

TRUTH-IN-SAVINGS DISCLOSURE AND ACCOUNT AGREEMENT

Effective November 1, 2024

**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
831.479.6000 | 888.4BAYFED

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TRUTH-IN-SAVINGS DISCLOSURE AND ACCOUNT AGREEMENT

In this Agreement and Disclosure, the words “I,” “me,” “mine,” “my,” “myself,” “we,” “us,” and “our” mean each and all of those (whether one or more persons) who are subject to this Agreement and Disclosure as a result of signing an Account Agreement and Signature Card or opening one or more account(s) with you. The words “you,” “your,” “yours,” and “Credit Union” mean Bay Federal Credit Union.

I understand and agree, for myself (and any person or entity I represent if I sign as a representative of another person or entity) to the terms of this Agreement and Disclosure.

I understand and agree that this Agreement and Disclosure, along with any other documents you give me pertaining to my account(s), is a binding contract between the Credit Union and me, whether in my individual or representative capacity, or both, that establishes the rules that control my account(s) with you and which sets forth my rights, obligations, and responsibilities and the rights and obligations of the Credit Union. When I sign an Account Agreement and Signature Card or open or continue to use an account(s), I agree to follow these rules.

The purpose of this Agreement and Disclosure is to:

1. Explain some laws that apply to common transactions;
2. Establish rules to cover transactions or events that the law does not regulate;
3. Establish rules for certain transactions or events that the law regulates but for which it permits variations by agreement; and
4. Provide disclosures of some Credit Union policies to which I am subject or in which I might be interested.

I understand and agree that neither this Agreement and Disclosure nor applicable law address every situation or scenario that may arise regarding accounts established at the Credit Union and the services provided by the Credit Union. As a result, I agree that if any situation or scenario arises that, in the Credit Union’s judgment, is ambiguous or not definitively addressed either in this Agreement nor under applicable law, I will abide by the Credit Union’s reasonable decisions with respect to any such situation or scenario and I agree to fully cooperate with the Credit Union in connection therewith.

I understand and agree that if any provision of this Agreement and Disclosure is found to be unenforceable according to its terms, all remaining provisions will remain in full force and effect. You may permit some variations from this Agreement and Disclosure, but you will only agree to do so in writing and such permitted variation will be in effect only as to the particular transaction(s) described in such writing.

I. PAYMENT OF DIVIDENDS

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

For all accounts except Certificate Accounts and IRA Certificate Accounts, the Dividend Rate and Annual Percentage Yield (APY) may change at any time 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 current Deposit Account Rates, available at any branch and online at www.bayfed.com.

Dividend Compounding and Crediting. For all accounts except Certificate Accounts, IRA Certificate Accounts, and Money Market Accounts dividends will be compounded daily and will be credited monthly. The dividend period is also monthly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the day following the ending date of a dividend period, and for the example is February 1.

For Certificate Accounts and IRA Certificate Accounts, dividends will be compounded daily and credited monthly and on the maturity date. The dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the day following the ending date of a dividend period, and for the example is February 1.

For Money Market Accounts, dividends compound monthly and credit monthly.

For all accounts, 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. I will be forfeiting remaining dividends through the end of the dividend period due to account closure.

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

Dividends will begin to accrue on the business day I deposit cash or non-cash items (e.g., checks) to my Account.

II. TERMS AND CONDITIONS

Terms and Conditions Applicable to All Accounts

1. I must deposit the par value of at least one (1) share into a Membership Savings Account to become a member and maintain accounts with you. The par value of a share is currently \$5.00. If I fail to complete the purchase of one (1) share within six (6) months of my admission to membership or within six (6) months from the increase in the par value in shares, or if I reduce my Account balance below the par value of one (1) share and I do not increase the balance to at least the par value of one (1) share within six (6) months of the reduction, I may be terminated from membership. I must be and remain a member in good standing to maintain any account.

I must maintain the par value of a share in a Membership Savings Account to open other accounts. The maximum amount of shares that may be held by any member may be established from time to time by the Board of Directors.

2. All accounts (except checking accounts) are not transferable except as defined in 12 CFR Part 204.

3. Your delay in enforcing any of the terms and conditions of this Agreement and Disclosure 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, or modify any provision of, or to establish new provisions within, this Agreement and Disclosure. My continued use or maintenance of any of my account(s) or if I open any new accounts after the effective date of such change, addition, deletion, modification, or establishment of any new provision shall constitute my acceptance thereof.
5. You may refuse to follow any of my instructions that, in your sole judgment, are illegal or could 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, or what purports to be my oral, written, or electronic instructions.
6. You reserve the right to refuse to open any account or to provide any service or to accept additional deposits to an existing account. You will not knowingly open accounts for, or provide services to, marijuana-related businesses ("MRBs"). The decision to refuse any particular account or relationship, or close an existing account, shall be made by you in your sole and absolute discretion. You shall file any reports concerning an MRB and/ or any related party as may be required or recommended under applicable law or guidance. I agree to indemnify, defend, and hold you harmless from and against any costs, penalties, fines, liabilities, losses, or other expenditures that you or your officers, employees, volunteers, or agents may suffer as a result of or related to, directly or indirectly, establishing an account for me, permitting transactions on such account, or providing services to me, if such account is designed as an MRB by you or by any government agency, or if I and/or my business is determined by you or any government agency to be involved in the marijuana business in any way.
7. 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 endorsers to be present or to have their endorsements guaranteed before you accept the item.
8. I authorize you to accept items payable to any account owner for deposit to such account from any source without questioning the authority of the person making the deposit, and to give cash back to any authorized signer(s) or designated agent on any check payable to any one or more of the account owners, whether or not it is endorsed by me.
9. I understand and agree that you may utilize automated means to process checks and other items written on or deposited to my account. Although you may manually review checks or other items drawn on my account, I understand and agree reasonable commercial standards do not require you to do so.

10. You will mail all statements and other notices only to the person whose signature appears first on the Account Agreement and Signature Card. I shall exercise reasonable care and promptness examining my statements and must promptly notify you 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: (1) you 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. Except as otherwise set forth in this Agreement and Disclosure or with respect to errors involving electronic fund transfers (including, but not limited to, ATM transactions, point-of-sale transactions, direct deposits or direct withdrawals of funds, transfers initiated by telephone, and transfers resulting from debt card transactions, whether or not initiated through an electronic terminal), notification must be made within thirty (30) days of the date of the statement. I will see your Electronic Services Disclosure and Agreement for information about procedures for resolving errors involving electronic fund transfers. 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 one (1) year 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.
11. You or I may terminate an account at any time; provided however, that if you wish to terminate all of my accounts, you will, nevertheless, maintain in my membership account the minimum amount necessary for me to maintain my membership in the Credit Union (i.e., the par value of a share) unless such termination is the result of my expulsion from membership pursuant to the Credit Union's bylaws. I understand and agree, however, that your authority to effectuate transactions as requested by accountholders may not be changed or terminated except by written notice to you, 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.
12. In addition, you reserve the right to close any accounts should you discover that any of my accounts or any other accounts with

you have been deliberately manipulated by me to your detriment, any other account holder's detriment, and/or to any other member'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.

13. I acknowledge that you are obligated to report cases of actual or suspected financial abuse of elders or dependent care adults to the proper authorities empowered to investigate such cases. If you suspect such financial abuse, I understand and agree that, in addition to reporting such abuse as may be required under law, you have the right to freeze the account, refuse to complete transactions on the account, or to take any other action(s) that you deem appropriate under the circumstances, including providing relevant information and documentation concerning my accounts and other transactions to the proper authorities empowered to investigate such cases. 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.
14. You may recognize the signature of anyone who signed an Account Agreement and Signature Card as authorized to transact business on that account. Any payment made on my account by you in good faith and in reliance on the terms and conditions of this Agreement and Disclosure, any Certificate Account Agreement and Disclosure, and/or the Account Agreement and Signature Card, and/or any other writing signed by me shall be valid and discharge you from liability. Without limitation to 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.
15. 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.
16. I understand and agree that Individual, Joint, and Pay-on-Death accounts may be subject to the Multiple Party Accounts Law, Division 5 of the California Probate Code, as now in effect or hereafter amended.
17. Ownership for the primary account and all sub-accounts shall be established and determined by the most recent Account Agreement and Signature Card or other document(s) evidencing such account(s). A different form of ownership may be established by executing a new Account Agreement and Signature Cards and a new account number or member number may be assigned. The word "owner(s)" means the owner of the funds in the case of an individual account and it means the joint owners (both as an individual and as a group) in the case of a joint or other account with multiple parties.
18. 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 mobile banking, by fax, in person at your office or by sending a written and signed notice to:

Bay Federal Credit Union
ATTN: Member Support Services
3333 Clares Street
Capitola, CA 95010

In the event that I fail to do this, you may continue to utilize my address on file with you without liability until you receive a change of address notification. You may charge 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.

19. I agree to notify you immediately of the death or court-declared incompetence of any owner of my account. I agree to inform each owner of my account to notify you of such an event as well. If I fail to provide such notice or if I die or am declared legally incompetent, you can continue to accept and collect items deposited to my account until you know of my death or adjudication of incompetency and have a reasonable opportunity to act.
20. 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 section VI. (A), "DISCLOSURE OF YOUR ABILITY TO WITHDRAW FUNDS OTHER THAN CERTIFICATE ACCOUNTS" in this Disclosure and Agreement for further details.
21. 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, at your option, notify me, by telephone or in writing, if a check has been returned unpaid.
22. 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 that return is "late" due to markings on the back of the item caused by me or a prior endorser.
23. 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 \$50.00," "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 any 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 at Bay Federal Credit Union.” I agree to indemnify and hold you harmless from any claim or alleged loss of any maker or payee involving such notations, whether I am the maker or payee or the funds are otherwise deposited into an account in which I have an interest.

24. You reserve the right to reverse any credit for any deposited item or charge my account for cashed items should they become lost while in the process of collection. If you do not reverse a credit, I agree to assist you in collecting the amount of any lost item by providing you with such information and other assistance as you may request. You may charge my account when a photocopy of a check I have written is presented to you for payment in place of a lost original, unless a stop payment order is in effect for that check.
25. You are under no obligation to pay a check that 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.
26. All accounts are subject to your current Deposit Account Rates and Consumer Fee Schedule, both of which are available at any branch and online at www.bayfed.com. 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. You shall debit such charges against any account I own (including accounts on which I am a joint owner) except my IRA Accounts. Only fees related to an IRA Account will be debited from an IRA Account. If sufficient funds are not available, the charges are payable on demand and will be treated as an overdraft. I agree that I am individually liable and, for joint accounts, the joint account holders are jointly and severally liable, for any account shortage resulting from charges or overdrafts whether caused by me or by another person or entity with access to the account(s). This liability shall be due immediately and can be deducted directly from account balances whenever sufficient funds are available. I understand and agree that I have no right to defer payment of this liability regardless of whether or not I signed the item or benefitted from the charge or overdraft. I also understand and agree that I will also be liable for your costs to collect any deficit as well as for your reasonable attorneys' fees, to the extent permitted by law, whether incurred as a result of collection or in any other dispute involving my account(s) including, but not limited to, disputes between me and another joint owner, between me and an authorized signer, or between me and a third party claiming an interest in my account(s).
27. California law states that inactive account balances in savings, checking, and matured Certificate accounts must escheat to the state after a period of three (3) years since the last time I:
 - a. Increased or decreased the amount of funds on deposit with you or presented an appropriate record for crediting of dividends or cashed a dividend check from any of my accounts with you; or

- b. Corresponded in writing or electronically with you concerning the funds on deposit; or
- c. Otherwise indicated an interest in the funds on deposit as evidenced by a memorandum on file with you.

My deposit account will not escheat to the state, however, if, during the previous three (3) years, I have owned another deposit account with the Credit Union and, with respect to that deposit account, I have done any of the acts described in paragraphs (a), (b), or (c) above, and, with regard to the deposit account that would otherwise escheat, you have “communicated” (i.e., sent account statements or statements of interest paid for federal and state income tax purposes) electronically or in writing with me at the address to which communications regarding the other deposit account are regularly sent.

You may charge a fee as listed in your Consumer Fee Schedule for mailing an escheat notice.

To recover funds turned over to the state, I must file a claim with the state.

- 28. You may, but are not obligated to, transfer funds from my savings, checking, 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 the exact amount authorized or, in the case of an overdraft, in even increments of \$50.00, 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 may occur when sufficient funds become available.
- 29. Federal law requires you to report certain domestic currency transactions and foreign transactions. This reporting applies to all member accounts at the Credit Union.
- 30. 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 prescribed under applicable law. I agree to pay applicable fees for those copies unless otherwise provided under applicable law.
- 31. 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. You may notify me of such process by telephone, electronically, or in writing, unless you are prohibited by law from notifying me. If you are not fully reimbursed for your record research, photocopying, and handling costs by the party that served the process, you may charge an Account Research Fee as listed on your Consumer Fee Schedule if permitted by law for such costs to any account I have with you, up to any legal maximum allowed by law, in addition to your minimum Levy Process Fee. I agree to reimburse you for any cost or expense, including attorneys’ fees, which you may incur in responding to legal process related to my accounts.
- 32. In the event that a cashier’s, teller’s, or certified check is lost or stolen, I must execute and deliver to you a written Cashier’s

Check Stop Payment Request 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 Cashier's Check Stop Payment Request is not enforceable until the later of (i) the time the Cashier's Check Stop Payment Request is properly delivered to you or (ii) the 90th day following the date of the cashier'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, or stopping, payment on such check.

33. I authorize you to gather whatever credit, checking account, and employment information you consider appropriate from time to time. I understand that this will assist you, for example, in determining my initial and ongoing eligibility for my account and/or in connection with making future credit opportunities available to me. I authorize you to give information concerning your experiences with me to others.
34. 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 personal information or means of access to my account.
35. 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 the Credit Union upon request.

Alternatively, if I am not a U.S. Person, I will use the appropriate Form W-8 or Form 8233, Exemption From Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual.

36. In the event that a negative balance is created in my account (whether due to ATM activity, nonsufficient funds 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 account (excluding IRA accounts), including account(s) upon which I am a joint owner, in the exact amount necessary to cover the negative account balance or withdraw funds to offset the outstanding financial obligation which is in default.

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 offset for any liabilities, obligations, or other amounts owed to you by me (e.g., overdrafts and any permissible fees and charges) unless otherwise prohibited by law and such is applicable irrespective of any contribution to the account or source of funds in the account. Moreover, I knowingly consent and expressly agree that the application of an offset of funds in any account includes the offset of government benefits (such as Social Security and other public benefit funds) deposited in my account to the fullest extent permissible under applicable law.

37. Pursuant to federal law, the Credit Union must verify the identity of any person seeking to open or add a joint owner or signer

to any account and must maintain records of the information used to verify the 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 share account, a transaction or asset account, and a credit account or other extension of credit would each constitute an "account" for these purposes.

38. I understand and agree that telephone conversations with the Credit Union are not confidential and may be randomly monitored by Credit Union personnel. I also understand, consent, and agree that my telephone conversations with Credit Union personnel may be recorded by the Credit Union.
39. I understand that you may report information about my account to credit bureaus. Late payments, missed payments, negative balances, and other defaults on my account(s) may be reflected in my credit report.
40. Member accounts in this Credit Union are federally-insured by the National Credit Union Share Insurance Fund.
41. An action or proceeding by me to enforce an obligation, duty, or right arising under this Agreement and Disclosure or by law with respect to my account must be commenced within one (1) year after the cause of action occurs.
42. I agree to indemnify, defend, and hold you and your employees 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 and Disclosure or as a result of my failure to abide by its terms.
43. My account will be governed by California law, to the extent that California law is not inconsistent with controlling federal law. However, California's choice of law rules shall not be applied if that would result in the application of non-California law.
44. I understand that the Credit Union recommends that I do not provide any form of access to any of my accounts to anyone other than the authorized signers on the account. I acknowledge that if I give anyone access to my account (such as, for example, providing any person with my debit card or ATM or online banking personal identification number (PIN), or granting any person power to act as my agent under a power of attorney or trustee for a trust account), I understand that any transaction completed by such person shall be considered authorized by me.

Terms and Conditions Applicable to All Individual and Joint Accounts

1. If there is more than one owner, all owners agree with each other and with you that all sums now paid in or hereafter paid in by anyone or by any account owner(s), including all dividends thereon, if any, are and shall be owned by all account owner(s) jointly and equally regardless of their net contributions with a right of survivorship, and shall be subject to withdrawal or receipt by any of the surviving account owner(s). Any such payment shall be valid and shall discharge you from any liability.
2. You are not obligated to inquire as to the source of funds received for deposit to a joint account or to inquire as to the proposed use of any sums withdrawn from the account for the purpose of establishing net contributions.

3. No transfer of voting rights or other membership privileges is permitted by virtue of a transfer of funds.
4. Being a joint owner of a member's account does not constitute credit union membership for the joint owner. Joint owners may be nonmembers.
5. Except as set forth herein or in the applicable loan agreement(s), I may pledge any or all of the funds on deposit in an account as security for any loan(s) subject to your then-current loan policies. Further, a pledge of funds by anyone of us shall be binding on all of us. I may not withdraw funds that are pledged as security on loan(s) without the written approval of a credit committee or a loan officer, except to the extent that such funds exceed my total primary and contingent liability to you. I may not withdraw any funds below the amount of my primary or contingent liability to you if I am delinquent as a borrower, or if borrowers for whom I am cosigner, endorser, or guarantor are delinquent, without the written approval of a credit committee or a loan officer.
6. A right of survivorship arising from the express terms of a joint account cannot be changed by a will.

Terms and Conditions Applicable to Beneficiary/ Pay-On-Death (P.O.D.) Designations

1. If I have made a Pay-On-Death designation using a Designation of Beneficiary Form, all sums are payable on request to me during my lifetime and, upon my death, first to you to the extent of any outstanding matured or unmatured debts owed to you by me and second to my designated beneficiary(ies)/payee(s). If the account is jointly owned, all sums are payable to one or more account owner(s) during their lives and, on the death of all of them, first to you to the extent of any outstanding matured or unmatured debts owed to you by any of us and second to one or more payees then surviving in equal and individual shares, unless a different distribution percentage is set forth on the Account Signature Card. If a beneficiary/payee dies before all of the account owner(s), then, upon the death of all of the owner(s), all sums are payable first to you to the extent of any outstanding matured or unmatured debts owed to you by any of us and the remaining funds shall be divided equally among the surviving beneficiaries/payees, if any, unless a different distribution percentage is set forth on the Account Signature Card in which case the deceased beneficiary's(ies)/ payee's(s') distribution percentage(s) shall be distributed equally among the surviving beneficiaries/payees, if any, and the funds remaining in the account upon the death of all owner(s) shall be distributed to the surviving beneficiaries/ payees, if any, in accordance with the revised distribution percentages as described above.
2. Upon the death of the sole account owner or the last-surviving account owner, payment to the beneficiary(ies)/payee(s) will be made within a reasonable time.
3. Until final payment is made, you shall continue to operate the Account in accordance with the terms of this Agreement.
4. You are not obligated to comply with instructions you may receive from a P.O.D. payee/beneficiary that are contrary to the terms set forth in the Designation of Beneficiary Form or other applicable document. In the event that a P.O.D. payee/beneficiary refuses to accept the payment of funds from the account after the last-surviving account owner's death, I understand that the Credit

Union may choose to retain the funds in the account indefinitely and that such funds may become subject to escheat under the laws of the State of California, or the Credit Union may take any other action not prohibited by applicable law.

5. A Designation of Beneficiary/Pay-On-Death designation cannot be changed by a will.
6. I may not pledge any of the funds on deposit in the Account as security for any loan(s).

Terms and Conditions Applicable to Living Trust Accounts

1. If I am a trustor/trustee and want to establish an account in connection with a written trust, you may require me to provide you with a notarized trust certification confirming my power as a trustee prior to opening the account.
2. You are not required to know, understand, interpret, or enforce the terms of the Trust Instrument.
3. I acknowledge that the account is governed by the applicable terms and conditions set forth in this Agreement and Disclosure and by the terms and conditions set forth in my Trust Account Agreement and Signature Card.
4. Living trust accounts are not subject to the California Multiple Party Accounts Law.
5. I may not pledge any of the funds on deposit in the Account as security for any loan(s).

Terms and Conditions Applicable to Uniform Transfers to Minors Act Accounts

1. The transferor/custodian is opening an account as custodian for the minor named on the Uniform Transfers to Minors Act Account Agreement (“UTMA Signature Card”) under the Uniform Transfers to Minors Act. The transfer of money to the minor named on the UTMA Account Signature Card, which transfer shall be deemed to include all dividends and any future deposits or other additions thereto, is irrevocable and is made in accordance with and to include all provisions of the said statute of the State of California now in effect or hereinafter amended.
2. I acknowledge that by signing the UTMA Signature Card, I have received the funds deposited to the account as custodian for the minor named therein under the Uniform Transfers to Minors Act Signature Card and I agree to the applicable terms and conditions set forth in this Agreement and Disclosure as well as the terms and conditions of the UTMA Signature Card.
3. The successor custodian named on the UTMA Signature Card shall serve if I should be unable to act as custodian because I resign, die, or become legally incapacitated.
4. I may not pledge any or all of the funds on deposit in the account as security for any loan(s).
5. Custodial accounts are not subject to the California Multiple Party Accounts Law.

Terms and Conditions Applicable to Fiduciary Accounts

1. I am duly appointed and acting in the capacity of Executor/Executrix, Administrator/Administratrix, Guardian, or Conservator. By the authority vested in me, I, acting individually

or jointly, am authorized and empowered to transact business of any character in connection with this account. My authority shall continue in force until written notice to the contrary is received by you.

2. If the account is “blocked” pursuant to an order of a court, I understand and agree that I shall file with the court a written receipt, including an agreement with you that the funds in the account, including any dividends, shall not be withdrawn or pledged except upon court order.
3. For guardianship or conservatorship accounts, I agree to notify you immediately upon the death of the ward or conservatee. If the guardianship or conservatorship was established under California law, I understand and agree that the guardianship or conservatorship terminates upon the death of the ward or conservatee. However, because the guardian or conservator continues to have the duty of custody and conservation of the estate after the death of the ward or conservatee pending the delivery of the estate to the personal representative or other disposition according to law, I may transact on the account in order to exercise my duty of custody and conservation of the estate until the Credit Union is presented with Letters Testamentary appointing a personal representative of the estate of the decedent or in accordance with another disposition of the account and funds therein according to law. If the guardianship or conservatorship was established under the laws of a state other than California, I agree that you may freeze the account and that I will not be permitted to transact thereon unless and until I provide you with a court order or other legal authority (which you believe, in your sole discretion, to be sufficient) to enable me to transact on the account after the death of the ward or conservatee.
4. In the event that you are presented with Letters Testamentary, the account shall be closed and the funds therein shall be transferred to a new account in the name of the decedent’s estate which shall be subject to the control of the personal representative of the estate of the decedent.
5. In the event that the account is a checking account, the ward’s or conservatee’s death shall not revoke your authority to accept, pay, or collect a check or to account for proceeds of its collection until you have been presented with evidence of the fact of death and have the reasonable opportunity to act on it. Even with knowledge, you may, for ten (10) days after the date of death, pay or guarantee checks drawn on or prior to that date unless ordered in writing to stop payment by a person claiming an interest in the account, which you believe is made in good faith.
6. I agree that the Credit Union shall have no liability resulting from the Credit Union’s compliance with my instructions relating to the account or the Credit Union’s processing of any transactions that I may request or authorize. In addition, I agree to indemnify, defend, and hold the Credit Union harmless from and against any and all claims, suits, actions, damages, judgments, costs, charges, and expenses, including court costs and attorneys’ fees, whatsoever that the Credit Union shall or may sustain resulting from or related to the account and/or the Credit Union’s compliance with my instructions related thereto.

7. I may not pledge any or all funds on deposit in the account as security for any loan(s).
8. Fiduciary accounts are not subject to the California Multiple Party Accounts Law.

Terms and Conditions Applicable to Membership Savings Accounts

1. The minimum deposit required to open and maintain a Membership Savings Account is \$5.00.

I must maintain a minimum daily balance of \$5.00 in this Account in order to avoid closure of this Account and closure of my other accounts with you as set forth elsewhere in this Agreement and Disclosure and as required by your Bylaws.

2. In addition, if my Membership Savings Account is my only account with you, I will be charged a Monthly Maintenance Service Charge for Single Account if my Membership Savings Account daily balance is \$5.00 or less. To avoid the Monthly Maintenance Service Charge for Single Account, I must maintain a daily balance over \$5.00 in this Account or maintain additional deposits or loan accounts with the Credit Union. The Monthly Maintenance Service Charge for Single Account is waived for members under 23 years of age and for members who are 66 years of age or older.
4. I understand that if my Membership Savings Account daily balance is \$5.00 or less and I do not maintain additional deposits or loan accounts with the Credit Union, I may be charged a Monthly Maintenance Service Charge for Single Account.
5. I must maintain a minimum daily balance of \$100.00 in this Account to obtain the Annual Percentage Yield (APY) set forth on the current Deposit Account Rates.
6. The dividend rate and Annual Percentage Yield may change at any time, as determined by the Credit Union's Board of Directors. The dividend rate and Annual Percentage Yield for this Account as of the last dividend declaration date are set forth in your current Deposit Account Rates.
7. I may not pledge any of the funds on deposit in the Account as security for any loan(s).

Terms and Conditions Applicable to Regular Savings Accounts

1. The minimum deposit required to open and maintain a Regular Savings Account is \$5.00.
3. I must maintain a minimum daily balance of \$100.00 in this Account to obtain the Annual Percentage Yield (APY) set forth on the current Deposit Account Rates.
4. The dividend rate and Annual Percentage Yield may change at any time, as determined by the Credit Union's Board of Directors. The dividend rate and Annual Percentage Yield for this Account as of the last dividend declaration date are set forth in your current Deposit Account Rates.

Terms and Conditions Applicable to Titanium Savings Accounts

1. The minimum deposit required to open and maintain a Titanium Savings Account is \$5.00.
2. There is no monthly service fee.
3. This is a tiered-rate Account. The minimum balance requirements for each tier and the corresponding dividend rates and Annual Percentage Yields (APYs) are set forth on the current Deposit Account Rates. I must maintain a minimum daily balance of \$100.00 to obtain the lowest Annual Percentage Yield (APY) stated on the current Deposit Account Rates.
4. The dividend rate and Annual Percentage Yield may change at any time, as determined by the Credit Union's Board of Directors. The dividend rate and Annual Percentage Yield for this Account as of the last dividend declaration date are set forth in your current Deposit Account Rates.
5. I may not pledge any of the funds on deposit in the Account as security for any loan(s).

Terms and Conditions Applicable to Youth Savings Accounts

1. Youth Savings Accounts are available for members 17 years old or younger. Except in cases where the primary account owner is a minor who has been emancipated via court order, all Youth Savings accounts require a parent or legal guardian as a joint owner.
2. The minimum deposit required to open and maintain a Youth Savings Account is \$5.00.
3. There is no monthly service fee.
4. I must maintain a minimum daily balance of \$100.00 to obtain the Annual Percentage Yield (APY) stated on the current Deposit Account Rates.
5. The dividend rate and Annual Percentage Yield may change at any time, as determined by the Credit Union's Board of Directors. The dividend rate and Annual Percentage Yield for this Account as of the last dividend declaration date are set forth in your current Deposit Account Rates.
6. I may not pledge any of the funds on deposit in the Account as security for any loan(s).

Terms and Conditions Applicable to IRA Savings Accounts

1. The Credit Union offers the following types of IRA Savings Accounts: Traditional IRA, Roth IRA, Coverdell Education Savings Account, and SEP Retirement Plan Account.
2. The minimum deposit required to open an IRA Savings Account is \$100.00.
3. There is no monthly service fee.
4. I must maintain a minimum daily balance of \$100.00 in this Account to obtain the Annual Percentage Yield (APY) set forth on the current Deposit Account Rates.
5. The dividend rate and Annual Percentage Yield may change at any time, as determined by the Credit Union's Board of Directors.

The dividend rate and Annual Percentage Yield for this account as of the last dividend declaration date are set forth in your current Deposit Account Rates.

6. This Account is subject to the applicable terms and conditions set forth in this Agreement and Disclosure as well as the terms and conditions set forth in the IRA Account Agreement and Disclosure Statement, which will be provided to me in accordance with applicable law.
7. Certain federal and state penalties may apply to amounts withdrawn from IRA accounts. These are set forth in applicable federal and state laws and regulations which are incorporated by this reference.
8. Funds in an Individual Retirement Account will escheat to the state, if I have not done any of the following for a period of more than three (3) years after the funds become payable or distributable:
 - a. Increased or decreased principal;
 - b. Accepted payment of principal or income (dividends);
 - c. Corresponded electronically or in writing with you concerning the funds or otherwise indicated an interest therein.
9. I may not pledge any of the funds on deposit in the Account as security for any loan(s).

Terms and Conditions Applicable to All Checking Accounts

1. You may, at your discretion, but are not obligated to nor shall you be liable for refusal to, pay funds from this account:
 - a. When such payment would draw the account below the minimum balance for the account as established from time to time by you ("overdrafts");
 - b. If drawn by means not authorized in advance by you; or
 - c. Against checks presented over six (6) months past their dates.
2. You may pay and charge to my applicable account, checks drawn by and payable to any person, organization, association, or corporation whom I have authorized by providing sample MICR-encoded information identifying my account, provided there are sufficient funds in my account to pay such checks. I agree that your rights in respect to such checks shall be the same as if it were a check drawn and signed by me personally. This authority shall remain in effect until revoked by me in writing (to you and to the agency to whom the sample MICR writing was provided) and you have had a reasonable opportunity to act on it. I agree that you shall be fully protected in honoring such checks. I further agree that if any such check is dishonored, whether with or without cause, and whether intentional or inadvertent, 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 a good-faith payment to a holder, you may charge my 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. Except as otherwise set forth below, I, or any other person authorized to draw on the account, may request a stop payment of any check (including a line of credit check) payable against my account, provided my request is timely and affords you a reasonable opportunity to act upon it under your rules. My stop payment request must include the account number, check number, exact amount, check date, and name of payee. You will not be liable for paying a check over a stop payment request if the request is incomplete or incorrect. I agree to indemnify, defend, and hold you harmless for all claims, actions, and damages related to or arising from your action in stopping payment of any check pursuant to my request. A stop payment fee will be assessed for each stop payment request. If I give a stop payment request orally, the request shall be valid for only fourteen (14) days thereafter unless confirmed in writing. Written requests shall be valid no longer than six (6) months, but may be renewed for additional six (6) month periods by written notice given during the time that the stop payment request was effective. I have the burden of establishing the fact and amount of loss resulting from payment contrary to a binding stop payment request.

I may not stop payment on completed electronic point-of-sale transactions, cashier's checks, certified checks, or checks issued or guaranteed by you.

5. Death, dissolution, or adjudication of incompetence of me (or any of us) shall not revoke your authority to accept, pay, or collect a check 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, dissolution, or adjudication of incapacity, pay or guarantee checks drawn on or prior to that date unless ordered in writing to stop payment by a person claiming an interest in the account, which you believe is made in good faith. We shall notify you if any of us die or become incapacitated.

6. If you have paid a check under circumstances giving a basis for objection by me, you shall be subrogated to the rights of:
 - a. Any holder in due course on the check against the drawer or maker;
 - b. The payee or any other holder of the check against the drawer or maker either on the item or under the transaction out of which the item arose; and
 - c. The drawer or maker against the payee or any other holder of the check with respect to the transaction out of which the check arose.
7. Except as otherwise set forth herein, you may, without liability, accept, pay, guarantee, or charge checks to the account in any order convenient to you.
8. In the event of wrongful dishonor that occurs by mistake, your liability shall be limited to actual damages I prove. In the event of a dishonor of any check, share draft, 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 should choose to make a subsequent account balance check, you must use the

last figure in deciding whether to dishonor the check, share draft, or other debit.

9. I agree, in the event I draw a check on my account with you, that 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.
10. 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 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.
 - b. **Written Request to Overdraft from Link Accounts:** 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 a money market account, my savings account(s), a line of credit account, or my Bay Federal Visa Credit Card, 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. A fee, as described in your Consumer Fee Schedule, will be assessed on any day you transfer funds from a linked account.
 - 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 overdrafts will be subject to your Insufficient Funds Charge. I will see Section IV Courtesy Pay Program of this Agreement for more information.
 - d. **Exceptions for ATM and One-Time Debit Card Transactions:** I understand and agree that you will not pay overdrafts occurring as a result of ATM transactions. You will not cover

¹My "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.

one-time debit card transactions or point-of-sale (“POS”) transactions, unless I expressly consent (opt-in) to pay an Insufficient Funds Charge in connection with, and allow you to cover, such transactions.

11. You may recognize the signature of anyone who signed the Account Agreement and Signature Card as authorized to transact any business on this account including, but not limited to, the causing or making of overdrafts and endorsement of checks payable to any signer of this account. Each account owner is jointly and severally responsible for paying any overdrafts created by us whether or not we participate in the transaction or benefit from its proceeds.
12. If the Account Agreement and Signature Card is signed by more than one person, we hereby appoint each other as agents and attorneys-in-fact to overdraft from any of our savings or loan accounts (including accounts on which we are joint owners, except IRA accounts).
13. I may not pledge any or all of the funds on deposit in a checking account as security for any loan(s).
14. I will notify you immediately if my checks are lost or stolen. I agree that I will be responsible for losses caused by a delay in my notification to you. You recommend that I close any checking account for which checks are lost or stolen or if there have been (or there is reasonable cause to believe that there may be) unauthorized transactions on my account and open a new checking account. If I refuse to do so despite this recommendation, you shall have no liability for subsequent losses on the account due to unauthorized transactions to the extent permitted by law.
15. As a convenience to me, you will submit my initial order and reorders for personalized checks to the printer named on the face of the order. If the printer accepts the initial order and reorders, the printer will mail the checks either directly to me or to me in care of you. I authorize you to charge my checking account for the cost of delivered checks ordered, plus applicable sales tax and shipping costs at the fee set forth by the vendor at the time of ordering. I am responsible for verifying the accuracy of all information shown on my checks whether I order them through you or elsewhere. If I have not ordered my Credit Union checks through your approved check vendors, I understand and agree that you are not responsible for the quality of any check copy that I request from you.
16. This is a truncated checking account. Checks are provided with carbonless copies and are not returned with statements. Checks are imaged on both sides and stored for seven years from date of posting. I may request and you will provide me with a photocopy of a requested item within a reasonable time. In accordance with California law, you will not charge me for copies of the first two (2) items I request appearing on any statement. Additional copies will be subject to an assessment of a fee. I will not be charged a fee to acquire a copy of a paid check through BayFedOnline.
17. If a transaction involves a remotely-created check, you reserve the right to accept or reject the 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. For purposes of this Agreement and Disclosure, the term “remotely-created check” means a check that is not created by the paying bank and that does not bear a signature applied, or purported to be applied, by the person on whose account the check is drawn.

18. You may charge against my 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 will not pay the check until the due date. My notice to you must 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.
19. All checks written on my account must be drawn in U.S. dollars.
20. Checking accounts with no activity for one hundred and eighty (180) days will be considered inactive and may be closed by the Credit Union.
21. I agree to pursue all rights I may have under any applicable insurance coverage before making a claim against you in connection with any account transaction and to provide you with all reasonable information about my insurance coverage. Your liability, if any, shall be reduced by the amount of all insurance proceeds I receive or am entitled to receive.
22. Except as otherwise required by applicable law, I agree that you shall have a reasonable period of time to investigate the facts and circumstances surrounding any claimed loss and that you have no obligation to provisionally credit my account.
23. When handling an item, your maximum liability for your failure to exercise ordinary care in handling such item shall not exceed the amount of the item. In any other case (including forgery, alteration, or other unauthorized withdrawal), your maximum liability is the lower of my actual damages proved or the amount of the forgery, alteration, or other unauthorized withdrawal. In either case, your liability for damages shall be reduced by the amount of damages that would not have been realized if I had used ordinary care. IN NO EVENT SHALL YOU BE LIABLE FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT, OR PUNITIVE DAMAGES, INCLUDING LOST PROFITS AND/OR OPPORTUNITY, AND YOU SHALL NOT BE LIABLE FOR MY ATTORNEYS' FEES.

Terms and Conditions Applicable to BayChecking Accounts

1. The minimum deposit required to open and maintain a BayChecking Account is \$100.00.
2. To avoid a Monthly Maintenance Service Charge as stated on the current Consumer Fee Schedule, I must meet any one (1) of the following criteria:

- a. Maintain a monthly direct deposit of \$500.00 or more into this Account; or
 - b. Maintain a minimum daily balance of \$1,000.00 in this Account; or
 - c. Maintain minimum daily combined balances of \$15,000.00, including deposits and/or active loans (such as savings accounts, checking accounts, certificate accounts, mortgage loans, auto loans, investment balances, etc.); or
 - d. Conduct ten (10) or more Visa Debit Card purchases each month; or
 - e. Be under 23 years of age or 66 years of age or older.
3. This account does not earn dividends.
 4. I may not pledge any of the funds on deposit in the Account as security for any loan(s).

Terms and Conditions Applicable to Interest Checking Accounts

1. The minimum deposit required to open and maintain an Interest Checking Account is \$100.00.
2. I must maintain a minimum daily balance of \$2,500.00 in this Account to avoid the Monthly Maintenance Service Charge as stated on the current Consumer Fee Schedule.
3. I must maintain a minimum daily balance of \$2,500.00 in this Account to obtain the Annual Percentage Yield (APY) stated on the current Deposit Account Rates.
4. The dividend rate and Annual Percentage Yield may change at any time, as determined by the Credit Union's Board of Directors. The dividend rate and Annual Percentage Yield for this Account as of the last dividend declaration date are set forth in your current Deposit Account Rates.
5. I may not pledge any of the funds on deposit in the Account as security for any loan(s).

Terms and Conditions Applicable to Youth Checking Accounts

1. Youth Checking Accounts are available for members aged 13 to 17 years old . Except in cases where the primary account owner is a minor who has been emancipated via court order, all Youth Checking Accounts require a parent or legal guardian as a joint owner.
2. The minimum deposit required to open and maintain a Youth Checking Account is \$100.00.
3. There is no Monthly Maintenance Service Charge for youth checking accounts until the age of 23.
4. BayChecking accounts do not pay dividends.
5. For an Interest checking account, I must maintain a minimum daily balance of \$2500 to obtain the Annual Percentage Yield (APY) stated on the current Deposit Account Rates. The dividend rate and Annual Percentage Yield may change at any time, as determined by the Credit Union's Board of Directors. The dividend rate and Annual Percentage Yield for this Account as of the last

dividend declaration date are set forth in your current Deposit Account Rates.

6. I may not pledge any of the funds on deposit in the Account as security for any loan(s).

Terms and Conditions Applicable to Money Market Accounts

1. The minimum deposit required to open this Account is \$5.00.
3. I must maintain a minimum daily balance of \$5.00 to obtain the Annual Percentage Yield (APY) stated on the current Deposit Account Rates. This is a tiered account. The minimum and maximum balance requirements for each tier and the corresponding dividend rates and Annual Percentage Yields (APYs) are set forth on the current Deposit Account Rates.
4. The dividend rate and Annual Percentage Yield may change at any time, as determined by the Credit Union's Board of Directors. The dividend rate and Annual Percentage Yield for this account as of the last dividend declaration date are set forth in your current Deposit Account Rates.
5. I may not pledge any of the funds on deposit in the Account as security for any loan(s).
6. The Money Market Account is limited to one account per member.

Terms and Conditions Applicable to All Certificate Accounts

1. The Credit Union offers Certificate Accounts and IRA Certificate Accounts. Additional information about our IRA Certificate Accounts is provided in the Section entitled, "Terms and Conditions Applicable to IRA Certificate Accounts" below.
2. Credited dividends may be withdrawn or transferred at any time without early withdrawal penalty imposed by the Credit Union. The Annual Percentage Yield is based on an assumption that dividends will remain in the account until maturity. An early withdrawal will reduce earnings. Early withdrawals from an IRA Certificate may be subject to state and federal penalties.
3. The Account will mature on the Maturity Date set forth in the Certificate. The Credit Union will impose a penalty if a withdrawal of principal is made prior to the Maturity Date, as follows:
 - (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).
 - (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.
4. Early withdrawal penalties shall not apply if:
 - (a) The withdrawal is made subsequent to the death of any owner of the account or is made pursuant to the Credit Union's Bylaws;
 - (b) The account is part of a retirement plan which qualifies or is qualified to receive specific tax treatment under Internal Revenue Code Sections 401(d) or 408 and withdrawal is made to effect distribution of the funds following the participant's death or disability or upon attaining not less than 72 years of age (73 if you reach age 72 after Dec. 31, 2022); or
 - (c) The withdrawal is made as a result of the voluntary or involuntary liquidation of the Credit Union.
 5. This Account will automatically renew upon the Maturity Date and on the Maturity Date of any renewal term, unless (1) you provide notice, at least thirty (30) days in advance of the Maturity Date, that the Account will not automatically renew; (2) I withdraw all funds in the Account prior to the Maturity Date or during the grace period; or (3) you or I close the Account. If automatically renewed, the Account will be renewed for a term equal or closest to that of the initial term and at the dividend rate and Annual Percentage Yield in effect at that time for such a term. If automatically renewed, all funds in the Account as of the renewal date are considered to be principal. There is a grace period of ten (10) days after the Maturity Date to withdraw funds in the account without being charged an early withdrawal penalty. If the account is not automatically renewed, the account will be closed and the funds remaining in the account on the Maturity Date (less any applicable fees) shall be disbursed via check made payable to the account owner(s) and such check shall be mailed to the address of record for the primary account owner.
 6. The owner(s) may pledge any or all of the principal on deposit in this Account as security for any loan(s) subject to the Credit Union's then-current loan policies. Further, a pledge of funds in this Account by any owner shall be binding on all owners.

Terms and Conditions Applicable to Certificate Accounts

1. The minimum deposit required to open an Account is set forth on the current Deposit Account Rates. After the Account is opened, additional deposits to the Account are not permitted until the Maturity Date.
2. I must maintain a minimum daily balance as set forth on the current Deposit Account Rates in the Account each day to obtain the disclosed Annual Percentage Yield (APY).
3. There is no Monthly Maintenance Service Charge.
4. The dividend rate and Annual Percentage Yield for this Account as of the last dividend declaration date are set forth in your current Deposit Account Rates.
5. I may choose to have dividends from this Account paid to me or credited to another account at the Credit Union rather than credited to this Account.

Terms and Conditions Applicable to IRA Certificate Accounts

1. The minimum deposit required to open this Account is set forth on the current Deposit Account Rates. Additional deposits are permitted to contributory IRAs only.
2. The minimum balance required to obtain the disclosed Annual Percentage Yield (APY) is set forth on the current Deposit Account Rates.
3. There is no Monthly Maintenance Service Charge.
4. The dividend rate and Annual Percentage Yield for this Account as of the last dividend declaration date are set forth in the current Deposit Account Rates.
5. I may choose to have dividends from this Account paid to me or credited to another account at the Credit Union rather than credited to this Account.
6. This Account is subject to the applicable terms and conditions set forth in this Agreement and Disclosure as well as the terms and conditions set forth in the IRA Account Agreement and Disclosure Statement, which will be provided to me in accordance with applicable law.
7. Certain federal and state penalties may apply to amounts withdrawn from IRA accounts. These are set forth in applicable federal and state law and regulations which are incorporated by this reference.
8. Funds in an Individual Retirement Account will escheat to the state, if I have not done any of the following for a period of more than three (3) years after the funds become payable or distributable:
 - a. Increased or decreased principal;
 - b. Accepted payment of principal or income (dividends);
 - c. Corresponded electronically or in writing with you concerning the funds or otherwise indicated an interest therein.
9. I may not pledge any of the funds on deposit in the Account as security for any loan(s).

III. RESOLUTION OF DISPUTES BY ARBITRATION

THIS SECTION CONTAINS IMPORTANT INFORMATION REGARDING MY ACCOUNTS AND ALL RELATED SERVICES. IT PROVIDES THAT EITHER I OR YOU CAN REQUIRE THAT ANY DISPUTES BE RESOLVED BY BINDING ARBITRATION. ARBITRATION REPLACES THE RIGHT TO GO TO COURT, INCLUDING THE RIGHT TO A JURY TRIAL AND THE RIGHT TO PARTICIPATE IN A CLASS ACTION OR SIMILAR PROCEEDING. IN ARBITRATION, THE DISPUTE IS SUBMITTED TO A NEUTRAL PARTY, AN ARBITRATOR, INSTEAD OF A JUDGE OR JURY. ARBITRATION PROCEDURES MAY BE MORE LIMITED THAN RULES APPLICABLE IN COURT.

Agreement to Arbitrate Disputes.

Either I or you may elect, without the other's consent, to require that any dispute between us concerning my Accounts and the services related to my Accounts be resolved by binding arbitration, except for those disputes specifically excluded below.

No Class Action or Joinder of Parties.

I ACKNOWLEDGE THAT I AND YOU AGREE THAT NO CLASS ACTION, CLASS-WIDE ARBITRATION, PRIVATE ATTORNEY GENERAL ACTION, OR OTHER PROCEEDING WHERE SOMEONE ACTS IN A REPRESENTATIVE CAPACITY, MAY BE PURSUED IN ANY ARBITRATION OR IN ANY COURT PROCEEDING, REGARDLESS OF WHEN THE CLAIM OR CAUSE OF ACTION AROSE OR ACCRUED, OR WHEN THE ALLEGATIONS OR FACTS UNDERLYING THE CLAIM OR CAUSE OF ACTION OCCURRED. Unless mutually agreed to by me and you, claims of two or more persons may not be joined, consolidated, or otherwise brought together in the same arbitration (unless those persons are joint account holders or beneficiaries on my account and/or related accounts, or parties to a single transaction or related transaction), whether or not the claim may have been assigned.

Disputes Covered by Arbitration.

I ACKNOWLEDGE THAT IN ARBITRATION THERE WILL BE NO RIGHT TO A JURY TRIAL. Any claim or dispute relating to or arising out of my Accounts or my relationship with the Credit Union will be subject to arbitration, regardless of whether that dispute or the facts underlying or giving rise to that dispute arose before or after my receipt of this notice. Disputes include claims made as part of a class action, private attorney general, or other representative action, it being expressly understood and agreed to that the arbitration of such claims must proceed on an individual (non-class, non-representative) basis and the arbitrator may award relief only on an individual (non-class, non-representative) basis. Disputes also include claims relating to the enforceability, validity, scope, or interpretation of any of these arbitration provisions. Any questions about whether disputes are subject to arbitration shall be resolved by interpreting this arbitration provision in the broadest way the law will allow it to be enforced.

All disputes are subject to arbitration, no matter what legal theory they are based on, or what remedy (damages or injunctive or declaratory relief) they seek. Disputes include any unresolved claims concerning any services relating to my Accounts. Disputes include not only claims made directly by me, but also made by anyone connected with me or claiming through me, such as a joint account holder, account beneficiary, employee, representative, agent, predecessor or successor, heir, assignee, or trustee in bankruptcy. Disputes include not only claims that relate directly to the Credit Union, but also its parent, affiliates, successors, assignees, employees, and agents (if any), and claims for which the Credit Union may be directly or indirectly liable, even if you are not properly named at the time the claim is made. Disputes include claims based on any theory of law, contract, statute, regulation, tort (including fraud or any intentional tort), or any other legal or equitable ground, and include claims asserted as counterclaims, crossclaims, third-party claims, interpleaders, or otherwise; and claims made independently or with other claims. If a party initiates a proceeding in court regarding a claim or dispute which is included under this Resolution of Disputes by Arbitration provision, the other party may elect to proceed in arbitration pursuant to this Resolution of Disputes by Arbitration provision.

Disputes Excluded from Arbitration.

Disputes filed by me or by you individually in a small claims court are not subject to arbitration, so long as the disputes remain in such court and advance only an individual (non-class, non-representative) claim for relief. However, if a matter in small claims court is removed, transferred, or appealed to a non-small claims court, that claim shall

be subject to this Resolution of Disputes by Arbitration provision. Claims or disputes arising from my status as a borrower under any loan agreement with the Credit Union are also excluded from this Resolution of Disputes by Arbitration provision.

Commencing an Arbitration.

The arbitration must be filed with one of the following neutral arbitration forums and follow its rules and procedures for initiating and pursuing an arbitration: American Arbitration Association (“AAA”) or JAMS. If I initiate the arbitration, I must notify the Credit Union in writing at:

Bay Federal Credit Union
3333 Clares Street
Capitola, CA 95010

If you initiate the arbitration, you will notify me in writing at my last known address on file. I may obtain a copy of the arbitration rules for these forums, as well as additional information about initiating an arbitration, by contacting these arbitration forums:

American Arbitration Association
1-800-778-7879 (toll-free)
www.adr.org

JAMS
1-800-352-5267 (toll-free)
www.jamsadr.com

The arbitration shall be conducted in the same city as the U.S. District Court closest to my home address unless the parties agree to a different location in writing.

Administration of Arbitration.

The arbitration shall be decided by a single, neutral arbitrator. The arbitrator will be either a lawyer with at least ten years of experience or a retired or former judge selected in accordance with the rules of the arbitration forum. For AAA, the arbitration will be conducted in accordance with the AAA Consumer Due Process Protocol in concert with the AAA Consumer Arbitration Rules in effect on the date the arbitration is filed. For JAMS, the arbitration will be conducted in accordance with the JAMS Comprehensive Arbitration Rules & Procedures in effect on the date the arbitration is filed. If there is a conflict between a particular provision of the AAA or JAMS Rules and this arbitration provision and/or this agreement, this arbitration provision and this agreement will control. If JAMS or the AAA is unable or unwilling to handle the claim for any reason, then the matter shall be arbitrated by a neutral arbitrator selected by agreement of the parties (or, if the parties cannot agree, selected by a court in accordance with the Federal Arbitration Act). The neutral arbitrator selected by the parties or the court shall apply the Federal Rules of Evidence and the Federal Rules of Procedure concerning discovery, except that the above class action waiver is specifically enforceable notwithstanding any Federal Rule of Procedure to the contrary.

I understand and agree that the applicable rules and procedures in arbitration may limit the discovery available to me or you. The arbitrator will take reasonable steps to protect customer account information and other confidential information if requested to do so by me or by you. The arbitrator shall decide the dispute in accordance with applicable substantive law consistent with the Federal Arbitration Act and applicable statutes of limitations, will honor claims of privilege

recognized at law, and will be empowered to award any damages or other relief provided for under applicable law. The arbitrator will not have the power to award relief to, or against, anyone not a party to the arbitration. An award in arbitration shall determine the rights and obligations between the named parties only, and only in respect of the claims in arbitration, and shall not have any bearing on the rights and obligations of any other person, or on the resolution of any other dispute. I or you may choose to have a hearing and be represented by counsel. The decision rendered by the arbitrator shall be in writing. At my or your request, the arbitrator shall issue a written, reasoned decision following applicable law and relief granted must be relief that could be granted by a court under applicable law. Judgment on the arbitration award may be entered by any court of competent jurisdiction.

Costs.

The party initiating the arbitration shall pay the initial filing fee. If I file the arbitration and an award is rendered in my favor, you will reimburse me for my filing fee. If there is a hearing, you will pay the fees and costs of the arbitration for the first day of that hearing. All other fees and costs will be allocated according to the arbitration forum rules. However, you will advance or reimburse filing and other fees if the arbitrator rules that I cannot afford to pay them or finds other good cause for requiring you to do so, or if I ask you in writing and you determine there is good reason for doing so. Each party shall bear the expense of their respective attorneys, experts, and witnesses and other expenses, regardless of who prevails, but a party may recover any or all costs and expenses from another party if the arbitrator, applying applicable law, so determines.

Right to Resort to Provisional Remedies Preserved.

Nothing herein shall be deemed to limit or constrain your rights to resort to self-help remedies, such as the right of set-off or the right to restrain funds in an account, to interplead funds in the event of a dispute, to exercise any security interest or lien you may hold in property, or to comply with legal process, or to obtain provisional remedies such as injunctive relief, attachment, or garnishment by a court having appropriate jurisdiction; provided, however, that I or you may elect to arbitrate any dispute related to such provisional remedies.

Arbitration Award.

The arbitrator's award shall be final and binding unless a party appeals it in writing to the arbitration forum within fifteen days of notice of the award or pursuant to the rules of the arbitration forum, whichever is later. The appeal must request a new arbitration before a panel of three neutral arbitrators selected in accordance with the rules of the same arbitration forum. The panel will consider all factual and legal issues anew, follow the same rules that apply to a proceeding using a single arbitrator, and make decisions based on the vote of the majority. Costs will be allocated in the same manner as allocated before a single arbitrator. An award by a panel is final and binding on the parties after fifteen days of notice of the award or pursuant to the rules of the arbitration forum, whichever is later. A final and binding award is subject to judicial intervention or review only to the extent allowed under the Federal Arbitration Act or other applicable law. A party may seek to have a final and binding award entered as a judgment in any court having jurisdiction.

Governing Law.

You and I agree that our relationship includes transactions involving interstate commerce and that these arbitration provisions are governed by, and enforceable under, the Federal Arbitration Act. To the extent state law is applicable, the laws of the State of California shall apply.

Severability; Survival.

These arbitration provisions shall survive (a) termination or changes to my Accounts or any related services; (b) the bankruptcy of any party; and (c) the transfer or assignment of my Accounts or any related services. If any portion of this Resolution of Disputes by Arbitration provision is deemed invalid or unenforceable, the remainder of this Resolution of Disputes by Arbitration provision shall remain in force. No portion of this Resolution of Disputes by Arbitration provision may be amended, severed, or waived absent a written agreement between me and you.

Right to Reject this Resolution of Disputes by Arbitration provision.

I MAY CHOOSE TO REJECT THIS RESOLUTION OF DISPUTES BY ARBITRATION PROVISION BY SENDING YOU WRITTEN NOTICE AS DESCRIBED BELOW:

Agreement to the Resolution of Disputes by Arbitration provision:

1. If I agree to be bound by the above Resolution of Disputes by Arbitration provision, then no action is needed on my part.
2. If I take no action, then, effective immediately, my Accounts will be bound by this Resolution of Disputes by Arbitration provision.

Rejection of the Resolution of Disputes by Arbitration provision:

If I do not agree to be bound by this Resolution of Disputes by Arbitration provision, I must send you written notice that I reject the Resolution of Disputes by Arbitration provision within 30 days of the date a notice of this Arbitration Provision being added to the Truth in Savings Disclosure and Agreement was placed in the mail or email to the address I provided, if applicable, or within 30 days of your first offering or sending to me any copy of your Truth in Savings Disclosure and Agreement with an Arbitration Provision in it, whichever is sooner, and including the following information:

My written notice must include: my name, as listed on my account, my account number, and a statement that I reject the Resolution of Disputes by Arbitration provision, and;

I must send my written notice to you at the following address:

Bay Federal Credit Union
3333 Clares Street
Capitola, CA 95010

IV. FUNDS TRANSFERS AGREEMENT AND NOTICE

The State of California has adopted as law Article 4A of the Uniform Commercial Code and the Board of Governors of the Federal Reserve has amended Subpart B of Regulation J, both of which cover the movement of funds by means of wire transfers, Automated Clearing House (ACH) credits, and some book transfers on the Credit Union's records.

The law is intended to establish a comprehensive legal framework covering the duties, responsibilities, and liabilities of all parties involved in a funds transfer. This Funds Transfers Agreement ("Agreement") contains several notices which you are required to provide to me and establishes other terms of agreement which will apply to all funds transfers which involve me and the Credit Union. Using the Credit Union to send or receive funds transfers shall constitute my acceptance of all of the terms and conditions contained in this Agreement.

To the extent that the terms contained in this Agreement are different than those in any other agreement or terms of account, this Agreement shall control and be deemed to modify such other agreements or terms of account.

1. This Agreement applies to Funds Transfers as defined in the Article 4A of the Uniform Commercial Code (Division 11 of the California Uniform Commercial Code) and Subpart B of Regulation J of the Board of Governors of the Federal Reserve.
2. The Credit Union may establish or change cut-off times for the receipt and processing of funds transfer requests, amendments, or cancellations. Unless other times are posted for the various types of funds transfers, the cut-off time for wire transfers will be at 1:00 p.m. (Pacific Time) on each weekday that the Credit Union is open that 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 next 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 1:45 p.m. (Pacific Time) on each weekday that the Credit Union is open that is not a federal holiday, with settlement occurring at 3:00 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. International payments and amounts of payments in excess of \$1,000,000 are ineligible for same-day ACH processing and will be processed on the next business day.
4. The Credit Union may charge my account for the amount of any funds transfer initiated by me or by any person authorized by me as a joint tenant or other authorized party with the right of access to the account from which the funds transfer is to be made.
5. The Credit Union 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 the Credit Union in writing that I do not agree to that security procedure. In that event, the Credit Union shall have no obligation to accept any payment order from me or other authorized parties on the account until I and the Credit Union 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 each of our rights and liabilities in a wire transfer involving Fedwire will be governed by Regulation J and this Agreement.
7. If I give the Credit Union a payment order which identifies the beneficiary (recipient of the funds) by both name and identifying account number, payment may be made by the beneficiary's bank on the basis of the identifying account number, even if the number identifies a person different than the named beneficiary. This means that I will be responsible to the Credit Union if the funds transfer is completed on the basis of the identifying account number I provided the Credit Union.
8. If I give the Credit Union a payment order which identifies an intermediary or beneficiary's bank by both name and an identifying number, a receiving bank may rely on the number as the proper identification even if it identifies a different person or institution than the named bank. This means that I will be responsible for any loss or expense incurred by a receiving bank that executes or attempts to execute the payment order in reliance on the identifying number I provided.
9. The Credit Union may give me credit for Automated Clearing House (ACH) payments before it receives final settlement of the funds transfer. Any such credit is provisional until the Credit Union receives final settlement of the payment. I am hereby notified and agree, that if the Credit Union does not receive such final settlement, it is entitled to a refund from me of the amount credited to me in connection with that ACH entry. This means that the Credit Union may provide me with access to ACH funds before the Credit Union actually receives the money. However, if the Credit Union does not receive the money, then the Credit Union may reverse the entry on my account and I will be liable to repay the Credit Union.
10. ACH transactions are governed by operating rules of the National Automated Clearing House Association. In accordance with these rules, the Credit Union will not provide 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 receives a funds transfer for me or for other persons authorized to have access to my account, I agree that the Credit Union is not obligated to provide me with next day notice of the receipt of the funds transfer. The Credit Union will provide me with notification of the receipt of all funds transfers by including such items in the periodic account statements which the Credit Union provides. I may inquire between receipt of periodic statements whether or not a specific funds transfer has been received.
12. If the Credit Union becomes obligated under Article 4A (Division 11 of the California Uniform Commercial Code) 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 at the Credit Union to which the funds transfer should have been made or from which the funds transfer was made.

13. The Credit Union may, in its 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 the Credit Union's satisfaction or which the Credit Union reasonably believes may not be authorized by me; (3) contains incorrect, incomplete, or ambiguous information; (4) involves funds subject to a lien, hold, dispute, or legal process pending their withdrawal; or (5) involves a transfer that is prohibited under applicable law, rule, or regulation. I understand and agree that the Credit Union shall incur no liability for any loss occasioned by the Credit Union's refusal to accept any funds transfer order.
14. The Credit Union shall have the right to charge the amount of any funds transfer request to any of my accounts at the Credit Union in the event that no account is designated or in the event that a designated account has insufficient collected funds to cover the amount of a funds transfer request or reject such request. The Credit Union may charge a service charge for services relating to the sending or receiving of the funds transfer request. Such charge(s) are set forth in the Credit Union's Consumer fee Schedule, which is incorporated by this reference.
15. If I initiate a funds transfer request denominated in United States dollars for transfer to a foreign country, the Credit Union may transfer payment in the currency of the beneficiary bank's country at the Credit Union's buying rate of exchange to United States dollars. If the transfer is returned for any reason, I agree to accept the refund in United States dollars in the amount of the foreign money credit, based on the then-current buying rate of the bank converting the currency to United States dollars at the date of refund, less any charges and expenses incurred by the Credit Union.
16. Except as expressly prohibited by applicable state and federal laws and regulations, I understand and agree that the Credit Union 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 which the Credit Union failed to abide by the agreed upon security procedures) which I fail to report to the Credit Union 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 the Credit Union's 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 the Credit Union by me or my authorized agent; (6) any error, failure, or delay in execution of any funds transfer instruction, cancellation, or amendment caused by circumstances beyond the Credit Union's 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, the Credit Union's 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 THE CREDIT UNION BE LIABLE FOR ANY LOST PROFITS, CONSEQUENTIAL, INDIRECT, PUNITIVE, OR SPECIAL DAMAGES WHICH I MAY SUFFER IN CONNECTION WITH THIS AGREEMENT AND/ OR ANY FUNDS TRANSFER REQUEST.

17. Subject to applicable state and federal laws and regulations, the Credit Union may 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 the Credit Union's funds transfer services, I agree to such changes, additions, deletions, modifications, and new provisions, if any.
18. Except as otherwise expressly provided by applicable state and federal laws and regulations, this Agreement and all transactions initiated hereunder shall be governed by and construed in accordance with the internal laws of the State of California, notwithstanding any conflict of laws doctrines of such state to the contrary.

V. COURTESY PAY AGREEMENT

In this Courtesy Pay Agreement ("Agreement"), the word "overdraft" includes a negative balance in my Checking Account 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. The Courtesy Pay Service shall not be applied to one-time debit card or point-of-sale (POS) transactions unless I specifically opt-in to have Courtesy Pay cover such transactions and agree to pay an Insufficient Funds Charge in connection therewith.

Pursuant to your commitment to provide valued service and benefits, you may pay my overdrafts that would cause my eligible 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, and in the Regulation E Opt In/Out Confirmation Letter. 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.

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 Checking Account if:

1. My 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; and
 - 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 for Members Not in Good Standing Policy” disclosure set forth in this Disclosure and Agreement and posted on the Credit Union’s website.
3. My account is not overdrawn for fifteen (15) consecutive days;
4. I have not received a return of (unpaid) items deposited by me that overdraws my account more than \$600.00;
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 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, except that the total dollar amount of items paid plus applicable fees will not exceed my Overdraft Limit. Further, 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 Checking Account, including any and all permitted fees and charges, is due and payable upon demand, and I am required to promptly deposit with you (i.e., within 45 days of the original overdraft) sufficient funds to cover the overdraft paid by you and pay any applicable 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. ACH transactions are paid by file/batch number and then, within each file/batch, sequentially, by transaction number 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 Checking Account.

An Insufficient Funds Charge as set forth in your Consumer Fee Schedule will be charged to my Checking Account for each overdraft that is cleared on my Checking Account through the Courtesy Pay Service, except that the Credit Union will not charge an Insufficient Funds Charge for overdrafts due to one-time debit card or POS transactions unless I opt-in to have my one-time debt card and POS overdrafts paid through this Service.

More than one Insufficient Funds Charge may be assessed against my 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 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 Consumer Fee Schedule for each presentation of such item as permissible by applicable law.

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 my Checking Account 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, outstanding loan balances, 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 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 overdrawn, 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 option 3, 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 Checking Account.

Premium Courtesy Pay

The Courtesy Pay Service shall not be applied to one-time debit card or POS transactions unless I expressly consent (opt-in) to the Credit Union's Premium Courtesy Pay Service under which I will pay an Insufficient Funds Charge in connection with, and have the Premium Courtesy Pay Service cover, such transactions. I can opt-in to the Premium Courtesy Pay Service to pay one-time debit card and POS transactions at any branch; by phone at 831.479.6000 or toll-free at 888.4BAYFED, option 3; or by mail by printing the Premium Courtesy Pay Protection Authorization Form from the disclosures page at www.bayfed.com and mailing it to:

Bay Federal Credit Union
3333 Clares St
Capitola, Ca. 95010

I have the right to opt-out of/revoke my consent for the Premium Courtesy Pay Service at any time using any of the methods described above.

VI. LIMITATION OF SERVICES POLICY

Bay Federal Credit Union is committed to treating its employees, volunteers, members, and any person on Credit Union premises (a Credit Union "invitee") 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, invitee, or member, 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 at 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, invitee, or member 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; or
 - 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 in writing 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 of 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.

VII. (A) DISCLOSURE OF YOUR ABILITY TO WITHDRAW FUNDS OTHER THAN CERTIFICATE ACCOUNTS

My Ability To Withdraw Funds

Your policy is to make funds from my cash and check deposits available to me on the first business day after the day you receive my deposit. Electronic direct deposits will be available on the day you receive the deposit. 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 thru any of your ATMs before 3:00 p.m. PST or in-branch Monday thru Thursday before 5:00 p.m. or Friday before 6:00p.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 thru any of your ATMs after 3:00 p.m. PST or in-branch Monday through Thursday after 5:00 p.m. or Friday after 6:00 p.m. PST 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 at the time of deposit. Depending on the type of check that I deposit, funds may not be available until the second business day after my deposit. The first \$600.00 of my deposits however, will be available on the day of deposit.

If you are not going to make all of the funds from my deposit available on the first business day, 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 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:

- You believe a check I deposit will not be paid.
- I deposit checks totaling more than \$5,525.00 on any one day.

- I redeposit a check that has been returned unpaid.
- I have overdrawn my account repeatedly in the last six months.
- There is an emergency, such as failure of computer or communications 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 seventh business day after the day of my deposit.

Check Cashing

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

Holds on Other Funds

If you accept for deposit a check that is drawn on another financial institution, you may make funds from the deposit available for withdrawal immediately, but delay my availability to withdraw a corresponding amount of funds that I have on deposit in another account with you. The funds in the other account would then not be available for withdrawal until the time periods that are described in the "DISCLOSURE OF YOUR ABILITY TO WITHDRAW FUNDS OTHER THAN CERTIFICATE ACCOUNTS" section of this disclosure.

Special Rules for New Accounts

If I am a new member, the following special rules will apply during the first 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 \$5,525.00 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state, and local government checks will be available on the first business day after the day of my deposit if the deposit meets certain conditions. For example, the checks must be payable to me. The excess over

\$5,525.00 will be available on the ninth 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

\$5,525.00 may 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 ninth business day after the day of my deposit.

Deposits at Automated Teller Machines (ATMs)

Funds from any deposits (cash or checks) made payable at ATMs you own or operate will be available generally on the second business day after the day of my deposit.

Funds from any deposits (cash or checks) made at ATMs you do not own or operate will be available on the fifth business day after the day of my deposit.

All ATMs that you own or operate are identified as your machines.

Cash Withdrawal Limitation

You place certain limitations on withdrawals in cash. In general, \$225 of a deposit is available for withdrawal in cash on the first business day after the day of deposit. In addition, a total \$450 of other funds becoming available on a given day is available for withdrawal in cash at or after 5:00 p.m. (Pacific Time) on that day. Any remaining funds will be available for withdrawal in cash on the following business day.

(B) SPECIAL NOTICE REGARDING ENDORSEMENT STANDARDS

The federal law dealing with funds availability requires the financial institution's endorsement area on the back of a check be kept clear or unobstructed. This rule is designed to prevent unnecessary delays in processing 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.

If I deposit a check through remote deposit capture using check deposit on my phone or online, I will endorse the back of my check with the statement "For Mobile Deposit Only at Bay Federal Credit Union"

