

BUSINESS ACCOUNT AGREEMENT AND DISCLOSURES

Effective April 1, 2021

**IMPORTANT DOCUMENT
PLEASE KEEP FOR YOUR RECORDS**



Bay Federal
C R E D I T U N I O N

Making a real difference

3333 Clares Street, Capitola, CA 95010
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INTRODUCTION

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 (the "Credit Union").

This Business Account Agreement and Disclosures Booklet ("Agreement") replaces all prior agreements with the Credit Union regarding your Business Accounts.

Throughout this Agreement, the words "I," "me," "mine," "my," "us," "they," "their," and "our" mean the business designated on the Business Account Signature Card as well as the owner(s) of such business and all Authorized Signers on a Credit Union business deposit account ("Account"). The words "you," "your," and "yours" mean the Credit Union. This Agreement includes the following disclosures applicable to the Credit Union's business deposit accounts and related services that the Credit Union may provide to me: (i) the schedule of the Credit Union's fees and other account-related information ("Schedule of Fees and Service Charges"); (ii) your Funds Availability Policy; (iii) disclosures applicable to business electronic banking services; (iv) a Funds Transfer Agreement and Notice; (v) the dividend rate sheets, as may be modified by the Credit Union from time to time, and (vi) any additional disclosures regarding my Account that the Credit Union may provide to me.

I am responsible for ensuring that each Authorized Signer is familiar with this Agreement. Unless I have instructed the Credit Union in writing to the contrary, the Credit Union may consider communications about my Account from an Authorized Signer on my Account as communications from me. I 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 for my Account or by using my Account or a service, I will be deemed to have agreed to this Agreement. I will retain a copy of this Agreement (and any information that the Credit Union provides me regarding changes to this Agreement) for as long as I maintain my Account with the Credit Union.

Copy Received: I acknowledge receipt of a copy of this Agreement.

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PART I
BUSINESS ACCOUNT AGREEMENT AND DISCLOSURES

Terms And Conditions Applicable to All Business Accounts:

1. I must be and remain a member in good standing to maintain any business account (hereinafter "Business Account" or "Account"). I understand and agree that my Business Account may not be used for personal, family, or household purposes.
2. The par value of a share necessary to become a member and maintain accounts with you is currently \$5. This amount must be deposited into a Business Regular Savings Account. If I fail to complete the purchase of one (1) share within 6 months of my admission to membership or within 6 months from the increase in the par value in shares, or if I reduce my Business Regular 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, I may be terminated from membership at the end of a dividend period.
3. Your failure or delay in enforcing any of the terms and conditions of this Agreement shall not prohibit you from enforcing such terms and conditions at a later date.
4. You reserve the right, upon thirty (30) days written notice, to change, add to, delete from, modify, or establish new provisions for the terms of this Agreement at any time. By thereafter using or continuing to use my Account or the Credit Union's services, I agree to such changes, additions, deletions, modifications, and new provisions, if any.
5. You may endorse and/or collect items deposited to my Account without my endorsement, but may require my personal endorsement prior to accepting an item for deposit. If I deposit items which bear the endorsement of more than one person or persons that are not known to you or that require endorsement of more than one payee, you may refuse the item or require all endorser to be present or to have their endorsements guaranteed before you accept the item. You may refuse to accept any item for deposit, in your sole discretion.
6. You may refuse to follow any of my instructions that, in your sole judgment, are illegal or would expose you to potential liability. Alternatively, you may require adequate security or invoke other security measures to protect you from all losses and expenses incurred if you follow my instructions. I agree to reimburse you for any damages, losses, liabilities, expenses, and fees (including, but not limited to, reasonable attorneys' fees) that you incur in connection with my Account if you take an action in accordance with my, or what purports to be my, oral, written, or electronic instructions.

7. I understand and agree that you may use automated means to process checks and other items written on or deposited to my Account(s). This means that you may not visually examine each of my checks to determine if they are properly completed and endorsed. Although you may manually review checks or other items deposited or drawn on my Account(s), I understand and agree that reasonable commercial standards do not require you to do so. I agree to review all statements as soon as I receive them and to notify you immediately of any discrepancy.
8. You will deliver statements and other notices only to the address reflected in the Credit Union's records for my Account. I will exercise reasonable care and promptness in examining all statements and must notify you promptly in writing of any error or unauthorized payment including, but not limited to, an altered item or an unauthorized signature. If I fail to uphold these duties, I understand and agree that I am precluded from asserting the error or unauthorized payment against you if you: (1) suffer a loss on the item because of my failure or (2) you pay on another item presented by the same wrongdoer if the payment was made before I properly notified you. Notification must be within thirty (30) days of the date of the statement. If I fail to uphold my duties, but I can prove that you 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 you and me to the extent our respective actions contributed to the loss. If I have failed to examine my statement and report any unauthorized item within thirty (30) days or more after my statement or the item has been made available to me, I cannot recover from you even if you failed to exercise ordinary care in paying the item.
9. You or I may terminate an Account at any time. I understand, however, that your authority to effectuate transactions as requested by accountholder(s) may not be changed or terminated except by written notice to me, which will not affect prior transactions. Moreover, if you receive conflicting claims to funds in an Account you hold, you may, at your 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 your records, at the statement mailing address; interplead all or any portion of the funds from an Account to the court; or hold (i.e., freeze) the funds, without liability to anyone, pending resolution of the claim to your satisfaction. I also understand and agree that you may, at your discretion, freeze the funds in an account you hold, without liability to anyone, if, under the circumstances, you have reason to believe that doing so is necessary or prudent to avoid incurring potential liability, costs, or expenses, or to avoid potential loss of such funds, until the situation is resolved to your satisfaction or until you receive an order of a court instructing you concerning the disposition of such funds. I agree to indemnify and hold you harmless from and against all claims, actions, damages, liabilities, costs, and expenses, including reasonable attorneys' fees and expenses, arising out of or related to any action or inaction related to the matters described in this paragraph.

10. 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 you are authorized to act on all matters relating to the Account(s) upon the order of any one of the Authorized Signers until you receive written instructions to the contrary from an authorized representative (as defined on the Business Account Signature Card). I certify that any signatures appearing on the Business Account Signature Card are the genuine signatures of said Authorized Signers. I agree that any instruction to permit withdrawal only upon the signature of two or more Authorized Signers or agents is for my internal use and benefit only and will not be binding on you. I agree that you shall not be liable for any lack of signatures so long as the instructions contain the signature or have been authorized by at least one Authorized Signer. Any payment made from my 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 you from liability. Without limiting the foregoing, you may honor checks drawn against my Account by Authorized Signers, even if the checks are made payable to them, to cash, or for deposit to their personal accounts. You have no duty to investigate or question withdrawals or the application of funds.
11. You reserve the right to require me to give not less than seven (7) and up to sixty (60) days written notice of my intention to withdraw funds from any Account except Checking Accounts.
12. I will promptly notify you of any change of ownership of any business maintaining an Account with you, or any change in an Authorized Signer. You may require a new Business Account Signature Card for the business and documentation supporting the change of ownership or change in any Authorized Signer. I will cooperate with you to document any change in ownership or change of an Authorized Signer. You may restrict access to the Account until documentation satisfactory to you is received and shall incur no liability for any such restriction.
13. I am required to keep you informed of my current address. I agree to notify you promptly of any change of address. I may notify you through your online banking service, in person at any of your offices, or by sending a written and signed notice to BAY FEDERAL CREDIT UNION, 3333 Clares Street, Capitola, CA 95010. In the event that I fail to do this, a charge may be made to my 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 my address. This charge will be imposed in accordance with your Bylaws.
14. I agree that you will not be responsible for any damages I incur in the event I deposit an item with you 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 me or a prior endorser.
15. Although you are not obligated to, you 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 I cash or deposit an item or write a check with such notation, I agree that, except as otherwise set forth in this or any other agreement with you or in applicable law, it applies only between me and the payee or maker, the notation will have no effect on you, and I agree to accept responsibility for payment of the item. In the event that I deposit any item or check to any of my accounts with you using your mobile or remote deposit capture services, I agree to conform to the terms and conditions set forth in your Remote Deposit Capture Services Agreement and I agree to endorse the item or check and make a notation on the back of the item or check indicating that it is “For Mobile Deposit Only.” I agree to indemnify and hold you harmless from any claim or alleged loss of any maker, payee, or financial institution involving such notations or deposits, including my failure to endorse and/or make the notation set forth herein, whether I am the maker or payee or the funds are otherwise deposited into an Account in which I have an interest.

16. You are under no obligation to pay a check which is presented more than six (6) months after its date, but you may do so at your discretion and charge my Account without liability, even if the presentation occurs after the expiration of a stop payment order or notice of postdated change. I agree that you are not required to identify stale-dated checks or seek my permission to pay them.
17. I agree to pay the Credit Union in accordance with the Schedule of Fees and Service Charges, which is incorporated herein by this reference. I agree to pay any additional reasonable charges for services I request that are not covered by this Agreement and Disclosure should you decide to honor my request. I also agree to pay an amount equal to any applicable taxes, however designated, exclusive of taxes based on the net income of the Credit Union. The Credit Union may either directly debit my Account or invoice me for Credit Union fees and charges and taxes incurred in connection with my Account and any service. If there are insufficient funds in my Account to cover the debit, the Credit Union may overdraw my Account. I agree to promptly pay any invoiced amount. The Credit Union may immediately debit my Account for any outstanding amounts owed to the Credit Union or assess FINANCE CHARGES on any invoiced amounts that are not paid within forty five (45) days of the date of invoice. FINANCE CHARGES are assessed at a rate of 1.5% per month (18% per annum) or the highest amount permitted by the laws governing my Account, whichever is less. Charges for accrued and unpaid interest and previously assessed FINANCE CHARGES will not be included when calculating FINANCE CHARGES. Payments and other reductions of amounts owed will be applied first to that portion of outstanding fees attributable to charges for accrued and unpaid interest and previously assessed FINANCE CHARGES, then to other fees and charges.
18. California law states that inactive Account balances must be turned over to the state after a period of three (3) years if I have not:

- a. Increased or decreased the amount of any of my Accounts with you (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 my Accounts with you; or
- b. Corresponded in writing or electronically with you concerning the Account; or
- c. Otherwise indicated an interest in any of my Accounts with you as evidenced by a memorandum on file with you.

You may charge a fee for mailing an escheat notice and/or a service charge for money orders escheated to the state. To recover funds turned over to the state, I must file a claim with the state.

19. I understand and agree that I may be required to request changes to my Accounts in writing, that you are not required to act upon instructions received by facsimile, and that you have the right to require additional information from me before you act on any request. You shall have no liability or responsibility to me when acting upon the reasonable interpretation of my requests.
20. I understand and agree that you may terminate Account products at your option without written notice to me. You may also suspend offering Account products from time to time at your discretion without notice to me.
21. This Agreement, as well as all of my 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.
22. I understand and agree that if it is necessary for you to take legal action in order to enforce the terms of this Agreement or to recover monies due you from me, I will be responsible for payment of your collection costs and expenses of litigation (including attorneys' fees and court costs).
23. I understand and agree that it is your policy not to accept for deposit checks payable to anyone other than the business listed on the Business Account Signature Card (i.e., third party checks).
24. You are not responsible for items lost while not in your possession.
25. I authorize you to obtain my credit report for legitimate business purposes.
26. I understand and agree that you may monitor and record telephone conversations regarding my Accounts at any time without further notice to me.
27. If I have elected to use a facsimile or other mechanical signature (including a stamp) to sign or endorse items, you may rely on that signature (or any signature that purports to be my facsimile or other mechanical signature) as my authorized

signature without regard to when or by whom or by what means or in what ink color such signature may have been made or affixed to an item deposited to, drawn on, or otherwise debited by my Account. I agree to indemnify and hold you harmless for all losses, claims, damages, or expenses (including attorneys' fees) that are incurred as a result of your payment of a withdrawal bearing a facsimile of my signature or a facsimile that you believe I authorized.

28. **ARBITRATION AGREEMENT:** I understand and agree that any and all disagreements between you and me, regardless of when they arose, will be resolved by binding arbitration proceeding before a neutral arbitrator and that I am waiving my right to a jury trial or a trial before a judge in a public court. Further, I give up my right to assert claims against the Credit Union on a class action or collective arbitration basis. Either you or I can request that a dispute be submitted to binding arbitration before a lawsuit has been filed or within sixty (60) days after a complaint, an answer, a counterclaim, or an amendment to a complaint has been served. Arbitrations, including the selection of arbitrators, will be administered by the American Arbitration Association (AAA) pursuant to their commercial arbitration rules. Arbitrations will be governed by the provisions of the Federal Arbitration Act (Title 9 of the United States Code) and to the extent any provisions of that Act are inapplicable, unenforceable, or invalid, the laws of the State of California will govern. The place of arbitration shall be Santa Cruz County, California. The decision of the arbitrator is final and binding except as the Federal Arbitration Act may otherwise provide. The decision of the arbitrator can be entered in the court as a judgment and enforced according to state and/or federal laws. To find out how to initiate arbitration, I should contact any office of the AAA. If either party, you or me, fails to submit to arbitration following a proper demand to do so, that party shall bear all costs and expenses, including reasonable attorneys' fees, incurred by the other party in compelling arbitration. You and I authorize the arbitrator(s) to resolve any dispute regarding the terms of this Agreement. The arbitrator(s) can also decide whether any dispute is subject to arbitration. The arbitrator(s) may resolve any claim that all or any part of this Agreement is invalid but shall not have the power to change or alter the terms of this Agreement.
29. You reserve the right to restrict or close any Account(s), and terminate my membership, should you discover that any of my Accounts have been deliberately manipulated by me to your, any other accountholder's, or your 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 your detriment.
30. I understand and agree that you may comply with any writ of attachment, execution, garnishment, tax levy, restraining order, subpoena, warrant, or other legal process which you believe (correctly or otherwise) to be valid. If you are not fully reimbursed for your record research, photocopying, and handling costs by the party that served the process, you may

charge such costs to my Account. Funds you hold or set aside in response to a legal process will not earn dividends. I agree to indemnify, defend, and hold you harmless from all actions, claims, liabilities, losses, costs, and damages associated with your compliance with any process that you believe to be valid.

31. I understand and agree that if a disaster occurs, there may be an unforeseen delay in your 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.
32. I agree to notify you immediately of the death or court-declared incompetence of any Authorized Signer on my Account. You may freeze my Account and refuse to accept deposits when an Authorized Signer dies or is declared incompetent.
33. I understand and agree that anyone can make a deposit to my Account and that you will not question the authority of a person making a deposit to my Account.
34. In the event that a cashier's check is lost or stolen, I must execute and deliver to you a written Declaration of Loss and/or an affidavit in a form acceptable to you and in time for you to have a reasonable time to act thereon. I further understand and agree that the Declaration of Loss is not enforceable until the later of (i) the time the Declaration of Loss and Claim For Reimbursement is properly delivered to you 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. I agree to indemnify you for any loss or claim occasioned by your attempting to stop, or stopping, payment on such check.
35. You may use a third-party service to verify and obtain information regarding my previous banking relationships. You may also report the status and/or closure of my Account to such third-party services.
36. I understand and agree that my services may be reduced in accordance with your "Limitation of Services Policy" or should any action by me cause a loss to the Credit Union.
37. I agree to be responsible to you for the actions of Authorized Signers on my Account. This means that I am responsible for familiarizing Authorized Signers with all of the terms of this Agreement.
38. You are not responsible for any loss or damage that results from my negligence, including, without limitation, my failure to adequately safeguard my blank checks or other means of access to my Account. I will notify you immediately if my checks are lost or stolen.
39. I understand and agree that by signing up for Online Banking, I agree to the terms and conditions that are provided to me electronically.

40. I understand and agree that you have the right to restrict the amount of cash each member may transfer or withdraw in a 24-hour period.
41. Except as prohibited by applicable law, I understand and agree that you may impress and enforce a statutory lien upon my shares and dividends in any and all of my Accounts with you including, without limitation, any owner's personal account(s) (except IRA accounts), for any liabilities, obligations, or other amounts owed to you by me (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 my deposit Account (whether due to ATM activity, returned deposit activity, NSF check activity, Credit Union-imposed fees and charges, or otherwise) or I have other outstanding financial obligations of any kind owed to you, which are in default, I understand and agree that you 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 withdraw funds to offset the outstanding financial obligation which is in default.
42. Member accounts in this Credit Union are insured by the National Credit Union Administration (NCUA).
43. I understand and agree that, as required by federal law, you must verify the identity of each person seeking to open an account (including Authorized Signers) and must maintain records of the information used to verify each person's identity. For the purposes of this paragraph, "account" means "each formal banking or business relationship established to provide ongoing services, dealings, or other financial transactions." For example, a deposit account, a transaction or asset account, and a credit account or other extension of credit would each constitute an "account."
44. I understand and agree that you may delay enforcing your rights under this Agreement without losing them. Any waiver by you shall not be deemed a waiver of other rights or of the same rights at another time. I 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 this Agreement shall remain in full force and effect.
45. All non-cash payments shall be credited subject to final payment on the day of deposit. My right to withdraw the funds represented by certain checks, savings, or other items I deposit may be delayed for several days. I will be notified if my right to withdraw will be delayed. I will refer to the Credit Union's Funds Availability Policy for further details.
46. If a check or other item which you cash for me or which I deposit to my Account is returned to you as unpaid for any reason, you may charge my 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 you accompanied by documentation indicating that the endorsement is forged or unauthorized or that the item has been altered in any way. You may charge my Account for the amount without questioning the truth of such documentation. You may also charge back any amount of accrued or paid dividends related to the returned check. You 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 you are not required to do so. If you choose to re-present the check, you may do so without telling me the check was not paid or that you are presenting it again. You may charge a fee for each deposited or cashed check charged back to my Account. You may, at your option, notify me, by telephone or in writing, if a check has been returned unpaid and the fee charged.

47. You may, but are not obligated to, transfer funds from my Business Regular Savings Account(s) or loan accounts on my written, oral, or electronic request. I 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. I agree that any such transfer(s) shall be in even increments of \$50 and will be processed only on your "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 not occur.
48. Federal law requires you to report certain domestic currency transactions and foreign transactions. This reporting applies to all member accounts at the Credit Union.
49. You agree to retain and furnish to me, if requested, photocopies of certain records pertaining to my Account and that these records for the time frame required by law will be available to me. I agree that the determination of which records I am entitled to shall be determined solely by you, if not otherwise specifically described under applicable law. I agree to pay applicable fees for those copies as set forth in your Schedule of Fees and Service Charges.
50. An action or proceeding by me to enforce an obligation, duty, or right arising under this Agreement or by law with respect to my Account must be commenced within one (1) year after the event(s) given rise to the cause of action occurs.
51. I agree to indemnify, defend, and hold you and your employees and volunteers harmless from and against every claim, demand, action, cost, loss, liability, and expense including, without limitation, attorneys' fees, which you incur by acting in accordance with this Agreement or as a result of my failure to abide by its terms.
52. Federal law requires that you obtain and have certified by me a Taxpayer Identification Number (TIN) on all accounts. You will not open an Account without this identification number. For additional information on this requirement, I will read

“INSTRUCTIONS TO PAYER’S REQUEST FOR TAXPAYER IDENTIFICATION NUMBER AND CERTIFICATION (IRS FORM W-9).” These instructions will be provided to me by you upon my request.

53. I understand and agree that access to and ownership of my Account is determined by the most recent Business Account Signature Card you have on file. If there is a change to a sole proprietor, partner, or member, the account must be closed and a new account opened. If a non-owner Authorized Signer is changing, I must complete a new Business Account Signature Card. Changes to the membership information will be made by me in writing or by another secured method approved by you.
54. 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. You reserve the right to accept or reject any item for deposit into any of my Accounts. If I deposit a remotely created check into any of my Accounts, I represent and warrant to you that I 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 I have deposited into my Account is returned by the drawee-payor bank for any reason, I agree that you may debit my Account for the amount of the item, plus any applicable fees. If the debit causes my Account to be overdrawn, I agree to pay the overdrawn amount on your demand.
55. 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. You reserve the right to accept or reject any item for deposit into any of my Accounts. If you accept a substitute check for deposit that I have created, I represent and warrant to you 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 endorser will be asked to pay a check that it already has paid; (3) I am 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) I have no knowledge of any insolvency proceeding commenced with respect to the maker of the original check; and (7) all aspects of the original check are genuine. If you accept a substitute check for deposit that I have created, I further agree to indemnify and hold the Credit Union 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.

DIVIDENDS

1. **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.

2. For all Accounts except term share (certificate) Accounts, the Dividend Rate and Annual Percentage Yield (APY) may change every day as determined by the Credit Union's Board of Directors. For specific dividend rate(s) for each type of dividend bearing account, I will refer to the attached Dividend Rate Sheet, which is incorporated by this reference.
3. For all accounts except Certificate Accounts, dividends will be compounded daily and will be credited monthly. The dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of a dividend period, and for the example is February 1. Dividends on Certificate Accounts will accrue daily and will be credited and compounded monthly and at maturity. For this account type, the dividend period is monthly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The 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 my Certificate.
4. If I close my account before dividends are credited, I will receive the accrued dividends (if any) through the date of closure of my account. Dividends that would have accrued (if any) from the date of account closure through the end of the dividend period will be forfeited.
5. **Balance Computation Method.** Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.
6. Dividends will begin to accrue no later than the business day you receive provisional credit for the deposit of cash or non-cash items (e.g., checks) to my Account.

TERMS AND CONDITIONS APPLICABLE TO SPECIFIC ACCOUNTS

Business Membership Savings Accounts

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

2. I must maintain a minimum daily balance equal to the par value of a share in my Account each day in order to maintain my membership with the Credit Union.
3. I must maintain a minimum daily balance of \$100 in my Account in order to obtain the disclosed Annual Percentage Yield and to avoid the monthly service fee disclosed on your Schedule of Fees and Charges.
4. I understand and agree that if my Business Membership Savings Account balance is reduced to less than the par value of a share, you may transfer enough funds from any other share account I may have with you in order to bring my Account balance to the par value of a share.

Business Regular Savings Accounts

1. There is no minimum deposit required to open a Business Regular Share (Savings) Account(s).
2. I must maintain a minimum daily balance of \$100 in my Account each day in order to obtain the disclosed Annual Percentage Yield and to avoid the monthly service fee disclosed on your Schedule of Fees and Charges.

Business Money Market Share Accounts

1. The minimum deposit required to open this Account is \$1,500.
2. I must maintain a minimum daily balance of \$2,500 in this Account each day to obtain the Annual Percentage Yield (APY) stated on your Rate Schedule.
3. I must maintain a minimum daily balance of \$1,500 in this Account each day to avoid the monthly service fee disclosed on your Schedule of Fees and Charges.

Business Titanium Share Accounts

1. The minimum deposit required to open this Account is \$25,000.
2. I must maintain a minimum daily balance of \$5.01 in this Account each day to obtain the minimum Annual Percentage Yield (APY) stated on your Rate Schedule.
3. This is a tiered-rate account with multiple tiers. The minimum balances applicable to each tier, and the associated dividend rates, and minimums to earn the disclosed Annual Percentage Yields appear on the Rate Schedule. I understand that the number of tiers and the dividend rates are determined by the Credit Union's Board of Directors and may be changed from time to time, at the Credit Union's sole discretion.
4. Additional deposits may be made to this Account at any time. If the Account balance falls below \$25,000, the Annual Percentage Yield for this Account will automatically decrease to the Annual Percentage Yield applicable to our Regular Share Account in effect at that time. If this occurs, I must maintain a minimum daily balance of \$300 in this Account to obtain the

Regular Share Account Annual Percentage Yield or to avoid a monthly service fee as stated on your Schedule of Fees and Charges. I must maintain a minimum daily balance of \$5 in this Account to avoid Account closure.

5. Business Titanium Share Accounts may not be accessed at Automatic Teller Machines (ATMs) and may not be used as a source for overdraft protection.

Terms Applicable to All Business Checking Accounts

1. You may, at your discretion, pay funds from my Business Checking Account, without obligation or liability for refusal to pay:
 - a. When such payment would draw the Business Checking Account below the minimum balance for the Business Checking Account as established from time to time by you (“overdrafts”).
 - b. If drawn by means not authorized in advance by you.
 - c. Against checks or electronic debits presented over six (6) months past their dates.
2. You may pay and charge to my applicable Checking Account check(s) drawn by and payable to any person, organization, association, or corporation whom I have authorized by providing sample MICR-encoded information identifying my Checking Account, provided there are sufficient funds in my Checking Account to pay such check(s). I agree that your rights in respect to such check(s) shall be the same as if it were a check(s) drawn and signed by me personally. This authority shall remain in effect until I have provided written notice revoking this authorization to the agency to which the sample MICR information was provided, and until you have a reasonable opportunity to act upon it. I agree that you shall be fully protected in honoring such check(s). I further agree that if any such check(s) are dishonored, whether with or without cause and whether intentionally or inadvertently, you shall be under no liability whatsoever, even though such dishonor results in the forfeiture of insurance, loss, or damage to me of any kind.
3. If you have made good faith payment to a holder, you may charge my Checking Account according to:
 - a. The original terms of my check; or
 - b. The terms of my completed check, unless you have notice that any such completion is improper.
4. At my request and risk, and provided such request is timely so that you shall have reasonable opportunity to act upon it under your rules, I may order stop payment of any check payable against my Business Checking Account, and a stop payment fee will be assessed as set forth in your Schedule of Fees and Service Charges. All the information given by me to you regarding such check must be accurate. You may, but shall not be obligated to, receive such order orally or electronically.

If you do act upon my oral or electronic request to stop payment on a check, I agree to indemnify, defend, and hold you harmless from any and all liability, cost (including attorneys' fees), judgments, and damages of every kind, regardless of the source. In such event, my 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. I have the burden of establishing the fact and amount of loss resulting from payment contrary to a binding stop payment order.

5. I may not stop payment on completed electronic Point-of-Sale (POS) transactions debiting my Business Checking Account.
6. My death or incompetence, or that of any of any Authorized Signer, or dissolution of our organization, shall not revoke your authority to accept, pay, or collect a check(s) or to account for proceeds of its collection until you know of the fact of death or adjudication of incompetence and have a reasonable opportunity to act on it. Even with knowledge, you may, for ten (10) days after the date of death, incapacity, or dissolution of our 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 Account under rules established by you. One of us shall notify you if any of us dies, becomes incapacitated, or our organization is dissolved.
7. If you have paid a check under circumstances giving a basis for objection by me, you shall receive the rights of the following by subrogation:
 - a. Any holder in due course on the check against the drawer or maker;
 - b. The payee or any other holder of the check against the drawer or maker, either on the item or under the transaction out of which the item arose; and
 - c. The drawer or maker against the payee or any other holder of the check with respect to the transaction out of which the check arose.
8. I understand and agree that the funds must be available in my Account by the start of business on the day a check is presented to you for payment and that you may, without liability, accept, pay, guarantee, or charge checks to the Account in any order convenient to you.
9. In the event of wrongful dishonor that occurs by mistake, liability shall be limited to actual damages I prove. In the event of a dishonor of any check or other debit on my Account, your determination of whether sufficient funds exist in my Account may be made at any time between the time the item is received and the time it is returned. If you choose to make a subsequent Account balance check, you must use the last figure in deciding whether to dishonor the check or other debit.
10. You are neither given notice nor otherwise affected by a restrictive endorsement of any person or entity, except your immediate transferor.

11. I understand that you may authorize transactions covered by this Agreement and Disclosure that would cause my account(s) to have a negative (or further negative) balance (determined by reference to my available balance)¹ using any combination of the following overdraft protection programs:
- a. **Transfer from Other Accounts:** I understand and agree that you have the right, but you are not required, to transfer available funds from any of my accounts with you (excluding IRA accounts), including account(s) upon which I am a joint owner, to cover an overdraft and to pay applicable fees. I agree that overdrafts paid by a transfer from any of my accounts with you in excess of funds available in such accounts are payable on demand, and, if not promptly paid, may result in the closure of my account(s). Items that are returned unpaid because of insufficient available funds will be subject to an Insufficient Funds Charge. For the sake of clarity, I understand and agree that an Insufficient Funds Charge may be charged each time an item is presented that cannot be paid due to lack of sufficient available funds. This means that if an item is returned unpaid, my account may be charged an Insufficient Funds Charge and if the same item is represented and cannot be paid, my account will be subject to another Insufficient Funds Charge for the same item. As such, a single item may be subject to multiple Insufficient Funds Charges.
 - b. **Written Request:** I understand and agree that I may authorize overdraft transactions to be cleared by executing a written request specifying the source of funds to be used to cover overdrafts. If, pursuant to such written request, overdrafts are to be covered by a transfer of funds from another checking account, my savings account(s), or from a line of credit account, such transfer(s) will generally be made only if there are sufficient available funds on deposit or sufficient available credit at the time of transfer. I agree that overdrafts paid pursuant to such written request in excess of funds in any designated overdraft source are payable on demand, and, if not promptly paid, may result in the closure of my account(s). Items that are returned unpaid because of insufficient available funds will be subject to an Insufficient Funds Charge. For the sake of clarity, I understand and agree that an Insufficient Funds Charge may be charged each time an item is presented that cannot be paid due to lack of sufficient available funds. This means that if an item is returned unpaid, my account may be charged an Insufficient Funds Charge and if the same item is represented and cannot be paid, my account will be subject to another Insufficient Funds Charge for the same item. As such, a single item may be subject to multiple Insufficient Funds Charges.
 - c. **Courtesy Pay Program:** I understand and agree that you may, but you are not required to, pay items without sufficient available funds in my account(s) in accordance with the terms and conditions of your Courtesy Pay Program. Such

¹ My "available balance" is defined as the funds immediately available to me and not subject to any hold or waiting period under your Delayed Funds Availability Policy or otherwise. I understand that transactions that are "pending" on your system (meaning transactions that have been authorized, but which have not yet posted to my account) will reduce my available balance and could result in a negative balance.

overdrafts will be subject to your Courtesy Pay Fee. I will see your Courtesy Pay Agreement for more information.

12. I agree that in the event I draw an item on my Business Checking Account with you, I will hold you harmless and indemnify you from any liability I incur due to a delay or misrouting of the check where the delay or misrouting is caused by markings placed on the check by me or a prior endorser or any person to whom I have provided access, either purposely or inadvertently, that obscure any depository endorsement placed by you or your agent.
13. I understand and agree that none of the funds on deposit in any Checking Account(s) may be pledged by any or all of the Authorized Signers as collateral security for any loan(s).
14. This is a truncated Checking Account. Items are provided with carbonless copies, upon request, and are not returned with statements. I may, however, view printable front and back images of my cleared checks via Online Banking. I may also request, and you will provide within a reasonable time, a legible front and back copy of an individual item. I understand however, that if I have not ordered my checks through your approved check vendor(s), you are not responsible for the quality of any check copy that I request from you. In addition, you are not responsible for any checks not paid as a result of quality or printing errors.
15. You may charge against my Business Checking Account a postdated check even though payment is made before the date of the check. However, if I notify you within a reasonable time to permit you to act and identify the check with reasonable certainty, you cannot pay the check until the due date. Notice may be written or oral, and it must include the exact amount, account number, check number, date of check, and name of payee. If oral, the notice shall be valid for fourteen (14) days. If written, the notice shall be valid for up to six (6) months and can be renewed within six (6) months for another successive six (6) month period. A fee may be assessed for this service.
16. "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. I agree that you are not required to identify such limitation and that the Credit Union will have no liability for paying a check even if there is printing on the check indicating conditions must be met for negotiation of the item.
17. With the Credit Union's consent, which may be given or denied at its option, I may use pre-encoded checks or other items for deposit. If I pre-encode checks or other items for deposit, I agree to comply with the pre-encoded deposit specifications as may be established and revised by the Credit Union from time to time. I also agree to indemnify and hold the Credit Union harmless from any and all claims, costs, damages, losses, liabilities, and expenses, including reasonable attorneys' fees,

that result from a failure to comply with the Credit Union's pre-encoded deposit specifications.

18. All of your Business Checking Accounts are intended for business/commercial purposes and cannot be used for personal, family, or household purposes. If any of my Business Checking Accounts are being used for personal, family, or household purposes, you reserve the right to change the account to a personal checking account.

BayBusiness Basic Checking Accounts

1. The minimum deposit required to open a BayBusiness Basic Checking Account is \$100.
2. I must maintain a minimum daily balance of \$1,000 to avoid the monthly service fee set forth on your Schedule of Fees and Service Charges.
3. I am allowed up to 100 transactions per month on this account. You may charge me \$0.25 for each transaction exceeding 100 in the month. Transactions include, but are not limited to, withdrawal of cash, a check written, a check deposited, deposit of cash, transfer, ACH, or Wire.
4. This Account does not earn dividends.

BayBusiness Checking Accounts

1. The minimum deposit required to open a BayBusiness Checking Account is \$100.
2. I must maintain a minimum daily balance of \$2,500 to avoid the monthly service fee set forth on your Schedule of Fees and Service Charges.
3. I am allowed up to 200 transactions per month on this account. You may charge me \$0.25 for each transaction exceeding 200 in the month. Transactions include, but are not limited to, withdrawal of cash, a check written, a check deposited, deposit of cash, transfer, ACH, or Wire.
4. This Account does not earn dividends.

BayBusiness Plus Checking Accounts

1. The minimum deposit required to open a BayBusiness Plus Checking Account is \$100.
2. There is a monthly service fee of \$15 if a minimum balance of at least \$7,500 is not maintained in this Account each day.
3. I am allowed up to 400 transactions per month on this account. You may charge me \$0.25 for each transaction exceeding 400 in the month. Transactions include, but are not limited to, withdrawal of cash, a check written, a check deposited, deposit of cash, transfer, ACH, or Wire.

4. I must maintain a minimum daily balance as stated on your Rate Schedule in my Account each day in order to obtain the disclosed Annual Percentage Yield.

Business Term Share Certificate Accounts

1. Your Business Term Share Certificate Account is called a "Certificate." In order to open a Certificate Account, I must complete a Certificate Account Application.
2. The minimum deposit required to open a Certificate Account is set forth on the Rate Schedule. From time to time, the Credit Union may offer certain promotional Certificate Accounts that have higher minimum balance requirements.
3. The dividend rate and Annual Percentage Yield are fixed for the term indicated on my Certificate. The Annual Percentage Yield assumes that dividends will remain in the Account until maturity.
4. After the Certificate Account is opened, I may not make deposits into the Certificate Account until the maturity date stated on my Certificate, unless authorized by the Board of Directors.
5. My Certificate Account will mature on the date set forth on my Certificate. I agree to keep my funds on deposit until the maturity date. Any withdrawal of dividends prior to maturity will reduce earnings. I may make withdrawals from my Certificate Account on the maturity date or within the grace period after that date. The Credit Union will not agree in advance to allow withdrawal before maturity.
6. Except as set forth herein, a substantial penalty is required for early withdrawal. Any withdrawal of the principal amount held in the Certificate Account that does not reduce the balance of the Certificate Account below the minimum qualifying amount will be subject to the following penalties:
 - a. If the Account has a term of 90 days or less, then you may impose an early withdrawal penalty equal to all dividends that would have been earned on the amount withdrawn if held to maturity (this may reduce principal);
 - b. If the Account has a term of more than 90 days but less than one (1) year, then you may impose an early withdrawal penalty equal to all dividends that would have been earned for the first 90 days on the withdrawn amount (this may reduce principal);
 - c. If the Account has a term of one (1) year to three (3) years, then you may impose an early withdrawal penalty equal to all dividends that would have been earned for the first 180 days on the withdrawn amount (this may reduce principal); or
 - d. If the Account has a term of more than three (3) years, then you may impose an early withdrawal penalty equal to all dividends that would have been earned for the first 365 days on the withdrawn amount (this may reduce principal).

- e. In accordance with Federal Reserve Board Regulations, the Credit Union may charge an early withdrawal penalty of seven (7) days dividends on amounts withdrawn within the first six (6) days after deposit or automatic renewal.
7. 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.
8. 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; or
 - c. Withdrawals made as a result of your voluntary or involuntary liquidation.
9. If I close my Certificate Account before the maturity date, I will receive accrued dividends, but I will incur an early withdrawal penalty.
10. You agree to disburse paid dividends from the Certificate Account at the end of each dividend period in compliance with my directions on the Certificate Application.
11. As a courtesy, you will, but you are not required to, send me a written maturity notice at least ten (10) days in advance of the maturity date of my Certificate if the Certificate has a term of ninety (90) days or more. I may instruct you 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 my 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.
12. Unless I instruct you otherwise in person or in writing before the end of the grace period, you 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 your rate for opening a new Certificate of like term on the renewal date. If a Certificate of the same term is not available, you will place the funds from the maturing Certificate into my Business Membership Savings Account or mail a check to me at the address on my Account.
13. Any Authorized Signer may pledge any or all of the shares on deposit in any Certificate (except IRA) Account as collateral security to any loan or loans in accordance with your current loan policies.

SEP IRA Retirement Plan Accounts

1. The Credit Union offers SEP IRA Retirement Plan Accounts to individuals who are sole proprietors. SEP IRA Retirement Plan Accounts are opened using the individual's name and Taxpayer Identification Number (TIN).
2. The minimum deposit required to open and maintain a SEP IRA Retirement Plan Account is \$100.
3. I must maintain a minimum daily balance of \$100 to obtain the Annual Percentage Yield set forth on your Rate Schedule.
4. I may not pledge any funds on deposit in the SEP IRA Retirement Plan Account as security for any loans.
5. 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.
6. A SEP IRA Retirement Plan Account is subject to the applicable terms and conditions set forth in this Account Agreement 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 me in accordance with applicable law.

PART II LIMITATION OF SERVICES POLICY

The Credit Union is committed to treating its employees, volunteers, and members with respect and to maintaining a workplace free from abusive conduct. Accordingly, the Credit Union has adopted the following Limitation of Services Policy to address standards of member conduct and to protect its employees, volunteers, members, and invitees from abuse, harassment, and intimidation.

In the event that any member or non-member engages in any type of abusive conduct towards the Credit Union or a Credit Union employee, volunteer, member, or invitee, the CEO (or his/her designee) is authorized to apply appropriate remedial measures, in his/her sole discretion, against such individual. Any such remedial measure taken in response to abusive conduct shall be reported to the Board of Directors as the next regularly-scheduled meeting of the Board.

The remedial measures that may be imposed under this Policy shall comply with applicable law and may include the following:

1. Denial of services other than the right to maintain a share account and the right to vote at annual member meetings and special member meetings;
2. Preclusion from personal contacts with Credit Union employees

or volunteers such that Credit Union services may be provided only by remote means and that communications may be limited to communication through the mail only;

3. Preclusion from access to Credit Union premises; and
4. Taking any other action deemed appropriate under the circumstances that does not violate state or federal law.

Threats of bodily harm, actual bodily harm, or any other illegal activity against any Credit Union employee, volunteer, member, or invitee will be reported to appropriate local or federal authorities. The Credit Union reserves the right to seek a restraining order against any individual who violates this Policy as permissible under applicable law.

For the purposes of this Policy, “abusive conduct” shall include, but shall not be limited to, any of the following conduct:

1. Any threats of or actual bodily harm or illegal activity against another member or a Credit Union employee, volunteer, or invitee;
2. Any form of action that may constitute harassment. For example:
 - a. Any type of harassment, including age, sexual, ethnic, or racial harassment; making racial or ethnic slurs; engaging in sexual conduct; making sexual overtures;
 - b. Inappropriate or unwanted touching;
 - c. Making sexual flirtations, advances, or propositions; engaging in verbal abuse of a sexual, racial, or ethnic nature; making graphic or degrading comments about an individual or his or her appearance;
 - d. Displaying sexually suggestive objects or pictures.
3. Fighting, kicking, or other physical harm or attempted harm towards a Credit Union member, employee, volunteer, or invitee;
4. Making false, vicious, or malicious statements about the Credit Union or its services, operations, policies, practices, or management, or any Credit Union employee, volunteer, member, or invitee;
5. Cursing or using other abusive, intimidating, profane, or vulgar language while on Credit Union premises or directed towards any Credit Union employee, volunteer, member, or invitee;
6. Bringing or possessing firearms or weapons of any type on Credit Union premises;
7. Possession, sale, or use of or being under the influence of an unlawful or unauthorized substance while on Credit Union premises;
8. Attempting to coerce or interfere with a Credit Union employee

- or volunteer in the performance of his/her duties at any time;
9. Engaging in immoral or uncivil conduct or failure to maintain business-like relationships with Credit Union employees and volunteers and other Credit Union members or invitees;
 10. Conducting or attempting to conduct any fraudulent, dishonest, or deceptive activity of any kind involving the Credit Union;
 11. Engaging in any activity that causes a monetary loss to the Credit Union;
 12. Any posting, defacing, or removing or any notices or signs on Credit Union premises;
 13. Appropriation or misappropriation of Credit Union or member funds or property; or
 14. Any other act that endangers the safety, health, or well being of any Credit Union employee, volunteer, member, or invitee or engaging in any other conduct that causes a disruption of business at the Credit Union.

PART III

FUNDS AVAILABILITY POLICY

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

For determining the availability of my deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If I make a deposit before 3:00 p.m. PST on a business day that you are open, you will consider that day to be the day of my deposit. However, if I make a deposit after 3:00 p.m., or on a day you are not open, you will consider that the deposit was made on the next business day you are open.

LONGER DELAYS MAY APPLY. In some cases, you will not make all of the funds that I deposit by check available to me on the first (1st) business day after the day of my deposit. Depending on the type of check that I deposit, funds may not be available until the fifth (5th) business day after the day of my deposit. However, the first \$600 of my deposits may be available on the first (1st) business day after the day of deposit.

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

the premises, you will mail me the notice by the business day after you receive my deposit.

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

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

1. You believe a check I deposit will not be paid.
2. I deposit checks totaling more than \$5,525 on any one day.
3. I redeposit a check that has been returned unpaid.
4. I have overdrawn my account repeatedly in the last six (6) months.
5. There is an emergency, such as failure of communications or computer equipment.

You will notify me if you delay my ability to withdraw funds for any of these reasons, and you will tell me when the funds will be available. They will generally be available no later than the eleventh (11th) business day after the day of my deposit.

SPECIAL RULES FOR NEW ACCOUNTS. If I am a new member, the following special rules will apply during the first thirty (30) days my Account is open:

Funds from electronic direct deposits to my account will be available on the day you receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,525 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state, and local government checks will be available on the first (1st) business day after the day of my deposit if the deposit meets certain conditions. For example, the checks must be payable to me. The excess over \$5,525 will be available on the ninth (9th) business day after the day of my deposit. If my deposit of these checks (other than a U.S. Treasury check) is not made in person to one of your employees, the first \$5,525 will not be available until the second business day after the day of my deposit.

Funds from all other check deposits will be available on the thirtieth (30th) business day after the day of my deposit.

SPECIAL NOTICE REGARDING ENDORSEMENT STANDARDS

The federal law dealing with funds availability requires the Credit Union's endorsement area on the back of a check be kept clear or unobstructed. This rule is designed to prevent unnecessary delays in processing my 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 me) can be used by me for endorsements or any other markings.

You will not be responsible for any damages incurred in the event I 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 me or a prior endorser on the back of the check.

In the event that I draw a check on my checking or loan account with you, I am responsible for any delay or misrouting of the check caused by markings placed on the check by me that obscure any depository endorsements placed by you or your agent and I agree to hold you harmless and indemnify you 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 electronic business 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. I understand and agree that the Services may not be used for personal, family, or household purposes.

GENERAL DISCLOSURES APPLICABLE TO ALL BUSINESS ELECTRONIC BANKING SERVICES

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

I agree to change the passwords I assign to my employees on a regular basis, but no less frequently than every 90 days. I agree to change any temporary passwords promptly after I am given access to the Services for the first time and whenever anyone who has had access to my PIN is no longer employed or authorized by me to use the Services. You may require me to change my PIN at any time. You may deny access to the Services without prior notice if you are unable to confirm (to your satisfaction) any person’s authority to access the Services or if you believe such action is necessary for security reasons but you are not required to do so.

Each time I make a transfer or payment with a Service, I warrant that your security procedures are commercially

reasonable (based on the normal size, type, and frequency of my transactions). Some of your Services allow me to set transaction limitations and establish internal controls. My failure to set such limitations and implement such controls increases my exposure to, and responsibility for, unauthorized transactions. I agree to be bound by any transfer or payment order you receive through the Services, even if the order is not authorized by me, if it includes my PIN or is otherwise processed by you in accordance with your security procedures.

I understand and agree that all transactions conducted by means of a Card, PIN, or electronic service shall be my responsibility. "Card" means every type of ATM card that the Credit Union issues. Further, I understand, and I shall advise each person to whom a card and/or PIN is issued, that each transaction originated by means of card or PIN is NOT a "consumer" transaction, as defined in the Electronic Funds Transfer Act and in Regulation E.

2. **Business Day Disclosure.** With the exception of your established holiday schedule, your business days are Monday, Tuesday, and Thursday from 9:00 a.m. to 5:00 p.m., Wednesday from 10:00 a.m. to 5:00 p.m., Friday from 9:00 a.m. to 6:00 p.m., and Saturday from 9:00 a.m. to 3:00 p.m. 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.
3. **Disclosure of Account Information to Third Parties.** You will disclose information to third parties about my Account or the transactions I engage in: (a) when it is necessary to complete an electronic transaction; (b) in order to verify the existence of my Account for a third party, such as a credit bureau or merchant; (c) in order to comply with a government agency or court order, or any legal process; or (d) if I give you my written permission.
4. **Notice and Communications.** Except as otherwise provided in this Agreement, all notices required to be sent to me will be effective when you mail or deliver them to the last known address that you have for me in your records or when you make such notices available to me through Online Banking or at the last known email address you have for me. Notices from me will be effective when received by mail at the address(es) specified in this Agreement.
5. **Collections.** I agree that you shall be entitled to recover any money owed by me as a result of my use of, or the use of anyone I have provided with access to, any of your electronic Services, and I agree to repay any amounts that create an overdrawn balance immediately upon demand. I may be charged an overdraft fee. You have a security interest in my present and future shares and have the right to apply such shares to any money I owe. If any legal action is required to collect money I owe, I agree to pay all costs of collection, including reasonable attorneys' fees, court costs, and other charges incurred for enforcing your rights under this Agreement.

6. **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.
7. **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.
8. **No Waiver.** No delay or omission on your 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.
9. **Fees.** Charges associated with your Services are disclosed in your Schedule of Fees and Service Charges, which is incorporated herein by this reference. If I 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 your reasonable cost of reproduction may be charged. Any fees charged will be deducted from my Business Checking or Business Share Account(s).

Transaction fees will be charged to my 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 my monthly statement. I 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.

If I fail to pay any amount owing to you under this Agreement, it will bear interest at the rate of 18% per year until paid. You may amend your Service pricing from time to time. Certain prices are subject to change without prior notice. Special or additional Services performed at my request will be subject to such additional terms and fees as you and I may agree.

In addition to the Service fees, I 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 me (excluding any income tax payable by you). I am also responsible for the costs of any communication lines and any data processing charges payable to third parties.

10. **Termination of Electronic Services.** I may, by prior written request, terminate any of the electronic Services provided for in this Agreement. You may terminate my right to use the Services and/or make electronic funds transfers at any time. If I ask you to terminate my Account or the use the Services, I will remain liable for subsequent transactions performed by any other party to my Account.
11. **Restricted Transactions.** The Services may not be used for any illegal activity or transaction. Further, I 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, I will still be responsible for such charges. In accordance with the requirements of the Unlawful Internet Gambling Enforcement Act of 2006 and Regulation GG, this notification is to inform me that restricted transactions are prohibited from being processed through my account or relationship with you. "Restricted transactions" are transactions in which a person accepts credit, funds, instruments, or other proceeds from another person in connection with unlawful Internet gambling.

12. **Verification.** All transactions affected by use of the ATMs, POS terminals, Online Banking Services, or other electronic transaction contemplated hereunder which would otherwise require my signature, or other authorized signature, shall be valid and effective as if signed by me 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 you and may only be credited or withdrawn in accordance with your Funds Availability Policy. Transactions accomplished after the close of normal business each day shall be deemed to have occurred on your 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. You assume no responsibility for any loss arising from incomplete information or for any temporary interruption in your information system. You are not responsible for delays in a deposit due to improper identification on the deposit envelope or improper keying of my transaction. If I am unable to access your system for any reason, I can contact you for loan and deposit information. Information accompanying a deposit should include my name, your name, my member number, and where I want my deposit to go.
13. **Equipment.** I am responsible for providing and maintaining any equipment that is necessary for the Services, such as telephones, terminals, modems, and computers. I agree to use equipment that is compatible with your programs, systems, and equipment, which you may change from time to time. You assume no responsibility for the defects or incompatibility of any computers or software that I use in connection with the Services, even if you have previously approved their use. YOU MAKE NO WARRANTY, EXPRESS OR IMPLIED, IN LAW OR IN FACT, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE OR OF MERCHANTABILITY WITH RESPECT TO THE SERVICES OR ANY COMPUTER PROGRAMS, EQUIPMENT, OR SOFTWARE MADE AVAILABLE TO ME. I agree to notify you promptly if any software or equipment you provide to me becomes defective. Your sole responsibility (if any) in such instances will be to repair or replace the defective software or equipment.

I agree to comply with the terms of any software licensee(s) provided to me in connection with the Services. I may not transfer, distribute, copy, reverse compile, modify, or alter such software. Unless otherwise agreed by you in writing, the computer programs, Service guides, security procedures, software, and systems provided to me in connection with the Services represent your proprietary property and must be returned to you upon request.

14. **Information Processing and Reporting.** You offer a number of Services that require you to receive, process, and report information involving my accounts and transactions. You will not be responsible for determining the accuracy, timeliness, or completeness of any information that I or others provide to you. You will not have a duty to interpret the content of any data transmitted to you, except to the limited extent set forth in this Agreement. Unless otherwise agreed in writing, you will not be required (by means of any security procedure or otherwise) to detect errors in the transmission or content of any information you receive from me or third parties.
- a. **Information I Provide to You.** I assume the sole responsibility for providing you with complete and accurate information in the form and format that you require. You are not responsible for confirming such information, or for monitoring or refusing to process duplicate instructions by me or my agents. You are not obligated to detect errors in my transfer or payment instructions.
 - b. **My Instructions.** I must accurately describe transaction beneficiaries, intermediary financial institutions, and the beneficiary's financial institution in transfer and payment instructions. If I describe any beneficiary or institution inconsistently by name and number, other institutions and you 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. **My Review.** I 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, I 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, your sole responsibility for any reporting errors caused by you will be to reprocess the information for the period in question and to provide corrected reports at your own expense. I agree to maintain adequate backup files of the data you submit for a reasonable period of time in order to facilitate any needed reconstruction of my transactions (e.g., in the event of a telecommunication failure). If you are unable to provide a Service for any reason, you will promptly inform me of the problem and will take reasonable steps to resume processing.
15. **Reliance on Third Parties.** Your ability to provide certain Services is dependent upon your ability to obtain or provide

access to third party networks. In the event any third-party network is unavailable or you determine, in your discretion, that you cannot continue providing any third party network access, you may discontinue the related Service or may provide the Service through an alternate third party network. In such situations, you will have no liability for the unavailability of access. You will not be responsible for any services I receive from third party vendors.

16. **Your Rejection of Transactions.** You may refuse any transfer or payment instruction without cause or prior notice.
17. **E-Mail/Internet.** If I send you electronic mail ("e-mail"), you may not receive or review it immediately. You 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. I acknowledge that, even though e-mail may be encrypted, you 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, you recommend that I not send account data or other sensitive information to you by e-mail.

My use of the Internet will be entirely at my own risk. You 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, your 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 your Services. Your service providers and you assume no responsibility for viruses created by third parties, or for any third party's unauthorized access to, or use of, my computer system.

I agree that: (a) Internet access to the Services are provided to me on an "as is" basis, without warranties of any kind; (b) you, your 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) I will comply with all laws applicable to my Internet activities; (d) I will not transmit any information which is defamatory, abusive, or which may give rise to civil liability; (e) you may monitor any communication sent or received using the Credit Union's systems; and (f) your Internet Service will be subject to the additional qualifications and operating rules, if any, set forth on your web site.

18. **Limitation of Liability.** Except as otherwise stated in this Agreement, you will be liable to me only for damages arising directly from your intentional misconduct or gross negligence in the performance of the Services. You will not be responsible for any loss, delay, cost, or liability which arises, directly or indirectly, in whole or in part, from: (a) my actions or omissions, or those of third parties that are not within your immediate and reasonable control; (b) my negligence or breach of any agreement with you; (c) any ambiguity, inaccuracy, or omission in any instruction or information provided to you; (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 your reasonable control; (g) the application of any government or funds-transfer system rule, guideline, policy, or regulation; (h) the lack of available funds in my Account to complete a transaction; (i) your inability to confirm, to your satisfaction, the authority of any person to act on my behalf; or (j) my failure to follow any applicable software manufacturer's recommendations or your Service instructions.

YOU WILL NOT BE RESPONSIBLE UNDER ANY CIRCUMSTANCES FOR SPECIAL, INDIRECT, OR CONSEQUENTIAL DAMAGES THAT I INCUR AS A RESULT OF YOUR ACTIONS OR OMISSIONS, EVEN IF YOU ARE AWARE OF THE POSSIBILITY FOR SUCH DAMAGES. Your liability and my remedy for actual costs and losses resulting from your 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 me 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. I agree to cooperate with you in any loss recovery efforts you undertake to reduce any loss or liability that arises in connection with the Services.

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

19. **Indemnification.** I agree to indemnify, defend, and hold you, your affiliates, and subsidiaries, and your 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) your actions or omissions, if they are in accordance with my instructions or the terms of this Agreement; or (b) the actions or omissions of me, my agents, or employees.
20. **Compliance with Laws.** I agree to comply with all applicable laws and regulations when using the Services.

MY LIABILITY FOR BUSINESS ELECTRONIC BANKING SERVICE TRANSACTIONS.

1. **Authorized Charges.** I am responsible for all transactions and charges incurred by my use of any Services. I will take reasonable precautions to prevent unauthorized use of any Card and/or PIN and I 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 my Account(s), the transaction will be deemed authorized and the person will continue to be authorized to conduct transactions until I notify you otherwise by telephone at (831) 479-6000. I will notify you at once if I discover or suspect unauthorized use of any Card and/or PIN.

2. **Unauthorized Transactions.** Information on transfers to or from my Accounts will be reflected on my periodic statements and will be available to me online. You are not required to provide me with any other notice of the receipt, transmittal, or debiting of wire transfers, ACH entries, or bill payments.

I agree to notify you immediately if I discover: (a) any error or discrepancy between my records and the information you provide to me about my 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. I must send you a written notice of any discrepancy or other problem, including a statement of the relevant facts, within a reasonable time (not to exceed fifteen (15) days from the date I first discover the problem or receive information reflecting the problem, whichever occurs first). If I fail to notify you within fifteen (15) days, I agree that, in addition to any other limitations on your liability: (a) in the case of an erroneous funds transfer, I will be liable for all losses up to the amount thereof (as well as any loss of interest) that result from my failure to give you such notice or that might have been prevented by my giving you such notice and (b) in the case of an unauthorized funds transfer, you will not be liable for any loss of interest that results from my failure to give you such notice or which might have been prevented by my giving you such notice.

3. **Telephone Number and Address to Be Notified in Event of Unauthorized Transactions.** If I believe my ATM Card(s) or PIN has been lost or stolen, or that someone will or may use it to transfer money from my Account without my permission, I must telephone you at (831) 479-6000 or write to you at: Bay Federal Credit Union, 3333 Clares Street, Capitola, CA 95010.

ADDITIONAL DISCLOSURES APPLICABLE TO PREAUTHORIZED PAYMENT SERVICES

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

1. **Right to Receive Documentation of Preauthorized Payment:** I can get copies of the preauthorized payment documentation from the third party being paid at the time I give them the initial authorization.
2. **Account Access:** Preauthorized payments via ACH may be made from my business checking, savings, and money market accounts only.

3. **Notice of Varying Amounts:** If my preauthorized payment varies in amount, the party who will receive the payment is required to tell me ten (10) days before each such payment when it will be made and how much it will be. I 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 I set.
4. **Right to Stop Preauthorized Payment:** If I want to stop any of the preauthorized payments or revoke a preauthorized payment authorization, I must call you at (831) 479-6000 or write to you at: Bay Federal Credit Union, 3333 Clares Street, Capitola, CA 95010, in time for you to receive my stop request or revocation three (3) business days or more before the payment is scheduled to be made. If I call, you may also require me to put my request or revocation in writing and get it to you within fourteen (14) days after I call. You will charge me for each stop payment order I give pursuant to your Schedule of Fees and Service Charges. Such stop payment notice will apply only to that particular payment. If I have given you a request to revoke the entire preauthorized payment authorization, I understand and agree that I must also promptly contact the third party to cancel (revoke) the entire preauthorized payment authorization and provide you with a copy of my written revocation notice to the third party.
5. **Your Liability for Failure to Stop Payment:** If I order you to stop one of my preauthorized payments and provide you with sufficient information to reasonably identify the withdrawal no less than three (3) business days or more before the transfer is scheduled, and you do not do so, you will be liable for my losses or damages, to the extent provided by law.

ADDITIONAL DISCLOSURES APPLICABLE TO ELECTRONIC CHECK TRANSACTIONS

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

1. **Types of Available Transactions:** I may make transfers via ACH where I have provided a paper check to enable the merchant or other payee to capture the routing, account, and/or 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.
2. **Account Access:** Electronic check transactions may be made from my Business Checking Account only.

3. **Limitations on Dollar Amounts of Transactions:** I may make electronic check transactions only to the extent that I have available clear funds in my Business Checking Account or available funds in my designated overdraft sources.
4. **Overdraft to Line of Credit:** I understand that if I have an overdraft line of credit account in conjunction with my Business Checking Account, then I may use that line of credit to fund any overdraft on my Business Checking Account, including overdrafts caused by any electronic check transactions. I understand that I may not otherwise initiate an electronic check transaction to overdraw my Business Checking Account or my line of credit, if applicable. However, if I do overdraw, I authorize you to cover the overdraft on my Business Checking Account by making a cash advance from my line of credit account, if any, or withdraw funds from my share account(s).

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

ADDITIONAL DISCLOSURES APPLICABLE TO DEBIT CARD TRANSACTIONS

The Credit Union's Business Debit Card is referred to as the "Card" unless specifically described. The limitations on dollar amounts of transactions described hereunder apply in the aggregate to Card transactions on all of my Accounts under the same member number.

If I have requested that you issue me a Card and I have selected a Personal Identification Number (PIN), the following information applies to me:

1. **Account Access:**
 - a. The following transactions are available when using the Card and PIN at Credit Union ATMs:
 - (1) Deposits or transfers to my Business Savings Account(s), BayBusiness Basic Checking Account(s), BayBusiness Checking Account(s), BayBusiness Plus Checking Account(s), or Business Money Market Account(s).
 - (2) Withdrawals or transfers from my Deposits or transfers to my Business Savings Account(s), BayBusiness Basic Checking Account(s), BayBusiness Checking Account(s), BayBusiness Plus Checking Account(s), or Business Money Market Account(s).
 - (3) Certain loan payments made by cash, check, or by transferring funds from my deposits or transfers to my Business Savings Account(s), BayBusiness Basic Checking Account(s), BayBusiness Checking Account(s), BayBusiness Plus Checking Account(s), or Business Money Market Account(s).
 - b. The following transactions are available when using the Card at a Shared Network Star System®, InterLink®, Plus®, and CO-OP® ATMs:

- (1) Withdrawals from my Deposits or transfers to my Business Savings Account(s), BayBusiness Basic Checking Account(s), BayBusiness Checking Account(s), BayBusiness Plus Checking Account(s), or Business Money Market Account(s).
- (2) Balance inquiries on my Deposits or transfers to my Business Savings Account(s), BayBusiness Basic Checking Account(s), BayBusiness Checking Account(s), BayBusiness Plus Checking Account(s), or Business Money Market Account(s).
- (3) Transfers between my Deposits or transfers to my Business Savings Account(s), BayBusiness Basic Checking Account(s), BayBusiness Checking Account(s), BayBusiness Plus Checking Account(s), or Business Money Market Account(s).

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

I understand that 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.

2. **Foreign Currency:** If I use the Card to withdraw foreign currency from an ATM or at a financial institution that accepts cards with the VISA® logo, my Account will be charged for the U.S. dollar equivalent of the transaction. The financial institution at which I 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.
3. **Limitations on Frequency and Dollar Amounts of Transactions:** You may establish daily limits on the number and dollar amount of transactions that I may originate by use of my Card.
 - a. I may make ATM cash withdrawals up to \$600 and point of sale transactions of up to \$3,000 in each 24-hour period as long as my available balance will cover the transaction. Various institutions which participate in networks of which the Credit Union is a member may have withdrawal limits different from the amount set forth above. In the event that a specific ATM is so limited, I may not be able to withdraw more than the cash limit of that particular ATM.
 - b. Purchases made above the floor limit of the merchant will require an authorization number from VISA. I may make Business Visa Debit Card cash withdrawals up to \$600 and Business Visa Debit Card purchases up to \$3,000 in each 24-hour period as long as my available balance will cover the transaction.

The Credit Union may change these daily limits from time to time. If my designated Business Checking Account limits the number of transactions that may be conducted during a statement cycle, Debit Card, POS, and ATM transactions conducted using my Business Debit Card count toward this limit. You count a

transaction as having occurred when it is received by the Credit Union in the Pacific Time zone at local time.

4. **Card and PIN Safety Precautions:** Both a Card and a Personal Identification Number (PIN) will be used each time I use an ATM. The following conditions must be observed for both the privacy and protection of my Account and the system(s):
 - a. I MUST KEEP MY CARD IN A SAFE PLACE AND PERMIT NO UNAUTHORIZED PERSON TO USE IT;
 - b. I MUST NOT DISCLOSE MY PIN TO ANY UNAUTHORIZED PERSON OR WRITE IT ON MY CARD, CARRY IT IN MY WALLET OR PURSE, OR OTHERWISE MAKE IT AVAILABLE TO ANYONE ELSE;
 - c. I WILL IMMEDIATELY REPORT TO YOU ANY LOSS OR THEFT OF MY CARD AND/OR PIN. IF I AUTHORIZE YOU TO ISSUE A CARD (OR ANY OTHER ACCESS DEVICE) TO ANYONE ELSE, I AUTHORIZE THAT INDIVIDUAL TO WITHDRAW FUNDS FROM MY 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 I GIVE MY CARD OR PIN TO ANYONE, ANY WITHDRAWAL BY THAT PERSON WILL BE CONSIDERED AUTHORIZED BY ME.

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

6. **Eligibility for a Card and/or PIN**
 - a. Unless otherwise provided in this Agreement, only an Authorized Signer on a Credit Union business deposit Account is eligible for 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.
 - b. I may use my Business Debit Card to pay for transactions at places displaying the VISA logo. Funds to pay for transactions originated by use of my Business Debit Card

are charged to the Business Checking Account I designate and maintain with you. My Business Debit Card may also be used to pay for transactions at participating merchants displaying the VISA logo and transactions including but not limited to cash withdrawals at ATMs, balance inquiries, and funds transfers between linked accounts.

- c. I may use my Business Card to perform transactions at your proprietary ATMs and at Shared Network ATMs. I may also use my Business Card to pay for transactions at participating merchants displaying the VISA logo.
 - d. Transaction amounts conducted using my Card are limited to the available balance (i.e., the balance on which no holds are placed) in my designated Business Checking Account and my available overdraft protection, if any, and are subject to further limitations as set forth below. Total daily Card transaction and amount limits also apply.
 - e. I am required to select a PIN before I can conduct any transactions using my Card. Each person to whom a Card is issued on behalf of the business can select his or her own PIN at any of your branches. I agree to memorize my PIN and will not write it on the Card. After memorizing it, I should destroy the PIN notation. Then I can be assured that no one other than me will use the Card. If I forget the PIN, I may come to one of your branch locations and select a new PIN, provided I present adequate identification.
7. **Right to Receive Documentation of Transactions:** I will receive a receipt acknowledgment at the time I make an ATM transaction. I should retain this receipt and compare it with my statement from you.
 8. **Making Electronic Funds Transfers:** I agree to follow the instructions posted or otherwise given by you or the Shared Network ATM systems concerning the use of the ATMs.

ADDITIONAL DISCLOSURES APPLICABLE TO POINT-OF-SALE TRANSACTIONS

1. **Point-of-Sale (POS) Transactions:** I may use my Card to purchase goods and services and to get cash using POS terminals at participating retail locations displaying the VISA, Star System, and Interlink logos. The amount of the purchase, together with any charge related to the transaction imposed by others, will be automatically deducted from my designated Business Checking Account. Participating retail outlets and locations are subject to change without notice. The maximum amount I can purchase on any day is disclosed to me when I receive my Card. Each transaction is subject to the fee schedule for my Account. Transactions received before your cut-off time on a business day will be processed that day. Transactions received after your cut-off time or conducted on days that are not business days will be processed on your next business day. I may not stop payment on a POS transaction.
2. **Foreign Transactions:** Purchases using the Card made in foreign countries and foreign currencies will be billed to me

in U.S. dollars. The conversion rate to dollars will be made in accordance with the operating regulations for international transactions established by VISA. If a transaction is made at a merchant or ATM that uses a currency other than U.S. dollars, VISA 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 date. I understand that you 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. An International Service Assessment Fee of 2.00% will apply to each transaction outside the United States. A Multiple Currency Fee of 2.00% will apply for each transaction conducted in a foreign currency. If applicable, these fees will appear on my statement as an additional charge.

3. **Use of Business Debit Card:** The use of my Business Debit Card shall be through secret PIN (Personal Identification Number) activation or my signature. I agree that all transactions made with my authorized PIN or signature utilization are made by me, and I accept all financial liability for such transactions. I also agree to sign my signature in the space provided on my Business Debit Card for additional security and protection.
4. **Hold on Funds:** I understand that transactions initiated by use of my Business Debit Card will create an automatic hold on funds equal to the transaction amount or may result in immediate withdrawals from my Business Checking Account or other linked account(s) depending on the nature of the particular transaction. If I do not have adequate funds or amounts in my primary or linked account(s), my transaction may be denied.
5. **Transaction Fees:** The Credit Union may charge excess ATM withdrawal or transaction fees as stated on your Schedule of Fees and Charges. I understand that other merchants and institutions may also charge transaction fees. This fee will be included in the amount of the transaction as it appears on my periodic statement.
6. **Ownership of Card:** The Card remains your property, and I agree to surrender the Card to you upon demand. You may cancel, modify, or restrict the use of any Card at any time, with or without notice, if any of my accounts are overdrawn, if any of my loan accounts are delinquent, if an advance drawn on any loan exceeds my credit limit, if I use my Card in a manner which may cause loss to you, or if you are aware that I have violated any term of this Agreement, whether or not you suffer a loss, or where necessary to maintain or restore the security of my Account(s) or the ATM System.

ADDITIONAL DISCLOSURES APPLICABLE TO ONLINE BANKING

1. **Type of Transactions:** If I choose to use the Online Banking services, I may pay bills online through Online Banking from my Business Checking Account to persons or entities I select. I

understand that payment of taxes or court-directed payments through the Online Banking services is prohibited.

2. **Designating an Online Banking Account:** When I set up Online Banking Services, I must designate a Business Checking Account as my Online Banking Account. If I close my Online Banking Account, my Online Banking Services will end, and any unprocessed bill payments will not be made. In the event I change my Checking Account type or my Account number, I understand that I must re-enroll in Online Banking and re-establish the bill payments scheduled from my previous account.
3. **Canceling My Online Banking Services:** If I choose to discontinue my Online Banking Services, any unprocessed bill payments will be canceled. I understand that I should cancel any scheduled bill payments through Online Banking prior to notifying you in writing that I am discontinuing the Online Banking Services. I may cancel a bill payment transaction up to, but not including, the date I scheduled it for processing. I must go online and cancel before the end of your business day prior to the date the transaction is scheduled to be processed.
4. **Bill Payments:**
 - a. I understand and agree that I must be 18 years of age (or age of majority depending on the state in which I reside) to set up or use Online Banking. Bill payments can be in any amount between \$1 and \$25,000. When I schedule a bill payment using Online Banking Services, I authorize you to withdraw the necessary funds from my Business Membership Savings Account, Business Regular Savings Account, Business Money Market Account, BayBusiness Basic Checking Account, BayBusiness Checking Account, or BayBusiness Plus Checking Account. I agree that I will instruct you to make a withdrawal only when a sufficient balance is or will be available in my designated Account or the funds are available through my Business Checking Account overdraft source(s).
 - b. While it is anticipated that most transactions will be processed five (5) business days before my scheduled payment date, I understand that due to circumstances beyond your 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 my Account with the designated payee. For this reason, all the bill payment dates should be scheduled by me 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 next business day. If I properly follow the procedures described herein, and you fail to send a payment according to the payment instructions received, you shall be responsible for returning the improperly transferred funds to my 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 my bill, the risk of incurring and responsibility for paying any and all late charges or penalties shall be borne by me.

- c. I agree to enter my Account number and address as they appear on my payment stub or bill when adding payees to the Online Banking Service.
 - d. For purposes of Online Banking, a business day is defined as Monday - Friday.
 - e. I understand that any Authorized Signer on the Account can sign up for Online Banking. I hereby agree to indemnify, defend, and hold you harmless from acting upon the request of any Authorized Signer on the Account.
5. **Non-Sufficient Funds:** I understand that you will not act on any withdrawal instruction from me if sufficient funds, including any overdraft line of credit and funds available in my other overdraft sources, are not available in my Online Banking Account. In some instances, at your option, I will receive an NSF notice from you either in writing or electronic mail. Whether notified or not, I agree that my Account will be charged a fee in accordance with your Schedule of Fees and Service Charges.
6. **Merchant or Payee Limitation:** I understand that you reserve the right to refuse to pay any person or entity to which I may direct a payment. You are obligated to notify me promptly if you decide to refuse to pay the person or entity designated by me. This notification is not required if I attempt to pay tax or court-related payments, which are prohibited under this Agreement. In addition, I understand that you will not be able to execute any Online Banking request if the payee cannot or will not accept such payment.
7. **Amending/Canceling a Transaction:** Unless this Agreement provides otherwise, I do not have a right to cancel or amend a payment or transfer instruction (e.g., an ACH payment) once you have received it. If you attempt to reverse a transaction at my request, you 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 I wish to stop. I agree to indemnify, defend, hold harmless, and reimburse you for all expenses, losses, claims, actions, proceedings, and damages you incur in effecting or attempting to effect any reversal. I am 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.
8. **Changes:** I understand and agree that you have the option to electronically notify me of changes in the Online Banking Services terms and conditions. I agree to be bound by the revised terms and conditions and understand that they will be included in the next Amendment or Addendum to your Agreement and Disclosures 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 I request that you act as the "Originating Bank" for a "payment order" from me or as the "Beneficiary Bank" for a payment order to me 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 my acceptance of all of the terms and conditions set forth below.

1. This Funds Transfer Agreement and Notice applies to funds transfers as defined in the 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.
2. You 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. P.S.T. 12:00 p.m. P.S.T. for international wires) on each weekday that the Credit Union is open which is not a federal holiday. Payment orders, cancellations, or amendments received after the applicable cut-off time may be treated as having been received on the following business day and processed accordingly.
3. ACH funds received by the Credit Union on my behalf as a same-day ACH credit payment in accordance with NACHA Operating Rules will be available by 5:00 p.m. on the day that they are received. If the Credit Union initiates (sends) a same-day ACH debit payment to a third party on my behalf, such payment must be initiated before the cut-off time for same-day ACH debit payments, which is 11:45 a.m. (Pacific Time) on each weekday that the Credit Union is open that is not a federal holiday, with settlement occurring at 2:00 p.m. (Pacific Time) on the same day. Payment orders, cancellations, or amendments received after the applicable cut-off time may be treated as having been received on the next following business day and processed accordingly. I understand that International payments and amounts of payments in excess of \$25,000 are ineligible for same-day ACH processing and will be processed on the next business day.

4. You may charge my Account for the amount of any funds transfer initiated by me 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.
5. You may establish, from time to time, security procedures to verify the authenticity of a payment order. I will be notified of the security procedure, if any, to be used to verify payment orders issued by me or for which my Account will be liable. I agree that the authenticity of payment orders may be verified using that security procedure, unless I notify you in writing that I do not agree to that security procedure. In that event, you shall have no obligation to accept any payment order from me or other authorized parties on the Account until you and I agree, in writing, on an alternate security procedure.
6. If I send or receive a wire transfer, Fedwire may be used. Regulation J is the law covering all Fedwire transactions. This means that my rights and liabilities in a wire transfer involving Fedwire will be governed by Regulation J.
7. If I give you a payment order that 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 I will be responsible to you if the funds transfer is completed on the basis of the identifying account number I provided you.
8. If I give you 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 person or institution than the named bank. This means that I will be responsible for any loss or expense incurred by a receiving bank which executes or attempts to execute the payment order in reliance on the identifying number I provided.
9. You may give me credit for Automated Clearing House (ACH) payments before you receive final settlement of the funds transfer. Any such credit is provisional until you receive final settlement of the payment. I am hereby notified and agree that if you do not receive such final settlement, you are entitled to a refund from me of the amount credited to me in connection with that ACH entry. This means that you may provide me with access to ACH funds before you actually receive the money. However, if you do not receive the money, then you may reverse the entry on my Account and I would be liable to repay you.
10. ACH transactions are governed by the operating rules of the National Automated Clearing House Association. In accordance with these rules, you will not provide me with next-day notice of receipt of ACH credit transfers to my Account. I will continue to receive notices of receipt of ACH items in the periodic account statements that you provide.

11. If the Credit Union allows me to initiate ACH debit entries, I may initiate ACH debit entries only with the prior written authorization of the persons whose accounts are affected by such entries. I agree to maintain a copy of each authorization for a period of two years following its termination, and to provide you with a copy upon request.
12. If you receive a funds transfer for me or for other persons authorized to have access to my Account, I agree that you are not obligated to provide me with next-day notice of the receipt of the funds transfer. You will provide me with notification of the receipt of all funds transfers by including such items in the periodic account statements that you provide. I may, of course, inquire between receipt of periodic statements whether or not a specific funds transfer has been received.
13. If you become obligated under Article 4A of the Uniform Commercial Code as adopted by California to pay interest to me, I agree that the rate of interest to be paid shall be equal to the dividend rate, on a daily basis, applicable to the Account with you to which the funds transfer should have been made or from which the funds transfer was made.
14. You may, in your sole discretion, reject any funds transfer request which: (1) exceeds the collected and available funds on deposit in my designated Account(s); (2) is not authenticated to your satisfaction or which you reasonably believe may not be authorized by me; (3) contains incorrect, incomplete, or ambiguous information; or (4) involves funds subject to a lien, hold, dispute, or legal process pending their withdrawal. I understand and agree that you shall incur no liability for any loss occasioned by your refusal to accept any funds transfer order.
15. There is no right to cancel or amend the transfer order. You, at your option, may attempt cancellation or amendment, but you shall have no liability if the cancellation or amendment is not effectuated. In any event, you will not credit funds until you confirm the recipient has not received funds and any funds transmitted have been returned. You have no obligation to re-execute any rejected or returned transfer order. You 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, your expenses, or expenses of other institutions. In addition, you will have no obligation to pay interest on any cancelled, returned, or rejected transfer order.
16. If I initiate a funds transfer request denominated in U.S. dollars for transfer to a foreign country, you may transfer payment in the currency of the beneficiary bank's country at your buying rate of exchange to U.S. dollars. If the transfer is returned for any reason, I 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 you.

17. I 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.
18. I understand and agree that in case of unauthorized or improper ACH debit activity on my Account, I must complete and sign the Credit Union's Written Statement of Unauthorized Debit (ACH).
19. Except as expressly prohibited by applicable state and federal laws and regulations, I understand and agree that you 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 you failed to abide by the agreed-upon security procedures) which I fail to report to you within thirty (30) days after my receipt of notification of the transfer; (2) any negligent or intentional action or inaction on the part of any person not within your 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) my negligent or intentional action or inaction and/or breach of this Agreement; (5) any ambiguity or inaccuracy in any instruction given to you by me or my authorized agent; (6) any error, failure, or delay in execution of any funds transfer instruction, or cancellation or amendment caused by circumstances beyond your reasonable control, including, but not limited to, any computer or communication facilities malfunction; or (7) the Credit Union's good faith determination not to comply with any funds transfer request.

Except as otherwise provided by applicable state or federal laws or regulations, your liability for any negligent or intentional action or inaction in connection with any funds transfer request shall be limited to my direct loss and payment of interest.

UNDER NO CIRCUMSTANCES SHALL YOU BE LIABLE FOR ANY LOST PROFITS, CONSEQUENTIAL, INDIRECT, PUNITIVE, OR SPECIAL DAMAGES THAT I MAY SUFFER IN CONNECTION WITH THIS AGREEMENT AND/OR ANY FUNDS TRANSFER REQUEST.

PART VI COURTESY PAY PROGRAM

In this Courtesy Pay Program Agreement ("Agreement"), the word "overdraft" includes a negative balance in any of my Business Checking Accounts that may occur for various reasons, including, but not limited to: (1) the payment of checks, electronic transfers, telephone-initiated transfers, preauthorized payments under your Bill Pay Service, or other withdrawal requests authorized by me including, but not limited to, VISA® Debit Card transactions, Point of Sale transactions, ACH transactions, and other preauthorized transfers, for which funds are insufficient; (2) the return of (unpaid) items deposited by me; (3) the imposition of service charges by you; or (4) the deposit of items which are treated as not yet "available" according to your Funds Availability Policy. The Courtesy Pay Service ("Courtesy Pay" or "Service") shall not be applied to ATM transactions.

Pursuant to your commitment to provide valued service and benefits, you may pay my overdrafts that would cause my eligible Business Checking Account to have a negative available (or further negative available) balance (determined by reference to my available balance), pursuant to the terms and conditions of this Agreement up to the amount of my Overdraft Limit (including fees), which will be disclosed to me in my New Account Packet at account opening in branch or online at www.bayfed.com. My “available balance” is defined as the funds immediately available to me and not subject to any hold or waiting period under your Funds Availability Policy or otherwise. Note that check holds, merchant authorizations, pending debit or ACH transactions, and similar situations may cause my available balance to be less than my actual balance and may result in funds that are present but “unavailable” for transactions and this could result in a negative available balance.

The Courtesy Pay Service is not a credit product and requires no application or credit approval process. The Service may only be applied to my Business Checking Account if:

1. My Business Checking Account must have been opened for at least thirty (30) days; and
2. I maintain my membership with you in good standing, which means that:
 - a. I comply with the terms and conditions of any lawful obligation with this Credit Union and do not cause the Credit union to suffer a “pecuniary loss” defined as:
 - i. I have not had the principal amount of a loan written off as uncollectable; or
 - ii. I have not had a negative balance in a share account written off as uncollectable.
 - b. I do not manipulate or otherwise abuse Credit Union services or products to the detriment of the Credit Union and/or its membership; and
 - c. I do not engage in abusive behavior as defined in your “Limitation of Services Policy” disclosure set forth in this Disclosure and Agreement and posted on the Credit Union’s website.
3. My account is not overdrawn for a consecutive fifteen (15) days;
4. I have not received a return of (unpaid) items deposited by me that overdraws my account more than \$600;
5. I have not received a return of (unpaid) items deposited by me overdrawing the account for any amount where I was also the maker of the item;
6. You have not received a ChexSystems notification for any party with interest in the account after my account was opened for the reason of account fraud; and
7. I have maintained a balance of \$699 or greater in my Business Checking Account at least one time since the Account was opened.

ANY COURTESY PAY SERVICE PAYMENT WILL BE MADE ON A CASE-BY-CASE BASIS, IN YOUR SOLE AND ABSOLUTE DISCRETION.

There is no limit on the number of items you will pay through the Courtesy Pay Service or total fees charged due to payment of those items, up to the amount of my Overdraft Limit. However, I will not be charged an Insufficient Funds Charge more than three (3) times per day due to payment of those items. I understand that you have no obligation to notify me before you pay or return any check, item, or other transaction. You may refuse to pay any overdrafts without first notifying me even though my account is in good standing and even if you have paid previous overdrafts.

The total of the overdraft (negative) balance in my Business Checking Account, including any and all permitted fees and charges, is due and payable upon demand, and I am required to immediately deposit with you sufficient funds to cover the overdraft paid by you and pay any permissible fees or my account privileges may be revoked. I understand that items (other than ACH transactions) presented for payment on the same day that are paid through your Courtesy Pay Service will be paid in sequential check number order or, if no check number, then they will be paid based on the order they are presented to you or until my Courtesy Pay Service Limit is reached, whichever occurs first. ACH transactions are received in "batches," which means that that numerous ACH items may be received at the same time in a single batch. ACH batches may be received at various times throughout the day. ACH items are paid when received, except that ACH items within a single batch are paid sequentially, in the order in which they are presented to you in the batch, until all items received on the same day are paid or until my Courtesy Pay Service Limit is reached, whichever occurs first. This means that items may not be processed in the order in which they actually occurred. I understand that the order in which items are processed can affect the total amount of fees that may be assessed against my Business Checking Account.

An Insufficient Funds Charge as set forth in your Schedule of Fees and Service Charges will be charged to my Business Checking Account for each overdraft that is cleared on my Business Checking Account through the Courtesy Pay Service. More than one Insufficient Funds Charge may be assessed against my Business Checking Account per day (up to a maximum of three (3) per day) depending upon the number of overdrafts paid through the Courtesy Pay Service. I understand that my Overdraft Limit shall be reduced by the amount of each overdraft paid by you through the Courtesy Pay Service and the amount of the related Insufficient Funds Charge imposed until such amounts are repaid by me as set forth herein at which time you may replenish my Overdraft Limit by the amount of the repayment. The Insufficient Funds Charge is the same as your Insufficient Funds Charge charged for each "nonsufficient funds" item presented for payment and returned unpaid on a Business Checking Account. If you choose not to pay the overdrawn check or other item/transaction under the Courtesy Pay Service, I may be subject to an Insufficient Funds Charge as set forth in your Schedule of Fees and Service Charges for each presentment of such item as permissible by applicable law. For the sake of clarity, I understand and agree that an Insufficient Funds Charge may be charged each time an item is presented that cannot be paid due to lack of sufficient available

funds. This means that if an item is returned unpaid, my account may be charged an Insufficient Funds Charge and if the same item is represented and cannot be paid, my account will be subject to another Insufficient Funds Charge for the same item. As such, a single item may be subject to multiple Insufficient Funds Charges.

I also agree that you have the right to transfer available funds from my other accounts I may have with you to cover the overdraft and pay permissible fees. I understand and agree that you may transfer funds to any of my Business Checking Accounts from any of my other account(s) with you (excluding IRA accounts), including account(s) upon which I am a joint owner, in an amount equal to the overdraft which you may pay according to the terms and conditions of this Agreement and to pay the permissible fees. In addition to any other rights that you may have, I agree that any deposits or future deposits in or other credits to any account in which I may now or in the future may have an interest are subject to your right of off-set for any liabilities, obligations, or other amounts owed to you by me (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. Moreover, unless I opt-out of the Courtesy Pay Service (see below), I consent and expressly agree that the application of an off-set of funds in any account includes the off-set of government benefits (such as Social Security and other public benefit funds) deposited to the account from which the overdraft or related fees are paid. Each person who causes an overdraft, which is paid by you, is a maker and agrees to be individually and jointly obligated to repay the unpaid negative balance in accordance with the terms and conditions of this Agreement. You reserve the right to limit, in your sole discretion, the Courtesy Pay Service without notice of reason or cause.

I will be in default under the terms of this Agreement if I fail to live up to any of the terms and conditions of this Agreement or I am in default on any loan obligation with you and/or a negative balance exists in any other deposit account with you on which I am an owner. If I am in default, in addition to any other rights you may have, you may temporarily suspend overdraft privileges or terminate the Courtesy Pay Service or close my Business Checking Account and demand immediate payment of the entire unpaid negative balance. I also agree to pay any collection costs, attorneys' fees, and court costs which you or I shall or may incur as a result of my default. You may terminate or suspend the Courtesy Pay Service at any time without prior notice. In no event shall any termination relieve me of my obligation to repay such sums already overdrafted, overdraft fees, collection costs, and attorneys' fees, if any. You can delay enforcing any of your rights under this Agreement without losing them.

If I prefer not to have the Courtesy Pay Service, I may send a written request for removal to Bay Federal Credit Union, 3333 Clares Street, Capitola, CA 95010, or call you at 831.479.6000 or toll-free at 888.4BAYFED, Monday, Tuesday, and Thursday, 9 a.m. to 5 p.m., Wednesday, 10 a.m. to 5 p.m., Friday, 9 a.m. to 6 p.m., and Saturday 9 a.m. to 3 p.m. PST, and you will remove the Courtesy Pay Service from my Business Checking Account.

