Disclosure & Agreement of Terms and Conditions Applying to SchoolsFirst FCU Member Accounts

This Disclosure & Agreement is presented for your information. Please read it carefully as it pertains to your accounts, specific shares, and electronic services, and is accurate as of the date shown on the cover. We may change terms or amend this Disclosure & Agreement from time to time without notice or as otherwise provided by law. If you maintain your account(s) or your certificate account renews after the effective date of the change, you indicate your agreement to any such changes.

Disclosure information applicable to all accounts offered by SchoolsFirst FCU is given, followed by specific disclosure information for your share accounts. Please refer to the table of contents as appropriate.

For the purposes of this Disclosure & Agreement brochure, “we”, “us”, “our”, “SchoolsFirst FCU”, and “Credit Union” refer to SchoolsFirst FCU, and “you” and “your” refer to the Members and account owners. “Disclosure & Agreement”, “Account Agreement”, and “Agreement” as applicable, refer to this Disclosure & Agreement of Terms and Conditions brochure.
General Disclosure Information About All SchoolsFirst FCU Accounts and Services

Membership/Eligibility

To join SchoolsFirst FCU, a Membership application must be completed. To receive Membership privileges, you must purchase one share at a par value of $5 (deposited in a Primary Regular Share ID 01) for each Membership opened. If your share balance falls below the par value of $5, you must increase the share balance to at least $5 within six months of the reduction. Failure to do so may result in the cancellation of your Membership. Shares are non-transferable except on the records of SchoolsFirst FCU.

SchoolsFirst FCU serves employees of schools located in the following counties: Imperial, Kern, Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara and Ventura.

Listed are some of the individuals who are eligible to join SchoolsFirst FCU:

- employees of eligible elementary, secondary and post-secondary schools;
- employees of County Superintendents of Schools or County Departments of Education;
- employees or trustees of eligible school boards;
- employees of authorized education foundations;
- retired pensioners or annuitants from the above employment;
- immediate family members

As a condition of establishing Membership, we may confirm your eligibility prior to or subsequent to opening your Share Account. If we cannot confirm your eligibility to our satisfaction, your account may be closed.

For additional eligibility information, please call 714.258.4000 or 800.462.8328.

Authority of SchoolsFirst FCU

By signing the Membership application/signature card, you agree to be bound by the terms of the card as well as this Disclosure Agreement as amended from time to time. You authorize us to obtain information from credit reporting agencies and financial institutions about your other checking and savings accounts and credit history. We may provide information about your account and your credit history with us to other persons, including credit reporting agencies.

The Credit Union reserves the right to restrict services and limit access for Members who commit significant financial misconduct, cause a loss to the Credit Union, or exhibit highly disruptive or abusive behavior.
Ownership of Accounts
We may pay out funds or transact business pertaining to any account with the signature of any one of the account owners, or the signature of any designated agent(s), unless otherwise agreed in writing by the Credit Union.

With respect to accounts owned by individuals where there is more than one owner on an account, you will each have access to the account and all the funds therein. We will consider all funds paid into the account, including dividends thereon, as held by each owner jointly and equally, without regard to net contribution of each owner, with right of survivorship, and all such funds shall be subject to withdrawal or receipt by any of the account owners or their survivors. Any such payment shall be valid and discharge the Credit Union from liability. With respect to ownership of funds, we will not inquire as to the source of funds received for deposit to a joint account or the proposed use of the funds withdrawn.

“Right of Survivorship” means that upon the death of an owner, the decedent’s share of the account will be owned equally by all surviving owners. If no surviving owners, funds are distributed equally among the surviving beneficiaries, if any. If no surviving owners or beneficiaries, funds in the account are subject to the probate laws of the State of California.

The primary Member, acting alone, shall have the right to change the ownership structure of any account(s) by executing and dating a new Membership application/signature card.

We shall recognize as joint owners, survivors and beneficiaries those parties appearing on the Membership application/signature card on file with the Credit Union bearing the most recent date.

Notices
Any notice that is provided to you constitutes notice to all individuals authorized by you to have access to your account.

Dividends
On all SchoolsFirst FCU accounts, dividends are computed on the actual dollar amount in the account. Dividends begin to accrue on funds from the date they are deposited to the date they are withdrawn. We use the daily balance method of computation, which means a daily periodic rate is applied to the balance (principal plus accrued dividends) of your account each day. The daily periodic rate is 1/365 of the annual dividend rate.

The dividend period for all SchoolsFirst FCU accounts is the calendar month. 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. Dividends are compounded daily and paid to your account monthly. For certificate accounts, My Club, Paycheck Planner, and Summer Saver accounts, dividends are also paid on the final maturity/transfer date.

All SchoolsFirst FCU accounts, with the exception of most Share Certificate accounts, are variable rate accounts. Variable rate Share Certificate accounts may be offered from time to time (for variable rate information, see Additional Disclosures About Specific Accounts in this brochure).

The dividend rate for the Regular, Jumbo, IRA and DCP Share Certificates is set for the term and is based on initial opening balance.

The dividend rate on the 12-Month College Saver Share Certificate is set for the term and is based on the dividend rate offered for the $50,000 tier on our Regular 12-Month Share Certificate.

To obtain the maximum benefit of compounding, dividends are posted to the account upon which the dividends are earned. However, for any account other than My Club, Paycheck Planner and Summer Saver accounts, we can transfer dividends to your Share Savings or Share Draft Checking account upon your request. For Share Certificate accounts you also have the option of having dividends mailed to you by check. The annual percentage yield quoted on all accounts assumes dividends remain in the account until maturity. Withdrawal of dividends will reduce your earnings below the stated APY.

If you close any share account prior to the end of the dividend posting period, we will pay dividends at the declared rate up to the day of withdrawal. Withdrawals from Paycheck Planner, My Club and Share Certificate accounts are subject to penalties as described later. (Refer to the Table of Contents to locate specific disclosure information for these share types).

The Board of Directors declares dividends monthly based on current income and available earnings after providing for required reserves.

For specified rates for each type of dividend bearing account, refer to the Dividend Rates & Terms sheet provided with this Disclosure & Agreement, which is incorporated by this reference.

Address
You agree to keep us informed of your current address. In the event you do not keep us informed, we may charge your account for the actual cost of a necessary locator service. We will not charge you more than once in any 12-month period. This charge will not exceed the maximum amount allowable by law.

Statements
Statements are generated on a quarterly basis. Monthly statements are generated if you have activity on a Share Draft Checking account, electronic funds transfers, or an open-end loan or line of credit. You understand and agree that the Credit Union does not return your cancelled checks with your account statements. We will mail account statements only to the address shown on our records. You can elect to receive your SchoolsFirst FCU periodic account statements electronically, through our eStatements service. For more information on Statements, visit our Online Banking system.

The Free Checking, Investment Checking and Youth Debit Share accounts require that you agree to receive your SchoolsFirst FCU periodic account statements and account notices electronically through our eStatements and eNotices services. For more information on eStatements and eNotices, visit our Online Banking system.

Except as otherwise provided herein with respect to electronic funds transfers, any objection regarding an item shown on your monthly or quarterly statement shall be waived unless made in writing to us on or before the 30th day following the day the statement was mailed.

Cash Transactions
All cash transactions are final. If you need cash in the amount of $3,000 or more from us, we may require a 48-hour advance notice.
We are required by the Bank Secrecy Act to file certain reports and follow specific Member identification procedures in cases of large currency transactions.

**Non-Cash Payments**
We reserve the right to refuse any non-cash item presented to us for payment. If accepted, we will credit all non-cash items received for credit to any account, subject to final payment.

**Checks Received/Endorsement**
We may endorse checks for the account owner(s) that are received for credit to your account. If you have more than one owner on your account, we may accept checks endorsed by any of the owners, for the other(s).

**Deposits**
All deposits are subject to verification.

**Withdrawals**
We may require 60 days notice of your intention to withdraw shares unless a different period of notice is established by the SchoolsFirst FCU Board of Directors.

**Returned Deposits**
When an item you cash or deposit into your account is returned to us unpaid, we will debit the amount of the item from your account, debit any dividends that would have been earned, and return the item to you. In the event a returned deposit causes your account balance to become negative, we may retain the item until the negative balance is resolved. We may choose, at our discretion, to redepone the item. You may be assessed a returned deposit fee (please see our current Statement of Fees) regardless of the action we take.

**Facsimile Signatures/Instructions**
We may refuse to accept facsimile signatures. You agree to assume full responsibility for any and all payments made by us in reliance upon a facsimile signature(s) resembling a signature that has been provided to us by you. You agree to indemnify and hold us harmless from any and all losses, claims, damages, liability, costs, and expenses including, but not limited to, reasonable attorney fees arising directly or indirectly out of the misuse or the unlawful or unauthorized use of the facsimile signature(s) by any person. We are not required to act upon instructions received by facsimile transmission.

**Cashier's Checks**
Stop payments on cashier’s checks are not permitted. In the event that a cashier’s check is lost, stolen, or destroyed, please contact us for procedures to obtain reimbursement or to have the cashier’s check reissued. There may be a delay of up to 90 calendar days before the funds may be reimbursed or the check reissued.

**Dormant Membership/Unclaimed Property**
A Membership account that has had no activity for 24 months is considered dormant, and is subject to a Dormant Membership Fee. (Please see our current Statement of Fees)

California’s Unclaimed Property Law requires us to report and deliver your funds to the appropriate state if there has been no activity on your account for over three years. To avoid having your funds escheated to the State, you may:
- make a deposit
- make a withdrawal

**Collateralization**
You may only use funds in a Share Certificate account (except for College Saver, IRA or Deferred Compensation Share Certificates) as specific collateral for a Certificate-Secured loan. Certificate-Secured loans are not available on organizational or business accounts.

**Pledge of Shares**
You grant us a consensual security interest in your accounts and have pledged funds on deposit in your accounts (except IRA or Deferred Compensation) to satisfy debts that are due us. We reserve the right to exercise this pledge of shares for liabilities owed to us against any account held by you individually or jointly with any other person(s) to the fullest extent permitted by law.

**Unlawful Use**
You warrant and agree that you will not use Credit Union accounts or services, including but not limited to loans, to make or facilitate any illegal transactions as determined by applicable law; and that any such use, including any such authorized use, will constitute an event of default under this Agreement. You agree that the Credit Union will not have any liability, responsibility, or culpability whatsoever for any such use by you or any authorized users. You further agree to indemnify and hold the Credit Union harmless from any lawsuits, liability, damages or adverse action of any kind that results directly or indirectly from such illegal use.

**Severability**
In the event that any portion of this Agreement is held by a court to be invalid or unenforceable for any reason, the remainder of this Agreement shall not be invalid or unenforceable and will continue in full force and effect. All headings are intended for reference only and are not to be construed as part of the Agreement.

**ARBITRATION; CHOICE OF FORUM; JURY TRIAL WAIVER**
You agree to be liable to the Credit Union for any loss, cost or expense that the Credit Union incurs as a result of your failure to follow this Agreement. You authorize the Credit Union to deduct any such losses, costs or expenses from your account without prior notice to you.

All unresolved disputes or claims relating to this Agreement or the relationships that arise from your use of the Credit Union’s products and services hereunder, whether based in contract, tort or otherwise, shall be resolved by binding individual arbitration under the expedited procedures of the Commercial Financial Disputes Arbitration Rules of the American Arbitration Association (AAA) and the Federal Arbitration Act in Title 9 of the US Code. The parties shall each be responsible for and pay their respective costs, including attorneys’ fees, incurred by them in preparing and presenting their case at the arbitration proceedings but the costs of the arbitrator shall be shared equally by them. Arbitration hearings will be held in Orange County, California at a location to be designated by the arbitrator, or at another location if mutually agreed. A single arbitrator will be appointed by the AAA and will be an attorney or a retired judge with experience and knowledge in financial transactions. Any issue concerning whether or the extent to which a dispute or claim is subject to arbitration, including but not limited to issues relating to the validity or enforceability of these arbitration provisions, shall be determined by the arbitrator. All statutes of limitations or other defenses relating to the timeliness of the assertion of a dispute or
claim that otherwise would be applicable to an action brought in a court of law shall be applicable in any such arbitration, and the commencement of an arbitration under this Agreement shall be deemed the commencement of an action for such purposes. No person entitled to demand arbitration hereunder shall be permitted to assert a dispute or claim that is on behalf of any other person. Similarly, an arbitration proceeding under this Agreement may not be consolidated with other arbitrations proceedings, nor may any arbitration be commenced on a class basis. Judgment upon the award rendered in arbitration shall be final and may be entered in any court, state or federal, having jurisdiction. In the event arbitration does not apply, the exclusive forum for any litigation relating to this Agreement or the relationships that arise from your Account or your use of the Credit Union’s products or services shall be a Court in Orange County, California. Whether as a result of arbitration or litigation or other proceedings, the prevailing party shall be entitled to reimbursement for all of its, his or her reasonable attorneys’ fees and costs incurred including, but not limited to, those incurred incident to any appeal. YOU AND THE CREDIT UNION HEREBY MUTUALLY WAIVE THE RIGHT TO TRIAL BY JURY OF ALL DISPUTES, CONTROVERSIES AND CLAIMS BY, BETWEEN OR AGAINST EITHER YOU OR THE CREDIT UNION WHETHER THE DISPUTE, CONTROVERSY OR CLAIM IS SUBMITTED TO ARBITRATION OR IS DECIDED BY A COURT. Each party to this Agreement agrees to maintain the confidentiality of any arbitration or other legal proceedings, and not to publicize or disclose to third parties any matters relating to such proceedings or the dispute involved or any decision, settlement or other resolution, except with the prior written consent of the other party or as required by applicable law.

**Governing Laws**

This Agreement is governed by the Bylaws of the Credit Union, federal laws and regulations, the laws (including applicable principles of contract law) and regulations of the state of California, and local clearinghouse rules, as amended from time to time.

**Non-waiver**

The failure by one party to require performance of any provision shall not affect that party's right to require performance at any time thereafter, nor shall a waiver of any breach or default of this Agreement constitute a waiver of any subsequent breach or default or a waiver of the provision itself.

**Telephone Monitoring**

In the regular course of our business, we may monitor and record phone conversations made or received by our employees. You agree that we will have such right with respect to all phone conversations between you and our employees, whether initiated by you or any of our employees.

**Fees and Charges**

A schedule of fees associated with your account, as well as fees for some non-account services (such as wires, cashier’s checks, money orders, etc.) is provided in our Statement of Fees. The Statement of Fees is part of the contract between you and us.

**Funds Availability**

Our policy is to generally make funds from your deposits available to you on the same business day as the day we receive your deposit. At that time, you can withdraw the funds in cash and, in the case of Share Draft Checking and Liquid Advantage Money Market Share accounts, we will use the funds to pay checks that you have written. Please note that even after we have made funds available to you

and you have withdrawn the funds, you are still responsible for checks you deposit or cash that are returned to us unpaid and for any other problems involving the items you deposit or cash. For determining the availability of your deposits, every day is a business day, except Saturday, Sunday and federal holidays.

**Funds Availability**

If we make a deposit at an After Hours Depository after 9 a.m., at a 24-Hour ATM after 12:00 noon, at an Express Deposit Box less than 30 minutes before closing, or make any deposit on a Saturday or on a day we are not open, we will consider that the deposit was made on the next business day we are open. We will consider that deposits by mail are made on the business day we receive them.

**Longer Delays May Apply:** In some cases, we will not make all of the funds that you deposit by check available to you on the same business day as the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. However, the first $200 of your deposit will be available on the same business day.

If we are not going to make all of the funds from your deposit available on the same business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the next business day after we receive your deposit. If you need the funds from a deposit right away, please ask us when funds will be available.

In addition, funds you deposit by check may be delayed for a longer period than noted above under the following circumstances:

- we believe a check you deposit will not be paid
- you deposit checks totaling more than $5,000 on any one day
- you have overdrawn your account repeatedly in the last six months
- you redeposit a check that has been returned unpaid
- there is an emergency, such as a failure of communications or computer equipment

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh business day after the day of your deposit.

**Special Rules for New Accounts:** If you are a new Member, the following special rules will apply during the first 30 days your account is open:

Funds from deposits of cash, or from electronic or wire transfers into your account, will be available on the same business day as the day we receive the deposit. The first $5,000 of a day’s total deposits of US Treasury, cashier’s, certified, teller’s, traveler’s, and federal, state and local government checks will be available on the same business day as the day of your deposit if the checks are made payable directly to you. The excess over $5,000 will be available no later than the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first $5,000 will not be available until the second business day after the day of your deposit. Funds from all other check deposits will be available no later than the 11th business day after the day of your deposit.

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

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

**Effect of a Hold:** Even if we do not make all the funds from a deposit available the same business day, the amount of the deposit is credited and begins to earn dividends immediately.

**Collection Items:** Some items, such as items subject to processing delays (e.g., insurance drafts and foreign items), cannot be credited to your account until we receive the funds. On such items, we will tell you this and give you an estimate of the time it will take to receive the funds. When funds are received, we will notify you and immediately credit your account for that amount minus any service charge levied by a third party.

**Endorsement Standards:** The Federal Expedited Funds Availability Act and Federal Reserve Board Regulation CC mandate endorsement standards for items you present for deposit.

The first 1-1/2 inches on the back side of a check is for signatures and deposit instructions. The same 1-1/2 inch restriction applies if you use an ink stamp for endorsement of your checks. The remainder of the check is to be used for other processing. This endorsement procedure applies to all instruments deposited to SchoolsFirst FCU and other financial institutions. Failure to follow these standards may result in refusal of the item for deposit.

**Substitute Checks and Your Rights**

**What Is A Substitute Check?**

Federal law permits banks to replace original checks with “substitute checks.” These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of the substitute check states: “This is a legal copy of your check. You can use it the same way you would use the original check.” You may use a substitute check exactly the same way you would use an original check including as proof of payment.

Some or all of the checks you receive back from us may be substitute checks. This notice describes rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have rights under other law with respect to those transactions.

**What Are My Rights Regarding Substitute Checks?**

In certain cases, federal law provides a special procedure for you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think we withdrew the wrong amount from your account or withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, bounced check fees).

The amount of your refund under this procedure is limited to the amount of your loss, or the amount of the substitute check, whichever is less. You are also entitled to dividends on the amount of your refund if your account is a dividend-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

If you use this procedure, you may receive a refund (plus dividends if your account earns dividends) within 10 business days. We may reverse the refund (including any dividends on the refund) if we later are able to show that the substitute check was posted correctly to your account.

**How Do I Make A Claim for A Refund?**

If you believe you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us at 714.258.4000 or 800.462.8328, extension 8175, or write to us at SchoolsFirst FCU, PO. Box 11547, Santa Ana, CA  92711-1547. You must contact us within 60 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you are not able to make a timely claim due to extraordinary circumstances. If you tell us orally, we may require that you send us your claim in writing within 10 business days.

Your claim must include:

- A description of why you have suffered a loss (for example, you think the amount withdrawn is incorrect);
- An estimate of the amount of your loss;
- An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss; and
- A copy of the substitute check or the following information to help us identify the substitute check: your account number, the check number, the amount of the check, and the date the check posted to your account.

**Electronic Funds Transfers**

For purposes of these Electronic Funds Transfers disclosures, our business days are Monday through Friday, excluding federal holidays. SchoolsFirst FCU currently provides Members the following services to access their accounts at the Credit Union by electronic transfer. Not all services are available to joint account owners.

- Online Banking
- Mobile Banking
- eDeposit Services
- Online Bill Payment
- TellerPhone
- ATM funds transfers
- ATM withdrawals and deposits
- Point-of-sale purchases
- Merchant debit transactions
- Electronic Check Conversions
- Federal recurring deposits such as Social Security, etc.
- Pre-authorized deposits of payroll funds
- Pre-authorized payments to third parties, such as insurance premiums, health clubs, etc.
- Pre-authorized transfers of deposits to or from another financial institution

**Online Banking:** By using the Online Banking system, you agree to the terms and conditions outlined in the Online Banking Disclosure and Agreement. You may use Online Banking for a variety of functions, including: (a) to verify certain information on your accounts, such as to check current balances, review transaction history, and verify the date and amount of your last deposit, (b) sign up for account alerts
delivered to you via email or text, and (c) perform certain transactions, including share transfers, loan payments, credit card cash advances, and transferring funds from your Share Draft Checking account to Savings or Checking accounts at outside institutions. Transfers made from Summer Saver and Liquid Advantage Money Market Share Accounts are subject to the limitations described in the section titled **Transaction Limits for Summer Saver and Liquid Advantage Money Market Share Accounts**. To log into the Online Banking system, visit our web site at www.schoolsfirstfcu.org.

**Mobile Banking:** By using the Mobile Banking system, you agree to the terms and conditions outlined in the SchoolsFirst FCU Mobile Banking Terms and Conditions agreement. You may use Mobile Banking to verify certain information on your accounts, such as to check current balances, review transaction history, locate fee-free ATMs, and view pending Online Bill Payment requests. You may also perform certain transactions, including share transfers, loan and credit card payments, and scheduling bill payments. Transfers made from Summer Saver and Liquid Advantage Money Market Share Accounts are subject to the limitations described in the section titled **Transaction Limits for Summer Saver and Liquid Advantage Money Market Share Accounts**. To register for Mobile Banking, access our Online Banking system at www.schoolsfirstfcu.org, or visit schoolsfirstfcu.org/mobile.

**eDeposit Services:** By using eDeposit Services, you agree to the terms and conditions outlined in the eDeposit Services Agreement. You may use eDeposit Services to make deposits remotely, by scanning checks and delivering the images and deposit information to the Credit Union or the Credit Union’s processor. The Credit Union offers eDeposit Services via online banking and smart phones. A downloadable application and log in authentication are required to use eDeposit Services via smart phone. Consult your communications service provider for information on data rates or other charges.

**Online Bill Payment:** To use our free Bill Payment service, you will need to register for the service by logging onto Online Banking and selecting “Bill Payment.” By using the online bill payment service, you agree to the terms and conditions outlined in the Bill Payment Disclosure and Agreement. You may use the online bill payment service to debit your SchoolsFirst FCU Share Draft Checking account to pay bills and make other payments via the Internet. To log into Online Banking and access our Bill Payment service, visit our web site at www.schoolsfirstfcu.org. You can also access our Bill Payment service via Mobile Banking. See Mobile Banking.

**TellerPhone:** Your account will be set up with access through TellerPhone. In order to activate TellerPhone, you must call TellerPhone at 714.258.4100 or toll free at 800.540.4546, select an access code and identify yourself by answering a few questions. You may use your access code to verify certain information on your accounts, such as to check current balances, review transaction history, and verify the date and amount of your last deposit. You may also perform certain transactions, including transfers between share accounts, loan payments and withdrawals made from savings accounts for which a check will be mailed to your home. Transfers and withdrawals made from Summer Saver and Liquid Advantage Money Market Share Accounts are subject to the limitations described in the section titled **Transaction Limits for Summer Saver and Liquid Advantage Money Market Share Accounts**.

**Automated Teller Machine/Point-of-Sale (ATM/POS) Cards:** You may request an ATM/POS card to perform transactions on your designated savings and/or checking account(s) at automated teller machines and point-of-sale terminals. For security reasons, there are daily limits on the dollar amounts you withdraw at ATMs and purchases you make at POS terminals. You will receive a disclosure with your ATM/POS card with additional terms and conditions applying to the use of that card.

**Debit MasterCard® Cards:** You may apply for a Debit MasterCard® card, which can be used to make purchases from your designated checking account anywhere MasterCard® is accepted, worldwide. The Debit MasterCard® card can also be used to perform transactions on your designated share and/or checking account(s) at automated teller machines and point-of-sale terminals. You will receive a disclosure with your Debit MasterCard® card with additional terms and conditions applying to the use of that card.

A Debit MasterCard® card is required to participate in the Debit Rewards and Swype Program (“Program”). For additional information about the Program, see Investment Checking in this brochure.

**Electronic Check Conversions:** You may authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your check to:

- Pay for purchases
- Pay bills

**Confidentiality:** We will disclose information to third parties about your accounts or the transfers you make only when one of the following conditions exist:

- When necessary to complete a transaction requested by you
- In order to verify the existence and status of your account(s), such as for a retail merchant or credit reporting agency
- In order to comply with government agencies or court orders
- If you give us written permission

**Ownership of ATM/POS and Debit MasterCard® cards:** ATM/POS cards and Debit MasterCard® cards are the property of the Credit Union and you agree to surrender them to the Credit Union promptly upon demand. We may restrict your ability to make ATM withdrawals or revoke the ATM/POS card or Debit MasterCard® card at any time without prior notice or liability.

**Access Devices:** ATM/POS cards, Debit MasterCard® cards, TellerPhone, Online Banking, Mobile Banking and eDeposit services are all access devices, and Personal Identification Numbers (PIN), access codes, and passwords are collectively referred to by us as “access codes.”

By requesting, signing or using (or authorizing another person to sign or use) any card, device, or access code, you and the other person(s) agree to use the card, device, or access codes in accordance with the following terms and conditions.

**Confidentiality of access codes:** You agree to hold your access code in strict confidence and you will notify us immediately if your card or access code is lost or stolen. As a precaution, it is recommended that you memorize your access code and do not write it down. Furthermore, you should 1) not write your access code on your access device or any material carried with your access device; 2) never let anyone else use your access device; 3) never tell anyone your access code; 4) never let anyone watch you use your access device or access code.

**Access to accounts:** Any person who receives a duplicate access device (as requested by you) or who is permitted to use your access device or access code will have access to your entire account, including the ability to withdraw or transfer money from your accounts, make purchases, and request advances under any credit line or credit card you now have or may have in the future.
We refer to such person as an authorized user and you agree that an authorized user may withdraw or transfer funds from your accounts, make purchases or make loan advance requests with the access device.

Transaction authorization: By using your access device in conjunction with your access code, you authorize the Credit Union to provide account balance information, to accept deposits and payments, and to make withdrawals and transfers into or from your accounts with the Credit Union in accordance with commands entered. POS transactions are debited from your designated checking account only.

Contact for lost or stolen card or PIN or misuse of check information: If you believe your ATM/POS card, Debit MasterCard® card or access code has been lost or stolen, that someone transferred or may transfer money from your account without your permission, or you believe a transfer was made using the information from your check without your permission, call us at or 800.462.8328, or write us at SchoolsFirst FCU, P.O. Box 11547, Santa Ana, CA 92711-1547, ATTN: Security and Fraud Management.

Liability For Unauthorized Use: If you believe your ATM/POS card, Debit MasterCard® card or access code has been lost, stolen, or discovered by an unauthorized person, or you believe that an electronic fund transfer has been made without your permission using information from your check, and you tell us within two business days of your discovery, you can lose no more than $50 if someone used your card or access code without your permission.

If you do NOT tell us within two business days after you learn of the loss or theft of your card or access code, and we can prove we could have stopped someone from using your card or access code without your permission if you had told us, you could lose as much as $500.

Also, if your statement shows electronic transfers that you did not make, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time. If a good reason (such as a long trip or hospital stay) kept you from telling us, we will extend the time periods.

If you authorize someone else to use your access code or card, you are responsible for all transactions which that person initiates at any time, even if the amount of the transaction or the number of transactions exceed what you authorized.

Liability for Unauthorized Use - Merchant Transactions: Your liability for unauthorized use of your Debit MasterCard® card when it is used for a merchant debit transaction will not exceed a) $0 if the conditions set forth below have been met, or b) if these conditions have not been met, the lesser of $50 or the amount of the unauthorized use before notification to us. Zero liability will apply only if:

- you report the loss or theft of your card within 24 hours of discovering it lost or stolen; and
- you can demonstrate that you have executed reasonable care in safeguarding your card from risk of loss or theft; and
- you have not reported two or more instances of unauthorized use to us within the preceding 12 months; and
- your account is in good standing.

Unauthorized Use: “Unauthorized use” means the use of your ATM card, Debit MasterCard® card, or access code by a person, other than you, who does not have actual, implied, or apparent authority for such use, and from which you receive no benefit.

If you authorize someone to use your ATM card, Debit MasterCard® card or access code, you are responsible for all transactions which that person initiates at any time, even if the amount of the transaction or the number of transactions exceed what you authorized.

Right to Receive Documentation: You may not get a receipt every time you use your ATM or Debit MasterCard® at other ATMs or POS terminals for transactions of $15 or less. You can get a receipt at the time you make a transfer to or from your account using one of our ATMs. If you have arranged to have direct deposits made to your accounts, you can call us at 800.462.8328 to find out whether or not the deposit has been made. You will receive a monthly account statement, unless there are no transfers in a particular month. In any case, you will receive an account statement at least quarterly.

Preauthorized Payments - Right to stop payment and procedure for doing so: If you have told us in advance to make regular payments (pre-authorized payments) out of your account, you can stop any of these payments. Here’s how:

Call us at 800.462.8328, or write us at P.O. Box 11547, Santa Ana, CA, 92711-1547, in time for us to receive your request three business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and send it to us within 14 days after you call. Please see our current Statement of Fees for stop payment fee. You may not stop payment on a Debit MasterCard® card transaction.

Notice of varying amounts: If these regular payments may vary in amount, the person you are going to pay will tell you, 10 days before each payment, when it will be and how much it will be.

Liability for failure to stop payment of preauthorized transfer: If you order us to stop one of these payments three business days or more before the transfer is scheduled, and we do not do so, we will be liable for your reasonable losses or damages.

Liability for failure to make transfers: If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will NOT be liable:

- if, through no fault of ours, you do not have enough money in your account to make the transfer
- if the transfer would cause the balance to exceed the credit limit on your Overdraft Protection Loan
- if the automated teller machine where you are making the transfer does not have enough cash
- if the terminal was not working properly and you knew about the breakdown when you started the transfer
- if circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken
- there may be other exceptions stated in our agreement with you

ATM Fees: When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used, and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer.

In case of errors or questions about electronic funds transfers: Call us at 800.462.8328, or write to us at the address shown in the section titled How to Reach Us on page seven, as soon as you can, if you think your statement or receipt is wrong, or if you need more information about a transaction listed on your statement or transaction receipt. We must hear from you
In order to help you with your questions, we will need the following information:

- your name, account number, and transaction date in question
- the error or the transfer you are unsure about, and why you believe there is an error or why you need more information
- the dollar amount of the suspect transaction

If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days. We will determine whether an error occurred within 10 business days (20 business days if the transfer involved a new account) after we hear from you, and will correct any error promptly. If we need more time, however, we may take up to 45 calendar days (90 calendar days if the transfer involved a new account, a point-of-sale transaction, or a foreign initiated transfer) to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days (20 business days if the transfer involved a new account) for the amount you think is in error, so that you will have use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account. An account is considered a new account for 30 days after the first deposit is made.

We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we may reverse the credit, if applicable, and we will send you a written explanation. You may ask for copies of the documents that we used in our investigation.

Transaction Limits for Summer Saver and Liquid Advantage Money Market Share Accounts

With all Share Savings and Liquid Advantage Money Market Share (Money Market Share) accounts, you may make an unlimited number of withdrawals or transfers each month at one of our branches, at ATMs, or by mail. However, federal regulation places limits on the number of certain transactions you make from your Summer Saver or Money Market Share accounts. You are allowed a combined maximum of six transactions each month from among the following:

- Preauthorized transfers are transfers made according to a specific agreement between you and us or another party. (Examples: transfers for overdraft protection, regular share-to-share transfers, regular electronic payments to a third party, such as health clubs, insurance companies, etc.)
- Telephone transfers include transfers initiated by a personal telephone call, using TellerPhone (our automated telephone system), or facsimile.
- Online Banking transfers
- Mobile Banking transfers
- Check, draft, debit card, or similar order
- and payable to a third party.

Funds Transfer Agreement and Notice

This Funds Transfer Agreement (Agreement) contains several notices which we are required to provide to you. It also establishes other terms of agreement which will apply to all funds transfers which involve you and the Credit Union. Using the Credit Union to send or receive funds transfers shall constitute your acceptance of all of the terms and conditions contained in this Agreement.

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

1. This Agreement applies to Funds Transfers as defined in Article 4A of the Uniform Commercial Code (Division 11 of California Uniform Commercial Code) and Subpart B of Regulation J of the Board of Governors of the Federal Reserve.

2. The Credit Union may establish or change cut-off times for the receipt and processing of funds transfer requests, amendments, or cancellations. Unless other times are posted for the various types of funds transfers, the cut-off time for wire transfers will be at 12:30 p.m. PST on each business day. Payment orders, cancellations, or amendments received after the applicable cut-off time may be treated as having been received on the next business day and processed accordingly.

3. The Credit Union may charge your account for the amount of any funds transfer initiated by you, or by any person authorized by you as a joint owner, or other authorized party with the right of access to the account from which the funds transfer is to be made.

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

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

6. If you give the Credit Union a payment order which identifies the beneficiary (recipient of the funds) by both name and an identifying number you provided the Credit Union. This means that you will be responsible to the Credit Union if the funds transfer is completed on the basis of the identifying account number you provided the Credit Union.

7. If you give the Credit Union a payment order that 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 beneficiary. This means that you will be responsible for any loss or expense incurred by a receiving bank that executes or attempts to execute the payment order in reliance on the identifying number you provided.

8. The Credit Union may give you credit for ACH payments before it receives final settlement of the funds transfer. Any such credit is provisional until the Credit Union receives final settlement of the payment. You are hereby notified and agree, if the Credit Union does not receive such final settlement, that it is entitled to a refund from you of the amount credited to you in connection with that ACH entry. This means that the Credit Union may provide you with access to ACH funds before the Credit Union actually receives the
money. However, if the Credit Union does not receive the money, then the Credit Union may reverse the entry on your account and you will be liable to repay the Credit Union.

9. Corporate entries may be received via ACH by the Credit Union on your behalf, based on an authorization you made with a third party. Corporate entries may be applied to your personal share or share draft account for the third party’s purpose of collecting or paying for business related matters. Any dispute or claim of unauthorized transactions regarding such corporate entries must be made in writing to the Credit Union within 24 hours of our receipt of the entry.

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

11. If the Credit Union receives a funds transfer for you or for other persons authorized to have access to your account, you agree that the Credit Union is not obligated to provide you with next day notice of the receipt of the funds transfer. The Credit Union will provide you with notification of the receipt of all funds transfers by including such items in the periodic account statements that the Credit Union provides. You may, of course, inquire between receipt of periodic statements whether a specific funds transfer has been received.

12. If the Credit Union becomes obligated under Article 4A (Division 11 of California Uniform Commercial Code) to pay interest to you, you agree that the rate of interest to be paid shall be equal to the dividend rate, on a daily basis, applicable to the account at the Credit Union to which the funds transfer should have been made or from which the funds transfer was made.

13. The Credit Union may, in its sole discretion, reject any funds transfer request that exceeds the available funds on deposit in your designated account(s); that the Credit Union reasonably believes may not be authorized by you; or that contains incorrect, incomplete, or ambiguous information. You understand and agree that the Credit Union shall incur no liability for any loss caused by the Credit Union’s refusal to accept any funds transfer request.

14. The Credit Union shall have the right to charge the amount of any funds transfer request to any of your accounts at the Credit Union in the event that no account is designated, or in the event that a designated account has insufficient funds to cover the amount of a funds transfer request. The Credit Union may charge a service charge for services relating to the sending or receiving of the funds transfer request. Please see our current Statement of Fees.

15. If you initiate a funds transfer request denominated in United States dollars for transfer to a foreign country, the Credit Union may transfer payment in the currency of the beneficiary bank’s country at the Credit Union’s buying rate of exchange to United States dollars. If the transfer is returned for any reason, you agree to accept the refund in United States dollars in the amount of the foreign money credit, based on the then-current buying rate of the bank converting the currency to United States dollars at the date of refund, less any charges and expenses incurred by the Credit Union.

16. Except as expressly prohibited by applicable state and federal laws and regulations, you understand and agree that the Credit Union will not be liable for any loss or liability arising from: 1) any unauthorized or incorrect transfer or interest thereon which you fail to report to the Credit Union within thirty (30) days after your receipt of notification of the transfer; 2) any negligent or intentional action or inaction on the part of any person not within the Credit Union’s reasonable control, including, but not limited to, the failure of other financial institutions to provide accurate or timely information; 3) the failure of other financial institutions to accept a funds transfer order; 4) your negligent or intentional action or inaction and/or breach of this Agreement; 5) any ambiguity or inaccuracy in any instruction given to the Credit Union by you; or 6) any error, failure or delay in execution of any funds transfer instruction, or cancellation or amendment caused by circumstances beyond the Credit Union’s reasonable control, including, but not limited to, any computer or communication failure. Except as otherwise provided by applicable state or federal laws or regulations, the Credit Union’s liability for any negligent or intentional action or inaction in connection with any funds transfer request shall be limited to your direct loss and payment of interest. UNDER NO CIRCUMSTANCES SHALL THE CREDIT UNION BE LIABLE FOR ANY LOST PROFITS, CONSEQUENTIAL, INDIRECT, PUNITIVE, OR SPECIAL DAMAGES THAT YOU MAY SUFFER IN CONNECTION WITH THIS AGREEMENT AND/OR ANY FUNDS TRANSFER REQUEST.

17. Except as otherwise expressly provided by applicable state and federal laws and regulations, this Agreement and all transactions initiated hereunder shall be governed by and construed in accordance with the internal laws of the State of California, notwithstanding any conflict of laws or doctrines of such state to the contrary.

Additional Disclosures about Specific Accounts

Please see page eight for information regarding dividends pertaining to any account described below.

Share Savings Accounts

As previously stated, to establish Membership an initial deposit of $5 must be placed and maintained in a Share Savings account, your Primary Regular Share ID 01. Additional Share Savings accounts may be established with a minimum balance of $5. Unlimited deposits and withdrawals are allowed on your Share Savings. This is a variable rate account. Rates are subject to change daily, at our discretion.

For federal reporting purposes, Share Savings accounts are reported as transaction accounts and consist of a transaction sub-account and a savings sub-account. Funds not routinely needed to pay debits may be transferred to a savings sub-account. We may periodically transfer funds between these two sub-accounts. Your dividend calculation will remain the same. The transaction sub-account will be governed by the rules governing our Share Draft Checking accounts outlined in this Account Agreement. This process will not affect your available balance, the dividends you may earn, NCUA share insurance coverage, your periodic statement, or any other features of this account.

Overdraft Protection Loans: School employees who accept an offer for an overdraft protection line of credit and do not have a checking account may use the loan to protect their Primary Regular Share ID 01 account. We will transfer the amount needed, up to your available credit, to cover a withdrawal or other debit from your Share account when sufficient funds are not available.
Share Draft Checking Accounts

To establish a Share Draft Checking account, you must be a Member in good standing (maintain your Primary Regular Share ID or account with a balance at least equal to the par value of one share, have no currently delinquent loans, and have no outstanding SchoolsFirst FCU losses). All Share Draft Checking accounts are verified through ChexSystems. We may refuse to open an account based on information provided by them. Share Draft Checking accounts may not be restricted with two signatures required for withdrawal.

Share Draft Checking accounts consist of a transaction sub-account and a savings sub-account. Funds not routinely needed to pay debits may be transferred to a savings sub-account. We may periodically transfer funds between these two sub-accounts. If your account is a dividend-bearing account, your dividend calculation will remain the same. Otherwise, the sub-accounts will be non-dividend bearing. The saving sub-account will be governed by the rules governing our Share Savings accounts outlined in this Account Agreement. This process will not affect your available balance, the dividends you may earn, NCUA share insurance coverage, your periodic statement, or any other features of this account.

We offer two different Share Draft Checking Accounts. Special terms and conditions applicable to each account type are shown below. All other disclosures contained herein apply to all checking accounts, regardless of type.

Free Checking: A minimum opening deposit of $25 is required. There is no minimum balance requirement and no monthly service charge for this account. Free Checking provides unlimited use of SchoolsFirst FCU and CO-OP Network ATMs; a fee of $1 will be assessed for each transaction at any other ATM.* There are no per-check charges associated with this account. This account does not earn dividends.

The Free Checking account requires that you agree to receive your SchoolsFirst FCU periodic account statements and account notices electronically through our eStatements and eNotices services. If you cancel or fail to sign up for eStatements and eNotices you will be provided a paper statement at no fee. For more information on eStatements and eNotices, visit our Online Banking system.

*Fee waived for school employee Members

Investment Checking: A minimum opening deposit of $25 is required; waived for School Employees or when automatic payroll deposit is set up. This account requires direct deposit of at least $1 monthly and a daily minimum combined share balance of $1,000; or, if you do not have a direct deposit, this account requires a daily minimum combined share balance of $2,500. For any month in which one of these requirements is not met, a service charge of $3 will be assessed. The monthly service charge is waived for Members age 62 or over. This account provides unlimited use of SchoolsFirst FCU and CO-OP Network ATMs. In addition, this account gives you six (6) transactions per month at other ATMs with no SchoolsFirst FCU charge; a fee of $1 will be assessed for each transaction in excess of six.** There are no per-check charges associated with this account. This is a variable rate account. Rates are subject to change daily, at our discretion.

The Investment Checking account requires that you agree to receive your SchoolsFirst FCU periodic account statements and account notices electronically through our eStatements and eNotices services. For more information on eStatements and eNotices, visit our Online Banking system.

*Fee waived for school employee Members

Check Printing: We offer checks in a number of styles and at various prices. The cost of checks purchased through us will be automatically charged to your Share Draft Checking account. If you purchase checks elsewhere, the form, encoding, and format of the checks must follow our check specification requirements and be approved by us in advance. This section does not apply to Youth Debit Share accounts. Paper checks may not be used to access Youth Debit Share accounts.

Withdrawal Methods: If you voluntarily give information about your account (such as your routing number and your account number) to a party who is seeking to sell you goods or services, and you don't physically deliver a check to the party, any debit to your account initiated by the party to whom you give the information is deemed authorized.

Restrictive Legends or Endorsements: We are not required to honor any restrictive legend or endorsement on items you write unless we have agreed to the restriction in a writing signed by an officer of the Credit Union.

Insufficient Funds: If a check or other payment instrument or payment method is presented against your Share Draft account and the balance is not sufficient to cover the check and overdraft protection is not available, we may pay the item or refuse payment at our discretion. (Please see our current Statement of Fees.) If there are sufficient and available funds to cover some but not all of the items, we may pay those items for which there are sufficient available funds in any order at our discretion. Transactions may not be received and processed in the order they occurred, which can affect the total amount of NSF or overdraft fees. Except for negligence, you agree not to hold us liable for any action regarding the payment or nonpayment of any item.

Joint Accounts: Any joint owner who signs on a Share Draft Checking account will be fully liable for any overdraft balance regardless of whether they signed, negotiated, or received benefit from the item(s) that caused the overdraft.

Stale-Dated Checks: We may return a check presented more than six months after the date written.

Overdraft Transfers:
- Automatic Overdraft Transfers—Upon your request, we may set up automatic overdraft transfers for your Share Draft Checking account. When sufficient funds are not available in your Share Draft Checking to cover a check or other debit, we will transfer the amount needed from your Share Savings, Liquid Advantage Money Market Share, or other Share Draft Checking accounts, up to the available amount. However, federal regulation places limits on the number of certain transactions, including transfers for overdraft protection you make from Money Market Share Accounts. (See section titled, Transaction Limits for Summer Saver and Liquid Advantage Money Market Share Accounts on page 20.)
- Overdraft Protection Loans—You may apply for an Overdraft Protection Loan from which we will transfer the amount needed, up to your available credit, to cover a check or other debit from your Share Draft Checking account when sufficient funds are not available.

Closure of Accounts: We may close your Share Draft Checking account if you are not in good standing with us or if you have had excessive incidents of returned items, returned deposits or other similar abuses.
**Stop Payment Request:** You may ask us to stop payment on any check drawn upon your Share Draft Checking, Liquid Advantage Money Market Share or Home Equity Line of Credit accounts. You may request a stop payment in person, by telephone, mail, or through our Online Banking system. The stop payment will be effective if we receive it in time for us to act upon it and you provide the account number, check number, date written, and the exact amount. If you give us incorrect or incomplete information, we will not be responsible for failing to stop payment on the item. If the stop payment order is not received in time for us to act upon it, we will not be liable to you or to any other party for payment of the item. If you request a stop payment by telephone, we may request that you confirm the stop payment in writing. A stop payment order is effective for 12 months, but it lapses after 14 calendar days if the original order was oral and was not confirmed in writing within that period. You agree to indemnify us against any and all liability, loss, cost, damages, attorneys’ fees, and other expenses, including but not limited to any amount you are obligated to pay on the item, which you may sustain or incur as a result of us honoring your stop payment request. (See our current Statement of Fees for stop payment fee.)

**Liquid Advantage Money Market Share Accounts**

To establish a Liquid Advantage Money Market Share account, you must make an initial deposit of $2,000. This account offers check access. (For Stop Payment information, see section titled Share Draft Checking Accounts, Stop Payment Request on page 26.) However, federal regulation places limits on the number of certain transactions, including money market checks and transfers for overdraft protection you make from your Liquid Advantage Money Market Share account. (See section titled, Transaction Limits for Summer Saver and Liquid Advantage Money Market Share Accounts on page 20.) You agree that only checks approved by us may be used for this service. Accounts restricted with two signatures required for withdrawal cannot have check access.

The Liquid Advantage Money Market Share account is a variable rate account. Rates are subject to change daily, at our discretion. You must maintain a minimum daily balance of $2,000 to earn the dividend rate/APY stated on our current dividend rate sheet. When the balance in your Liquid Advantage Money Market Share account falls below $2,000, you will earn the applicable Investment Checking Account rate.

**My Club Share Accounts**

The My Club Share account allows you to save for those special events in your life and choose a maturity month to suit your needs. Deposits to the My Club Share account can be made at any time, in any amount. There is no minimum monthly deposit requirement. A maximum of three My Club Share accounts are allowed per Membership. You can establish a My Club Share account at any time. The My Club Share account is a variable rate account. Rates are subject to change daily, at our discretion.

**Maturity Month:** You may select any maturity month between six and 18 months from the initial share opening date. Thereafter, your My Club Share account will mature on the same date each year. Deposits to, or early withdrawals from, your My Club Share account will not affect the maturity date. Your My Club Share account balance will transfer to your designated SchoolsFirst FCU share account on the maturity date. You may request your funds be transferred to your Share Savings account or Share Draft account. The My Club Share account will automatically renew each year, unless you instruct us to cancel the account.

**Summer Saver Accounts**

Enrollment in the Summer Saver account is limited to current school employees. The Summer Saver account is a high-dividend savings account that is intended to assist with summer expenses. One Summer Saver is allowed per Membership.

You can establish a Summer Saver at any time. Summer Saver accounts established after May 1 will have a transfer date you select, between June 1 and August 31 of the next calendar year. If no maturity date is selected, the transfer date will be August 31. The account automatically renews for one year on the maturity date, with the same transfer date. Eligibility is determined annually.

The Summer Saver is a variable rate account. Rates are subject to change daily, at our discretion.

**Deposits:** Deposits to a Summer Saver must be funded by NetPay, payroll deduction, payroll direct deposit, or share to share transfer. The minimum deposit is $1; the maximum deposit is $2,000 monthly. Any deposit amounts that exceed the maximum contribution limits will automatically transfer to your Share Savings ID 01 account.

**Withdrawals:** Unlimited withdrawals are allowed from your Summer Saver. Withdrawals may be made by Online Banking, Mobile Banking, TellerPhone, ATM, or in person. However, federal regulation places limits on the number of certain transactions you make from your Summer Saver. (See section titled, Transaction Limits for Summer Saver and Liquid Advantage Money Market Share Accounts on page 20.)

**Transfer Date:** Your Summer Saver account balance will automatically transfer to your designated Share Savings or Share Draft Checking account on the transfer date selected (June 1 - August 31), or August 31, whichever is later. The Summer Saver will continue each year, unless you instruct us to cancel the account.

**Paycheck Planner Share Accounts**

The Paycheck Planner Share account is available to certificated and classified school employees who are employed by a participating school district and are on a traditional 10- or 11-month pay schedule. This account is designed to assist these employees in distributing their payroll over 12 months. Paycheck Planner participants have a percentage of their monthly earnings automatically deposited in their Paycheck Planner Share account each pay period. The participant must have payroll direct deposit to SchoolsFirst FCU.

The Paycheck Planner Share account is a variable rate account. Rates are subject to change daily, at our discretion.

**Deposits:** Deposits to the Paycheck Planner Share account must be funded through payroll direct deposit and will be the set percentage of your monthly earnings as calculated to annualize your payroll. A one-time deposit outside of direct deposit may be made per school year, up to a maximum of $3,000. For purposes of this account, the “school year” begins with the September pay cycle. You can establish a Paycheck Planner Share account at any time; however, deposits made after June 30 of each year are credited toward the following school year.

**Transfer Dates:** Funds in your Paycheck Planner Share account will transfer to your specified SchoolsFirst FCU share account(s) on your designated transfer date(s). School employees paid on a 10-month schedule will have transfer dates of June 30 and July 30, or July 30 and August 30 (certificated employees) or June 9 and July 9 or August 9 and September 9 (classified employees). Transfer amounts will be 50% of the Paycheck Planner Share account balance.
Deferred Compensation Plans
Deferred Compensation Plans (DCP) are retirement programs defined by Section 457 of the IRS Code. These plans are legally available only to current employees of eligible public units. Your school district must elect to participate in this plan before we can offer it to you. Among the investment vehicles available for eligible DCP programs, you may choose a 12-, 36-, or 60-Month Share Certificate.

Contributions: There is no minimum opening balance requirement. Payroll contributions of $50 or more can be made to DCP Share Certificates through your payroll department. Maximum annual contributions are determined by IRS regulations.

Distributions: We will waive early withdrawal dividend penalties for 1) normal distributions from a DCP 12-Month Share Certificate, and 2) all automatic, normal distributions from a DCP 36- or 60-Month Share Certificate. Normal distributions are defined in your DCP Plan Agreement. Automatic, normal distributions are defined as withdrawals made from a DCP that consist of substantially equal periodic payments, made by SchoolsFirst FCU on your behalf that are not reinvested in another SchoolsFirst FCU DCP account. All automatic, normal distributions are processed on the first business day of each month.

Junior Varsity and Varsity Club Accounts
We offer a special account for children to encourage them to develop good financial habits at an early age. To establish Membership in the Junior Varsity or Varsity Club account, the child must be under 18 years of age (0-12: Junior Varsity Club; 13-17: Varsity Club), and deposit $5 in the child’s Primary Regular Share ID 01. This is a variable rate account. Rates are subject to change daily, at our discretion. (See Share Savings Accounts in this brochure.)

The child must be the named Member on the account; Junior Varsity Members must have a parent/legal guardian joint owner on all shares. Uniform Transfer to Minors Act (UTMA) accounts or other custodial type vestings are not permitted under the Junior Varsity and Varsity Club accounts.

Once a Junior Varsity or Varsity Club account is established, other products and services offered through the program can be established.

- College Saver Share Certificates: Offered to both Junior Varsity and Varsity Club Members. One College Saver Share Certificate allowed per minor. College Saver Share Certificates have the following ownership and signature requirements: Must have a parent/legal guardian joint owner; the parent/guardian signature is required for withdrawals; if there is more than one adult joint owner, the signatures of two adult joint owners are required for withdrawals; after the minor reaches age 18, any two signatures are required for withdrawals. Share Certificates opened under an UTMA require the signature of the UTMA Custodian only; and withdrawals are prohibited on accounts opened under California’s Coogan Trust Account law, except as specifically permitted by applicable law. For additional disclosures and information about College Saver Share Certificates, see Share Certificates and Dividends in this brochure.

- Youth Debit Share: There is no minimum balance requirement and no monthly service charge for this account. Youth Debit Share provides unlimited use of SchoolsFirst FCU and CO-OP Network ATMs; a fee of $1 will be assessed for each transaction at any other ATM. No per-transaction charges are associated with this account. Checks may not be written against this account. This account does not earn dividends.

The Youth Debit Share account requires that you agree to receive your SchoolsFirst FCU periodic account statements and account notices electronically, through our eStatements and eNotices services. For more information on eStatements and eNotices, visit our Online Banking system.

- ATM/POS Card: Offered to both Junior Varsity and Varsity Club Members with parent or guardian authorization.
  - Junior Varsity Club Members may use ATM cards to make deposits only.
  - Varsity Club Members ages 13-15 may make deposits and have a $40 daily withdrawal limit at ATMs.
  - Varsity Club Members ages 16-17 may make deposits, have a $100 daily withdrawal limit at ATMs, and may make POS purchases up to $100 per day (with established Free Checking account only).

(For additional disclosures and information about ATM/POS cards, see Electronic Funds Transfers in this brochure).

- Youth Debit MasterCard: Offered to Varsity Members with a Youth Debit Share. Parent or legal guardian authorization and joint ownership are required. The same parent(s)/legal guardian(s) must be joint owner(s) on all shares on the account.
  - Varsity Club Members may make deposits and have a $100 daily withdrawal limit at ATMs.
  - Varsity Club Members may make POS purchases up to $300 per day and debit MasterCard purchases up to $300 per day (with established Youth Debit Share account only).

(For additional disclosures and information about ATM/POS/Debit MasterCard cards, see Electronic Funds Transfers in this brochure).

- Free Checking Account: Offered to Varsity Club Members, ages 16-17, with a parent or guardian joint owner, and a $25 opening deposit. (For additional disclosures and information, see Share Draft Checking Accounts in this brochure).

Share Certificates
Share Certificate accounts are available with terms from 30 days to 60 months.

In addition, we offer a 12-Month College Saver Share Certificate account that is available as part of the Junior Varsity and Varsity Clubs for Members under 18 years of age and for accounts established under the Uniform Transfers to Minors Act (UTMA) or under California’s Coogan Trust Account law (Family Code, Sections 6750-6753). One College Saver Share Certificate allowed per minor.
Minimum Opening Balances: The following minimum deposits are required to open our share certificates. Please refer to our separate rate sheet for current dividend rate and annual percentage yield (APY) information. There may be other minimum balance requirements to earn the stated APY. See Penalties below if minimum balance is not maintained.

Regular/IRA – $500
Jumbo/IRA – $100,000
12-Month College Saver – $200*

*Senior Varsity, Varsity, Coogan Trust Account and UTMA accounts only.

Renewals: Upon expiration of the term, we will automatically renew all Share Certificates for the same term unless:

• you give us advance written notice to do otherwise;
• you withdraw or transfer your account within the seven-day grace period beginning on your maturity date; or
• the Share Certificate is a 12-Month College Saver Share Certificate and you have reached 18 years of age.

Dividends continue to accrue during the seven-day grace period at the new rate.

When your 12-Month College Saver Share Certificate matures after your 18th birthday, the certificate will convert to a regular 12-Month Share Certificate, or if the balance is less than $500, the certificate will convert to a Share Savings account. The dividend rate will be based on the rate offered on applicable Share Savings accounts or regular 12-Month Share Certificates and the share certificate balance on the date it is converted. The new share will be subject to all terms and conditions of the applicable Share Savings or Regular Share Certificate accounts. The share ownership (Member and parent/guardian joint owner, UTMA Custodian, or Coogan Trust Account Trustee(s)) and the signature restrictions continue on the new share.

Additional Deposits: Deposits to the Regular and Jumbo Share Certificates can be made only during the seven-day grace period. See Individual Retirement Accounts (IRAs) - Traditional and Roth for additional deposits to IRAs. See Coverdell Education Savings Accounts (ESA) for additional deposits to ESAs. Deposits to the 12-Month College Saver Share Certificate can be made at any time in the amount of $25 or more. The maturity date and dividend rate stated will not be affected by deposits. Promotional certificates offered from time to time may allow additional deposits; in that case, you will be informed of any additional deposit limitations.

Penalties: If you withdraw your Share Certificate or any portion thereof during your seven-day grace period, there will be no dividend penalty. Early withdrawal of any principal amount during a certificate term will result in a substantial forfeiture of dividends as follows:

• if your Share Certificate has a term of 30 days or less, you will lose an amount equal to 30 days of dividends on the principal amount withdrawn.
• if your Share Certificate has a term of greater than 30 days but less than 18 months, you will lose an amount equal to 90 days dividends on the principal amount withdrawn.
• if your Share Certificate has a term of 18 months or more, you will lose an amount equal to 180 days dividends on the principal amount withdrawn.

If the amount withdrawn reduces the principal balance below the stated minimum, you will be assessed the applicable dividend penalty stated above on the entire principal balance. In addition, we will cancel the certificate and transfer any remaining balance to your Share Savings account.

We will waive early withdrawal penalties for any of the following:

• a one-time withdrawal made as a result of your death or permanent disability that occurs after the certificate is opened
• withdrawals made as a result of the voluntary or involuntary liquidation of this Credit Union
• normal distributions from IRA Share Certificate accounts (See Individual Retirement Accounts)

The College Saver Share Certificate can be withdrawn without penalty at age 18 or during the seven-day grace period upon maturity every 12 months. Withdrawals at age 18 or older will result in the College Saver Share Certificate being closed.

Variable Rate Share Certificates: Variable rate Share Certificates may be offered from time to time. The frequency and limitations on rate changes will be disclosed when the Share Certificate is opened. (For fixed rate information, see Dividends in this brochure.)

Individual Retirement Accounts (IRAs) – Traditional and Roth

To establish a Traditional or Roth IRA, you must make an initial deposit of $10 to an Accumulation IRA account, or $500 to a Share Certificate IRA. The Accumulation IRA account is a variable rate account, and rates are subject to change daily, at our discretion. Share Certificate IRAs are available in 30-day to 60-month terms. See Share Certificates for disclosures applicable to certificate-type IRAs.

Additional Deposits: Additional deposits for current and prior year contributions are allowed on Accumulation IRAs and all IRA share certificates at any time with no required minimum deposit amount.

The 12-17 month IRA share certificates can receive rollover or transfer deposits at any time during the term. Rollover and transfer deposits to other share certificates can occur only during the 7-day grace period.

Contributions: Maximum annual contributions are determined by IRS regulations. We will credit any contributions made through the mail, by payroll deduction, TellerPhone, or Online Banking for the year in which the transaction takes place. If you want contributions credited for a prior year (before the tax filing deadline of the current year, generally April 15), please send written instructions with your deposit.

Distributions: Certain federal and state penalties may apply if IRA funds (including dividends earned on IRA funds) are withdrawn early. We will waive certificate penalties for early withdrawals for 1) normal distributions from an IRA Share Certificate Account with a term of less than 24 months, 2) all automatic, normal distributions from an IRA Share Certificate account with a term of 24 months or longer and, 3) Required Minimum Distributions from an IRA Share Certificate account. (Normal distributions are defined as withdrawals, made by you from an IRA, after age 59½, that are not reinvested in another retirement account; automatic, normal distributions are defined as withdrawals made from an IRA by SchoolsFirst FCU on your behalf; after age 59½, that are not reinvested in another retirement account; Required Minimum Distributions are defined as the amount you are required to withdraw from your IRA each year beginning the year you turn age 70½.)
All automatic, normal distributions, and Required Minimum Distributions from IRAs are processed on the first business day of each month.

Rate Upgrades: Members over 59 1/2 years of age who have IRA certificates with terms of less than 24 months are permitted to reinvest the certificates with SchoolsFirst FCU at higher rates once every 12 months without incurring penalties.

Coverdell Education Savings Accounts (ESA)
To establish an ESA, you must make a minimum initial deposit of $100 to a 12-Month ESA Share Certificate.

Additional Deposits: Additions are allowed at any time. See Share Certificates for disclosures applicable to all our share certificate accounts.

Contributions: We will credit any contributions made through the mail, by payroll deduction or automatic transfer, for the year in which the transaction takes place. The maximum annual contribution is determined by IRS regulations.

Distributions: Qualified distributions are tax-free. Non-qualified distributions are subject to certain state and federal penalties. SchoolsFirst FCU will waive certificate penalties for qualified distributions.

Organization Accounts
Authorized school organizations, subject to certain eligibility requirements, may establish an account in the name of the organization at the Credit Union. Such an account will be subject to the terms and conditions set forth in the signature card for that account and all the terms and conditions described in this Disclosure & Agreement.

Trust Accounts
All trust accounts will be governed by the terms and conditions of this Agreement. Regarding any transaction on this account, the Credit Union may ask the trustee to provide a Certification of Trust and the Credit Union will not read, interpret or retain copies of the Trust Agreement. The trustee agrees to notify the Credit Union of any changes in the terms of the trust that would affect the trustee's authority to transact business on the trust account or status of the membership of the parties to the trust.

Memorial Accounts
Memorial accounts may be opened in memory of decedents who were Members or eligible for Membership at the time they died. All account signers must be Members in their own right. Memorial accounts may be long-term or short-term. The dividend rate on the Primary Regular Share ID 01 on long-term Memorial accounts is tied to the rate on the highest Liquid Advantage Money Market Share account tier. All other long-term Memorial account shares, and all short-term Memorial account shares, earn the dividend rate quoted on the rate sheet for that applicable share type.

Accounts for Minors
For any account established by or for a minor, the Credit Union reserves the right to require the minor account owner to have a parent/guardian joint account owner who is at least eighteen (18) years of age who shall be jointly and severally liable to the Credit Union for any returned item, overdraft, or unpaid charges or amounts on such account. For a joint account, all funds in the account shall be owned as a joint account with rights of survivorship unless otherwise indicated on the Account card. The Credit Union may make payments of funds directly to the minor without regard to his or her minority. The Credit Union has no duty to inquire of the use or purpose of any transaction by the minor or joint account owner. The minor account owner’s tax identification number must be shown on the Account Card. The Credit Union shall not change the account status when the minor reaches age eighteen (18), unless authorized in writing.

Uniform Transfers to Minors Act (UTMA)
Accounts opened under the Uniform Transfers to Minors Act are governed by the laws of the State of California (California Probate Code), and are subject to the terms and conditions set forth in the signature card for that account and all the terms and conditions described in this Disclosure & Agreement. College Saver Share Certificates may be established for UTMA accounts.

Promotional Accounts
From time to time the Credit Union offers limited time promotional accounts. Unique terms and conditions for these accounts are provided separately, when applicable.
Website
schoolsfirstfcu.org

Member Contact Center
800.462.8328
Monday – Friday  7 a.m. to 7 p.m.
Saturday  9 a.m. to 3 p.m.

TellerPhone
800.540.4546

Emergency Card Support
Available 365 days a year
from 5 a.m. to 12 a.m.

Mailing Address
P.O. Box 11547,
Santa Ana, CA, 92711-1547

Branch Hours
Monday – Thursday  9 a.m. to 5 p.m.
Friday  9 a.m. to 6 p.m.
Saturday†  9 a.m. to 2 p.m.
†See our website for select locations

Express Center Hours
Monday – Friday  10 a.m. to 6 p.m.
Saturday  10 a.m. to 3 p.m.

Campus Branches
Call for hours

ATM Locations
Visit our website for a complete
listing of SchoolsFirst FCU and
CO-OP Network ATMs.

Federally insured by NCUA