

DISCLOSURE & AGREEMENT OF TERMS AND CONDITIONS

May 2019

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.

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How to Reach Us

You may contact us by visiting any of our branch offices or telephoning us at 800.462.8328. Our full-service branch business hours are: Monday through Thursday, 9 a.m. to 5 p.m., PST; Friday 9 a.m. to 6 p.m., PST; and Saturday 9 a.m. to 3 p.m., PST; excluding federal holidays. In-Store Branch, Campus or District Branch, and District Service Center hours and days vary per location; visit schoolsfirstfcu.org to find a branch near you. Our Member Contact Center representatives are available Monday through Friday, 7 a.m. to 7 p.m., PST; and Saturdays, 9 a.m. to 3 p.m., PST; excluding federal holidays. Calling us is the best way to report any problems or to get questions answered. If you cannot call us or come in person, you can write to us at: SchoolsFirst FCU, P.O. Box 11547, Santa Ana, CA 92711-1547.

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 state of California.

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

- employees of eligible elementary, secondary and post-secondary schools;
- employees of eligible 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 eligible 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.

I acknowledge that the Credit Union may obtain my consumer credit report from its designated credit reporting agency(ies) to review or collect my existing credit account(s) with the Credit Union. I further acknowledge that the information derived from my personal credit report or other information from credit reporting agencies, in addition to being used to review my existing credit accounts, may also be used to determine my eligibility for loan products and other services with the Credit Union and for communicating such eligibility to me. I understand that upon request, the Credit Union will provide me with the name(s) and address(es) of the consumer reporting agency(ies) that furnished any reports used in determining my eligibility for any or all products or services. I acknowledge that certain credit scoring algorithms may take into account whether institutions check my credit; the Credit Union will attempt to determine eligibility for products and services in a manner that does not impact my credit score, but it cannot guarantee a particular outcome.

The Credit Union reserves the right to restrict or cancel services and limit access for Members, joint owners, or authorized signers who commit significant financial misconduct, which includes being in default of this Disclosure & Agreement; being in default on any other Loan Agreements or Lines of Credit and Security Agreements you now have with us or obtain in the future; causing a loss to the Credit Union, or exhibiting highly disruptive or abusive behavior.

Limited access may include but is not limited to temporary or permanent suspension of any and all of your account privileges including advances on Lines of Credit or Overdraft Protection Loans you have with us now or in the future.

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 (including access through Online Banking and Mobile Banking) 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 (APY) 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 Home Savings 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 include electronic SchoolsFirst FCU periodic account statements and account notices through our eStatements and eNotices services. For more information on eStatements and eNotices, visit our Online Banking system. If you cancel or fail to sign up for eStatements and eNotices you will be provided a paper statement at no fee.

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 \$5,000 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.

In our effort to accommodate as many Members as possible in the event of a disaster or other emergency, we reserve the right to limit the amount of funds that can be withdrawn from your account.

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 redeposit the item. You may be assessed a returned deposit fee (please see our current **Statement of Fees**) regardless of the action we take.

Overdraft Protection

The Credit Union offers two types of services that allow for payment of your transactions when the available balance (defined below) in your checking account is insufficient to pay the transaction(s):

- 1.) Standard overdraft protection which includes:
 - a.) Overdrafts for check and automatic withdrawals from the account
 - b.) Optional Debit Card Overdraft Protection
- 2.) Alternative overdraft protection plans which include:
 - a.) Automatic overdraft transfers from share account(s)
 - b.) Overdraft Protection Loan

“Overdrawing” your account means that there are not sufficient available funds in your account to pay for a transaction, but the transaction is paid under a standard overdraft protection service which results in a negative “overdrawn” balance. Some transactions that can result in an overdraft in your checking account include, but are not limited to: (1) the payment of checks, electronic fund transfers, telephone-initiated transfers, teller withdrawals, pending authorizations for debits to your account resulting from your use of your debit card, or other withdrawal requests authorized by you; (2) the return (unpaid) of items deposited by you; (3) the assessment of service charges by us; or (4) the deposit of items that are treated as not yet “available” according to our Funds Availability Policy.

Your Checking Account Balance

Your checking account has two kinds of balances: the “actual” balance and the “available” balance. Both can be checked when you review your 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 you know how much money is in your account at any given time. This section explains actual and available balances and how they work.

Your actual balance is the amount of money that is actually in your account at any given time, but not all funds included in the actual balance are considered available for transactions on your account. Your actual balance reflects transactions that have posted to your account, but not transactions that have been authorized and are pending, while pending deposits that are subject to holds under our Funds Availability policy will be reflected in the actual balance even though they are not yet “available.” While the term “actual” may sound as though the number you see is an up-to-date indication of what is in your account that you can spend, that is not always the case. Your actual balance will not reflect any purchases, holds, fees, other charges, or deposits made on your account that have not yet posted. For example, if you have a \$50 actual balance, but you just wrote a check for \$40, then your actual balance is \$50 but it does not reflect the pending check transaction. So at that point, you have an actual balance of \$50, but you have already spent \$40.

Your available balance is the amount of money in your account that is available to you 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 your account. For example, assume you have an actual balance of \$50 and an available balance of \$50. If you were to use your debit card at a restaurant to buy lunch for \$20, then that merchant could ask us 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, we will place a “hold” on your account for \$20 (referred to as an “authorization hold”). Your actual balance would still be \$50 because this transaction has not yet posted, but your available balance would be \$30 because of the restaurant’s preauthorization request that resulted in an authorization hold on \$20 in your 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), we will release the authorization hold, post the transaction to your account, and reduce your actual balance by the amount of the posted transaction. We use your available balance to determine when your account is overdrawn and whether fees will be assessed. Your account is considered overdrawn when the available balance in your account is negative (less than \$0).

In making this determination, we check your available balance at two separate times — first, at the time a merchant authorization request is received, and second, when the transaction “settles” and posts to your account. If your available balance is insufficient to pay the transaction amount requested by a merchant, we will decline the request. If your available balance is sufficient to cover a merchant’s authorization request, the authorization request will be approved and an authorization hold will be placed on your account in the amount of the merchant’s authorization request. If the transaction later “settles” and posts to your account at a time when the available balance is insufficient to pay the posted transaction without causing the account to have a negative balance (less than \$0), we will charge a Standard Overdraft Protection Fee on that transaction even though the available balance was sufficient to cover it at the time the transaction was authorized.

The following example illustrates how this works:

Assume your actual and available balance are both \$50, and you use your 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 your account, so your available balance is only \$30. Your actual balance would remain \$50. Before the restaurant charge is sent to us for payment, a check that you wrote for \$45 clears. Because your available balance is only \$30 (due to the authorization hold of \$20), your account will be overdrawn by \$15, even though your actual balance is \$50. In this case, if we pay the \$45 check under the Standard Overdraft Service, we will charge you a Standard Overdraft Protection Fee as disclosed in our Statement of Fees, which will be deducted from your account, further increasing the overdrawn amount. In addition, when the restaurant charge is finally submitted to us for payment, we will release the authorization hold and pay the transaction amount (which may be \$20 or even a different amount, for example, if you added a tip) to the restaurant. Because the amount of the restaurant charge exceeded your available balance at the time the restaurant charge “settled” (i.e., posted to your account), we will charge you a Standard Overdraft Protection Fee as disclosed in our Statement of Fees, even though the restaurant transaction was authorized and approved with a sufficient available balance.

YOU ACKNOWLEDGE THAT YOU MAY STILL OVERDRAW YOUR ACCOUNT EVEN THOUGH THE AVAILABLE BALANCE

APPEARS TO SHOW THERE ARE SUFFICIENT FUNDS TO COVER A TRANSACTION THAT YOU WANT TO MAKE. This is because we check your available balance at two separate times as explained above, in addition to the fact that your available balance may not reflect all your outstanding checks, automatic bill payments that you have authorized, or other outstanding transactions that have not yet been paid from your account. In the example above, the outstanding check will not be reflected in your available balance until it is presented to us and paid from your account.

Also, your available balance may not reflect all of your debit card transactions. For example, if a merchant obtains our 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), we 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 us and paid from your account. Refer to the section entitled “Authorization Holds for Debit Card Transactions” below for information about how authorization holds affect your available balance.

Finally, your available balance may not reflect the most recent deposits to your account. Refer to our Funds Availability policy for information regarding the availability for withdrawal of your deposits. You should not assume that you can avoid overdrafting your account by making a deposit before a check or other item is presented for payment because your deposit may not be immediately available for withdrawal.

Authorization Holds for Debit Card Transactions

When you use your debit card to pay for goods or services, the merchant may seek preauthorization from us for the transaction. When we preauthorize the transaction, we commit to make the requested funds available when the transaction finally posts and as such, we generally place a temporary hold against some or all of the funds in the account linked to your debit card, based on the amount of the preauthorization request from the merchant. We refer to this temporary hold as an “authorization hold,” and the amount of the authorization hold will be subtracted from your available balance as authorization requests are received by us throughout each day. Until the transaction finally settles or we otherwise remove the hold (for example, we may remove the hold because it exceeds the time permitted, as discussed below, or we determine that it is unlikely to be processed), the funds subject to the hold will not be available to you for other purposes. At some point after you sign for the transaction, it is processed by the merchant and submitted to us for payment. This can happen hours or sometimes days after you 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 your 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 your debit card is swiped before your actual transaction amount is known, such as at a restaurant or gas station (e.g., at a restaurant, you 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 we may not receive an authorization request from the merchant, and there will be no authorization hold reflected in your available balance. We cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for payment.

We are permitted to place an authorization hold on your 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 your account. However, if the transaction is not submitted for payment, we will release the authorization hold, which will increase your available balance until the transaction is submitted for payment by the merchant and finally posted to your account. If this happens, we must honor the prior authorization and will pay the transaction from your account.

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

We May Return Items Unpaid

We are not obligated to pay any item presented for payment if your account does not contain sufficient available funds. If we do not authorize and pay an overdraft, then we decline or return the transaction or item unpaid and charge a related fee as stated in our Statement of Fees. You are responsible for ensuring that your account includes sufficient available funds to pay the transactions you initiate or authorize when they are processed for payment from your account, and you also acknowledge that the timing of when merchants or payees submit transactions to us for payment may vary.

If your account does not have sufficient available funds when a transaction or item is presented to us for payment and, as a result, returned unpaid, the merchant or payee of your transaction or item may choose to resubmit the same transaction, and may do so multiple times (this may also occur when you initiate transfers and payments through your Credit Union Online Banking or Bill Payment Services and your account lacks sufficient available funds at the time the transaction is scheduled to occur, as we may decline the transaction, charge a fee, and then resubmit the same transaction at a later time in an attempt to process your requested transaction). In the event a transaction or item is resubmitted for payment at a time when your account lacks sufficient available funds to pay it and we decline it, we will charge a related fee each time that same transaction is returned unpaid.

Standard Overdraft Protection

In accordance with our commitment to provide valued service and benefits, we may, at our discretion, pay your overdrafts that would cause your eligible checking account to have a negative balance up to an amount which is determined by us in our sole and absolute discretion. We refer to this service as our standard overdraft protection.

What overdraft transactions are covered?

The service is available for the payment of teller-initiated transactions, checks, telephone-initiated transactions, recurring

debit card transactions, and ACH drafts and debits. **The service is not available for non-recurring debit card transactions, unless you opt-in, as described in the next section below.**

Debit Card Overdraft Protection

If you would like to include one-time debit card transactions (not including ATM withdrawals) in this service, you are required to **“opt-in”** (in other words, you must provide us with your affirmative consent). Choosing not to opt in may result in these transactions being declined if your available balance is insufficient to cover the transaction.

You understand and agree that we do not require you to authorize Debit Card Overdraft Protection as a condition of us providing this service to you for other types of transactions subject to Standard Overdraft Protection.

If you want the Credit Union to authorize and pay overdrafts for non-recurring debit card transactions, you must opt-in and provide us with your consent by: (1) completing an opt-in consent form via our online or mobile banking service (2) mailing an opt-in consent form to: SchoolsFirst FCU, Attention: Internal Service Center, P.O. Box 11544, Santa Ana, CA 92711-9807 (3) visiting any branch and speaking with a Member Service Representative or (4) calling us toll-free at 800.462.8328.

You may revoke your authorization to have us pay your non-recurring debit card transactions at any time, using any method made available to you for providing consent as described above. Your decision to opt in does not guarantee that we will always pay your non-recurring debit card transactions when your available balance is insufficient to cover the transaction.

Eligibility for the Service

The Service is available for checking accounts for which the primary checking account owner is eighteen (18) years of age or older and is in good standing. We may suspend or permanently revoke the Service from your checking account, in our sole and absolute discretion.

How the service is administered?

If you are eligible for the Service, we will generally pay your overdraft items up to a maximum of \$500 including fees. All credits to your account will post first, followed by debits. You acknowledge and agree that we reserve the right to limit the number of checks or other items/transactions that may be paid by us through the service during any given month. In our sole discretion, we may notify you by mail, or, if you have agreed to receive notices from us in an electronic format, you may be notified electronically, of any nonsufficient funds checks, items or other transactions that have been paid or returned; however, we are not required to notify you. You also acknowledge and agree that we have no obligation to notify you before we pay or return any check, item or other transaction. We may refuse to pay any overdrafts without first notifying you even though your account is in good standing and even if we have paid previous overdrafts.

Service Fees

The fees that we may assess are as follows:

- We will assess \$22 per overdraft transaction
- We will assess this fee if the overdraft transaction is over \$10 and the account is overdrawn by more than \$10
- We limit overdraft fees to a maximum of three (3) fees per share, per day

Alternative Overdraft Protection Plans

- **Automatic Overdraft Transfers:** With this service, you authorize us to make transfers of available funds automatically from your linked account(s) to cover overdrafts in your checking account. If you link more than one account, you will tell us the order in which transfers will be made.

We will not transfer more than the available account balance in a linked account, even if the amount of the overdraft is more than the available amount. If you have linked more than one account and if the available balance in the first linked account is not enough to pay the transactions you have initiated on any day, we will transfer the available funds from the first linked account, then move to the next linked account and so on. **You must request to enroll for automatic overdraft transfers.** Pursuant to federal law, each transfer from a linked money market account is counted as one of the six (6) limited transactions you are allowed each month per Reg D.

- **Overdraft Protection Loan:** In addition to linking one or more savings accounts to your checking account, you may also choose to link an Overdraft Protection Loan to your checking account to cover overdraft transactions. You may apply for an Overdraft Protection Loan, which is available to Members meeting certain credit requirements, 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. If you do not have sufficient available credit, no funds will be advanced from the Overdraft Line of Credit. The terms and conditions applicable to the Overdraft Line of Credit will be provided to you when you open the line of credit.

When is the overdraft payment due?

The total of the overdraft (negative) balance in your checking account, including any and all fees and charges, is due and payable upon demand, and you are required to immediately deposit sufficient funds to cover the overdraft paid by us and pay the related fees. You are liable to us to repay any overdrafts on your account whether you created them or not. If you do not pay us, and we take collection action against you, you agree to pay for our costs of collection. We may close, without notice, any account with excessive insufficient funds activity, and report the account to a consumer reporting agency.

Termination; Suspension

We may terminate or suspend this service at any time without prior notice. In no event will any termination relieve you of your obligation to repay any negative account balance, overdraft fees, collection costs and attorneys' fees, if any. We can delay enforcing any of our rights under this agreement without losing them.

Your right to opt out of the service

If you prefer not to have this service, visit us at a branch, contact us at 800.462.8328, or write to us at: SchoolsFirst FCU, Attention: Internal Service Center, P.O. Box 11544, Santa Ana, CA 92711-9807, and include your name, Member number and a statement that you are opting out of the Credit Union's Debit Card Overdraft Protection service and we will remove this service from your checking account. Any owner of the checking account, linked account used for overdraft protection, or any borrower on an Overdraft Protection Loan, can opt out of this service.

Cancellation will be effective after we have received notice and have had a reasonable time to act on it.

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.

Unclaimed Property

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
- correspond with us about your account in writing
- respond as instructed to a notice of inactivity or dormancy

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. 'Liabilities owed to us' includes any fees, charges, loan balances (including balances properly accelerated) or any other obligation of any kind owed by you hereunder, under any other agreement with us, or otherwise under applicable law. You acknowledge that this pledge of shares survives your death and must first be satisfied before the rights of any joint account survivor, pay-on-death beneficiary, or trust account beneficiary become effective.

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.

Limitation on Our Liability in the Event of a Disaster or Other Emergency

Except as otherwise stated in this Disclosure & Agreement, we will not be responsible for any loss, damages, delay, cost or liability which arises, directly or indirectly, in whole or in part, from a disaster or other emergency, including but not limited to acts of terrorism, accidents, strikes, labor disputes, civil unrest, fire, flood, water damage (e.g., from fire suppression systems), or acts of God or other causes beyond our reasonable control.

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. 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.

If a disaster or other emergency occurs there may be an unforeseen delay in our ability to make funds available, to process deposits, to update accounts, or otherwise perform under this Disclosure & Agreement. In such event, we will provide reasonable notice specifying the time period when the funds will be made available for withdrawal, unless we in good faith do not know at the time the notice is given the duration of the emergency and, consequently, when the funds will be made available.

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, P.O. 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: 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 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 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 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 and loan payments. 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.

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 it 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, ATTN: Security and Fraud Management, P.O. Box 11547, Santa Ana, CA 92711-1547.

Unauthorized Use: If you believe your Card and/or access code has been lost or stolen, or that someone transferred or may transfer money from your Account without your permission, you agree to notify us immediately. You may, call us at 800.462.8328, or write us at SchoolsFirst FCU, P.O. Box 11547, Santa Ana, CA 92711-1547, ATTN: Security and Fraud Management.

“Unauthorized use” means the use of your Card and/or access code by a person, other than you, who does not have actual, implied, or apparent authority for such use, and from which use you receive no benefit.

If you authorize someone to use your 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.

Liability For Unauthorized Use (Regulation E): If you believe your Card and/or access code have been lost, stolen, or discovered by an unauthorized person, or you believe that an electronic withdrawal has been made without your authorization, and you tell us within two business days of your discovery, you can lose no more than \$50 if someone used your Card and/or access code without authorization. If you do NOT tell us within two business days after you learn of the loss or theft of your Card and/or access code, and we can prove we could have stopped someone from using your Card and/or access code without your permission if you had told us, you could lose as much as \$500.

Also, if your written statement; eStatement; or written or electronic Account history that is provided or made available to you shows electronic withdrawals that you did not make, tell us at once. If you do not tell us within 60 days after the statement, eStatement, or Account history is made available 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 period.

Mastercard Zero-Liability for Unauthorized Use: Your liability for unauthorized use of your Card when it is used for a merchant debit transaction and PIN-based POS/ATM transactions, will not exceed \$0 if the following conditions have been met:

- 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
- your account is in good standing.

If these conditions have not been met, the terms included in the section above, Liability for Unauthorized Use (Regulation E) may apply.

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 have the right to require you to put your request in writing and send it to us within 14 calendar days after you call. If a request for written confirmation is made and it is not received within 14 calendar days of the request, we have the right to cancel the original request. Please see our current Statement of Fees for stop payment fee. You may not stop payment on a Debit Mastercard® card transaction which has already been debited from your account.

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.

For one time payments, you must provide enough notification to allow reasonable opportunity for the Credit Union to properly process the stop payment.

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;
- the transfer would cause the balance to exceed the credit limit on your Overdraft Protection Loan;
- the automated teller machine where you are making the transfer does not have enough cash;
- the terminal was not working properly and you knew about the breakdown when you started the transfer;
- 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**, 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 no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

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 Disclosure

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. Your account, however, may be charged on the day a request is received.
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 on either the business day the Credit Union transmits the wire transfer request, or the date you submit the wire transfer instructions to us, or on such other date as is agreed to by us in writing.
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 identifying account number, payment may be made by the beneficiary's bank on the basis of the identifying account number, even if the number identifies a person different than the named beneficiary. This means that you will be responsible to 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 bank. 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; that contains incorrect, incomplete, or ambiguous information or involves a transfer that is prohibited under applicable law, rule, or regulation. 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 will comply with regulations issued by the U.S. Treasury's Office of Foreign Assets Control (OFAC). For any transfer request, including International ACH Transactions (IATs) that is to an entity listed on OFAC's list of specially designated nationals and blocked persons by law, the Credit Union shall not complete the transfer and shall "block" the funds until such time OFAC issues a written release to the Credit Union. The Credit Union shall have no liability to the Member as a result of Credit Union's rejection of the transfer request or internal transfer if it complies with the terms of this Agreement. In the event the transfer request is delayed or rejected, the Credit Union will provide the account holder such notice as required by NACHA Rules, OFAC Rules, and or other applicable laws and regulations.

15. 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.
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

For information regarding dividends pertaining to any account described below, see section titled **Dividends**.

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.

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; waived for School Employees. 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 includes electronic SchoolsFirst FCU periodic account statements and account notices through our eStatements and eNotices services. For more information on eStatements and eNotices, visit our Online Banking system.

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.

*Fee waived for school employee

The Investment Checking account includes electronic SchoolsFirst FCU periodic account statements and account notices through our eStatements and eNotices services. For more information on eStatements and eNotices, visit our Online Banking system.

The SchoolsFirst FCU Member Rewards Program is automatically included with Investment Checking accounts that are accessed by SchoolsFirst FCU Debit Mastercards. Member Rewards points are earned on eligible PIN- and signature-based transactions made with eligible SchoolsFirst FCU Debit Mastercards. For more information and specific details, please refer to the SchoolsFirst FCU Member Rewards Program Terms and Conditions brochure.

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.

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 have the right to require you to put your request in writing and send it to us within 14 calendar days after you call. If a request for written confirmation is made and it is not received within 14 calendar days of the request, we have the right to cancel the original request. A stop payment order is effective for 12 months. 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**) 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** in this brochure.) 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. If the designated share account is closed, transfer will automatically be made to the primary share Regular Share ID 01. 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.

My Home Savings Share

Variable rate, subject to change daily at our discretion. Limited to existing Members who are participating in the Home Advantage Program; limit one per Membership. Opening deposit of \$250 required. Additional deposits allowed to the maximum balance of \$50,000.

Penalties: No early withdrawal penalty if full balance is used for home purchase. Partial withdrawals or withdrawals not used for home purchase are subject to an early withdrawal fee of \$10, and closure of the share.

If you withdraw funds within the first six days from opening, you will be charged an early withdrawal penalty of no less than seven days dividends on the amount withdrawn. Penalties may reduce your principal balance.

Please see Share Certificates/Penalties for exceptions to the early withdrawal penalty.

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. 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 a monthly recurring 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** in this brochure.)

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, between June 1 and August 31. The Summer Saver will continue each year, unless you instruct us to cancel the account.

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. (See **Share Certificates** for disclosures applicable to Share Certificates.)

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 includes electronic SchoolsFirst FCU periodic account statements and account notices 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. (See Junior Varsity and Varsity Club Accounts in this brochure.)

We also offer a share certificate account called the Paycheck Planner, which has separate terms regarding minimum balance requirements, renewals, and deposits, which are set forth in the "Paycheck Planner Accounts" section below.

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*
Paycheck Planner — \$0

* Junior 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 ten-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 ten-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 ten-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: Early withdrawal of any principal amount during a certificate term will result in a loss of earned or projected 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 or dividends earned, whichever is less;
- 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 or dividends earned, whichever is less;
- 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 or dividends earned, whichever is less.

Early withdrawal penalties are based on the dividend rate in effect at the time of withdrawal.

If you withdraw funds within the first six days from opening, you will be charged no less than seven days of dividends on amounts withdrawn.

Penalties may reduce the principal balance for early withdrawals made.

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;
- you are declared legally incompetent by a court or other administrative body of competent jurisdiction;
- 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 ten-day grace period upon maturity every 12 months. Withdrawals at age 18 or older will result in the College Saver Share Certificate being closed.

Grace Period: Renewed share certificates have a ten-day grace period beginning on the date of renewal during which a withdrawal may be made without an early withdrawal penalty.

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.)

Paycheck Planner Accounts

We offer a share certificate account called the Paycheck Planner which is available to all school employees. 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 account each pay period. The participating Member must have payroll direct deposit to SchoolsFirst FCU. Paycheck Planner accounts are variable rate accounts. Rates are subject to change daily, at our discretion.

Minimum Opening Balances: Paycheck Planner accounts do not have a minimum opening balance requirement. However, when the account is opened, deposits must be set-up to be funded through payroll direct deposit and will be the set percentage of your monthly earnings as calculated to annualize your payroll. For purposes of this account, the “school year” begins with the September pay cycle. You can establish a Paycheck Planner account at any time, but deposits made after May 1 of each year are credited toward the following school year.

Renewals: Upon expiration of the term, we will automatically renew all Share Certificates for the same term unless you reduce the balance in your Payroll Planner account to \$0.

Transfer Dates: Funds in your Paycheck Planner 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 on the 10th, 20th, or 30th in June and July, July and August, or August and September. Transfer amounts will be 50% of the Paycheck Planner account balance on the first transfer date, and the remaining balance on the second transfer date, less the \$0.01 minimum balance requirement. School employees paid on an 11-month schedule will have a single maturity/transfer date on the 10th, 20th, or 30th in June, July, August or September.

Minimum Continuing Balance: A minimum balance of \$0.01 is required to keep Paycheck Planner account open for the following school year.

Additional Deposits: Paycheck Planner accounts permit a one-time deposit outside of direct deposit to be made per school year, up to a maximum of \$3,000.

Penalties: Early withdrawal of any principal amount during the term of a Paycheck Planner account will result in the loss of 90 days of dividends on the principal amount withdrawn or dividends earned, whichever is less.

If you withdraw funds within the first six days of the initial deposit, you will be charged no less than seven days of dividends on amounts withdrawn.

Penalties may reduce the principal balance for early withdrawals made.

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;
- you are declared legally incompetent by a court or other administrative body of competent jurisdiction;
- withdrawals made as a result of the voluntary or involuntary liquidation of this Credit Union.

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 ten-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 59¹/₂, 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 70¹/₂.)

All automatic, normal distributions, and Required Minimum Distributions from IRAs are processed on the first business day of each month.

Rate Upgrades: Members over 59¹/₂ 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 signature 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 signature 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.