

**First Entertainment  
Credit Union**

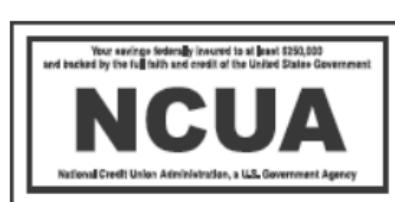
# **Business Account Agreement and Disclosure**

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**Effective: May 20, 2019**

*Retain This Important Document for Your Records*

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**Federally Insured by NCUA  
up to at least \$250,000**



## INTRODUCTION

The purpose of this booklet is to disclose information, terms, conditions, and the various laws and regulations relating to Business Accounts to help you better understand your rights and obligations as a business member of First Entertainment Credit Union (the "Credit Union").

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

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

I am responsible for ensuring that each Authorized Signer is familiar with this Agreement. Unless I have instructed the Credit Union in writing to the contrary, the Credit Union may consider communications about my Account from an Authorized Signer on my Account as communications from me. I agree to notify the Credit Union immediately in writing if any Authorized Signer's authority has been terminated. By signing the Credit Union's Business Account Signature Card for my Account or by using my Account or a service, I will be deemed to have agreed to this Agreement. I will retain a copy of this Agreement (and any information that the Credit Union provides me regarding changes to this Agreement) for as long as I maintain my Account with the Credit Union.

The Credit Union does not open accounts for: professional services (CPAs, Attorneys, Architects, etc.); import/export companies; casino and gaming establishments; food and beverage stores (convenience, grocery, liquor, etc.); charitable organizations; food service establishments (fast food, full service); gas stations; health care providers; laundry service (laundromats, coin-operated laundries, and dry cleaners); travel agencies; trade unions; dealers (aircraft, boat, car, mobile home, jewelers, and pawn brokers); marijuana industry (sellers, producers, or warehouse businesses); and those businesses designated as a money services business. Further, the Credit Union does not open accounts for businesses owned or operated outside the United States, embassies, foreign consulates, foreign trade companies, or foreign financial institutions located within the United States.

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

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## PART I

### BUSINESS ACCOUNT AGREEMENT AND DISCLOSURES

#### Terms And Conditions Applicable to All Business Accounts:

1. I must be and remain a member in good standing to maintain any business account (hereinafter "Business Account" or "Account"). I understand and agree that Business Accounts may not be used for personal, family, or household purposes.
2. To become a member and maintain accounts with you, I must deposit a minimum of one dollar (\$1), the par value of a share, into a Business Regular Share Account. If I fail to pay complete the purchase of one (1) share within thirty (30) days of my admission to membership or if I fail to complete the purchase of one (1) share within thirty (30) days from the increase in the par value in shares, or if I reduce my Business Savings Account balance below the par value of one (1) share and do not increase the balance to at least the par value of one (1) share within thirty (30) days of the reduction, I will be transferred to inactive status and may be terminated from membership at the end of a dividend period.
3. Your failure or delay in enforcing any of the terms and conditions of this Agreement shall not prohibit you from enforcing such terms and conditions at a later date.
4. You reserve the right, upon thirty (30) days written notice, to change any provision of or establish new provisions to this Agreement.
5. You may endorse and/or collect items deposited to my Account without my endorsement, but may require my personal endorsement prior to accepting an item for deposit. If I deposit items which bear the endorsement of more than one person or persons that are not known to you or that require endorsement of more than one payee, you may refuse the item or require all endorsers to be present or to have their endorsements guaranteed before you accept the item. You may refuse to accept any item for deposit, at your sole discretion.
6. You may refuse to follow any of my instructions that, in your sole judgment, are illegal or would expose you to potential liability. Alternatively, you may require adequate security or invoke other security measures to protect you from all losses and expenses incurred if you follow my instructions. I agree to reimburse you for any damages, losses, liabilities, expenses, and fees (including, but not limited to, reasonable attorneys' fees) that you incur in connection with my Account if you take an action in accordance with my, or what purports to be my, oral, written, or electronic instructions.
7. I understand and agree that you may use automated means to process checks and other items written on or deposited to my Account(s). This means that you may not visually examine each of my checks to determine if they are properly completed and endorsed. Although you may manually review checks or other items deposited or drawn on my Account(s), I understand and agree that reasonable commercial standards do not require you to do so. I agree to review all statements as soon as I receive them and to notify you immediately of any discrepancy.
8. You will mail statements and other notices only to the address reflected in the Credit Union's records for my Account. I will exercise reasonable care and promptness in examining all statements and must notify you promptly in writing of any error or unauthorized payment including, but not limited to, an altered item or an unauthorized signature. If I fail to uphold these duties, I understand and agree that I am precluded from asserting the error or unauthorized payment against you if you: (1) suffer a loss on the item because of my failure or 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 herein, notification must be within thirty (30) days of the date of the statement. If I fail to uphold my duties, but I can prove that you failed to exercise ordinary care in the payment of the relevant items, then the above preclusion will not apply and the loss on the items will be allocated between you and me to the extent our respective actions contributed to the loss. If I have failed to examine my statement and report any unauthorized item within thirty (30) days or more after my statement or the item has been made available to me, I cannot recover from you even if you failed to exercise ordinary care in paying the item.
9. You or I may terminate an Account at any time. I understand, however, that your authority may not be changed or terminated except by written notice to me, which will not affect prior transactions. Moreover, if you receive conflicting claims to funds in an Account you hold, you may, at your discretion, restrict the Account and deny access to all; close the Account and send the funds to the owner or owners of the Account according to your records, at the statement mailing address; interplead all or any portion of the funds from an Account to the court; or hold the funds, without liability to anyone, pending resolution of the claim to your satisfaction.
10. Each Authorized Signer on a Business Account must be at least eighteen (18) years of age. Each Authorized Signer on a Business Account is duly authorized to act with respect to the Account(s) and you are authorized to act on all matters relating to the Account(s) upon the order of any one of the Authorized Signers until you receive written instructions to the contrary from an authorized representative (as defined on the Business Account Signature Card.) I certify that any signatures appearing on the Business Account Signature Card are the genuine signatures of said Authorized Signers. I agree that any instruction to permit withdrawal only upon the signature of two or more Authorized Signers or agents is for my internal use and benefit only and will not be binding on you. I agree that you shall not be liable for any lack of signatures so long as the instructions contain the signature or have been authorized by at least one Authorized Signer.

Any payment made from my Account in good faith and reliance on the terms and conditions of this Agreement and the Business Account Signature Card shall be valid and discharge you from liability. Without limiting the foregoing, you may honor checks drawn against my Account by Authorized Signers, even if the checks are made payable to them, to cash, or for deposit to their personal accounts. You have no duty to investigate or question withdrawals or the application of funds.

11. You reserve the right to require me to give not less than seven (7) and up to sixty (60) days written notice of my intention to withdraw funds from any Account except my Checking Account.
12. I will promptly notify you of any change of ownership of any business maintaining an Account with you, or any change in an Authorized Signer. You may require a new Business Account Signature Card for the business and documentation supporting the change of ownership or change in any Authorized Signer. I will cooperate with you to document any change in ownership or change of an Authorized Signer. You may restrict access to the Account until documentation satisfactory to you is received and shall incur no liability for any such restriction.
13. I am required to keep you informed of my current address. I agree to notify you promptly of any change of address. I may notify you in person at any of your offices or by sending a written and signed notice to First Entertainment Credit Union, P.O. Box 100, Hollywood, CA 90078. In the event that I fail to do this, a charge may be made to my Account for the actual cost of a necessary locator service paid to a person or concern normally engaged in providing such service and incurred in determining my address. This charge will be imposed in accordance with your Bylaws.
14. I agree that you will not be responsible for any damages I incur in the event I deposit an item with you which is subsequently returned unpaid by the paying bank, and the return is "late" due to markings on the back of the check caused by me or a prior endorser.
15. Although you are not obligated to, you may pay or accept checks and other items bearing restrictions or notations (e.g., "Void after 6 months," "Void over \$50.00," "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 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. 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.
16. You are under no obligation to pay a check which is presented more than six (6) months after its date, but you may do so at your discretion and charge my Account without liability, even if the presentation occurs after the expiration of a stop payment order or notice of postdated change. I agree that you are not required to identify stale-dated checks or seek my permission to pay them.
17. I agree to pay the Credit Union in accordance with the Business Account Schedule of Fees and Charges, which accompanies this Agreement and is incorporated herein by this reference. I also agree to pay an amount equal to any applicable taxes, however designated, exclusive of taxes based on the net income of the Credit Union. The Credit Union may either directly debit my Account or invoice me for Credit Union fees and charges and taxes incurred in connection with my Account and any service. If there are insufficient funds in my Account to cover the debit, the Credit Union may, but is not obligated to, overdraw my Account. I agree to promptly pay any overdraft.
18. California law states that inactive Account balances must be turned over to the state after a period of three (3) years if I have not:
  - a. Increased or decreased the amount of any of my Accounts with you (if the Account statements are sent to the same address) or presented an appropriate record for crediting of interest or dividends or cashed a dividend check from any of my Accounts with you; or
  - b. Corresponded in writing or electronically with you concerning the Account; or
  - c. Otherwise indicated an interest in any of my Accounts with you as evidenced by a memorandum on file with you.You may charge a fee for mailing an escheat notice to the state. To recover funds turned over to the state, I must file a claim with the state.
19. I understand and agree that I may be required to request changes to my Accounts in writing, that you are not required to act upon instructions received by facsimile, and that you have the right to require additional information from me before you act on any request. You shall have no liability or responsibility to me when acting upon the reasonable interpretation of my requests.
20. I understand and agree that you may terminate Account products at your option without written notice to me. You may also suspend offering Account products from time to time at your discretion without notice to me.
21. This Agreement, as well as all of my deposit Accounts, will be interpreted and subject to applicable federal law and the laws of the State of California, notwithstanding any conflict-of-laws doctrines of such state or other jurisdiction to the contrary.
22. I understand and agree that if it is necessary for you to take legal action in order to enforce the terms of this Agreement or to recover monies due you from me, I will be responsible for payment of your collection costs and expenses of litigation (including attorneys' fees and court costs).

23. I understand and agree that it is your policy not to accept for deposit checks payable to anyone other than the business listed on the Business Account Signature Card (i.e., third party checks).
24. You are not responsible for items lost while not in your possession.
25. You are authorized to obtain the credit report of any, or all, owners or authorized signers for legitimate business purposes.
26. I understand and agree that you may monitor and record telephone conversations regarding my Accounts at any time without further notice to me.
27. If I have elected to use a facsimile or other mechanical signature (including a stamp) to sign or endorse items, you may rely on that signature (or any signature that purports to be my facsimile or other mechanical signature) as my authorized signature without regard to when or by whom or by what means or in what ink color such signature may have been made or affixed to an item deposited to, drawn on, or otherwise debited by my Account. I agree to indemnify and hold you harmless for all losses, claims, damages, or expenses (including attorneys' fees) that are incurred as a result of your payment of a withdrawal bearing a facsimile of my signature or a facsimile that you believe I authorized.
28. **ARBITRATION AGREEMENT:** I understand and agree that any and all disagreements between you and me, regardless of when they arose, will be resolved by binding arbitration proceeding before a neutral arbitrator and that I am waiving my right to a jury trial or a trial before a judge in a public court. I, thus, GIVE UP MY RIGHT TO GO TO COURT to assert or defend my rights under this Agreement and Disclosure or at law or in equity (EXCEPT for matters that may be taken to SMALL CLAIMS COURT). FURTHER, I GIVE UP MY RIGHT TO ASSERT CLAIMS AGAINST THE CREDIT UNION ON A CLASS ACTION OR COLLECTIVE ARBITRATION BASIS. Either you or I can request that a dispute be submitted to binding arbitration before a lawsuit has been filed or within sixty (60) days after a complaint, an answer, a counterclaim, or an amendment to a complaint has been served. Arbitrations, including the selection of arbitrators, will be administered by the American Arbitration Association (AAA) pursuant to their commercial arbitration rules. Arbitrations will be governed by the provisions of the Federal Arbitration Act (Title 9 of the United States Code) and to the extent any provisions of that Act are inapplicable, unenforceable, or invalid, the laws of the State of California will govern. The decision of the arbitrator is final and binding except as the Federal Arbitration Act may otherwise provide. The decision of the arbitrator can be entered in the court as a judgment and enforced according to state and/or federal laws. To find out how to initiate arbitration, I should contact any office of the AAA. If either party, you or me, fails to submit to arbitration following a proper demand to do so, that party shall bear all costs and expenses, including reasonable attorneys' fees, incurred by the other party in compelling arbitration. You and I authorize the arbitrator(s) to resolve any dispute regarding the terms of this Agreement. The arbitrator(s) can also decide whether any dispute is subject to arbitration. The arbitrator(s) may resolve any claim that all or any part of this Agreement is invalid but shall not have the power to change or alter the terms of this Agreement.
29. You reserve the right to restrict or close any Accounts, and terminate my membership, should you discover that any of my Accounts have been deliberately manipulated by me to your, any other accountholder's, or your membership's detriment. "Manipulation" includes, but is not limited to, making unauthorized withdrawals or other transactions, kiting, and repeated patterns of transactions which have no apparent business reason other than to take advantage of hold periods and/or "interest float" to your detriment.
30. I understand and agree that you may comply with any writ of attachment, execution, garnishment, tax levy, restraining order, subpoena, warrant, or other legal process which you believe (correctly or otherwise) to be valid. If you are not fully reimbursed for your record research, photocopying, and handling costs by the party that served the process, you may charge such costs to my Account. Funds you hold or set aside in response to a legal process will not earn dividends. I agree to indemnify, defend, and hold you harmless from all actions, claims, liabilities, losses, costs, and damages associated with your compliance with any process that you believe to be valid.
31. I understand and agree that if a disaster occurs, there may be an unforeseen delay in your ability to make funds available and to process deposits. In addition to natural disasters, the failure of communication or computer systems can also cause unforeseen delays.
32. I agree to notify you immediately of the death or court-declared incompetence of any Authorized Signer on my Account. You may freeze my Account and refuse to accept deposits when an Authorized Signer dies or is declared incompetent.
33. I understand and agree that anyone can make a deposit to my Account and that you will not question the authority of a person making a deposit to my Account.
34. In the event that a cashier's, teller's, or certified check is lost or stolen, I must execute and deliver to you a written Declaration of Loss and/or an affidavit in a form acceptable to you and in time for you to have a reasonable time to act thereon. I further understand and agree that the Declaration of Loss is not enforceable until the later of (i) the time the Declaration of Loss and Claim For Reimbursement is properly delivered to you or (ii) the 90th day following the date of the cashier's check, or the 90th day following the date of the acceptance of a certified check. I agree to indemnify you for any loss or claim occasioned by your attempting to stop, or stopping, payment on such check.
35. You may use a third party service to verify and obtain information regarding my previous banking relationships. You may also report the status and/or closure of my Account to such third party services.
36. I understand and agree that my services may be reduced, in accordance with your "Member Conduct Policy."

37. I agree to be responsible to you for the actions of Authorized Signers on my Account. This means that I am responsible for familiarizing Authorized Signers with all of the terms of this Agreement.
38. You are not responsible for any loss or damage that results from my negligence, including, without limitation, my failure to adequately safeguard my blank checks or other means of access to my Account. I will notify you immediately if my checks are lost or stolen.
39. I understand and agree that by signing up for CU.online, your online banking system, I agree to the terms and conditions that are provided to me electronically.
40. The maximum amount of cash each member may transfer or withdraw in a 24-hour period is limited to \$5,000.00.
41. Except as prohibited by applicable law, I understand and agree that you may impress and enforce a statutory lien upon my shares and dividends in any and all of my Accounts with you including, without limitation, any account owner's personal account(s) (except IRA accounts), for any liabilities, obligations, or other amounts owed to you by me (e.g., overdrafts and any related fees and charges) and such is applicable irrespective of any contribution to the Account or source of funds in the Account. In the event that a negative balance is created in my deposit Account (whether due to ATM activity, returned deposit activity, NSF check activity, Credit Union-imposed fees and charges, or otherwise) or I have other outstanding financial obligations of any kind owed to you, which are in default, I understand and agree that you may transfer funds to such Account from any other deposit Account in the business' name and/or any owner's personal account(s) (excluding IRA accounts), including accounts upon which the business owner is a joint owner, in an amount equal to the negative Account balance or the outstanding financial obligation which is in default.
42. Member accounts in this Credit Union are federally insured by the National Credit Union Share Insurance Fund.
43. I understand and agree that, as required by federal law, you must verify the identity of each person seeking to open an account (including Authorized Signers) and must maintain records of the information used to verify each person's identity. For the purposes of this paragraph, "account" means "each formal banking or business relationship established to provide ongoing services, dealings, or other financial transactions." For example, a deposit account, a transaction or asset account, and a credit account or other extension of credit would each constitute an "account."
44. I understand and agree that you may delay enforcing your rights under this Agreement without losing them. Any waiver by you shall not be deemed a waiver of other rights or of the same rights at another time. I waive diligence, demand, presentment, protest, and notice of every kind, except as set forth in this Agreement. If any of the provisions of this Agreement are determined to be void or invalid, the remainder of this Agreement shall remain in full force and effect.
45. All non-cash payments shall be credited subject to final payment on the day of deposit. My right to withdraw the funds represented by certain checks, savings, or other items I deposit may be delayed for several days. I will be notified if my right to withdraw will be delayed. I will refer to the Credit Union's Funds Availability Policy for further details.
46. If a check or other item which you cash for me or which I deposit to my Account is returned to you as unpaid for any reason, you may charge my Account for the amount of the check or other item. This may include, among other circumstances, checks which were paid originally and later are returned to you accompanied by documentation indicating that the endorsement is forged or unauthorized or that the item has been altered in any way. You may charge my Account for the amount without questioning the truth of such documentation. You may also charge back any amount of accrued or paid dividends related to the returned check. You may re-present a returned check for payment by the financial institution upon which it is drawn if there were insufficient funds to initially pay the item, but you are not required to do so. If you choose to re-present the check, you may do so without telling me the check was not paid or that you are presenting it again. You may charge a fee for each deposited or cashed check charged back to my Account. You may, at your option, notify me, by telephone or in writing, if a check has been returned unpaid and the fee charged.
47. You may, but are not obligated to, transfer funds from my Business Savings Account(s) or loan accounts on my written, oral, or electronic request. I understand and agree that no transfer will be made unless there are sufficient available funds on deposit or sufficient credit available at the time of transfer. I agree that any such transfer(s) shall be in even increments of \$100.00 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 will occur when sufficient funds become available.
48. Federal law requires you to report certain domestic currency transactions and foreign transactions. This reporting applies to all member accounts at the CreditUnion.
49. You agree to retain and furnish to me, if requested, photocopies of certain records pertaining to my Account and that these records for the time frame required by law will be available to me. I agree to pay applicable fees for those copies as set forth in your Business Account Schedule of Fees and Charges.
50. An action or proceeding by me to enforce an obligation, duty, or right arising under this Agreement or by law with respect to my Account must be commenced within one (1) year after the event(s) given rise to the cause of action occurs.

51. I agree to indemnify, defend, and hold you and your employees harmless from and against every claim, demand, action, cost, loss, liability, and expense including, without limitation, attorneys' fees, which you incur by acting in accordance with this Agreement or as a result of my failure to abide by its terms.
52. Federal law requires that you obtain and have certified by me a Taxpayer Identification Number (TIN) on all accounts. You will not open an Account without this identification number. For additional information on this requirement, I will read "INSTRUCTIONS TO PAYER'S REQUEST FOR TAXPAYER IDENTIFICATION NUMBER AND CERTIFICATION (IRS FORM W-9)."
53. I understand and agree that access to and ownership of my Account is determined by the most recent Business Account Signature Card you have on file. If there is a change to a sole proprietor, partner, member, or officer of the business, the Account must be closed and a new account opened. If a non-owner Authorized Signer is changed, I must complete a new Business Account Signature Card. The Credit Union may also request additional documentation (such as, for example, a formal Resolution authorizing a change in authorized signers). Changes to the membership information will be made by me in writing or by another secured method approved by you.
54. For purposes of this Agreement, a "remotely-created check" means a check that is not created by the paying bank and that does not bear a signature applied, or purported to be applied, by the person on whose account the check is drawn. You reserve the right to accept or reject any item for deposit into any of my Accounts. If I deposit a remotely created check into any of my Accounts, I represent and warrant to you that I have instituted procedures to ensure that these drafts are authorized by the person on whose account the remotely created check is drawn in the amount stated on the check and to the payee stated on the check. If a remotely created check which I have deposited into my Account is returned by the drawee-payee bank for any reason, I agree that you may debit my Account for the amount of the item, plus any applicable fees. If the debit causes my Account to be overdrawn, I agree to pay the overdrawn amount on your demand.
55. For purposes of this Agreement, a "substitute check" means a paper reproduction of an original check that contains an image of the front and back of the original check, is suitable for automated processing in the same manner as the original check, and meets the other technical requirements of Regulation CC. You reserve the right to accept or reject any item for deposit into any of my Accounts. If you accept a substitute check for deposit that I have created, I represent and warrant to you that: (1) the substitute check contains an accurate image of the front and back of the original check and a legend stating that it is the legal equivalent of the original check; (2) no depositary bank, drawee, drawer, or endorser will be asked to pay a check that it already has paid; (3) I am entitled to enforce the substitute check; (4) all signatures on the original check are authentic and authorized; (5) the original check has not been altered; (6) I have no knowledge of any insolvency proceeding commenced with respect to the maker of the original check; and (7) all aspects of the original check are genuine. If you accept a substitute check for deposit that I have created, I further agree to indemnify and hold the Credit Union harmless from and against any and all losses that any recipient of a substitute check suffers due to the receipt of a substitute check instead of an original check.
56. I understand that I may not process any unlawful Internet gambling transaction through my Account or banking relationship with you. "Unlawful Internet gambling transactions" include, but may not be limited to, placing, receiving, or otherwise knowingly transmitting a bet or wager by any means which involves the use, at least in part, of the Internet where such bet or wager is unlawful under any applicable Federal or State law or tribal lands in which the bet or wager is initiated, received, or otherwise made. You will not open accounts for members engaged in any Internet gambling business, including legal internet gambling businesses. In the event you receive actual knowledge that I am engaged in an Internet gambling business, you may close my Account.
57. You may, without prior notice and when permitted by law, exercise your right of setoff against any of the funds in any of my accounts against any debt (whether or not matured, due, payable, in default, or accelerated) or obligation that I owe you, now or in the future, by any of us having the right of withdrawal. You will not be liable for the dishonor of any check when the dishonor occurs because you set off a debt against my account. I agree to indemnify and hold you harmless from and against any and all claims, damages, losses, liabilities, expenses, and fees (including reasonable attorneys' fees) arising out of or relating to the exercise of your right of setoff. You will also have the right to place an administrative hold on such funds pending setoff. You may apply all funds in a joint account to satisfy a debt owed to you by any one or more of the joint owners.

## DIVIDENDS

1. **Dividend Rates.** The frequency and conditions upon which dividends are paid on all Accounts are in accordance with the Bylaws of this Credit Union and state law. Dividends are paid from current income and available earnings, after required transfers to reserves at the end of a dividend period.
2. For all Accounts except Term Savings (Certificate) Accounts, the Dividend Rate and Annual Percentage Yield (APY) may change as determined by the Credit Union's Board of Directors. For specific Dividend Rate(s) and Annual Percentage Yield(s) (APY) for each type of dividend bearing account, I will refer to [www.firstent.org/rates](http://www.firstent.org/rates).
3. For all accounts, except Term Savings (Certificate) Accounts, dividends will be compounded monthly and will be credited monthly. For all share accounts, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of a dividend period, and for the example is January 31.

4. Dividends on Term Savings (Certificate) Accounts are compounded and will be credited as set forth in my Term Savings (Certificate) deposit receipt and Agreement and Disclosure, when issued.
5. If I close my Account before dividends are credited, I will not receive the accrued dividends.
6. **Balance Computation Method.** Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.
7. Dividends will begin to accrue on the business day I deposit cash and non-cash items (e.g., checks) to my Account.

## TERMS AND CONDITIONS APPLICABLE TO SPECIFIC ACCOUNTS

### Business Savings Accounts

1. I must maintain a minimum daily balance equal to \$1.00 in my Account each day in order to maintain my membership with the Credit Union.
2. I must maintain a minimum daily balance of at least \$250.00 in the Business Savings Account to obtain the disclosed Annual Percentage Yield (APY). No dividends will be paid on balances below \$250.00.
3. I must maintain a minimum average daily balance of \$250.00 in this Account; or combined average daily balance of \$100.00 within my Business Essentials Checking, Business Advantage Checking, Business Term Savings (Certificate) and/or Business Money Market, to avoid a monthly service charge, as disclosed in the Business Account Schedule of Fees and Charges.
4. The Monthly Service Charge is calculated by the average daily balance method, which is the total of the balance at the end of each day during the month divided by the number of days in the month. This Service Charge will be assessed against my Business Savings on the last day of the month and will be reflected on the Periodic Statement.
5. I understand and agree that my Business Savings Account carries a monthly service charge, as disclosed in the Business Account Schedule of Fees and Charges, unless I maintain an active Business Checking Account. This Monthly Service Charge will be assessed against my Business Savings Account on the last day of the month and will be reflected on the Periodic Statement.
6. Preauthorized transfers, automatic transfers, online transfers, payments to other persons, and transfers by telephone from my Business Savings Account are limited to six (6) a month. Preauthorized transfers include automatic bill payments, transfers to my other accounts with the Credit Union, or automatic transfers to other persons that I have authorized the Credit Union to make. If I exceed this limit, the Credit Union may, at its option, either close my Business Savings Account, transfer the funds on deposit in my Business Savings Account to another Account that I am eligible to maintain, or terminate my right to make transfers and payments from my Business Savings Account.
7. My Business Savings Account may be used as a source of funds to cover overdrafts created in my Business Checking Account with you.

### Business Money Market Accounts

1. The minimum deposit required to open this Account is \$2,500.00.
2. I must maintain a minimum average daily balance of \$2,500.00 in this Account to avoid a monthly service charge, as disclosed in the Business Account Schedule of Fees and Charges.
3. The Monthly Service Charge is calculated by the average daily balance method, which is the total of the balance at the end of each day during the month divided by the number of days in the month. This Service Charge will be assessed against my Business Money Market Account on the last day of the month and will be reflected on the Periodic Statement.
4. This is a tiered-rate account with multiple tiers, as disclosed in the Dividend Rate Sheet. I understand that the number of tiers and the dividend rates are determined by the Credit Union's Board of Directors and may be changed from time to time, at the Credit Union's sole discretion.
5. The minimum balances applicable to each tier, and the associated dividend rates, and minimums to earn the disclosed Annual Percentage Yields appear on the Dividend Rate Sheet.
6. If I make more than six (6) transfers or withdrawals from this account in any given month, I may be charged an Excess Withdrawal Fee as set forth on your Business Account Schedule of Fees and Charges, or my right to make additional transfers may be terminated at your discretion. If I exceed this limit in three (3) consecutive months, the Credit Union may, at its option, either close my Business Money Market Account, transfer the funds on deposit in my Business Money Market Account to another Account that I am eligible to maintain, or terminate my right to make transfers and write items against my Business Money Market Account.
7. My Business Money Market Account may be used as a source of funds to cover overdrafts created in my Business Checking Account with you.

## **Business Term Savings (Certificate) Accounts**

I understand that my Business Term Savings (Certificate) Account is subject to the applicable terms and conditions set forth in this Agreement as well as the terms and conditions set forth in my Business Term Savings (Certificate) Account Agreement and Disclosure and deposit receipt which will be provided to me in accordance with applicable law when I open this type of account.

## **Business Essential Checking Accounts**

1. The minimum deposit required to open a Business Essential Checking Account is \$100.00. There is no minimum average daily balance required to maintain a Business Essential Checking Account after the Account is established.
2. Minimum average daily balance of \$5,000.00 within the Business Essential Checking or combined average daily balance of \$10,000.00 for the Account is required to waive the monthly service charge as set forth in the Business Account Schedule of Fees and Charges.
3. The Monthly Service Charge is calculated by the average daily balance method, which is the total of the balance at the end of each day during the month divided by the number of days in the month. This Service Charge will be assessed against my Business Essential Checking Account on the last day of the month and will be reflected on the Periodic Statement.
4. This Account does not earn dividends.
5. The Business Essential Checking Account is limited to one hundred fifty (150) transactions per month. If I exceed one hundred fifty (150) transactions in any month, each subsequent transaction during that month will be subject to an Excess Transactions Fee as set forth in your Business Account Schedule of Fees and Charges. Transaction as defined in the Business Account Schedule of Fees and Charges includes: deposits, including each deposited item, and drafts (checks).
6. The Business Essential Checking Account is limited to fifty (50) ACH transactions (including credits and debits). If I exceed fifty (50) ACH transactions in any month, each subsequent ACH transaction during that month will be subject to an Excess ACH Fee as set forth in your Business Account Schedule of Fees and Charges. ACH transactions are those received from the Federal Reserve with Automated Clearing House or ACH transactions. These include for example, automatic bill pay that I have signed up for.

## **Business Advantage Checking Accounts**

1. The minimum deposit required to open and maintain a Business Advantage Checking Account is \$500.00.
2. Minimum average daily balance of \$5,000.00 within the Business Advantage Checking or combined average daily balance of \$25,000.00 for the Account is required to waive the monthly service charge as set forth in the Business Account Schedule of Fees and Charges.
3. The Monthly Service Charge is calculated by the average daily balance method, which is the total of the balance at the end of each day during the month divided by the number of days in the month. This Service Charge will be assessed against my Business Advantage Checking Account on the last day of the month and will be reflected on the Periodic Statement.
4. This Account does not earn dividends.
5. The Advantage Business Checking Account is limited to three hundred (300) transactions per month. If I exceed three hundred (300) transactions in any month, each subsequent transaction during that month will be subject to an Excess Transactions Fee as set forth in your Business Account Schedule of Fees and Charges. Transaction as defined above.
6. The Advantage Business Checking Account is limited to one hundred (100) ACH transactions (including credits and debits). If I exceed one hundred (100) ACH transactions in any month, each subsequent ACH transaction during that month will be subject to an Excess ACH Fee as set forth in your Business Account Schedule of Fees and Charges. ACH as defined above.

## **Terms Applicable to All Checking Accounts**

1. You may, at your discretion, pay funds from my Checking Account, without obligation or liability for refusal to pay:
  - a. When such payment would draw the Checking Account below the minimum balance for the Checking Account as established from time to time by you ("overdrafts").
  - b. If drawn by means not authorized in advance by you.
  - c. Against checks or electronic debits presented over six (6) months past their dates.
2. You may pay and charge to my applicable Checking Account check(s) drawn by and payable to any person, organization, association, or corporation whom I have authorized by providing sample MICR-encoded information identifying my Checking Account, provided there are sufficient funds in my Checking Account to pay such check(s). I agree that your rights with respect to such check(s) shall be the same as if it were a check(s) drawn and signed by me personally. This authority shall remain in effect until I have provided written notice revoking this authorization to the agency to which the sample MICR information was provided, and until you have a reasonable opportunity to act upon it. I agree that you shall be fully protected in honoring such check(s). I further agree that if any such check(s) are dishonored, whether with or without cause and whether intentionally or

inadvertently, you shall be under no liability whatsoever, even though such dishonor results in the forfeiture of insurance, loss, or damage to me of any kind.

3. If you have made good faith payment to a holder, you may charge my Checking Account according to:
  - a. The original terms of my check; or
  - b. The terms of my completed check, unless you have notice that any such completion is improper.
4. At my request and risk, and provided such request is timely so that you shall have reasonable opportunity to act upon it under your rules, I may order stop payment of any check payable against my Checking Account, and a stop payment fee will be assessed as set forth in your Business Account Schedule of Fees and Charges. All the information given by me to you regarding such check must be accurate. You may, but shall not be obligated to, receive such order orally or electronically. If you do act upon my oral or electronic request to stop payment on a check, I agree to indemnify, defend, and hold you harmless from any and all liability, cost (including attorneys' fees), judgments, and damages of every kind, regardless of the source. In such event, my oral order shall be valid for only fourteen (14) days thereafter unless confirmed in writing. Written or electronic orders shall be valid no longer than six (6) months. I have the burden of establishing the fact and amount of loss resulting from payment contrary to a binding stop payment order.
5. I may not stop payment on completed electronic Point-of-Sale (POS) transactions, cashier's checks, certified checks, or checks issued or guaranteed by you and debiting my Checking Account.
6. My death or incompetence, or that of any Authorized Signer, or dissolution of our organization, shall not revoke your authority to accept, pay, or collect a check(s) or to account for proceeds of its collection until you know of the fact of death or adjudication of incompetence and have a reasonable opportunity to act on it. Even with knowledge, you may, for ten (10) days after the date of death, incapacity, or dissolution of our organization, pay or guarantee a check(s) drawn on or prior to that date, unless ordered in writing to stop payment by a person claiming an interest in the Account under rules established by you. One of us shall notify you if any of us dies, becomes incapacitated, or our organization is dissolved.
7. If you have paid a check under circumstances giving a basis for objection by me, you shall receive the rights of the following by subrogation:
  - a. Any holder in due course on the check against the drawer or maker;
  - b. The payee or any other holder of the check against the drawer or maker, either on the item or under the transaction out of which the item arose; and
  - c. The drawer or maker against the payee or any other holder of the check with respect to the transaction out of which the check arose.
8. I understand and agree that the funds must be available in my Account by the start of business on the day a check is presented to you for payment and that you may, without liability, accept, pay, guarantee, or charge checks to the Account in any order convenient to you.
9. In the event of wrongful dishonor that occurs by mistake, liability shall be limited to actual damages I prove. In the event of a dishonor of any check or other debit on my Account, your determination of whether sufficient funds exist in my Account may be made at any time between the time the item is received and the time it is returned. If you choose to make a subsequent Account balance check, you must use the last figure in deciding whether to dishonor the check or other debit.
10. You are neither given notice nor otherwise affected by a restrictive endorsement of any person or entity, except your immediate transferor.
11. I agree that overdrafts, if paid in excess of funds in any designated overdraft source (such as a loan, line of credit, or savings account), are payable on demand. If overdrafts are to be covered by a transfer of funds from my Business Savings Account or Business Money Market Account, such transfer(s) will generally be made only if there are sufficient funds on deposit at the time of transfer. I understand that no more than six (6) automatic transfers are permitted in any calendar month from my Business Savings Account in combination with other Regulation D transactions.
12. I agree that in the event I draw an item on my Checking Account with you, I will hold you harmless and indemnify you from any liability I incur due to a delay or misrouting of the check where the delay or misrouting is caused by markings placed on the check by me or a prior endorser that obscure any depository endorsement placed by you or your agent.
13. I understand and agree that none of the funds on deposit in any Checking Account(s) may be pledged by any or all of the Authorized Signers as collateral security for any loan(s).
14. As a convenience to me, you will submit my initial order and reorders for personalized items to the printer designated by the Credit Union and named on the face of the order. If the printer accepts the initial order and reorders, the printer will mail the items to me or to me in care of you. I authorize you to charge my Checking Account for the cost of delivered items ordered, plus applicable sales tax and delivery costs. I am responsible for verifying the accuracy of all information shown on my checks whether I order them through you or elsewhere. I agree to imprint only those names of authorized owners on my checks.

15. This is a truncated Checking Account. Items are provided with carbonless copies, upon request, and are not returned with statements. I may, however, view printable front and back images of my cleared checks via CU.online. I may also request, and you will provide within a reasonable time, a legible front and back copy of an individual item. However, I may not be able to view check images or obtain copies of individual items if they have been converted into electronic fund transfers and processed as ACH transactions. For these transactions, my periodic statement will show the calendar date that the transfer was initiated, the type of transfer and the type of account(s) accessed by the transfer, and the amount of transfers occurring in that statement period. I will get a statement at least quarterly; periodic statements are provided monthly for all checking accounts. I understand that if I have not ordered my checks through your approved check vendor(s), you are not responsible for the quality of any check copy that I request from you. In addition, you are not responsible for any checks not paid as a result of quality or printing errors.
16. You may charge against my Checking Account a postdated check even though payment is made before the date of the check. However, if I notify you within a reasonable time to permit you to act and identify the check with reasonable certainty, you cannot pay the check until the due date. Notice may be written or oral, and it must include the exact amount, account number, check number, date of check, and name of payee. If oral, the notice shall be valid for fourteen (14) days. If written, the notice shall be valid for up to six (6) months and can be renewed within six (6) months for another successive six (6) month period. A fee may be assessed for this service.
17. "Conditional" checks include, but are not limited to, checks containing the statement that the check is not good for or after a specified number of days after the date of the check or that a check may not exceed a certain dollar amount. I agree that you are not required to identify such limitation and that the Credit Union will have no liability for paying a check even if there is printing on the check indicating conditions must be met for negotiation of the item.
18. With the Credit Union's consent, which may be given or denied at its option, I may use pre-encoded checks or other items for deposit. If I pre-encode checks or other items for deposit, I agree to comply with the pre-encoded deposit specifications as may be established and revised by the Credit Union from time to time. I also agree to indemnify and hold the Credit Union harmless from any and all claims, costs, damages, losses, liabilities, and expenses, including reasonable attorneys' fees, that result from a failure to comply with the Credit Union's pre-encoded deposit specifications.
19. I am limited to opening no more than three (3) Business Checking Accounts of the same type under the same member number.

## PART II

### FUNDS AVAILABILITY POLICY

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

For determining the availability of my deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If I make a deposit before 2:00 p.m. on a business day that you are open, you will consider that day to be the day of my deposit. However, if I make a deposit after 2:00 p.m., or on a day you are not open, you will consider that the deposit was made on the next business day you are open.

**LONGER DELAYS MAY APPLY.** In some cases, you will not make all of the funds that I deposit by check available to me on the first (1st) business day after the day of my deposit. Depending on the type of check that I deposit, funds may not be available until the fifth (5th) business day after the day of my deposit. However, the first \$200.00 of my deposits may be available on the first (1st) business day after the day of deposit.

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

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

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

1. You believe a check I deposit will not be paid.
2. I deposit checks totaling more than \$5,000.00 on any one day.
3. I redeposit a check that has been returned unpaid.
4. I have overdrawn my account repeatedly in the last six (6) months.
5. There is an emergency, such as failure of communications or computer equipment.

You will notify me if you delay my ability to withdraw funds for any of these reasons, and you will tell me when the funds will be available. They will generally be available no later than the eighth (8th) business day after the day of my deposit.

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

Funds from electronic direct deposits to my account will be available on the day you receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,000.00 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 (1st) business day after the day of my deposit if the deposit meets certain conditions. For example, the checks must be payable to me. The excess over \$5,000.00 will be available on the ninth (9th) business day after the day of my deposit. If my deposit of these checks (other than a U.S. Treasury check) is not made in person to one of your employees, the first \$5,000.00 will not be available until the second business day after the day of my deposit. Funds from all other check deposits will be available on the thirtieth (30th) business day after the day of my deposit.

### **SPECIAL NOTICE REGARDING ENDORSEMENT STANDARDS**

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

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

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

### **PART III**

#### **MEMBER CONDUCT AND LIMITATION OF SERVICES FOR MEMBERS NOT IN GOOD STANDING POLICY STATEMENT**

The privilege of First Entertainment Credit Union services available to members must be reserved for members who are in "good standing." I acknowledge and agree that the purpose of this policy is to protect the employees, volunteers, and members of the Credit Union from abusive members. This policy addresses standards of member conduct in order to assure the rights and protection of the Credit Union's employees, volunteers, and members.

I acknowledge and agree that the Credit Union's good reputation is due in large part to the loyalty, commitment, and continued efforts of its employees, volunteers, and members. The Credit Union is committed to treating its employees, volunteers, and members with the respect they deserve and is committed to maintaining a work place free from unacceptable conduct from any source.

In the event that I engage in any type of abusive conduct towards a Credit Union member or a Credit Union employee or volunteer engaged in Credit Union business, the Credit Union is authorized to apply appropriate remedial measures against me.

This policy extends to any member "not in good standing" who seeks member services, whether directly or indirectly, through a Credit Union account. This policy also applies to any person, including, but not limited to, any joint account owner, who has access to Credit Union services directly or indirectly through me who is considered to be "not in good standing" with the Credit Union.

I will not be considered to be "in good standing" with this Credit Union if:

1. I fail to comply with the terms and conditions of any lawful obligation with this Credit Union and the Credit Union suffers a "pecuniary loss" as defined below;
2. I manipulate or otherwise abuse Credit Union services or products to the detriment of the Credit Union and/or the Credit Union's membership; or
3. I engage in "abusive behavior," as defined below, or otherwise injure any person or damage any property while on Credit Union premises, at any Credit Union function, or while on any Credit Union Service Centers Network.

The determination of whether I am in "good standing" with this Credit Union will be made at the sole discretion of the Senior Management of this Credit Union.

This policy also extends to member conduct at any Credit Union Service Centers Network or any other shared-branched network.

#### **DEFINITIONS:**

1. "Member services" are hereby defined as any products or services now or hereafter provided or sponsored by the Credit Union or otherwise made available to Credit Union members, which services include, but are not limited to: loans, deposit accounts, checking or share drafts, ATM services, online banking services, and other electronic fund transfer services.
2. A "pecuniary loss" to the Credit Union occurs when the Credit Union writes off as uncollectible any monies which I owe, for whatever reason, to the Credit Union.

- (a) For loans: the pecuniary loss is defined as the principal amount of any monies owed and written off as uncollectible. The amount of the pecuniary loss does not include interest and expenses.
- (b) For shares: the pecuniary loss is defined as the negative balance in the share account written off as uncollectible.

3. "Abusive behavior" includes, but is not limited to, any of the following conduct:

- (a) Any threats of or actual bodily harm or illegal activity against another member or an employee or volunteer engaged in Credit Union business.
- (b) Any form of action which may constitute harassment under the Credit Union's harassment policy. For example:
  - Any type of harassment, including age, sexual, ethnic, or racial harassment; making racial or ethnic slurs, engaging in sexual conduct; making sexual overtures.
  - Inappropriate touching.
  - 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.
  - Displaying sexually-suggestive objects or pictures.
- (c) Fighting, kicking, or other physical harm or attempted harm towards a Credit Union member, employee, or volunteer engaged in Credit Union business. For example:
  - Engaging in offensive or abusive physical contact.
  - Making false, vicious, or malicious statements about any Credit Union employee or volunteer or the Credit Union and its services, operations, policies, practices, or management.
- (d) Cursing or other abusive or vulgar language directed towards a Credit Union member, employee, or volunteer engaged in Credit Union business. For example:
  - Using profane, abusive, intimidating, or threatening language.
- (e) Bringing or possessing firearms or weapons or any hazardous or dangerous device on Credit Union premises or at a Credit Union function or on any Credit Union Service Centers Network.
- (f) Possession, sale, use, or being under the influence of any unlawful or unauthorized substance, including alcohol, on Credit Union premises or at a Credit Union function or on any Credit Union Service Centers Network.
- (g) Attempting to coerce or interfere with a Credit Union employee or volunteer in the performance of their duties at any time.
- (h) Uncivil conduct or failure to maintain satisfactory or harmonious working relationships with other members, employees, and volunteers at the Credit Union.
- (i) Conducting or attempting to conduct or engage in any fraudulent, dishonest, or deceptive activity of any kind involving Credit Union employees or Credit Union services.
- (j) Any posting, defacing, or removing notices or signs on Credit Union premises; writing on Credit Union bulletin boards without management authorization.
- (k) Appropriation or misappropriation of Credit Union funds, property, or other material proprietary to the Credit Union; immoral conduct or indecency on Credit Union premises.
- (l) Deliberate or repeated violations of security procedures or safety rules.
- (m) Any other act which endangers the safety, health, or wellbeing of another person or which is of sufficient magnitude that it causes disruption of business at the Credit Union.

This list is non-exhaustive and is used only as an example of types of behavior that may be viewed as "abusive" by the Credit Union.

#### POLICY:

The availability of member services for members who are not in good standing with this Credit Union shall be restricted. Any or all of the following actions may be imposed against an individual who is deemed to be "not in good standing":

1. Denial of all services other than the right to maintain a Savings Account and the right to vote at annual and special meetings.
2. Preclusion from personal contact with Credit Union employees or volunteers such that Credit Union services may be available only through written communication through the U.S. mail, online banking, or other remote access device designated

3. Preclusion from access to the Credit Union premises.
4. Preclusion from access to any Credit Union Service Centers Network or any other shared-branching network and revoking any shared branching privileges.
5. Taking any other action deemed appropriate under the circumstances that is not precluded by California Credit Union Law, NCUA Rules and Regulations, the Credit Union's Bylaws, or other applicable federal or state law.

I understand and agree that any threats of bodily harm or any other illegal activity against any Credit Union employee, volunteer, or other member will be reported to appropriate federal, state, and/or local authorities.

In the case of continued abusive behavior or an extremely abusive incident, I will be subject to removal from membership at a special meeting of the members or at the next annual meeting of the membership.

These limitations shall not prohibit me from exercising my rights under federal or state law or regulation (e.g., Regulation "E" or Regulation "Z").

## PART IV

### BUSINESS ELECTRONIC BANKING SERVICES AGREEMENT AND DISCLOSURES

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

#### A. General Disclosures Applicable to all Business Electronic Banking Services

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

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

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

You recommend that I purchase and utilize anti-malware software as a defense against keyloggers and certain forms of attacks by unauthorized third parties seeking access to or control over my account. Anti-malware is a term that is commonly used to describe various software products that may also be referred to as anti-virus or anti-spyware. Anti-malware software is used to attempt to prevent, detect, block, and remove adware, spyware, and other forms of malware such as keyloggers.

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

2. **Business Day Disclosure.** Your business days are Monday through Friday. Federal Holidays are not included. Your business hours are 8:30 a.m. to 5:00 p.m. Mon. – Thurs. and 8:30 a.m. to 6:00 p.m. Fridays. Some branches have Saturday hours 9:00 a.m. to 2:00 p.m.; call the Credit Union for specific locations. Your Proprietary ATMs are generally accessible 24 hours a day, 7 days a week, with minor interruptions for system maintenance or technical difficulties. 1st Call, CU.online, and Billp@yer are generally available 24 hours a day, 7 days a week, with minor interruptions for system maintenance or technical difficulties, including those of the Internet Service Provider and Internet software.

3. **Disclosure of Account Information to Third Parties.** You will disclose information to third parties about my Account or the transactions I engage in: (a) when it is necessary to complete an electronic transaction; (b) in order to verify the existence of my Account for a third party, such as a credit bureau or merchant; (c) in order to comply with a government agency or court order, or any legal process; or (d) if I give you my written permission.
4. **Notice and Communications.** Except as otherwise provided in this Agreement, all notices required to be sent to me will be effective when you mail or deliver them to the last known address that you have for me in your records or when you make such notices available to me through CU.online or at the last known email address you have for me. Notices from me will be effective when received by mail at the address(es) specified in this Agreement. 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 in person at any of your offices or by sending a written and signed notice to First Entertainment Credit Union, P.O. Box 100, Hollywood, CA 90078. In the event that I fail to do this, a charge may be made to my Account for the actual cost of a necessary locator service paid to a person or concern normally engaged in providing such service and incurred in determining my address. This charge will be imposed in accordance with your Bylaws.
5. **Collections.** I agree that you shall be entitled to recover any money owed by me as a result of my use of, or the use of anyone I have provided with access to, any of your electronic Services, and I agree to repay any amounts that create an overdrawn balance immediately upon demand. I may be charged an overdraft fee. You have a security interest in my present and future shares and have the right to apply such shares to any money I owe. If any legal action is required to collect money I owe, I agree to pay all costs of collection, including reasonable attorneys' fees, court costs, and other charges incurred for enforcing your rights under this Agreement.
6. **Severability.** If any part of this Agreement should be held to be unenforceable, the remaining provisions of this Agreement shall remain in full force and effect.
7. **Applicable Law.** This Agreement shall be construed and governed by applicable federal laws and regulations and the laws of the State of California, notwithstanding any conflict-of-laws doctrines of such state or other jurisdiction to the contrary.
8. **No Waiver.** No delay or omission on your part in exercising any rights or remedies shall operate as a waiver of such rights or remedies. A waiver on any one occasion shall not be construed as a bar or waiver of any rights or remedies on future occasions.
9. **Fees.** Charges associated with your Services are disclosed in your Business Account Schedule of Fees and Charges, which accompanies this Agreement. If I request a copy of the documentation relative to an ATM or POS transaction (except if the documentation is for resolution of a billing error), a fee equal to your reasonable cost of reproduction may be charged. Any fees charged will be deducted from my Checking or Business Savings Account(s).

Transaction fees for out-of-network ATMs as set forth in your Business Account Schedule of Fees and Charges will be charged to my Account at the end of the month in which they are incurred. Fees may not be recorded on the transaction acknowledgment produced by the ATM, but will be itemized on my monthly statement. I may be subject to additional fee(s) imposed by another financial institution or a merchant when performing ATM and/or Point-of-Sale transactions. This practice is known as "surcharging" and is in addition to any ATM fees charged by the Credit Union.

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

In addition to the Service fees, I agree to pay for all taxes, tariffs, and assessments levied or imposed by any government agency in connection with the Services, this Agreement, and/or the software or equipment made available to me (excluding any income tax payable by you). I am also responsible for the costs of any communication lines and any data processing charges payable to third parties.
10. **Termination of Electronic Services.** I may, by written request, terminate any of the electronic services provided for in this Agreement and Disclosure. Termination by any one account owner will be binding on all account owners and you are not required to notify other account owners of the termination. In addition, electronic services may be suspended, without advance notice, if there are insufficient funds in any one of my accounts or if any of my accounts are not in good standing as defined in your Member Conduct Policy. After suspension, electronic services may be reinstated, at your discretion, once there are sufficient funds in my account(s) to cover any fees and other transfers and debits. You may terminate my right to make electronic funds transactions at any time upon written notice. If I ask you to terminate my account or the use of a Visa Debit Card, or any other access device, I will remain liable for subsequent transactions performed on my account. Termination of electronic services does not terminate my accounts or agreements with you and will not affect my authorization for transfers and payments made prior to termination.
11. **Restricted Transactions.** The Services may not be used for any illegal activity or transaction. Further, I may not utilize the Services for purchase of any goods or services on the Internet that involve gambling of any sort. Such transactions include, but may not be limited to, any quasi-cash or online gambling transaction, any electronic commerce transaction conducted over an open network, and any betting transaction including the purchase of lottery tickets or casino gaming chips or off-track betting or wagering. However, in the event that a transaction described in this paragraph is approved and processed, I will still be responsible for such charges.

12. **Regulation D Restrictions on Electronic Funds Transfers.** Preauthorized, automatic, or telephone withdrawals or transfers from Savings and Money Market Accounts are limited to no more than six (6) transfers in each calendar month. However, I may make an unlimited number of withdrawals from or transfers among my own Savings accounts by mail, messenger, or in person at the Credit Union or at an ATM. I may also make an unlimited number of withdrawals from my Savings and Money Market Accounts through the Credit Union's Electronic Access Systems or by telephone if I request that you send me a check. Transfers or withdrawals in excess of the above limitations may not be honored and, for Money Market Accounts, I may be charged an Excess Withdrawal Fee as set forth in your Business Account Schedule of Fees and Charges.
13. **Verification.** All transactions affected by use of the ATMs, POS terminals, Online Banking Services, or other electronic transaction contemplated hereunder which would otherwise require my signature, or other authorized signature, shall be valid and effective as if signed by me when accomplished by use of a Card(s), PIN(s), and/or other Access Codes or as otherwise authorized under this Agreement. Deposits at an ATM are subject to verification by you and may only be credited or withdrawn in accordance with your Funds Availability Policy. Transactions accomplished after the close of normal business each day shall be deemed to have occurred on your next business day. Posted items may be reversed due to insufficient funds, stop payment orders, legal process, and other reasons. Certain balances also may not be subject to immediate withdrawal. You assume no responsibility for any loss arising from incomplete information or for any temporary interruption in your information system. You are not responsible for delays in a deposit due to improper identification on the deposit envelope or improper keying of my transaction. If I am unable to access your system for any reason, I can contact you for loan and deposit information. Information accompanying a deposit should include my name, your name, my member number, and where I want my deposit to go.
14. **Equipment.** I am responsible for providing and maintaining any equipment that is necessary for the Services, such as telephones, terminals, modems, and computers. I agree to use equipment that is compatible with your programs, systems, and equipment, which you may change from time to time. You assume no responsibility for the defects or incompatibility of any computers or software that I use in connection with the Services, even if you have previously approved their use. **YOU MAKE NO WARRANTY, EXPRESS OR IMPLIED, IN LAW OR IN FACT, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE OR OF MERCHANTABILITY WITH RESPECT TO THE SERVICES OR ANY COMPUTER PROGRAMS, EQUIPMENT, OR SOFTWARE MADE AVAILABLE TO ME.** I agree to notify you promptly if any software or equipment you provide to me becomes defective. Your sole responsibility (if any) in such instances will be to repair or replace the defective software or equipment.
- I agree to comply with the terms of any software license(s) provided to me in connection with the Services. I may not transfer, distribute, copy, reverse compile, modify, or alter such software. Unless otherwise agreed by you in writing, the computer programs, Service guides, security procedures, software, and systems provided to me in connection with the Services represent your proprietary property and must be returned to you upon request.
15. **Information Processing and Reporting.** You offer a number of Services that require you to receive, process, and report information involving my accounts and transactions. You will not be responsible for determining the accuracy, timeliness, or completeness of any information that I or others provide to you. You will not have a duty to interpret the content of any data transmitted to you, except to the limited extent set forth in this Agreement. Unless otherwise agreed in writing, you will not be required (by means of any security procedure or otherwise) to detect errors in the transmission or content of any information you receive from me or third parties.
- a. **Information I Provide to You.** I assume the sole responsibility for providing you with complete and accurate information in the form and format that you require. You are not responsible for confirming such information, or for monitoring or refusing to process duplicate instructions by me or my agents. You are not obligated to detect errors in my transfer or payment instructions.
- b. **My Instructions.** I must accurately describe transaction beneficiaries, intermediary financial institutions, and the beneficiary's financial institution in transfer and payment instructions. If I describe any beneficiary or institution inconsistently by name and number, other institutions and you may process the transaction solely on the basis of the number, even if the number identifies a person or entity different from the named beneficiary or institution.
- c. **My Review.** I acknowledge that it is not possible for the Services to be totally free from operator, programming, or equipment error, and that errors in processing and compiling data may occasionally occur (e.g., due to the failure of others to provide accurate information, telecommunication failures, or a breakdown in an electronic data interchange). As such, I agree to review and verify all results and to maintain adequate controls for insuring both the accuracy of data transmissions and the detection of errors. Unless otherwise required by law, your sole responsibility for any reporting errors caused by you will be to reprocess the information for the period in question and to provide corrected reports at your own expense. I agree to maintain adequate backup files of the data you submit for a reasonable period of time in order to facilitate any needed reconstruction of my transactions (e.g., in the event of a telecommunication failure). If you are unable to provide a Service for any reason, you will promptly inform me of the problem and will take reasonable steps to resume processing.
16. **Reliance on Third Parties.** Your ability to provide certain Services is dependent upon your ability to obtain or provide access to third party networks. In the event any third party network is unavailable or you determine, in your discretion, that you cannot continue providing any third party network access, you may discontinue the related Service or may provide the Service through an alternate third party network. In such situations, you will have no liability for the unavailability of access. You will not be responsible for any services I receive from third party vendors.

17. **Your Rejection of Transactions.** You may refuse any transfer or payment instruction without cause or prior notice.
18. **E-Mail/Internet.** If I send you electronic mail ("e-mail"), you may not receive or review it immediately. You will have a reasonable time to act upon any e-mail request or notice, and reserve the right to reject any transaction or request received by e-mail. I acknowledge that, even though e-mail may be encrypted, you cannot ensure that it will not be intercepted or affected by the actions or omissions of others, such as third party networks or persons with access to the Internet. As such, you recommend that I not send account data or other sensitive information to you by e-mail.

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

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

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

**YOU WILL NOT BE RESPONSIBLE UNDER ANY CIRCUMSTANCES FOR SPECIAL, INDIRECT, OR CONSEQUENTIAL DAMAGES THAT I INCUR AS A RESULT OF YOUR ACTIONS OR OMISSIONS, EVEN IF YOU ARE AWARE OF THE POSSIBILITY FOR SUCH DAMAGES.** Your liability and my remedy for actual costs and losses resulting from your actions and/or omissions, whether the claim is in contract or tort, will not exceed six times the average monthly charge for the Service(s) in question for the three months immediately preceding the cost or loss.

Any claim, action, or proceeding by me to enforce the terms of this Agreement or to recover for any Service-related loss must be commenced within one (1) year from the date that the event giving rise to the claim, action, or proceeding first occurs. I agree to cooperate with you in any loss recovery efforts you undertake to reduce any loss or liability that arises in connection with the Services.

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

20. **Indemnification.** I agree to indemnify, defend, and hold you, your affiliates, and subsidiaries, and your respective directors, officers, employees, and agents, harmless from and against any claim, damage, loss, liability, and cost (including, without limitation, attorneys' fees) of any kind which results directly or indirectly, in whole or in part, from: (a) your actions or omissions, if they are in accordance with my instructions or the terms of this Agreement; or (b) the actions or omissions of me, my agents, or employees.
21. **Compliance with Laws.** I agree to comply with all applicable laws and regulations when using the Services.

## **B. My Liability for Business Electronic Banking Service Transactions.**

1. **Authorized Charges.** I am responsible for all transactions and charges incurred by my use of any Services. I will take reasonable precautions to prevent unauthorized use of any Card and/or PIN and I will not disclose the PIN to anyone. If the Card is given and/or the PIN is disclosed to anyone and that person then conducts electronic banking transactions on my Account(s), the transaction will be deemed authorized and the person will continue to be authorized to conduct transactions until I notify you otherwise by telephone at (888) 800-3328 or (323) 851-3673. I will notify you at once if I discover or suspect unauthorized use of any Card and/or PIN.

**2 In Case of Errors or Questions About My Electronic Services Transactions.**

Telephone you at: (888) 800-3328 or (323) 851-3673

or write you at: FIRST ENTERTAINMENT CREDIT UNION  
P.O. Box 100  
Hollywood, CA 90078-0100  
ATTENTION: Electronic Funds Transfer Department

as soon as I can, if I think my statement or receipt is wrong or if I need more information about a transaction listed on the statement or receipt. You must hear from me no later than sixty (60) days after you send me the FIRST statement on which the problem or error appeared. I must:

- (1) Tell you my name and account number;
- (2) Describe the error or the transaction I am unsure about and explain as clearly as I can why I believe it is an error or why I need more information; and
- (3) Tell you the dollar amount of the suspected error.

If I tell you orally, you will require that I send you my complaint or question in writing within ten (10) business days.

You will determine whether an error occurred within ten (10) business days after you hear from me and will correct any error promptly. If you need more time, however, you may take up to forty-five (45) days to investigate my complaint or question. If you decide to do this, you will credit my account within ten (10) business days for the amount I think is in error, so that I will have the use of the money during the time it takes you to complete your investigation. If you ask me to put my complaint or question in writing and you do not receive it within ten (10) business days, you may not credit my account.

In accordance with Visa® Operating Rules and Regulations, I will receive provisional credit for Visa Debit Card losses for unauthorized use within five (5) business days after I have notified you of the loss.

For errors involving new accounts, point-of-sale, or foreign-initiated transactions, you may take up to ninety (90) days to investigate my complaint or question. For new accounts, you may take up to twenty (20) business days to credit my account for the amount I think is in error.

You will tell me the results within three (3) business days after completing your investigation. If you decide that there was no error, you will send me a written explanation. I may ask for copies of the documents that you used in your investigation.

**3. Your Liability for Failure to Make or Complete Electronic Funds Transactions.** If you do not properly complete an electronic funds transaction to my account on time or in the correct amount according to your agreement with me, you may be liable for my losses and damages. However, there are some exceptions. You will not be liable, for instance, if:

- (1) Circumstances beyond your control (such as fire, flood, earthquake, electronic failure, or malfunction of central data processing facility, etc.) prevent the transaction, despite reasonable precautions;
- (2) Through no fault of yours, I do not have enough money in my account (or sufficient collected funds) to make a transaction;
- (3) The funds in my account are subject to an uncollected funds hold, legal process, or other circumstances restricting such transaction or payment;
- (4) You have received incorrect or incomplete information from me or from third parties (e.g., the U. S. Treasury, an automated clearing house, or a terminal owner);
- (5) The ATM, POS terminal, Telephone Banking System, Online Banking, or other electronic services system contemplated hereunder was not working properly and I knew about this breakdown when I started the transaction;
- (6) The ATM where I was making the transaction did not have enough cash, or cash in the denominations I requested;
- (7) My Visa Debit Card or check(s) have been reported lost or stolen, or my Card has expired, is damaged so that the terminal cannot read the encoding strip, has not been activated, is inactive due to non-use, is retained by you at my request, or because my Card, Telephone Banking System, or Online Banking PIN has been reported lost or stolen or repeatedly entered incorrectly;
- (8) Your failure to complete the transaction is done to protect the security of my Account and/or the electronic terminal system;
- (9) There may be other exceptions.

4. **My Liability for Unauthorized Transactions and Advisability of Prompt Reporting.** I must tell you AT ONCE if I believe my checks, or my Telephone Banking System, Online Banking, or Visa Debit Card (collectively "check(s), Card(s) and/or PIN(s)") has been lost or stolen or if I believe that an electronic fund transfer has been made without my permission using information from my check. Telephoning is the best way of keeping my possible losses down. A written notification to you should follow my telephone call. I could lose all the money in my account (plus my maximum overdraft line of credit). However, if I believe my check(s), Card(s) and/or PIN(s) has been lost or stolen, and I tell you within two (2) business days after I learn of the loss or theft, I can lose no more than \$50.00 if someone used my check(s) (in an Electronic Check Transaction), my Card(s), and/or PIN(s) without my permission.

If I do NOT tell you within two (2) business days after I learn of the loss or theft of my check(s), Card(s), and/or PIN(s) and you can prove you could have stopped someone from using my check(s), in an Electronic Check Transaction, and/or my Card(s) and/or PIN(s) without my permission if I had told you, I could lose as much as \$500.00.

For transactions that take place on the Visa network system, I understand that Visa Operating Rules and Regulations provide for \$0.00 liability for losses from unauthorized (fraudulent) activity. This does not apply to ATM transactions using a PIN, or non-Visa PIN-Debit Network transactions.

Also, if my statement shows transfers that I did not make, including those made by Card, PIN, or other means, I must tell you at once. If I do NOT tell you within sixty (60) days after the statement was mailed to me, I may not get back any money I lost after the sixty (60) days if you can prove that you could have stopped someone from taking the money if I had told you in time.

If I can document a good reason (such as a long trip or hospital stay) kept me from telling you, you will extend the time period.

5. **Telephone Number and Address to be Notified in Event of an Unauthorized Transaction.** If I believe my Card(s), PIN(s), or check(s) has been lost or stolen or that someone will or may use it to transfer money from my account(s) without my permission, I must telephone you at: (888) 800-3328 or (323) 851-3673 or write you at:

FIRST ENTERTAINMENT CREDIT UNION  
P.O. Box 100  
Hollywood, CA 90078-0100  
ATTENTION: Electronic Fund Transfer Department

I should also call the number or write to the address listed above if I believe a transfer has been made using the information from my check without my permission.

C. **ADDITIONAL DISCLOSURES APPLICABLE TO PREAUTHORIZED DEPOSIT OF NET PAYCHECK, PAYROLL DEDUCTIONS, PENSION CHECKS, AND FEDERAL RECURRING PAYMENTS**

If I have arranged to have preauthorized electronic deposits of my net paycheck (if available from my employer), payroll deductions, pension checks, or Federal Recurring Payments (for example, Social Security payments), the following applies to me:

**Account Access.** Preauthorized deposits may be made to my savings account(s) or checking account(s).

**Notification of Preauthorized Deposits.** If I have arranged with a third party (for example, the Social Security Administration) to make preauthorized deposits to my account at least once every sixty (60) days, that third party making preauthorized deposits may have agreed to notify me every time the party sends you money to deposit to my account. If I have not made such an arrangement, I may telephone you at (888) 800-3328 or (323) 851-3673 and you will advise me whether or not the preauthorized deposit has been made.

**Documentation of Preauthorized Deposits.** Generally, I will receive a monthly account statement for each month in which a preauthorized deposit is made, but at least quarterly if no preauthorized deposits are made. However, if the only electronic fund transaction service I have with you is preauthorized deposits, then you reserve the right to send me a quarterly statement only.

D. **ADDITIONAL DISCLOSURES APPLICABLE TO PREAUTHORIZED PAYMENT SERVICES**

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

1. **Right to Receive Documentation of Preauthorized Payment:** I can get copies of the preauthorized payment documentation from the third party being paid at the time I give them the initial authorization.
2. **Account Access:** Preauthorized payments via ACH may be made from my Business Checking, and Savings only.
3. **Notice of Varying Amounts:** If my preauthorized payment varies in amount, the party who will receive the payment is required to tell me ten (10) days before each such payment when it will be made and how much it will be. I may agree with the person being paid to receive this notice only when the payment will differ by more than a certain amount from the previous payment or when the amount would fall outside certain limits that I set.

4. **Right to Stop Preauthorized Payment:** If I want to stop any of the preauthorized payments or revoke a preauthorized payment authorization, I must call you at (888) 800-3328 or (323) 851-3673 or write to you at: FIRST ENTERTAINMENT CREDIT UNION, P.O. Box 100, Hollywood, CA 90078-0100, in time for you to receive my stop request or revocation three (3) business days or more before the payment is scheduled to be made. If I call, you may also require me to put my request or revocation in writing and get it to you within fourteen (14) days after I call. You will charge me for each stop payment order I give pursuant to your Business Account Schedule of Fees and Charges. Such stop payment notice will apply only to that particular payment. If I have given you a request to revoke the entire preauthorized payment authorization, I understand and agree that I must also promptly contact the third party to cancel (revoke) the entire preauthorized payment authorization and provide you with a copy of my written revocation notice to the third party.
5. **Your Liability for Failure to Stop Payment:** If I order you to stop one of my preauthorized payments and provide you with sufficient information to reasonably identify the withdrawal no less than three (3) business days or more before the transfer is scheduled, and you do not do so, you will be liable for my losses or damages, to the extent provided by law.

#### **E. ADDITIONAL DISCLOSURES APPLICABLE TO ELECTRONIC CHECK TRANSACTIONS**

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

1. **Types of Available Transactions:** I may make transfers via ACH where I have provided a paper check to enable the merchant or other payee to capture the routing, account, and serial numbers to initiate the transfer, whether the check is blank, partially completed, or fully completed and signed; whether the check is presented at POS or is mailed to a merchant or other payee or lockbox and later converted to an EFT; or whether the check is retained by the consumer, the merchant or other payee, or the payee's financial institution.
2. **Account Access:** Electronic check transactions may be made from my Checking Account only.
3. **Limitations on Dollar Amounts of Transactions:** I may make electronic check transactions only to the extent that I have available clear funds in my Checking Account or available funds in my designated overdraft sources.

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

#### **F. ADDITIONAL DISCLOSURES APPLICABLE TO VISA DEBIT CARD TRANSACTIONS**

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

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

1. **Account Access:**
  - a. The following transactions are available when using the Card and PIN at Credit Union ATMs:
    - (1) Deposits or transfers to a designated Business Savings or Business Checking Account;
    - (2) Withdrawals or transfers from a designated Business Savings or Business Checking Account;
    - (3) Certain loan payments made by cash, check, or by transferring funds from a designated Business Savings or Business Checking Account; and
    - (4) Balance inquiries.
  - b. The following transactions are available when using the Card at Star System®, Plus®, and the CO-OP® ("Shared Network") ATMs:
    - (1) Withdrawals from a designated Business Savings or Business Checking Account;
    - (2) Balance inquiries on a designated Business Savings or Business Checking Account; and
    - (3) Transfers between designated Business Savings and Business Checking Accounts.
  - c. The following transactions are available when using ATMs located at CU Service Centers Shared Branch Locations:
    - (1) Transfers or withdrawals from a designated Business Savings or Business Checking Account;

- (2) Balance inquiries on a designated Business Savings or Business Checking Account; and
- (3) Deposits to a designated Business Savings or Business Checking Account.

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

I understand that transactions at a Shared Network System terminal may be subject to a Network Transaction Fee and/or a Terminal Use Fee charged by the operator of the terminal.

2. **Foreign Currency:** If I use the Card to withdraw foreign currency from an ATM or at a financial institution that accepts cards with the Visa® logo, my Account will be charged for the U.S. dollar equivalent of the transaction. The financial institution at which I conduct the transaction, or the network to which the ATM belongs, determines the exchange rate and calculates the U.S. dollar equivalent. The financial institution or network may also charge a fee.
3. **Limitations on Frequency and Dollar Amounts of Transactions:** There are daily limits on the number and dollar amount of transactions that I may originate by use of my Card, as follows:

- a. ATM Withdrawals: \$600.00
- b. PIN-Based Point-of-Sale (POS) transactions: \$1,500.00
- c. Signature-Based (Credit) POS transactions: \$3,000.00

You may change these daily limits from time to time. Transactions conducted using an ATM do count toward this limit. You count a transaction as having occurred when it is received by you in the Pacific Time zone at local time. The maximum number of ATM transactions per day is fifteen (15).

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

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

6. **Eligibility for a Card and/or PIN**
  - a. Unless otherwise provided in this Agreement, only an Authorized Signer on a Credit Union Business Deposit Account is eligible for Card and/or PIN, which that Authorized Signer may use to access that Account. Issuance of a Card and/or PIN is subject to such additional requirements as the Credit Union may from time to time establish with respect to that Card or PIN.
  - b. I may use my VISA Debit Card as a debit card to pay for transactions at places displaying the Visa® logo. Funds to pay for transactions originated by use of my Visa Debit Card as a debit card are charged to the Checking Account I designate and maintain with you. My Visa Debit Card may also be used to pay for transactions at participating merchants displaying the Visa® logo.

- c. I may use my Visa Debit Card to perform transactions at your proprietary ATMs and at Shared Network ATMs. I may also use my Visa Debit Card to pay for transactions at participating merchants displaying the Visa® logo.
- d. Transaction amounts conducted using my Card are limited to the available balance (i.e., the balance on which no holds are placed) in my designated Checking Account and my available overdraft protection, if any, and are subject to further limitations as set forth below. Total daily Card transaction and amount limits also apply.
- e. I am required to select a PIN before I can conduct any transactions using my Card. Each person to whom a Card is issued on behalf of the business can select his or her own PIN at any of your branches. I agree to memorize my PIN and will not write it on the Card. After memorizing it, I should destroy the PIN notation. Then I can be assured that no one other than me will use the Card. If I forget the PIN, I may come to one of your Member Service Centers and select a new PIN, provided I present adequate identification.

7. **PIN-Less Visa Debit Card Transactions:** You allow non-Visa debit transaction processing. This means I may use my Visa Debit Card on a non-Visa network (also known as a PIN-Debit Network) without using a PIN to authenticate my transactions. Visa Operating Rules and Regulations generally define a PIN-Debit Network as a non-Visa debit network that typically authenticates transactions by use of a PIN, but that is not generally known for having a card program.

There are two types of authenticated transactions when using a debit card: PIN and signature. In a PIN debit transaction, a cardholder enters a PIN to authorize the transaction. In a signature debit transaction, a cardholder signs a receipt. As a result of changes to Visa's Operating Rules and Regulations, I may choose to purchase goods and services with my Visa Debit Card through a PIN-Debit Network without the requirement of entering my PIN. The non-Visa debit network that supports PIN-Less transactions for the Credit Union is the CO-OP Network.

Examples of PIN-less debit transactions include initiating a payment directly with the biller (possibly via telephone, Internet, or kiosk locations), responding to a logo displayed at a payment site and choosing to direct payment through that network, and having my identity verified using known information derived from an existing relationship with me instead of through the use of my PIN.

I understand that the terms and conditions of my agreement with you relating to Visa Debit Card transactions do not apply to non-Visa Debit Card transactions. For example, the additional limits on liability (sometimes referred to as Visa's Zero Liability program), \$50.00 loss cap, provisional credit policies and the streamlined error resolution procedures offered on Visa Debit Card transactions are not applicable to transactions processed on a PIN-Debit Network. However, I may still have zero liability protection for fraudulent transactions on my Visa Debit Card under First Entertainment Credit Union's "zero liability" policy provided that I notify you in writing within sixty (60) days after the first statement on which the unauthorized electronic transaction appeared is delivered to me.

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

9. **Making Electronic Funds Transfers:** I agree to follow the instructions posted or otherwise given by you or the Shared Network ATM systems concerning the use of the ATMs.

#### **G. ADDITIONAL DISCLOSURES APPLICABLE TO POINT-OF-SALE TRANSACTIONS**

1. **Point-of-Sale (POS) Transactions:** I may use my Card to purchase goods and services and to get cash using POS terminals at participating retail locations displaying the Visa® logo. The amount of the purchase, together with any charge related to the transaction imposed by others, will be automatically deducted from my designated Business Checking Account. Participating retail outlets and locations are subject to change without notice. The maximum amount I can purchase on any day is set forth in the "ADDITIONAL DISCLOSURES APPLICABLE TO VISA DEBIT CARD TRANSACTIONS" above. The maximum number of PIN-based POS transactions per day is fifteen (15). Likewise, the maximum number of credit (or swipe) POS transactions per day is fifteen (15). Each transaction is subject to the fee schedule for my Account. PIN-based POS transactions received before your cut-off time on a business day will be processed that day. Signature-based POS transactions will be processed on the business day that they are received by you. Transactions received after your cut-off time or conducted on days that are not business days will be processed on your next business day. I may not stop payment on a POS transaction.
2. **Foreign Transactions:** Purchases using the Card made in foreign countries and foreign currencies will be billed to me in U.S. dollars. The conversion rate to dollars will be made in accordance with the operating regulations for international transactions established by Visa, Inc. If a transaction is made at a merchant or ATM that uses a currency other than U.S. dollars, Visa, Inc. will convert the charge into a U.S. dollar amount. Visa will use the government-mandated conversion rate in U.S. dollars or a wholesale currency market rate based on the transaction processing date. I understand that you have no control over the conversion rate and that the currency conversion rate used by VISA on the processing date may differ from the rate that would have been used on the purchase date or the cardholder statement posting date. A Foreign Transactions Fee of 0.8% will apply to each transaction outside the United States. A Multiple Currency Fee of 1% will apply for each transaction conducted in a foreign currency. If applicable, these fees will appear on my statement as an additional charge.

3. **Use of VISA Debit Card:** The use of my Visa Debit Card shall be through secret PIN (Personal Identification Number) activation or my signature. I agree that all transactions made with my authorized PIN or signature utilization (even if such transactions are actually made by my employees or other individuals, and even if such employees or other individuals exceed my authorization or use my Card and/or my PIN without my authorization) shall be considered to have been made by me, and I accept all financial liability for any such transactions. I also agree to sign my signature in the space provided on my Visa Debit Card for additional security and protection.
4. **Hold on Funds:** I understand that transactions initiated by use of my Visa Debit Card will create an automatic hold on funds less than, equal to, or greater than the transaction amount or may result in immediate withdrawals from my Checking Account or other linked account(s), depending on the nature of the particular transaction. If I do not have adequate funds or amounts in my primary or linked account(s) (including any overdraft sources), my transaction may be denied.
5. **Transaction Fees:** Except for any foreign transactions fee the Credit Union does not charge any transaction fees on my Card transactions at this time. However, I understand that other merchants and institutions may charge such transaction fees. Any applicable fees will be included in the amount of the transaction as it appears on my periodic statement.

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

#### **H. ADDITIONAL DISCLOSURES APPLICABLE TO AUDIO RESPONSE ELECTRONIC TELEPHONE BANKING**

1st Call (Audio Response Electronic Telephone Banking) is a telephone banking service that allows me to perform monetary transactions and account balance inquiries without assistance from your staff. I will actually "talk" directly with your computer through the use of a touch-tone phone. Before I can use 1st Call, you will provide me with a PIN for access. I understand that I can change my 1st Call PIN.

I am responsible for the safekeeping of my 1st Call PIN and for all transactions made by use of the 1st Call System. I will notify you immediately and send written confirmation if my 1st Call PIN is disclosed to anyone other than any owner or authorized signer on my account. I understand and agree that I must change the PIN immediately to prevent transactions on my Account if anyone not authorized by me has access to the PIN. If I disclose my 1st Call PIN to anyone, however, I understand that I have given them access to my account via the 1st Call System and that I am responsible for any such transactions. I further understand that my 1st Call PIN is not transferable and I will not disclose my 1st Call PIN or permit any unauthorized use thereof. You are authorized to act on any instructions received under my 1st Call PIN.

**Types of Available Transactions.** I may use my 1st Call PIN to:

1. Make withdrawals from my Business Savings and Checking Account(s) by cashier's check issued in the name of the business appearing on the Account Signature Card mailed to business address of record.
2. Transfer funds among and between my Business Savings and Checking Account(s), and between most other savings accounts and loan account(s).
3. Make account balance inquiries on my Business Savings and Checking Account(s).

You may offer additional services in the future and if so, I will be notified of them.

**Limitations on Transaction Frequency and Dollar Amounts.** Account withdrawals through 1st Call from my Business Checking or any Savings Account(s) are limited in any one business day to the lesser of \$5,000.00 or to the extent I have funds available in my applicable account. However, the frequency of telephone transfers is limited pursuant to Regulation D restrictions as disclosed in this Agreement and Disclosure. For security reasons, in the event my 1st Call PIN is lost or stolen, there may be limitations on transactions I can conduct on the Audio Response System.

**Withdrawal Checks.** Credit Union checks are prepared for withdrawals that are requested using 1st Call. You will mail these checks to the business at the last address of record. Checks requested before 3:00 p.m. on any business day will be mailed on the same day. Transactions completed after 3:00 p.m. on any business day will not be mailed until the following business day.

#### **I. ADDITIONAL DISCLOSURES APPLICABLE TO ONLINE BANKING**

CU.online is your electronic banking service that allows access to my accounts without assistance from your staff by using your Internet website and my CU.online Password and correct answers to pre-selected security questions. In addition to this Agreement and Disclosure, in connection with my use of CU.online I may be subject to, and/or required to agree to, various guidelines, rules, schedules, disclosures, disclaimers, and other terms that you may post on the CU.online site or otherwise provide or make available to me from time to time. Furthermore, if I use certain features, products, or services available on or through CU.online, I will be subject to, and/or required to agree to, separate user agreements, member agreements, or similar agreements governing or relating to such features, products, or services. All such guidelines, rules, disclosures, disclaimers, user agreements, or similar agreements, and other terms and conditions (collectively, "Additional Agreements"), are hereby incorporated by reference into this Agreement and Disclosure. Additional Agreements shall include, without limitation, agreements, rules, or other terms governing any checking, savings, or other deposit accounts, loan, line of credit and credit card accounts, and any other accounts that I may view, modify or otherwise access while using CU.online.

If the terms and conditions of this Agreement and Disclosure conflict with the terms and conditions contained in any Additional Agreement solely as they apply to CU.online, this Agreement and Disclosure controls; provided, however, that the terms and conditions of this Agreement and Disclosure are not intended to modify any disclosures or other terms that are required by law and that are provided by the Credit Union in an Additional Agreement.

**Minimum System Requirements.** I understand that in order to access and retain my electronic information and conduct transactions through CU.online, I must have an Internet-capable device, Adobe Acrobat Reader to view or print PDF documents, and an Internet browser with 128-bit encryption, and Cookies and Javascript enabled. For CU.online, the following Internet browsers are allowed or supported:

Internet Explorer® 8.0+

FireFox® 2.0+

Safari® 6.0+

Chrome®

I UNDERSTAND THAT THE CREDIT UNION DOES NOT MAKE ANY WARRANTIES ON EQUIPMENT, HARDWARE, SOFTWARE, OR INTERNET PROVIDER SERVICE, OR ANY PART OF THEM, EXPRESSED OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THE CREDIT UNION IS NOT RESPONSIBLE FOR ANY LOSS, INJURY, OR DAMAGES, WHETHER DIRECT, INDIRECT, SPECIAL, OR CONSEQUENTIAL, CAUSED BY THE INTERNET PROVIDER, ANY RELATED SOFTWARE, OR THE CREDIT UNION'S USE OF ANY OF THEM, OR ARISING IN ANY WAY FROM THE INSTALLATION, USE, OR MAINTENANCE OF MY PERSONAL COMPUTER HARDWARE, SOFTWARE, OR OTHER EQUIPMENT.

**Type of Available Transactions and Limits on Transfers.** CU.online is available for all of my business accounts, including loan and line of credit accounts, using my CU.online Password, for the following transactions:

1. Balance inquiries.
2. View and/or download account history as available.
3. Transfer of funds among and between my accounts with you.
4. Transfer of funds between my account with you and another First Entertainment Account.
5. Withdrawals from my Business Savings Account(s) (except from the principal of a certificate account) or Business Checking Account made by Credit Union check issued in the name of the business appearing on the Account Signature Card and mailed to the business address of record.
6. Make loan payments by transferring funds from my accounts at First Entertainment.
7. Access Billp@yer for transfers from my Checking Account.
8. Change my CU.online Password.
9. Place a stop payment on checks issued by me;
10. Set up and manage eAlerts;
11. Send and receive secure messages from the Credit Union;
12. View eStatements for my Accounts;
13. Activate or report a Debit Card lost or stolen;
14. Re-order checks;
15. Opt-out for overdraft protection;
16. Access forms;
17. Use of Budget tools;
18. Change address and other contact information; and

You may offer additional services in the future and, if so, I will be notified of them.

**Limitations on Transaction Frequency and Dollar Amount.** Funds transfers by and between my accounts at the Credit Union are not limited in terms of minimum or maximum dollar amounts per transaction except as provided for below:

Check withdrawals are limited to a maximum of \$10,000.00 in any one (1) business day or to the extent I have funds available in my applicable account.

Transactions on my accounts may be subject to Credit Union fees and charges. For more information, I will refer to the Fee Schedule, this Agreement and Disclosure and, where applicable, my Personal Line of Credit Agreement and Federal Disclosure Statement.

The Credit Union reserves the right to limit the frequency and dollar amount of transactions from my Accounts for security reasons.

**Authorization.** I authorize you to charge my designated Checking Account(s) for any transactions accomplished through the use of the Billp@yer service, including the amount of any recurring payment that I make, and all charges as shown in the Fee Schedule associated with the Billp@yer service.

**Eligibility.** I understand that in order to use CU.online, I must have an account in good standing and have a Password with you.

**Passwords.** I understand that I cannot use CU.online without a Password. I AGREE THAT THE USE OF A PASSWORD CONSTITUTES A REASONABLE SECURITY PROCEDURE FOR ANY TRANSACTION. My Password acts as my signature. You may also require additional security procedures to initiate online transactions. These additional security procedures may require special hardware, software, or third-party services. You may also, at your option, offer me additional, optional security procedures, such as random number generators, to enhance the security of my accounts.

I am responsible for the safekeeping of my Password provided by you or selected by me and for all transactions made by use of a Password. I will notify you immediately by phone and send written confirmation if my Password(s) is/are disclosed to anyone other than any joint owner of my account. If I disclose my Password to anyone (including without limitation, an account aggregate service provider), however, I understand and agree that I have given them access to my account(s) via the applicable electronic transfer system and am responsible for any such transaction. I understand and agree that I must change the Password immediately to prevent transactions on my account if anyone not authorized by me has access to my Password. I further understand and agree that my Password(s) is/are not transferable and I will not disclose it or permit any unauthorized use thereof. You are authorized to act on any instructions received under my CU.online Password.

If I voluntarily subscribe to a third party account aggregation service where my selected Credit Union deposit account(s) as well as my accounts at other financial/investment institutions may be accessed on a website, I may be required to give my Credit Union Password to the aggregate service provider. I understand that by doing so, I am providing the aggregate service provider access to my account(s) at the Credit Union.

You recommend that I change my Password regularly and that my passwords contain at least seven (7) characters including numbers and letters and that I do not use Passwords that could be easily guessed, such as my birthdate, last name, or other information that may be publicly available. You are entitled to act on instructions received under my Password. For security purposes, I must keep my Password and account information confidential. This means that I should memorize my Password and not write it down. If, through my own negligence or otherwise, I make my Password available to an unauthorized third party, I agree to notify you immediately. In such a case, I understand that you may terminate my access to the Service to protect the security of the Service and my Account.

The Credit Union will never contact me and ask me to provide my PINs or Passwords. If I am contacted by anyone claiming to be a representative of the Credit Union who asks me to provide any PIN or Password, I understand that I should not provide my PIN or Password and I will contact you at (888) 800- 3328 or (323) 851-3673 immediately to report the incident.

The Credit Union recommends that I purchase and utilize anti-malware software as a defense against keyloggers and certain forms of attacks by unauthorized third parties seeking access to or control over my account. Anti-malware is a term that is commonly used to describe various software products that may also be referred to as anti-virus or anti-spyware. Anti-malware software is used to attempt to prevent, detect, block, and remove adware, spyware, and other forms of malware such as keyloggers.

The Credit Union recommends that commercial (business) CU.online users should perform an internal internet banking risk assessment and controls evaluation periodically.

**Authorized Signers.** If I utilize CU.online to access my Accounts, transactions performed on any such account by electronic means where my CU.online Password is utilized will be considered authorized by all account owners and authorized signers.

**Secure Messaging Through CU.online.** I may communicate with you via secure messaging by logging on to your website and clicking on the "Messages" link. Only certain transactions may be performed on my accounts via secure messaging. For example, while I may inquire about a transaction via secure messaging, I cannot report an unauthorized transaction via secure messaging. I must report unauthorized transactions by calling or mailing you. I agree that you may take a reasonable amount of time to act on any email you actually receive from me. Any information I receive from you in response to my questions sent via secure messaging is provided on a best-efforts basis and is believed to be reliable but cannot be guaranteed. You are not responsible for any deficiencies in the accuracy, completeness, availability, or timeliness of such information or any investment or other decision I make using this information. You will only respond to emails through the secure messaging service via CU.online. Certain alerts and communications are sent via email to the email address you have on file. If I change my email address, I must notify you in writing, in person, by telephone, or via CU.online.

#### J. ADDITIONAL DISCLOSURES APPLICABLE TO BILL PAYMENT SERVICES

Billp@yer is an additional service offered to First Entertainment Credit Union members. I may use the Internet to electronically direct you to make payments from my Checking Account to third parties ("payees") that I have selected in advance to receive payment by means of Billp@yer. I must have a Checking Account with you to use this service. If I have multiple accounts with you, I may also direct you to make transfers between my accounts by means of CU.online. If I would like to take advantage of Billp@yer, I will visit your website and enroll with my eligible Credit Union accounts. Additional disclosures and specific terms and conditions for using the online services will be provided when I enroll.

**ACCOUNT ACCESS:** I may only use my designated Checking Account ("Payment Account") to make such payments. I agree to print and retain the Billp@yer (Online Bill Payment) Terms and Conditions (which is incorporated herein) along with this Agreement and Disclosure when I enroll in the Billp@yer service. I understand and agree that you reserve the right to deny enrollment.

**LIMITATIONS:**

1. There are no limitations on frequency of use.
2. Dollar amounts of payments are limited by available clear funds in my Payment Account.
3. Other limitations such as "Prohibited Payments" appear in the Billp@yer Terms and Conditions.

## PART V

### FUNDS TRANSFER AGREEMENT AND NOTICE

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

1. This Funds Transfer Agreement and Notice applies to funds transfers as defined in the Article 4A of the Uniform Commercial Code as adopted by California and Subpart B of Regulation J of the Board of Governors of the Federal Reserve.
2. You may establish or change cut-off times for the receipt and processing of funds transfer requests, amendments, or cancellations. Unless other times are posted for the various types of funds transfers, the cut-off time for wire transfers will be at 12 p.m. P.S.T. (12 p.m. P.S.T. for international wires) on each weekday that the Credit Union is open which is not a federal holiday. Payment orders, cancellations, or amendments received after the applicable cut-off time may be treated as having been received on the following business day and processed accordingly.
3. You may charge my Account for the amount of any funds transfer initiated by me or by any Authorized Signer or other authorized party with the right of access to the Account from which the funds transfer is to be made.
4. You may establish, from time to time, security procedures to verify the authenticity of a payment order. I will be notified of the security procedure, if any, to be used to verify payment orders issued by me or for which my Account will be liable. I agree that the authenticity of payment orders may be verified using that security procedure, unless I notify you in writing that I do not agree to that security procedure. In that event, you shall have no obligation to accept any payment order from me or other authorized parties on the Account until you and I agree, in writing, on an alternate security procedure.
5. If I send or receive a wire transfer, Fedwire may be used. Regulation J is the law covering all Fedwire transactions. This means that my rights and liabilities in a wire transfer involving Fedwire will be governed by Regulation J.
6. If I give you a payment order that identifies the beneficiary (recipient of the funds) by both name and identifying account number, payment may be made by the beneficiary's bank on the basis of the identifying account number, even if the number identifies a person different than the named beneficiary. This means that I will be responsible to you if the funds transfer is completed on the basis of the identifying account number I provided you.
7. If I give you a payment order which identifies an intermediary or beneficiary's bank by both name and an identifying number, a receiving bank may rely on the number as the proper identification even if it identifies a different person or institution than the named bank. This means that I will be responsible for any loss or expense incurred by a receiving bank which executes or attempts to execute the payment order in reliance on the identifying number I provided.
8. You may give me credit for Automated Clearing House (ACH) payments before you receive final settlement of the funds transfer. Any such credit is provisional until you receive final settlement of the payment. I am hereby notified and agree that if you do not receive such final settlement, you are entitled to a refund from me of the amount credited to me in connection with that ACH entry. This means that you may provide me with access to ACH funds before you actually receive the money. However, if you do not receive the money, then you may reverse the entry on my Account and I would be liable to repay you.
9. ACH transactions are governed by the operating rules of the National Automated Clearing House Association. In accordance with these rules, you will not provide me with next-day notice of receipt of ACH credit transfers to my Account. I will continue to receive notices of receipt of ACH items in the periodic account statements that you provide.
10. I may initiate ACH debit entries only with the prior written authorization of the persons whose accounts are affected by such entries. I agree to maintain a copy of each authorization for a period of two years following its termination, and to provide you with a copy upon request.

11. If you receive a funds transfer for me or for other persons authorized to have access to my Account, I agree that you are not obligated to provide me with next-day notice of the receipt of the funds transfer. You will provide me with notification of the receipt of all funds transfers by including such items in the periodic account statements that you provide. I may, of course, inquire between receipt of periodic statements whether or not a specific funds transfer has been received.
12. If you become obligated under Article 4A of the Uniform Commercial Code as adopted by California to pay interest to me, I agree that the rate of interest to be paid shall be equal to the dividend rate, on a daily basis, applicable to the Account with you to which the funds transfer should have been made or from which the funds transfer was made.
13. You may, in your sole discretion, reject any funds transfer request which: (1) exceeds the collected and available funds on deposit in my designated Account(s); (2) is not authenticated to your satisfaction or which you reasonably believe may not be authorized by me; (3) contains incorrect, incomplete, or ambiguous information; or (4) involves funds subject to a lien, hold, dispute, or legal process pending their withdrawal. I understand and agree that you shall incur no liability for any loss occasioned by your refusal to accept any funds transfer order.
14. There is no right to cancel or amend the transfer order. You, at your option, may attempt cancellation or amendment, but you shall have no liability if the cancellation or amendment is not effectuated. In any event, you will not credit funds until you confirm the recipient has not received funds and any funds transmitted have been returned. You have no obligation to re-execute any rejected or returned transfer order. You will credit any account following return or rejection. Any credit may not be equal to the original amount due to, for example, differences in foreign currency exchange rates, cable fees, your expenses, or expenses of other institutions. In addition, you will have no obligation to pay interest on any cancelled, returned, or rejected transfer order.
15. If I initiate a funds transfer request denominated in U.S. dollars for transfer to a foreign country, you may transfer payment in the currency of the beneficiary bank's country at your buying rate of exchange to U.S. dollars. If the transfer is returned for any reason, I agree to accept the refund in U.S. dollars in the amount of the foreign money credit, based on the then current buying rate of the bank converting the currency to U.S. dollars at the date of refund, less any charges and expenses incurred by you.
16. I agree not to initiate any wire transfer, ACH entry, or payment that would violate the economic sanctions administered by the U.S. Treasury's Office of Foreign Assets Control.
17. I understand and agree that in case of unauthorized or improper ACH debit activity on my Account, I must complete and sign the Credit Union's affidavit of unauthorized or improper ACH debit activity.

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

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

## PART VI

### LIABILITY FOR OVERDRAFTS

**GENERAL.** I am responsible for keeping track of the funds in my account that are available for me to use before I write a check, make a cash withdrawal at an ATM, or use my Debit Card for a transaction. Among other things, I should keep a running balance that reflects all of my transactions. I understand that it is imperative that I keep track of the transactions I may have authorized (such as outstanding checks or automatic bill payments I have authorized), as my available balance (discussed in more detail below) will not reflect these transactions until they are paid from my Account.

"Overdrawing" my account means that there are not sufficient available funds in my Account to pay for a transaction. Some transactions that can result in an overdraft in my Checking Account include, but are not limited to: (1) the payment of checks, electronic fund transfers, telephone-initiated transfers, preauthorized payments under your Bill Payment Service, or other withdrawal requests I authorized; (2) the return (unpaid) of items I deposited; (3) the assessment of service charges by you; or (4) the deposit of items that are treated as not yet "available" according to your Funds Availability Policy.

**PAYMENT OF OVERDRAFTS.** You are not obligated to pay any item presented for payment if my Account does not contain sufficient available funds. If you pay a transaction that overdraws my Account, you are not obligated to continue paying such transactions in the future. You may pay all, some, or none of my

overdrafts, without notice to me. I am liable to you to repay any overdrafts on my account whether I created them or not. If I do not pay you, and you take collection action against me, I agree to pay for your costs of collection. You may close, without notice, any account with excessive insufficient funds activity, and report the account to a consumer reporting agency.

You assess a fee for each item that you either pay, which results in an overdraft, or do not pay, which would have resulted in an overdraft had you paid it. If you pay an item in accordance with your Overdraft Service (described in more detail below), you will charge an Overdraft Service Fee as set forth in the Schedule of Fees. If you return an item, you will charge a Non-sufficient Funds (NSF) Fee as set forth in the Schedule of Fees. I will refer to the Schedule of Fees for a listing of fees, which is updated periodically.

You limit the number of NSF and Overdraft Service Fees you charge in a business day. If my ending account balance is overdrawn you will not charge a fee for any item that is \$5 or less. The maximum number of overdrafts due to insufficient or unavailable funds that will be subject to overdraft charges in one day is six (6), this is not including overdraft transfers. You will charge a Daily Negative Balance Fee as set forth in the Schedule of Fees if my checking account remains overdrawn for more than three (3) consecutive days, beginning on the fourth (4<sup>th</sup>) calendar day up to a maximum of fourteen (14) consecutive days.

You recommend that I apply for one of the optional overdraft protection plans described below. These plans can help me avoid overdrafts and returned items. While fees apply when I use an optional overdraft protection plan, the fees under the plan are less expensive than NSF and Overdraft Service Fees. I will refer to the "Optional Overdraft Transfer Protection Plans" section below for more information.

**MY CHECKING ACCOUNT BALANCE.** My Checking Account has two kinds of balances: the "actual" balance and the "available" balance. Both can be checked when I review my account online, at a Credit Union-owned ATM, by phone, or at a branch. It is important to understand how the two balances work so that I know how much money is in my account at any given time. This section explains actual and available balances and how they work.

My actual balance is the amount of money that is actually in my account at any given time, but not all funds included in the actual balance are considered available for transactions on my account. The actual balance is also referred to as: (a) my "current balance" on Credit Union ATM screens, in Mobile Banking, and 1st Call; and (b) my "balance" in Online Banking. My actual balance reflects transactions that have posted to my account, but not transactions that have been authorized and are pending or pending deposits that are subject to holds under your Funds Availability Policy. While the term "actual" may sound as though the number I see is an up-to-date indication of what is in my account that I can spend, that is not always the case. My actual balance will not reflect any purchases, holds, fees, other charges, or deposits made on my account that have not yet posted. For example, if I have a \$50 actual balance, but I just wrote a check for \$40, then my actual balance is \$50 but it does not reflect the pending check transaction. So at that point, I have an actual balance of \$50, but I have already spent \$40.

My available balance is the amount of money in my account that is available to me to use without incurring an overdraft fee. The available balance takes into account factors such as holds placed on deposits and pending transactions (such as pending debit card purchases) that the Credit Union has authorized but that have not yet posted to my account. For example, assume I have an actual balance of \$50 and an available balance of \$50. If I were to use my Debit Card at a restaurant to buy lunch for \$20, then that merchant could ask you to pre-authorize the payment in that amount (or even a different amount). Under this example, if the merchant requested preauthorization in the amount of \$20, you will place a "hold" on my account for \$20 (referred to as an "authorization hold"). My actual balance would still be \$50 because this transaction has not yet posted, but my available balance would be \$30 because of the restaurant's preauthorization request that resulted in an authorization hold on \$20 in my account. When the restaurant submits its bill for payment (which could be a few days later and for a different amount than the amount of the authorization hold), you will post the transaction to my account and my actual balance will be reduced by the amount of the posted transaction and hold will be removed.

You use my available balance to determine when my account is overdrawn. The following example illustrates how this works:

Assume my actual and available balances are both \$50, and I use my Debit Card at a restaurant for \$20. If the restaurant requests preauthorization in the amount of \$20, an authorization hold is placed on \$20 in my account, so my available balance is only \$30. My actual balance would remain \$50. Before the restaurant charge is sent to you for payment, a check that I wrote for \$40 clears. Because my available balance is only \$30 (due to the authorization hold of \$20), my account will be overdrawn by \$10, even though my actual balance is \$50. In this case, you may pay the \$40 check, but I will be charged an Overdraft Service Fee. That fee will be deducted from my account, further increasing the overdrawn amount.

My account is considered overdrawn when the available balance in my account is negative (less than \$0). **I ACKNOWLEDGE THAT I MAY STILL OVERDRAW MY ACCOUNT EVEN THOUGH THE AVAILABLE BALANCE APPEARS TO SHOW THERE ARE SUFFICIENT FUNDS TO COVER A TRANSACTION THAT I WANT TO MAKE.** This is because my available balance may not reflect all my outstanding checks, automatic bill payments that I have authorized, or other outstanding transactions that have not yet been paid from my account. In the example above, the outstanding check will not be reflected in my available balance until it is presented to you and paid from my account.

In addition, my available balance may not reflect all of my debit card transactions. For example, if a merchant obtains your prior authorization but does not submit a one-time debit card transaction for payment within three (3) business days of authorization (or for up to thirty (30) business days for certain types of debit card transactions, including but not limited to car rental transactions and international transactions), you must release the authorization hold on the transaction. The available balance will not reflect this transaction once the hold has been released, which generally occurs when the transaction has been

received by you and paid from my account. I will refer to the section entitled "Authorization Holds for Debit Card Transactions" below for information about how authorization holds affect my available balance.

Finally, my available balance may not reflect the most recent deposits to my account. I will refer to your Funds Availability Policy for information regarding the availability for withdrawal of my deposits.

**HOW TRANSACTIONS ARE POSTED TO MY ACCOUNT.** There are basically two types of transactions in my account: credits or deposits of money into my account, and debits or payments out of my account. It is important to understand how each is applied to my account so that I know how much money I have and how much is available to me at any given time. This section explains generally how and when you post transactions to my account.

**Credits.** Most deposits are credited to my account when you receive them. For some checks I deposit, only \$200 will be made available at the time of deposit; the balance will be available one (1) business day later. There may be extended holds on checks over \$5,000. Thus, my available balance may not reflect the most recent deposits to my account. For details on the availability for withdrawal of my deposits, I will refer to your Funds Availability Policy.

**Debits.** There are several types of debit transactions. Each type of debit transaction is described generally below. I acknowledge that there are many ways transactions are presented for payment by merchants, and the Credit Union is not necessarily in control of when transactions are received.

- **Checks.** When I write a check, it is processed through the Federal Reserve system. You receive data files of cashed checks from the Federal Reserve each day. The checks drawn on my account are compiled from these data files and paid each day. You process the payments from low to high dollar value.
- **ACH Payments.** You receive data files every day from the Federal Reserve with Automated Clearing House or ACH transactions. These include, for example, automatic bill pays I have signed up for. Each day, ACH transactions for my account are grouped together and paid in low to high dollar value.
- **Point of Sale (POS) Debit Card Transactions.** These are transactions where I use my debit card and I enter my PIN number at the time of the sale. They are similar to ATM withdrawals because money is usually deducted from my account immediately at the time of the transaction. However, some POS transactions are not presented for payment immediately; it depends on the merchant.
- **Signature Debit Card Transactions.** These are transactions where I make a purchase with my debit card and I do not enter my PIN but I am instead asked to sign for the purchase. As described above, in these situations, the merchant may seek prior authorization for the transaction. When that happens, you generally place a temporary hold against the available funds in my account. I will refer to the section below entitled "Authorization Holds for Debit Card Transactions" for additional information regarding such holds. At some point after I sign for the transaction, it is processed by the merchant and submitted to you for payment. This can happen hours or sometimes days after I signed for it, depending on the merchant and its processing company. These payment requests are received in real time throughout the day and are posted to my account as they are received.

The foregoing is a general description of how certain types of transactions are posted. These practices may change and you reserve the right to pay items in any order you choose as permitted by law.

**AUTHORIZATION HOLDS FOR DEBIT CARD TRANSACTIONS.** When I use my Debit Card to pay for goods or services, the merchant may seek preauthorization from you for the transaction. When you preauthorize the transaction, you commit to make the requested funds available when the transaction finally posts and as such, you generally place a temporary hold against some or all of the funds in the account linked to my debit card, based on the amount of the preauthorization request from the merchant. You refer to this temporary hold as an "authorization hold," and the amount of the authorization hold will be subtracted from my available balance as authorization requests are received by you throughout each day. Until the transaction finally settles or you otherwise remove the hold (for example, you may remove the hold because it exceeds the time permitted, as discussed below, or you determine that it is unlikely to be processed), the funds subject to the hold will not be available to me for other purposes. At some point after I sign for the transaction, it is processed by the merchant and submitted to you for payment. This can happen hours or sometimes days after I signed for it, depending on the merchant and its processing company. These payment requests are received in real time throughout the day and are posted to my account as they are received.

The amount of an authorization hold may differ from the actual transaction amount because the actual transaction amount may not yet be known to the merchant when the authorization request is submitted. For example, this can happen in connection with transactions where my debit card is swiped before my actual transaction amount is known, such as at a restaurant or gas station (e.g., at a restaurant, I may choose to add a tip to the transaction amount). For these types of transactions, there may be no authorization hold, or the amount of the authorization hold may be different from the transaction amount. In some other cases you may not receive an authorization request from the merchant, and there will be no authorization hold reflected in my available balance. You cannot control how much a merchant asks you to authorize, or when a merchant submits a transaction for payment.

You are permitted to place an authorization hold on my account for up to three (3) business days (or for up to thirty (30) business days for certain types of debit card transactions) from the time of the authorization or until the transaction is paid from my account. However, if the transaction is not submitted for payment, you will release the authorization hold, which will increase my available balance until the transaction is submitted for payment by the merchant and finally posted to my account. If this happens, you must honor the prior authorization and will pay the transaction from my account.

In certain instances, when the amount of the authorization hold is either more or less than the amount of the actual transaction, you may maintain the authorization hold even after the purchase amount is actually paid from my account. However, in these instances, you will not maintain an authorization hold for longer than three (3) business days (or for up thirty (30) business days for certain transactions).

**OPTIONAL OVERDRAFT TRANSFER PROTECTION PLANS.** You offer optional overdraft protection plan, such an Overdraft Transfer Protection Service where funds from a linked savings account are used for overdraft protection. If I qualify for these optional services, you will look first to these services for overdraft protection before applying your discretionary Overdraft Service when my account is overdrawn. The Overdraft Protection Transfer Service plan may save me money on the total fees I pay you for overdraft protection.

- **Overdraft Protection Transfer Service.** With this service, I authorize you to make transfers of available funds automatically from a savings account I designate to cover overdrafts in my checking account, if the linked savings account has sufficient available funds. Transfers from my savings account are made in increments of \$100 or what is available in the account. Each transfer counts as one of the six (6) limited transactions I am allowed each month from my regular savings or money market account. I must request to enroll in this service.

Overdrafts paid by the Overdraft Protection Transfer Service are subject to a per-item Overdraft Protection Transfer from Savings Fee as set forth in the Schedule of Fees.

If I do not have sufficient available funds in my regular savings account to pay the overdraft on my checking account, then I understand that the overdraft may be paid by your Overdraft Service, subject to the terms and conditions of the Overdraft Service Agreement below, if I am eligible for the Overdraft Service. If not, then the item causing the overdraft will be returned or the transaction denied. If I decline to utilize any of the optional overdraft transfer protection plan and I am not eligible for your Overdraft Service, and there are insufficient funds in my checking account to pay an item, my items will not be paid, they will be returned, and an NSF Fee will be charged for each item returned. I will be given the opportunity to choose the order of payment when I apply for the overdraft transfer protection plan. Transfers will appear on my periodic statements for each applicable account.

**LIMITS ON OVERDRAFT PROTECTION.** You will not transfer more than the available account balance in a linked savings account or the available credit on a Personal Line of Credit account, even if the amount of the overdraft is more than the available amount. If the available balance in a linked savings account or the available credit on a Personal Line of Credit account is not enough to pay the transactions I have initiated on any day plus the Overdraft Protection Transfers from Savings Fee, you will transfer enough funds to pay one or more transactions, plus the fee for transfer from savings. Any transactions that are not paid by the transfer will either be paid or returned, and Overdraft Protection Transfers From Savings Fee or NSF Fees will be charged as if I did not have overdraft protection.

**TERMINATION OF OPTIONAL OVERDRAFT PROTECTION PLANS.** You may terminate optional overdraft protection services at any time with or without notice to me. Any owner of the checking account, any owner of a linked regular savings account used for overdraft protection, or any borrower on a Personal Line of Credit account used for overdraft protection may cancel overdraft protection in person or in writing. Cancellation will be effective after you have received notice and have had a reasonable time to act on it.

## **OVERDRAFT SERVICE AGREEMENT**

### **OVERDRAFT POLICY:**

In accordance with your commitment to provide valued service and benefits, you may, at your discretion, pay my overdrafts that would cause my eligible checking account to have a negative balance up to the amount of my Overdraft Service limit, which is determined by you in your sole and absolute discretion. You refer to this service as your Overdraft Service (hereinafter referred to as the "Service"). The Service is different than the Personal Line of Credit and the Overdraft Protection Service plans. The Service is a backup to my existing overdraft protection plans and will only be activated if funds are not available from those plans. This Overdraft Services Agreement sets forth the terms and conditions applicable to the Service.

### **WHAT OVERDRAFT TRANSACTIONS ARE COVERED?**

The Service is available for the payment of checks, electronic transfers, telephone-initiated transfers, preauthorized payments under your bill pay service, recurring Visa Debit Card transactions, ACH transactions, and other preauthorized transfers. The Service is not available for ATM transactions and one-time Visa Debit Card transactions, unless I opt-in, as described in the next section below.

### **OPTIONAL OVERDRAFT TRANSACTIONS:**

The following types of transactions require me to "opt in" (in other words, I must provide you with my approval) if I would like to include them in the Service:

- ATM transactions
- One-time Visa Debit Card transactions

Choosing not to "opt in" may result in these transactions being declined.

I understand and agree that you do not require me to authorize the Service for my ATM and one-time Visa Debit Card transactions as a condition of you providing the Service to me for my checks, ACH transactions or other transactions subject to this Overdraft Service Agreement. If I want the Credit Union to authorize and pay overdrafts for ATM transactions and one-time Visa Debit Card transactions, I must provide you with my consent by: (1) calling you toll-free at (888) 800-3328; (2) visiting any branch and speaking with a member service employee; (3) mailing an opt-in consent form to P.O. Box 100, Hollywood, CA 90078-0100; (4) logging into CU online; or (5) visiting you online at [www.firsttent.org/overdraft](http://www.firsttent.org/overdraft).

I may revoke my authorization to have you pay my ATM transactions and one-time Visa Debit Card transactions at any time. My decision to opt in does not guarantee you will always pay my ATM transactions or one-time Visa Debit Card transactions when there are insufficient funds in my account to cover the transaction. I understand you reserve the right to pay or not pay any items at your discretion when there is not enough money in my account to cover the transaction.

#### ELIGIBILITY FOR THE SERVICE:

The Service is not a credit product and requires no application or credit approval process; it is a feature that is automatically included with eligible checking accounts (unless I opt out of the Service entirely as described below). Eligibility is at the sole discretion of the Credit Union and is based on me managing my checking account in a responsible manner. You reserve the right to limit the Service to one (1) account per household or member. You may suspend or permanently revoke the Service from my checking account, in your sole and absolute discretion, based on any one or more of the following criteria:

- I am not making regular deposits into my checking account;
- I do not bring my checking account to a positive balance within a fifteen (15) day period;
- I do not bring my checking account to a positive balance for at least one full business day within a thirty (30) day period;
- My membership is not in good standing;
- I am more than thirty (30) days past due or am in default in any other respect on any loan or other obligation to you;
- I have an outstanding balance due on an overdraft repayment plan;
- My checking account is subject to any legal or administrative orders or levies;
- I have insufficient credit or negative credit or negative consumer report history;
- I am a party to a bankruptcy proceeding;
- Any or all of my account(s) with you are being reviewed for improper activity or transactions;
- My checking account is classified as inactive;
- I use the Service to pay items written to check cashing agencies;
- I have an unresolved prior loss with you;
- You do not have a valid mailing or email address for me; or
- You believe I am not managing my checking account in a responsible manner which may harm me or you.

**The Service is a benefit. Any payment made by you under the Service will be made on a case-by-case basis, in your sole and absolute discretion. The Service does not constitute an actual or implied agreement between me and the Credit Union, nor does it constitute an actual or implied obligation of the Credit Union. The Service is a privilege that the Credit Union provides from time to time and which may be withdrawn or withheld by the Credit Union at any time, without prior notice, reason or cause.**

#### HOW THE SERVICE IS ADMINISTERED:

If I am eligible for the Service, you will generally pay my overdraft items up to a maximum amount depending on authorization due to my financial behavior and credit score. I acknowledge and agree that you reserve the right to limit the number of checks or other items/transactions that may be paid by you through the Service during any given month. In your sole discretion, you may notify me by mail, or, if I have agreed to receive notices from you in an electronic format, I may be notified electronically, of any nonsufficient funds checks, items, or other transactions that have been paid or returned; however, you are not required to so notify me. I also acknowledge and agree 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 checking account is in good standing and even if you have paid previous overdrafts.

#### WHEN IS THE OVERDRAFT PAYMENT DUE?

The total of the overdraft (negative) balance in my checking account, including any and all fees and charges, is due and payable upon demand, and I am required to immediately deposit with you sufficient funds to cover the overdraft paid by you and pay the related fees.

#### OVERDRAFT SERVICE FEES:

An Overdraft Service Fee will be charged to my checking account, in accordance with your Schedule of Fees, for each overdraft item over \$5 that is authorized and paid on my checking account through the Service. This means that more than one Overdraft Service Fee may be assessed against my checking account per day, depending upon the number of overdrafts authorized and paid through the Service. I will refer to the Schedule of Fees for the tiered fee structure and daily fee limit amounts. I understand that my Overdraft Service Limit will be reduced by the amount of each overdraft paid by you through the Service and the amount of the related Overdraft Service Fee imposed until such amounts are repaid by me as set forth herein at which time you may replenish my Overdraft Service Limit by the amount of repayment. If you choose not to pay the item/transaction under the Service, I am subject to an NSF Fee as set forth in the Schedule of Fees. My periodic statement will itemize Overdraft Service Fees and NSF fees and other overdraft related fees for each month, as well as the year-to-date total of fees.

If the amount of a transaction presented for payment is \$5.00 or less, and it is paid pursuant to the Service, the Credit Union may not charge me an Overdraft Service Fee. The Credit Union may not charge me more than six (6) Overdraft Service Fees or NSF Fees per day.

**OTHER OVERDRAFT FEES:**

If my checking account remains overdrawn for more than three (3) consecutive days, you will charge me a Daily Negative Balance Fee, in accordance with your Schedule of Fees, beginning on the fourth (4<sup>th</sup>) calendar day up to a maximum of fourteen (14) consecutive days.

**TRANSFERS TO COVER OVERDRAFTS:**

I understand and agree that you have the right to transfer available funds to my checking account from any of my other account(s) with you (excluding IRAs and certificate accounts), including account(s) upon which I am a joint owner, in an amount equal to the overdraft and related fees.

**RIGHT OF OFFSET :**

In addition to any other rights 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 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 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 Service (see below), I consent and expressly agree that the application of offset of funds in any account includes the setoff 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 to the maximum extent permitted by state and federal law. Each person who causes an overdraft, which is paid by you, agrees to be individually and jointly obligated to repay the unpaid negative balance in accordance with the terms and conditions of this Overdraft Service Agreement.

**DEFAULT:**

I will be in default under the terms of this Overdraft Service Agreement if I fail to live up to any of its terms and conditions 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 or terminate the Service or close my checking account and demand immediate payment of the entire unpaid negative balance. I agree to pay any collection costs, attorneys' fees, and court costs which you incur as a result of my default.

**TERMINATION; SUSPENSION:** You may terminate or suspend the Service at any time without prior notice. In no event will any termination relieve me of my obligation to repay any negative account balance, overdraft fees, collection costs and attorneys' fees, if any. You can delay enforcing any of your rights under this Overdraft Service Agreement without losing them.

**MY RIGHT TO OPT-OUT OF THE SERVICE:**

If I prefer not to have the Service on my checking account, I can telephone you at (888) 800-3328, 7:00 a.m. to 7:00 p.m. Monday through Friday, 8:00 a.m. to 3:00 p.m. Saturday, or write to you at P.O. Box 100, Hollywood, CA 90078-0100 and I will include my name, account number, and a statement that I am opting out of the Credit Union's Overdraft Service and you will remove the Service from my checking account. If I opt-out in writing, I will also include the date and my signature. If I opt-out of the Overdraft Service, I will still be charged your NSF fee for each item returned per your Fee Schedule. If I opt out of the Overdraft Service, I understand that I may opt in again by telephoning you at (888) 800-3328, 7:00 a.m. to 7:00 p.m. Monday through Friday, 8:00 a.m. to 3:00 p.m. Saturday, or writing to you at P.O. Box 100, Hollywood, CA 90078-0100 and I will include my name, account number, and a statement that I am opting in to the Credit Union's Overdraft Service and you will add the Service to my checking account, provided that I am still eligible for the Service. I will also include the date and my signature.

**OPTIONAL OVERDRAFT PROTECTION PLANS:**

As discussed in more detail above, you also offer optional overdraft protection plans, such as a link to a savings account or Personal Line of Credit loan account, which may be less expensive than your Overdraft Service. To learn more, I can ask you about these plans.

**The best way to know how much money I have and avoid paying overdraft fees is to record and track all of my transactions closely.**

**IF I DO NOT UNDERSTAND ANY PROVISION IN THIS PART VI, LIABILITY FOR OVERDRAFTS, OR IF I HAVE ANY QUESTIONS, I WILL CONTACT YOU AT (888) 800-3328, 7:00 AM to 7:00 PM MONDAY THROUGH FRIDAY OR 8:00 AM TO 3:00 PM SATURDAY, PACIFIC STANDARD TIME.**





