individual's name using the individual's taxpayer identification number (TIN).

The minimum deposit required to open and maintain a SEP IRA Savings Account is \$100.

You must maintain a minimum daily balance of \$100 to obtain the Annual Percentage Yield set forth on the Business Rate Schedule.

You may not pledge any of the funds on deposit in the SEP IRA Savings Account as security for any loan(s).

Certain federal and state penalties apply to amounts withdrawn from SEP IRA Accounts. These are set forth in applicable federal and state laws and regulations which are incorporated herein by this reference.

A SEP IRA Account is subject to the applicable terms and conditions set forth in this Agreement and Disclosure as well as the terms and conditions set forth in the Credit Union's Individual Retirement Account Agreement and Truth-in-Savings Disclosure statement, which will be provided to you in accordance with applicable law.

PART II

INSTRUCTION TO PAYER'S REQUEST FOR TAXPAYER IDENTIFICATION NUMBER AND CERTIFICATION

(IRS Form W-9)

Section References are to the Internal Revenue Code

Purpose of Form

A person (such as the Credit Union) who is required to file an information return with the IRS must get your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt or contributions you made to an IRA.

U.S. Person. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to us (the requester), and, when applicable to:

1. Certify that the TIN you are giving is correct;
2. Certify that you are not subject to backup withholding; or
3. Claim exemption from backup withholding if you are a U.S. exempt payee.

In 3 above, if applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If we give you a form other than Form W-9 to request your TIN, you must use our form if it is substantially similar to this Form W-9.

For federal tax purposes, you are considered a person if you are:

- An individual who is a citizen or resident of the United States,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, or
- Any estate (other than a foreign estate) or trust. See Regulations sections 301.7701-6(a) and 7(a) for additional information.

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign Person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (See Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a “saving clause.” Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give us the appropriate completed Form W-8.

What is backup withholding?

Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments (after December 31, 2002). This is called “backup withholding.” Payments that may be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give us your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to us;
2. You do not certify your TIN when required. (see Part II instructions on Certification for details);
3. The IRS tells us that you furnished an incorrect TIN;
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only); or
5. You do not certify to us that you are not subject to backup withholding under (4) above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requestor of Form W-9. Also see *Special rules regarding partnerships*.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to us, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If we disclose or use TINs in violation of federal law, we may be subject to civil and criminal penalties.

Specific Instructions

Name. If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance due to marriage, without informing the Social Security Administration of the name change, you enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first and then circle the name of the person or entity whose number you enter in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade or "doing business as (DBA)" name on the "Business name" line.

Limited liability company (LLC). If you are a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Treasury regulations section 301.7701-3, enter the owner's name on the "Name" line. Enter the LLC's name on the "Business name" line. Check the appropriate box for your filing status

(sole proprietor, corporation, etc.), then check the box for “Other” and enter “LLC” in the space provided.

Other entities. Enter the business name as shown on required federal tax documents on the “Name” line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade or DBA name on the “Business name” line.

Note. You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

Exempt From Backup Withholding

If you are exempt, enter your name as described above and check the appropriate box for your status, then check the “Exempt from backup withholding” box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

Exempt payees. Backup withholding is not required on any payments made to the following payees:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2);
2. The United States or any of its agencies or instrumentalities;
3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities;
4. A foreign government or any of its political subdivisions, agencies, or instrumentalities; or
5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation;
7. A foreign central bank of issue;
8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States;
9. A futures commission merchant registered with the Commodity Futures Trading Commission;
10. A real estate investment trust;
11. An entity registered at all times during the tax year under the Investment Company Act of 1940;
12. A common trust fund operated by a bank under section 584(a).

13. A financial institution;
14. A middleman known in the investment community as a nominee or custodian; **or**
15. A trust exempt from tax under section 664 or described in Section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt recipients listed above, 1 through 15.

IF the payment is for...	THEN the payment is exempt for...
Interest and dividend payments	All exempt recipients except for 9
Broker transactions	Exempt recipients 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker
Barter exchange transactions and patronage dividends	Exempt recipients 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally exempt recipients 1 through 7 ²

¹See Form 1099-MISC, Miscellaneous Income, and its instructions.

²However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees; and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see How To Get a TIN below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers you to use your SSN.

If you are a single-owner LLC that is disregarded as an entity separate from its owner (see Limited liability company (LLC)), enter your SSN (or EIN, if you have one). If the LLC is a corporation, partnership, etc., enter the entity's EIN.

Note. See the chart entitled "What Name and Number to Give the Requester" for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.socialsecurity.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer ID Numbers under Related Topics. You can get Forms W-7 and SS-4 from the IRS by visiting www.irs.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

Caution. A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Part II: Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt residents, see *Exempt from Backup Withholding*.

Signature requirements. Complete the certification as indicated in 1 through 5 below.

1. **Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts that were considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.
2. **Interest, dividend, broker and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to us, you must cross out item 2 in the certification before signing the form.
3. **Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.
4. **Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of our trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crewmembers and fishermen and gross proceeds paid to attorneys (including payments to corporations).
5. **Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

What Name and Number to give the Requestor

For this type of account:	Give the name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account, or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also grantee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
5. Sole proprietorship or single-owner LLC	The owner ³
For this type of account:	Give the name and EIN of:
6. Sole proprietorship or single-owner LLC	The owner ³
7. A valid trust, estate or pension trust	Legal entity ⁴
8. Corporate or LLC electing Corporate status on Form 8832	The corporation
9. Association, club, religious, charitable, educational or other tax-exempt organization	The organization
10. Partnership or multi-member LLC	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district or prison) that receives agriculture program payments The public entity	

¹List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

²Circle the minor's name and furnish the minor's SSN.

³You must show your individual name and you may also enter your business or "DBA" name on the second name line. You may use either your SSN or EIN (if you have one). If you are a sole proprietor, IRS encourages you to use your SSN.

⁴List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules regarding partnerships*.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to give your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA, or Archer MSA or HSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia and U.S. possessions to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.

PART III

FUNDS AVAILABILITY POLICY

Our policy is to make funds from your cash and check deposits available to you on the first (1st) business day after the day we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit if received by the opening of business. If electronic direct deposits are received after the opening of business, the funds will be available to you on the first business day after the day we receive the deposit. Funds from any deposits (cash or checks) made at automated teller machines (ATMs) we do not own or operate will not be available until the fifth (5th) business day after the day of your deposit. This rule does not apply at ATMs that we own or operate. All ATMs that we own or operate are identified as our machines. Once the funds are available, you can withdraw them in cash and we will use them to pay checks that you have written.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before close of business 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 close of business 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. In some cases, we will not make all of the funds that you deposit by check available to you on the first business day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the fifth (5th) business day after the day of your deposit. The first \$100 of your deposits, however, may be available on the first (1st) business day after the day of deposit.

If we are not going to make all of the funds from your deposit available on the first (1st) business day after the day of deposit, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice 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.

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 \$5,000 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 eleventh (11th) business day after the day of your deposit.

[If we cash a check for you that is drawn on another financial institution, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it.

If we accept for deposit a check that is drawn on another financial institution, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.]

SPECIAL RULES FOR NEW ACCOUNTS. If you are a new business member, the following special rules will apply during the first thirty (30) days your checking account is open. Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,000 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available on the first (1st) business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5,000 will be available on the eleventh (11th) business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,000 will not be available until the second business day after the day of your deposit.

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

*Longer hold periods may apply

SPECIAL NOTICE REGARDING ENDORSEMENT STANDARDS

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

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

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

PART IV

BUSINESS ELECTRONIC BANKING SERVICES AGREEMENT AND DISCLOSURES

This Part describes the Credit Union's business electronic banking services ("Services") and the additional terms applicable to these Services. In general, these Services provide various ways to transfer funds electronically to and from a Credit Union business deposit and/or credit account. The Credit Union may limit the availability of these Services at any time. You understand and agree that the Services will not be used for personal, family or household purposes

TERMS AND CONDITIONS APPLICABLE TO ALL BUSINESS ELECTRONIC BANKING SERVICES

Security Procedures: We may provide you with or you may be asked to create a Personal Identification Number, User ID, and/or passwords (collectively, a "PIN") to access the Services. You agree to: (a) take reasonable steps to safeguard the confidentiality and security of the PIN, and any other proprietary property or information we provide to you in connection with the Services; (b) closely and regularly monitor the activities of your employees who access the Services; and (c) notify us immediately if you have any reason to believe the security or confidentiality required by this provision has been or may be breached. Our security procedures are not designed for the detection of errors (e.g., duplicate payments or errors in our fund transfer instructions). We will not be obligated to detect errors by you or others, even if we take certain actions from time to time to do so.

You agree to change the passwords you assign to your employees on a regular basis, but no less frequently than every ninety (90) days. You agree to change any temporary passwords promptly after you are given access to the Services for the first time and whenever anyone who has had access to your PIN is no longer employed or authorized by you to use the Services. We may require you to change your PIN at any time. We may deny access to the Services without prior notice if we are unable to confirm (to our satisfaction) any person's authority to access the Services or if we believe such action is necessary for security reasons.

Each time you make a transfer or payment with a Service, you warrant that our security procedures are commercially reasonable (based on the normal size, type, and frequency of your transactions). Some of our Services allow you to set transaction limitations and establish internal controls. Your failure to set such limitations and implement such controls increases your exposure to, and responsibility for, unauthorized transactions. You agree to be bound by any transfer or payment order we receive through the Services, even if the order is not authorized by you, if it includes your PIN or is otherwise processed by us in accordance with our security procedures.

You understand and agree that all transactions conducted by means of a Card, PIN or electronic service shall be the responsibility of the business. "Card" means every type of ATM card or debit card that BAY FEDERAL CREDIT UNION issues including: BayTeller ATM Card or Business Visa Check Card. **Further, you understand and you shall advise each person to whom a Card and/or PIN is issued that each transaction originated by means of a Card or PIN is NOT a "consumer" transaction, as defined in the Electronic Funds Transfer Act and in Regulation E and is not governed by or entitled to the protection of federal law and regulation.**

Business Day Disclosure: With the exception of our established holiday schedule, our business days are Monday, Tuesday and Thursday from 9am-5pm, Wednesday from 10am-5pm, Friday from 9am-6pm and Saturday from 9am-3pm. The Electronic Access System and ATM hours are normally available 24 hours a day, 7 days a week. ATMs and Point-of-Sale ("POS") terminals at some locations may not always be accessible or may be open only during specified hours.

Disclosure of Account Information to Third Parties: We will disclose information to third parties about your Account or the transactions you engage in: (a) when it is necessary to complete an electronic transaction; or (b) in order to verify the existence of your Account for a third party, such as a credit bureau or merchant; or (c) in order to comply with a government agency or court order, or any legal process; or (d) if you give us your written permission.

Notice and Communications: Except as otherwise provided in this Agreement, all notices required to be sent to you will be effective when we mail or deliver them to the last known address that we have for you in our records or when we make such notices available to you through BayFedOnline or at the last known e-mail address we have for you. Notices from you will be effective when received by mail at the address(es) specified in this Agreement.

Collections: You agree that we shall be entitled to recover any money owed by you as a result of your use of, or the use of anyone you have provided with access to, any of our electronic Services, and you agree to repay any amounts that create an overdrawn balance immediately upon demand. You may be charged an overdraft fee. We have a security interest in your present and future shares and have the right to apply such shares to any money you owe. If any legal action is required to collect money you owe, you agree to pay all costs of collection, including reasonable attorney's fees, court costs, and other charges incurred for enforcing our rights under this Agreement.

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

Applicable Law: This Agreement shall be construed and governed by applicable federal laws and regulations and the laws of the State of California, without resort to California's Conflicts of Law Rules.

No Waiver: No delay or omission on our part in exercising any rights or remedies shall operate as a waiver of such rights or remedies. A waiver on any one occasion shall not be construed as a bar or waiver of any rights or remedies on future occasions.

Fees: Charges associated with our Services are disclosed in our Business Fee Schedule, which accompanies this Agreement. If you request a copy of the documentation relative to an ATM or POS transaction (except if the documentation is for resolution of a billing error), a fee equal to our reasonable cost of reproduction may be charged. Any fees charged will be deducted from your Checking or Business Savings Account(s).

Transaction fees will be charged to your Account within two (2) days from the day they are incurred. The fee may not be recorded on the transaction acknowledgment produced by the ATM, but it will be itemized on your monthly statement. You may be subject to additional fee(s) imposed by another financial institution or a merchant when performing ATM and/or Point-of-Sale transactions. This practice is known as "surcharging" and is in addition to any ATM fees charged by the Credit Union.

We may amend our Service pricing from time to time. Certain prices are subject to change without prior notice. Special or additional Services performed at your request will be subject to such additional terms and fees as us and you may agree.

In addition to the Service fees, you agree to pay for all taxes, tariffs and assessments levied or imposed by any government agency in connection with the Services, this Agreement, and/or the software or equipment made available to you (excluding any income tax payable by us). You are also responsible for the costs of any communication lines and any data processing charges payable to third parties.

Termination of Electronic Services: We or you may terminate this Agreement as to some or all of the Services, with or without cause, by giving 30 days prior notice to the other party. We may suspend or terminate your Services or this Agreement immediately at any time and without prior notice if: (a) you breach any agreement with us; (b) the confidentiality of your PIN is compromised; (c) we have reason to believe that an unauthorized transaction has taken or may take place involving any of your Accounts or any of the Services; (d) you become insolvent or the subject of a bankruptcy, receivership, or dissolution proceeding; or (e) we are uncertain as to any person's authority to give us instructions regarding your Accounts or the Services. The termination of this Agreement will not affect the rights or obligations of the parties that arise prior to termination.

Restricted Transactions: The Services may not be used for any illegal activity or transaction. Further, you may not utilize the Services for purchase of any goods or services on the Internet that involve gambling of any sort. Such transactions include, but may not be limited to, any quasi-cash or online gambling transaction, any electronic commerce transaction conducted over an open network, and any betting transaction including the purchase of lottery tickets or casino gaming chips or off-track betting or wagering. However, in the event that a transaction described in this paragraph is approved and processed, you will still be responsible for such charges.

Regulation "D" Restrictions on Electronic Funds Transfers: Preauthorized, automatic, or telephone withdrawals or transfers from share and money market accounts are limited to no more than six (6) transfers in each calendar month. No more than three (3) of the six (6) withdrawals or transfers may be made by check, share draft, or other order, including debit cards and POS transactions. However, you may make an unlimited number of withdrawals from or transfers among your own share accounts by mail, messenger, or in person at the Credit Union or at an ATM. You may also make an unlimited number of withdrawals from your share and money market accounts through the Credit Union's Electronic Access Systems or by telephone if you request that we send you a check. Transfers or withdrawals in excess of the above limitations may not be honored.

Verification: All transactions affected by use of the ATMs, POS terminals, Online Banking Services, or other electronic transaction contemplated hereunder which would otherwise require your signature, or other authorized signature, shall be valid and effective as if signed by you when accomplished by use of a Card(s), PIN(s), and/or other access codes or as otherwise authorized under this Agreement. Deposits at an ATM are subject to verification by us and may only be credited or withdrawn in accordance with our Funds Availability Policy. Transactions accomplished after the close of normal business each day shall be deemed to have occurred on our next business day. Posted items may be reversed due to insufficient funds, stop payment orders, legal process, and other reasons. Certain balances also may not be subject to immediate withdrawal. We assume no responsibility for any loss arising from incomplete information or for any

temporary interruption in our information system. We are not responsible for delays in a deposit due to improper identification on the deposit envelope or improper keying of your transaction. If you are unable to access our system for any reason, you can contact us for loan and deposit information. Information accompanying a deposit should include your name, our name, your member number, and where you want your deposit to go.

Information Processing and Reporting. We offer a number of Services that require us to receive, process and report information involving your accounts and transactions. We will not be responsible for determining the accuracy, timeliness or completeness of any information that you or others provide to us. We will not have a duty to interpret the content of any data transmitted to us, except to the limited extent set forth in this Agreement. Unless otherwise agreed in writing, we will not be required (by means of any security procedure or otherwise) to detect errors in the transmission or content of any information we receive from you or third parties.

- a. **Information You Provide to Us.** You assume the sole responsibility for providing us with complete and accurate information in the form and format that we require. We are not responsible for confirming such information, or for monitoring or refusing to process duplicate instructions by you or your agents. We are not obligated to detect errors in your transfer or payment instructions.
- b. **Your Instructions.** You must accurately describe transaction beneficiaries, intermediary financial institutions, and the beneficiary's financial institution in transfer and payment instructions. If you describe any beneficiary or institution inconsistently by name and number, other institutions and we may process the transaction solely on the basis of the number, even if the number identifies a person or entity different from the named beneficiary or institution.
- c. **Your Review.** You acknowledge that it is not possible for the Services to be totally free from operator, programming or equipment error, and that errors in processing and compiling data may occasionally occur (e.g., due to the failure of others to provide accurate information, telecommunication failures, or a breakdown in an electronic data interchange). As such, you agree to review and verify all results and to maintain adequate controls for insuring both the accuracy of data transmissions and the detection of errors. Unless otherwise required by law, our sole responsibility for any reporting errors caused by us will be to reprocess the information for the period in question and to provide corrected reports at our own expense. You agree to maintain adequate backup files of the data we submit for a reasonable period of time in order to facilitate any needed reconstruction of your transactions (e.g., in the event of a telecommunication failure). If we are unable to provide a Service for any reason, we will promptly inform you of the problem and will take reasonable steps to resume processing.

Reliance on Third Parties. Our ability to provide certain Services is dependent upon our ability to obtain or provide access to third party networks. In the event any third party network is unavailable or we determine, in our discretion, that we cannot continue providing any third party network access, we may discontinue the related Service or may provide the Service through an alternate third party network. In such situations, we will have no liability for the unavailability of access. We will not be responsible for any services you receive from third party vendors.

Our Rejection of Transactions. We may refuse any transfer or payment instruction without cause or prior notice.

Electronic Mail/Internet. If you send us electronic mail (“e-mail”), we may not receive or review it immediately. We will have a reasonable time to act upon any e-mail request or notice, and reserve the right to reject any transaction or request received by e-mail. You acknowledge that, even though e-mail may be encrypted, we cannot ensure that it will not be intercepted or affected by the actions or omissions of others, such as third party networks or persons with access to the Internet. As such, we recommend that you not send account data or other sensitive information to us by e-mail.

Your use of the Internet will be entirely at your own risk. We make no representation, warranty or endorsement with respect to: (a) information placed on the Internet by third parties; (b) the security or continued availability of the Internet or of any Internet web site, including without limitation our web site; or (c) the services, products or information made available over the Internet by others whose sites may be accessed, directly or indirectly, as a result of our Services. Our service providers and we assume no responsibility for viruses created by third parties, or for any third party’s unauthorized access to, or use of, your computer system.

You agree that: (a) Internet services are provided to you on an “as is” basis, without warranties of any kind; (b) us, our affiliates, Internet service providers, and licensors will not be liable for any errors, defects in, or the untimeliness or lack of authenticity of, any information provided over the Internet; (c) you will comply with all laws applicable to your Internet activities; (d) you will not transmit any information which is defamatory, abusive, or which may give rise to civil liability; (e) we may monitor your e-mail and Internet communications with your employees; and (f) our Internet Service will be subject to the additional qualifications and operating rules, if any, set forth on our web site.

Limitation of Liability. Except as otherwise stated in this Agreement, we will be liable to you only for damages arising directly from our intentional misconduct or gross negligence in the performance of the Services. We will not be responsible for any loss, delay, cost or liability which arises, directly or indirectly, in whole or in part, from: (a) your actions or omissions, or those of third parties that are not within our immediate and reasonable control; (b) your negligence or breach of any agreement with us; (c) any ambiguity, inaccuracy or omission in any instruction or information provided to us; (d) any error, failure or delay in the transmission or delivery of data, records or items due to a breakdown in any computer or communications facility; (e) accidents, strikes, labor disputes, civil unrest, fire, flood, water damage (e.g., from fire suppression systems), or acts of God; (f) causes beyond our reasonable control; (g) the application of any government or funds transfer system rule, guideline, policy or regulation; (h) the lack of available funds in your Account to complete a transaction; (i) our inability to confirm to our satisfaction the authority of any person to act on your behalf; or (j) your failure to follow any applicable software manufacturer’s recommendations or our Service instructions.

We will not be responsible under any circumstances for special, indirect, or consequential damages that you incur as a result of our actions or omissions, even if we are aware of the possibility for such damages. Our liability and your remedy for actual costs and losses resulting from our actions and/or omissions, whether the claim is in contract or tort, will not exceed six times the average monthly charge for the Service(s) in question for the three months immediately preceding the cost or loss.

Any claim, action or proceeding by you to enforce the terms of this Agreement or to recover for any Service-related loss must be commenced within one (1) year from the date that the event giving rise to the claim, action or proceeding first occurs. You agree to cooperate with us in any

loss recovery efforts we undertake to reduce any loss or liability that arises in connection with the Services.

You acknowledge that our Service fees have been established in contemplation of: (a) these limitations on our liability; (b) your agreement to review statements, confirmations, and notices promptly and to notify us immediately of any discrepancies or problems; and (c) your agreement to assist us in any loss recovery effort.

Indemnification. You agree to indemnify, defend and hold us, our affiliates and subsidiaries, and our respective directors, officers, employees and agents, harmless from and against any claim, damage, loss, liability and cost (including, without limitation, attorneys' fees) of any kind which results directly or indirectly, in whole or in part, from: (a) our actions or omissions, if they are in accordance with your instructions or the terms of this Agreement; or (b) the actions or omissions of you, your agents or employees.

Compliance with Laws. You agree to comply with all applicable laws and regulations when using the Services.

YOUR LIABILITY FOR BUSINESS ELECTRONIC BANKING SERVICE TRANSACTIONS

You are responsible for all transactions and charges incurred by your use of any Services. You will take reasonable precautions to prevent unauthorized use of any Card and/or PIN issued to you and you will not disclose the PIN to anyone. If the Card is given and/or the PIN is disclosed to anyone and that person then conducts electronic banking transactions on your Account(s), the transaction will be deemed authorized and the person will continue to be authorized to conduct transactions until you notify us otherwise by telephone at 831.479.6000. You will notify us at once if you discover or suspect unauthorized use of any Card and/or PIN issued to you.

1. **Unauthorized Transactions** Information on transfers to or from your Accounts will be reflected on your periodic statements and will be available to you on-line. We are not required to provide you with any other notice of the receipt, transmittal or debiting of wire transfers, ACH entries or bill payments.

You agree to notify us immediately if you discover: (a) any error or discrepancy between your records and the information we provide to you about your Accounts or transactions (e.g., in a statement, confirmation, or electronic report); (b) unauthorized transactions involving any account; (c) a breach in the confidentiality of any PIN; or (d) other problems related to the Services. You must send us a written notice of any discrepancy or other problem, including a statement of the relevant facts, within fifteen (15) days from the date you first discover the problem or receive information reflecting the problem, whichever occurs first. If you notify us within fifteen (15) days from the date you first discover the problem or receive information reflecting the problem, whichever occurs first. If you fail to notify us within fifteen (15) days, you agree that, in addition to any other limitations on our liability: (a) in the case of an erroneous funds transfer, you will be liable for all losses up to the amount thereof (as well as any loss of interest), that result from your failure to give us such notice or that might have been prevented by your giving us such notice; and (b) in the case of an unauthorized funds transfer, we will not be liable for any loss of interest that results from your failure to give us such notice or which might have been prevented by your giving you such notice.

- 2. Telephone Number and Address to Be Notified in Event of Unauthorized Transactions:** If you believe your ATM Card(s), Debit Card or PIN has been lost or stolen, or that someone will or may use it to transfer money from your Account without your permission, you will telephone us at 831.479.6000 or write to us at Bay Federal Credit Union, 3333 Clares Street, Capitola, CA 95010.

ADDITIONAL DISCLOSURES APPLICABLE TO PREAUTHORIZED PAYMENT SERVICES

If you have requested a preauthorized payment to a third party from your Account with us and have made specific arrangements with that third party, the following information applies to you:

Right to Receive Documentation of Preauthorized Payment: You can get copies of the preauthorized payment documentation from the third party being paid at the time you give them the initial authorization.

Account Access: Preauthorized payments via ACH may be made from your business checking, share, and money market accounts only.

Notice of Varying Amounts: If your preauthorized payment varies in amount, the party who will receive the payment is required to tell you ten (10) days before each such payment when it will be made and how much it will be. You may agree with the person being paid to receive this notice only when the payment will differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.

Right to Stop Preauthorized Payment: If you want to stop any of the preauthorized payments or revoke a preauthorized payment authorization, you must call us at 831.479.6000 or write to us at Bay Federal Credit Union, 3333 Clares Street, Capitola, CA 95010 in time for us to receive your stop payment request or revocation three (3) business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request or revocation in writing and get it to us within fourteen (14) days after you call. We will charge you for each stop payment order you give pursuant to our Business Fee Schedule. Such stop payment notice will apply only to that particular payment. If you have given us a request to revoke the entire preauthorized payment authorization, you understand and agree that you must also promptly contact the third party to cancel (revoke) the entire preauthorized payment authorization and provide us with a copy of your written revocation notice to the third party.

Our Liability for Failure to Stop Payment: If you order us to stop one of your preauthorized payments and provide us with sufficient information to reasonably identify the withdrawal no less than three (3) business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages, to the extent provided by law.

ADDITIONAL DISCLOSURES APPLICABLE TO ELECTRONIC CHECK TRANSACTIONS

If funds from your Account have been transferred via automated clearing house (ACH) and you have provided a paper check or check information to a merchant or other payee to capture the routing, account, and serial numbers to initiate the transfer (an "electronic check transaction"), the following applies to you:

Types of Available Transactions: You may make transfers via ACH where you have provided a paper check to enable the merchant or other payee to capture the routing, account, and serial numbers to initiate the transfer,

whether the check is blank, partially completed, or fully completed and signed; whether the check is presented at POS or is mailed to a merchant or other payee or lockbox and later converted to an EFT; or whether the check is retained by the consumer, the merchant or other payee, or the payee's financial institution.

Account Access: Electronic check transactions may be made from your checking account only.

Limitations on Dollar Amounts of Transactions: You may make electronic check transactions only to the extent that you have available clear funds in your checking accounts or available funds in your designated overdraft sources.

Overdraft to Line of Credit: You understand that if you have an overdraft line of credit account in conjunction with your checking account, then you may use that line of credit to fund any overdraft on your checking account, including overdrafts caused by any electronic check transactions. You understand that you may not otherwise initiate an electronic check transaction to overdraw your checking account or your line of credit, if applicable. However, if you do overdraw, you authorize us to cover the overdraft on your checking account by making a cash advance from your line of credit account, if any, or withdraw funds from your share account(s).

Overdrafts that cannot be honored are payable on demand and may result in termination of your Account(s).

ADDITIONAL DISCLOSURES APPLICABLE TO ATM AND CHECK CARD TRANSACTIONS

Both the BAY FEDERAL CREDIT UNION ATM Card and BAY FEDERAL CREDIT UNION Business Check Card are hereinafter referred to as the "Card" unless specifically described.

The limitations on dollar amounts of transactions described hereunder apply in aggregate to BAY FEDERAL CREDIT UNION ATM Card and BAY FEDERAL CREDIT UNION Business Check Card transactions on all of your accounts under the same member number.

If you have requested that we issue you a Card and you have selected a Personal Identification Number (PIN) which can be used to transact business at any BAY FEDERAL CREDIT UNION ATM, or at any ATM displaying the logo of the ATM networks listed below, hereinafter referred to as Network ATMs, or at POS Network terminals, then the following information applies to you:

Account Access: The following transactions are available when using the Card and PIN at Credit Union ATMs:

- a. Deposits or transfers to your Business Membership Savings Account, Business Regular Savings Account(s), Checking Account(s), and Business Money Market Account(s);
- b. Withdrawals or transfers from your Business Membership Savings Account, Business Regular Savings Account(s), Checking Account(s), and Business Money Market Account(s);

The following transactions are available when using the Card at Shared Network Star System®, InterLink®, Plus®, and the CO-OP® ATMs:

- a. Withdrawals from your Business Membership Savings Account, Business Regular Savings, Business Money Market Account(s), and Checking Account(s).

- b. Balance inquiries on your Business Membership Savings Account, Business Regular Saving, Business Money Market Account(s), and Checking Account(s).
- c. Transfers between your Business Membership Savings Account, Business Regular Savings, Business Money Market Account(s,) and Checking Account(s).

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

The following transactions are available when using the Card at CO-OP® Shared Branch Locations:

- a. Withdrawals from your Business Membership Savings, Business Regular Savings, Business Money Market Account(s), and Checking Account(s).
- b. Balance inquiries on your Business Membership Savings, Business Regular Savings, Business Money Market Account(s), and Checking Account(s).
- c. Transfers between your Business Membership Savings, Business Regular Savings, Business Money Market Account(s,) and Checking Account(s).

NOTE: Transactions at a Shared Network System terminal may be subject to a Network Transaction Fee and/or a terminal use fee charged by the operator of the terminal.

Foreign Currency: If you use the Card to withdraw foreign currency from an ATM or at a financial institution that accepts cards with the VISA® logo, your Account will be charged for the U.S. dollar equivalent of the transaction. The financial institution at which you conduct the transaction, or the network to which the ATM belongs, determines the exchange rate and calculates the U.S. dollar equivalent. The financial institution or network may also charge a fee.

Limitations on Frequency and Dollar Amounts of Transactions: We may establish daily limits on the number and dollar amount of transactions that you may originate by use of you BAY FEDERAL CREDIT UNION Business Check Card and BAY FEDERAL CREDIT UNION ATM Card.

- a. You may make ATM Cards allow you to perform cash withdrawals up to \$600 and point of sale transactions of up to \$600 each 24-hour period as long as your available balance will cover the transaction. Various institutions which participate in networks of which the Credit Union is a member may have withdrawal limites different from the amount set forth above. In the event that a specific ATM is so limited, you may not be able to withdraw more than the cash limit of that particular ATM.
- b. Deposit ATM Only cards have no withdrawal or point of sale transaction abilities.
- c. Purchases made above the floor limit of the merchant will require an authorization number from VISA. You may make Business Visa Check Card cash withdrawals up to \$600 and Business Visa Check Card purchases up to \$3,000 in each 24-hour period as long as your available balance will cover the transaction.

We may change these daily limits from time to time. If your designated business checking account also limits the number of transactions that may be conducted during a statement cycle, Check Card and POS transactions conducted using your BAY FEDERAL CREDIT UNION Business Check Card and your BAY FEDERAL CREDIT UNION Business ATM Card do count toward this limit. Transactions conducted using an ATM do count toward this limit. We count a transaction as having occurred when it is received by us in the Pacific Time zone at local time.

Card and PIN Safety Precautions: Both a Card and a Personal Identification Number (PIN) are required each time you use an ATM. The following conditions must be observed for both the privacy and protection of your Account and the system(s):

- a. YOU MUST KEEP YOUR CARD IN A SAFE PLACE AND PERMIT NO UNAUTHORIZED PERSON TO USE IT;
- b. YOU MUST NOT DISCLOSE YOUR BAY FEDERAL CREDIT UNION PIN TO ANY UNAUTHORIZED PERSON OR WRITE IT ON YOUR CARD, CARRY IT IN YOUR WALLET OR PURSE, OR OTHERWISE MAKE IT AVAILABLE TO ANYONE ELSE;
- c. YOU WILL IMMEDIATELY REPORT TO US ANY LOSS OR THEFT OF YOUR CARD AND/OR PIN. IF YOU AUTHORIZE US TO ISSUE A CARD (OR ANY OTHER ACCESS DEVICE) TO ANYONE ELSE, YOU AUTHORIZE THAT INDIVIDUAL TO WITHDRAW FUNDS FROM YOUR ACCOUNT(S) WHICH CAN BE ACCESSED BY THE CARD REGARDLESS OF WHETHER THAT INDIVIDUAL IS AUTHORIZED TO WITHDRAW MONEY FROM THE ACCOUNT BY ANY MEANS OTHER THAN BY USE OF THE CARD. IF YOU GIVE YOUR CARD OR PIN TO ANYONE, ANY WITHDRAWAL BY THAT PERSON WILL BE CONSIDERED AUTHORIZED BY YOU.

Safety Tips for Using an ATM or POS Terminal: When using your Card you will observe the following precautions:

- a. Be aware of your surroundings, particularly at night;
- b. Consider having someone accompany you when using the ATM or POS terminal after dark;
- c. Put away cash as soon as the transaction is completed, do not display it, and do not count the cash until later in the safety of your vehicle or home;
- d. If you do notice anything suspicious when approaching the ATM, you will defer the transaction until later or use another ATM or POS terminal;
- e. If you notice anything suspicious while transacting business, you will immediately cancel the transaction and put your Card away;
- f. Immediately report all crimes to the ATM or POS terminal operator and local law enforcement officials.

Eligibility for a Card and/or PIN

Unless otherwise provided in this Agreement, only an Authorized Signer on a Credit Union business deposit account is eligible for a BAY FEDERAL CREDIT UNION Business ATM Card, BAY FEDERAL CREDIT UNION Business Check Card and/or PIN, which that Authorized Signer may use to access that Account. Issuance of a Card and/or PIN is subject to such additional

requirements as the Credit Union may from time to time establish with respect to that Card or PIN.

A business owner may issue and distribute BayTeller Deposit-Only ATM Cards to a non-signer on the account. The business owner accepts responsibility and liability for the use of the deposit-only ATM cards.

You may use a BAY FEDERAL CREDIT UNION Business Check Card as a debit card to pay for transactions at places displaying the Visa logo. Funds to pay for transactions originated by use of a BAY FEDERAL CREDIT UNION Business Check Card are charged to the Checking Account you designate and maintain with us.

You may use a BAY FEDERAL CREDIT UNION Business ATM Card to perform transactions at proprietary ATMs. You may also use your BAY FEDERAL CREDIT UNION Business ATM Card to pay for transactions at participating merchants displaying the network logos of Star System®, Plus®, Interlink® and the CO-OP® ATMs.

Transaction amounts conducted using your BAY FEDERAL CREDIT UNION Business Debit Card or your BAY FEDERAL CREDIT UNION Business ATM Card are limited to the available balance (i.e., the balance on which no holds are placed) in your designated checking account and your available overdraft protection, if any, and are subject to further limitation as stated below. Total daily card transaction and amount limits also apply.

You are required to select a PIN code before you can conduct any transactions using your BAY FEDERAL CREDIT UNION Business ATM Card or BAY FEDERAL CREDIT UNION Business Debit Card. Each person to whom a Card is issued on behalf of the business can select his or her own PIN at any of our branches. You agree to memorize your PIN and will not write it on the Card. After memorizing it, you should destroy the PIN notation. Then you can be assured that no one other than you will use the Card. If you forget the number, you may come to one of our Member Service Centers and select a new PIN, provided you present adequate identification.

Right to Receive Documentation of Transactions: You will receive a receipt acknowledgment at the time you make an ATM transaction. You should retain this receipt and compare it with your statement from us.

Making Electronic Funds Transfers: You agree to follow the instructions posted or otherwise given by us or the Network ATM systems concerning the use of the ATMs.

ADDITIONAL DISCLOSURES APPLICABLE TO POINT-OF-SALE TRANSACTIONS

Point-of-Sale (POS) Transactions: You may use your Card to purchase goods and services and to get cash using POS terminals at participating retail locations displaying the STAR® System logo. The amount of the purchase, together with any charge related to the transaction imposed by others, will be automatically deducted from your designated business checking account. Participating retail outlets and locations are subject to change without notice. The maximum amount you can purchase on any day is disclosed to you when you receive your Card. Each transaction is subject to the fee schedule for your Account. Transactions received before our cut-off time on a business day will be processed that day. Transactions received after our cut-off time or conducted on days that are not business days will be processed on our next business day. You may not stop payment on a POS transaction.

Foreign Transactions: Purchases using a BAY FEDERAL CREDIT UNION Business Check Card made in foreign countries and foreign currencies will be billed to you in U.S. dollars. The conversion rate to dollars will be made in accordance with the operating regulations for international transactions established by VISA International, Inc.

If a transaction is made at a merchant or ATM that uses a currency other than U.S. dollars, Visa International, Inc. will convert the charge into a U.S. dollar amount. Visa will use the government mandated conversion rate in U.S. dollars or a wholesale currency market rate based on the transaction processing settlement date.

You understand that we have no control over the conversion rate and that the currency conversion rate used by Visa on the processing date may differ from the rate that would have been used on the purchase date or the cardholder statement posting date.

A separate Visa International Service Assessment (ISA) Fee of 1% may apply for each foreign currency transaction. The ISA fee will be charged directly to us, passed on to you, and will appear on your statement as an additional charge.

Use of BAY FEDERAL CREDIT UNION Business Check Card: The use of your BAY FEDERAL CREDIT UNION Business Check Card shall be through secret PIN activation or your signature. You agree that all transactions made with your authorized PIN or signature utilization are made by you, and you accept all financial liability for such transactions. You also agree to sign your signature in the space provided on your BAY FEDERAL CREDIT UNION Business Check Card for additional security and protection.

Hold on Funds: You understand that transactions initiated by use of your BAY FEDERAL CREDIT UNION Business Debit Card will create an automatic hold on funds equal to the transaction amount or may result in immediate withdrawals from your checking account or other linked account(s) depending on the nature of the particular transaction. If you do not have adequate funds or amounts in your primary or linked account(s), your transaction may be denied.

Transaction Fees: The Credit Union may charge excess ATM withdrawal or transaction fees. Please refer to the Business Fee Schedule. You understand that other merchants and institutions may charge such transaction fees. This fee will be included in the amount of the transaction as it appears on your periodic statement.

Ownership of Card: The Card remains our property, and you agree to surrender the Card to us upon demand. We may cancel, modify, or restrict the use of any Card at any time, with or without notice if any of your accounts are overdrawn, if any of your loan accounts are delinquent, if an advance drawn on any loan exceeds your credit limit, if you use your Card in a manner which may cause loss to us, or if we are aware that you have violated any term of this Agreement, whether or not we suffer a loss, or where necessary to maintain or restore the security of your Account(s) or the ATM System.

ADDITIONAL DISCLOSURES APPLICABLE TO ONLINE BANKING

Type of Transactions: If you choose to use the Online Banking services, you may pay bills online from your Online Banking checking account to persons or entities you select. You understand that payment of taxes or court-directed payments through the Online Banking services is prohibited.

Designating an Online Banking Account: When you set up BAY FEDERAL CREDIT UNION Online Banking services, you must designate a checking account as your Online Banking account. If you close your Online Banking checking account, your Online Banking services will end, and any unprocessed bill payments will not be made. In the event you change your checking account type or your account number, you understand that you must re-enroll in Online Banking and re-establish scheduled bill payments from your previous account.

Canceling Your Online Banking Services: If you choose to discontinue your Online Banking services, any unprocessed bill payments will be canceled. You understand that you should cancel any scheduled bill payments through BAY FEDERAL CREDIT UNION Online Banking prior to notifying us in writing that you are discontinuing the Online Banking services. You may cancel a bill payment transaction up to, but not including, the date you scheduled it for processing. You must go online and cancel before the end of our business day prior to the date the transaction is scheduled to be processed.

Bill Payments: You understand and agree that you must be 18 years of age to set up or use Online Banking. Bill Payments can be from any amount between \$1.00 and \$25,000.00. When you schedule a bill payment using BAY FEDERAL CREDIT UNION Online Banking services, you authorize us to withdraw the necessary funds from your savings, money market, or checking account. You agree that you will instruct us to make a withdrawal only when a sufficient balance is or will be available in your designated Account or the funds are available through your checking account overdraft source(s).

While it is anticipated that most transactions will be processed five (5) business days before your scheduled payment date, you understand that due to circumstances beyond our control, particularly delays in handling and posting payments by slow responding companies or financial institutions, some transactions may take a day or even a few days longer to post to your Account with the designated payee. For this reason all the bill payment dates should be scheduled by you at least seven (7) business days before the actual due date (not the late date and/or the grace period). A bill payment scheduled to be made on a day that is not a business day will be made on the previous business day. If you properly follow the procedures described herein, and we fail to send a payment according to the payment instructions received, we shall be responsible for returning the improperly transferred funds to your Account and for directing to the proper recipient any previously misdirected bill payments or transfers. In the event, including but not limited to scheduling a payment date which is not at least seven (7) business days before the due date, or on or past the due date stated on your bill, the risk of incurring and responsibility for paying any and all late charges or penalties shall be borne by you.

You agree to enter your account number and address as they appear on your payment stub or bill when adding payees to your BAY FEDERAL CREDIT UNION Online Banking service.

You understand that any Authorized Signer on the Account can sign up for Online Banking. You hereby agree to indemnify, defend, and hold us harmless from acting upon the request of any Authorized Signer on the Account.

Non-Sufficient Funds: You understand that we will not act on any withdrawal instruction from you if sufficient funds, including any overdraft line of credit and funds available in your other overdraft sources, are not available in your Online Banking checking account. In some instances, at our option, you will receive a notice from us either in writing or electronic

mail. Whether notified or not, you agree that your Account will be charged a fee in accordance with our Business Fee Schedule.

Merchant or Payee Limitation: You understand that we reserve the right to refuse to pay any person or entity to which you may direct a payment. We are obligated to notify you promptly if we decide to refuse to pay the person or entity designated by you. This notification is not required if you attempt to pay tax or court-related payments, which are prohibited under this Agreement. In addition, you understand that we will not be able to execute any Online Banking request if the payee cannot or will not accept such payment.

Amending/Canceling a Transaction: Unless this Agreement provides otherwise, you do not have a right to cancel or amend a payment or transfer instruction (e.g., an ACH payment) once we have received it. If we attempt to reverse a transaction at your request, we assume no liability for any interest or losses that result if the reversal is not effected. Requests to cancel a transaction must state the exact amount (dollars and cents) of the transaction you wish to stop. You agree to indemnify, defend, hold harmless and reimburse us for all expenses, losses, claims, actions, proceedings and damages we incur in effecting or attempting to effect any reversal. You are solely responsible for providing notice to the receiver/beneficiary that a reversal is being transmitted and the reason for the reversal no later than the settlement date of the reversing entry.

Changes: You understand and agree that we have the option to electronically notify you of changes in the Online Banking services terms and conditions. You agree to be bound by the revised terms and conditions and understand that they will be included in the next Amendment or Addendum to our Agreement booklet.

PART V

FUNDS TRANSFER AGREEMENT AND NOTICE

Electronic fund transfers which are not consumer electronic fund transfers governed by the Electronic Fund Transfer Act and Regulation E are governed by the Uniform Commercial Code as adopted by California (the "UCC"), the rules and regulations of the fund transfers system through which the funds are sent and by the terms and conditions stated in this Agreement. These fund transfers include but are not limited to transfers to or from accounts through the Federal Reserve Bank system by means of Fedwire or transfers through the automated clearing house ("ACH") that are subject to the ACH applicable rules or other fund transfer systems and transfers between accounts at our different branches ("on us" transfers). The terms and conditions which follow apply if you request that we act as the "Originating Bank" for a "payment order" from you or as the "Beneficiary Bank" for a payment order to you as these terms are defined in the UCC. These terms do not generally apply to transfers originated by check, draft or other written item. Using the Credit Union to send or receive funds transfers shall constitute your acceptance of all of the terms and conditions contained below.

This Funds Transfer Agreement and Notice applies to funds transfers as defined in Article 4A of the Uniform Commercial Code as adopted by California and Subpart B of Regulation J of the Board of Governors of the Federal Reserve System.

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

We may charge your Account for the amount of any funds transfer initiated by you or by any Authorized Signer or other authorized party with the right of access to the Account from which the funds transfer is to be made. Please refer to our Business Fee Schedule for current fees.

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

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

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

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

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

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

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

If we become obligated under Article 4A of the Uniform Commercial Code as adopted by California to pay interest (or dividends) to you, you agree that the rate of interest (or dividends) to be paid shall be equal to the dividend rate, on a daily basis, applicable to the Account with us to which the funds transfer should have been made or from which the funds transfer was made.

We may, in our sole discretion, reject any funds transfer request which: (1) exceeds the collected and available funds on deposit in your designated Account(s); (2) is not authenticated to our satisfaction or which we reasonably believe may not be authorized by you; (3) contains incorrect, incomplete, or ambiguous information; or (4) involves funds subject to a lien, hold, dispute, or legal process pending their withdrawal. You understand and agree that we shall incur no liability for any loss occasioned by our refusal to accept any funds transfer order.

There is no right to cancel or amend the transfer order. We, at our option, may attempt cancellation or amendment if this application has been acted on, but will have no liability if the cancellation or amendment is not effectuated. In any event, we will not credit funds until we confirm the recipient has not received funds and any funds transmitted have been returned. We have no obligation to re-execute any rejected or returned transfer order. We will credit any account following return or rejection. Any credit may not be equal to the original amount due to, for example, differences in foreign currency exchange rates, cable fees, our expenses, or expenses of other institutions. In addition, we will have no obligation to pay interest on any cancelled, returned, or rejected transfer order.

If you initiate a funds transfer request denominated in U.S. dollars for transfer to a foreign country, we may transfer payment in the currency of

the beneficiary bank's country at our buying rate of exchange to U.S. dollars. If the transfer is returned for any reason, you agree to accept the refund in U.S. dollars in the amount of the foreign money credit, based on the then current buying rate of the bank converting the currency to U.S. dollars at the date of refund, less any charges and expenses incurred by us.

You agree not to initiate any wire transfer, ACH entry or payment that would violate the economic sanctions administered by the U.S. Treasury's Office of Foreign Assets Control.

You understand and agree that in case of unauthorized or improper ACH debit activity on your Account, you must complete and sign our affidavit of unauthorized or improper ACH debit activity.

Except as expressly prohibited by applicable state and federal laws and regulations, you understand and agree that we will not be liable for any loss or liability arising from: (1) any unauthorized transfer or interest thereon (including, but not limited to, fraudulent transfers and/or a transfer where we failed to abide by the agreed-upon security procedures) which you fail to report to us within thirty (30) days after your receipt of notification of the transfer; (2) any negligent or intentional action or inaction on the part of any person not within our reasonable control, including, but not limited to, the failure of other financial institutions to provide accurate or timely information; (3) the failure of other financial institutions to accept a funds transfer order; (4) your negligent or intentional action or inaction and/or breach of this Agreement; (5) any ambiguity or inaccuracy in any instruction given to us by you or your authorized agent; or (6) any error, failure, or delay in execution of any funds transfer instruction, or cancellation or amendment caused by circumstances beyond our reasonable control, including, but not limited to, any computer or communication facilities malfunction.

Except as otherwise provided by applicable state or federal laws or regulations, our liability for any negligent or intentional action or inaction in connection with any funds transfer request shall be limited to your direct loss and payment of interest. UNDER NO CIRCUMSTANCES SHALL WE BE LIABLE FOR ANY LOST PROFITS, CONSEQUENTIAL, INDIRECT, PUNITIVE, OR SPECIAL DAMAGES THAT YOU MAY SUFFER IN CONNECTION WITH THIS AGREEMENT AND/OR ANY FUNDS TRANSFER REQUEST.



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