

**ACCOUNT AGREEMENT AND TRUTH-IN-SAVINGS DISCLOSURE  
ELECTRONIC SERVICES DISCLOSURE AND AGREEMENT**

PLEASE KEEP FOR YOUR RECORDS THIS DISCLOSURE  
SUPERSEDES ALL DISCLOSURES  
PRIOR TO THE EFFECTIVE DATE SHOWN BELOW.

*Effective: September 1, 2020*

## **-SECTION ONE-**

### **ACCOUNT AGREEMENT AND TRUTH-IN-SAVINGS DISCLOSURE**

In the following Agreement and Disclosure, the words "I," "me," "mine," "my," "us," and "our" mean each and all of those (whether one or more persons) who are subject to this Agreement and Disclosure as a result of signing an Account Signature Card or opening one or more account(s) with you. The words "you," "your," "yours," "Credit Union," and "KFCU" mean Kings Federal Credit Union. I understand and agree, for myself (and any person or entity I represent if I sign as a representative of another person or entity) to the terms of this Agreement and Disclosure and the enclosed Rate Sheet and Fee Schedule.

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

The purpose of this Agreement and Disclosure is to:

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

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

#### **I. PAYMENT OF DIVIDENDS**

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

For all accounts except term share (certificate) accounts, the Dividend Rate and Annual Percentage Yield (APY) may change at any time as determined by the Credit Union's Board of Directors. For specific dividend rate(s) for each type of dividend bearing account, I will refer to the attached Rate Sheet, which is incorporated by this reference.

**DIVIDEND COMPOUNDING AND CREDITING:** For all accounts except term share (certificate) accounts, dividends will be compounded monthly and will be credited monthly. Dividends on term share (certificate) accounts are compounded monthly and will be credited monthly and at maturity. For all account types, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the ending date of a dividend period, and for the example is January 31.

If I close my Account before dividends are credited, I will not receive the accrued dividends.

**BALANCE COMPUTATION METHOD:** For all accounts except Mobile Plus-Rewards accounts, dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day. For Mobile Plus-Rewards accounts, dividends are calculated by the average daily balance method which is disclosed more fully in the Mobile Plus-Rewards section below.

Dividends will begin to accrue on the business day I deposit cash or noncash items (e.g., checks) to my Account. I must open a Regular Savings Account to open any subsequent Accounts. I must maintain the Regular Savings Account to avoid closure of that Account and any subsequent Accounts.

#### **II. TERMS AND CONDITIONS**

1. **BYLAW REQUIREMENTS:** The maximum amount of shares which may be held by any one member shall be established from time to time by resolution of the board. Membership is established in the Credit Union as follows:

Account Owner/Member – Membership is established by opening a Regular Savings Account with an initial deposit of \$1. A Member has voting rights and full access to Credit Union Products and Services.

Joint Owner/Member – An Account Owner/Member may add a Joint Owner to the account who is also a Member with an additional initial deposit of \$1. A Joint Owner/Member has all the same rights and obligations related to the account as the Account Owner and must qualify under the Credit Union's Field of Membership. A Joint Owner/Member has voting rights and full access to Credit Union products and services.

Joint Owner/Non-Member – An Account Owner/Member may add a Joint Owner to the account who is a non-member with no additional deposit required. A Joint Owner has all the same rights and obligations related to the account as the Account Owner. However, a non-member has no voting rights and no access to other Credit Union products and services. A Joint Owner/Non-Member retains the ability to establish his or her separate, individual membership if he or she qualifies under the Credit Union's Field of Membership.

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

Shares may be transferred only from one member to another, by written instrument in such form as the Credit Union may prescribe. The Credit Union reserves the right, at any time, to require members to give, in writing, not less than 7 days and not more than 60 days' notice of intention to withdraw the whole or any part of the amounts so paid in by them.

No member may withdraw shareholdings that are pledged as required for security on loans without the written approval of a loan officer, except to the extent that such savings exceed the member's total primary and contingent liability to the Credit Union.

No member may withdraw any shareholdings below the amount of his/her primary or contingent liability to the Credit Union if he/she is delinquent as a borrower, or if borrowers for whom he/she is co-maker, endorser, or guarantor are delinquent, without the written consent of a loan officer.

2. All accounts (except checking accounts) are not transferable except as defined in 12 CFR, Part 204.
3. Your delay in enforcing any of the terms and conditions of this Agreement and disclosure shall not prohibit you from enforcing such terms and conditions at a later date.
4. You reserve the right, upon thirty (30) days written notice, to change, add to, delete from, or modify any provision of, or to establish new provisions within, this Agreement and Disclosure. My continued use or maintenance of any of my account(s) or if I open any new accounts after the effective date of such change, addition, deletion, modification, or establishment of any new provision shall constitute my acceptance thereof.
5. You may refuse to follow any of my instructions that, in your sole judgment, are illegal or could expose you to potential liability. Alternatively, you may require adequate security or invoke other security measures to protect you from all losses and expenses incurred if you follow my instructions. I agree to reimburse you for any damages, losses, liabilities, expenses, and fees (including, but not limited to, reasonable attorneys' fees) that you incur in connection with my account if you take an action in accordance with my or what purports to be my oral, written, or electronic instructions.
6. You reserve the right to refuse to open any account or to provide any service or to accept additional deposits to an existing account.
7. You may endorse and/or collect items deposited to my account without my endorsement, but may require my personal endorsement prior to accepting an item for deposit. If I deposit items which bear the endorsement of more than one person or persons that are not known to you or that require endorsement of more than one payee, you may refuse the item or require all endorsers to be present or to have their endorsements guaranteed before you accept the item. You may require the thumbprint of any payee or depositor prior to the deposit or cashing of any check. The Credit Union will treat all checks as though the checks were written on the date presented.
8. I authorize you to accept items payable to any account owner for deposit to such account from any source without questioning the authority of the person making the deposit, and to give cash back to any authorized signer(s) or designated agent on any check payable to any one or more of the account owners, whether or not it is endorsed by me. You are not responsible for items lost while not in your possession.
9. I understand and agree that you may utilize automated means to process checks and other items written on or deposited to my account. Although you may manually review checks or other items drawn on my account, I understand and agree reasonable commercial standards do not require you to do so.
10. You will mail all statements and other notices only to the persons whose signatures appear on the Account Signature Card. I shall exercise reasonable care and promptness examining my statements and must promptly notify you of any error or unauthorized payment including, but not limited to, an altered item or an unauthorized signature. If I fail to uphold these duties, I understand and agree that I am precluded from asserting the error or unauthorized payment against you if: 1) you suffer a loss on the item because of my failure; or 2) you pay on another item

presented by the same wrongdoer if the payment was made before I properly notified you. Except as otherwise set forth in this Agreement and Disclosure or with respect to errors involving electronic fund transfers (including, but not limited to, ATM transactions, point-of-sale transactions, direct deposits or withdrawals of funds, transfers initiated by telephone, and transfers resulting from debit card transactions, whether or not initiated through an electronic terminal), notification must be made within thirty (30) days of the date of the statement. I will see the Electronic Services Disclosure section of this Agreement for information about procedures for resolving errors involving electronic fund transfers. If I fail to uphold my duties but I can prove that you failed to exercise ordinary care in the payment of the relevant items, then the above preclusion will not apply and the loss on the items will be allocated between you and me to the extent our respective actions contributed to the loss. If I have failed to examine my statement and report any unauthorized item within one (1) year after my statement or the item has been made available to me, I cannot recover from you even if you failed to exercise ordinary care in paying the item.

11. You or I may terminate an account(s) at any time. I understand, and agree, however, that your authority to effectuate transactions as requested by accountholder(s) may not be changed or terminated except by written notice to you which will not affect prior transactions. Moreover, if you receive conflicting claims to funds in an account you hold, you may, at your discretion, restrict the account and deny access to all; close the account and send the funds to the owner or owners of the account, according to your records, at the statement mailing address; interplead all or any portion of the funds from an account to the court; or hold (i.e., freeze) the funds, without liability to anyone, pending resolution of the claim to your satisfaction. I also understand and agree that you may, at your discretion, freeze the funds in an account you hold, without liability to anyone, if, under the circumstances, you have reason to believe that doing so is necessary or prudent to avoid incurring potential liability, costs, or expenses, or to avoid potential loss of such funds, until the situation is resolved to your satisfaction or until you receive an order of a court instructing you concerning the disposition of such funds. I agree to indemnify and hold you harmless from and against all claims, actions, damages, liabilities, costs, and expenses, including reasonable attorneys' fees and expenses, arising out of or related to any action or inaction related to the matters described in this paragraph.
12. You reserve the right to close any account(s) discovered to be deliberately manipulated by me to your detriment, any other account holder's detriment, and/or any other member's detriment. "Manipulation" includes, but is not limited to, kiting and repeated patterns of transactions which have no apparent business reason other than to take advantage of Regulation "CC" hold periods and/or "interest float" to your detriment.
13. I acknowledge that you are obligated to report cases of actual or suspected financial abuse of elders or dependent care adults to the proper authorities empowered to investigate such cases. If you suspect such financial abuse, I understand and agree that, in addition to reporting such abuse as may be required under law, you have the right to freeze the account, refuse to complete transactions on the account, or to take any other action(s) that you deem appropriate under the circumstances, including providing relevant information and documentation concerning my accounts and other transactions to the proper authorities empowered to investigate such cases. I agree to indemnify and hold you harmless from and against all claims, actions, damages, liabilities, costs, and expenses, including reasonable attorneys' fees and expenses, arising out of or related to any action or inaction related to the matters described in this paragraph.
14. You may recognize the manual or digital signature of anyone who signed an Account Signature Card as authorized to transact business on that account. Any payment made on my account by you in good faith and in reliance on the terms and conditions of this Agreement and Disclosure, any Term Share (Certificate) Agreement and Disclosure, the Account Signature Card, and/or any other writing signed by me shall be valid and discharge you from liability. Without limitation to the foregoing, you may honor checks drawn against my account by authorized signers, even if the checks are made payable to them, to cash, or for deposit to their personal accounts. You have no duty to investigate or question withdrawals or the application of funds.
15. I understand and agree that Individual, Joint, and Pay-on-Death accounts may be subject to Multiple Party Accounts Law, Division 5 of the California Probate Code, as now in effect or hereafter amended.
16. Ownership for the Primary Account and all sub-accounts shall be established and determined by the most recent Account Signature Card, Membership Invitation, or other document(s) evidencing such account(s). A different form of ownership may be established by executing a new Signature Card(s). The word "owner(s)" means the owner of the funds in the case of an individual account and it means the joint owner (both as an individual and as a group) in the case of a joint or other account with multiple parties. Owner(s) agree that any and all sums heretofore or hereafter on deposit shall be subject to withdrawal or receipt of any owner and any such payment shall be valid and discharge you from any liability.
17. I agree to notify you promptly of any change of address. I may notify you in person at your office or by sending a written and signed notice to Kings Federal Credit Union, 1415 West Lacey Blvd., Hanford, CA 93230. In the event that I fail to do this, you may continue to utilize my address on file with you without liability until you receive a change of address notification from me. You may charge my account for the cost incurred in determining my address. This charge will be imposed in accordance with your Bylaws and as set forth in the Schedule of Fees.
18. I agree to notify you immediately of the death or court-declared incompetence of any owner of my account. I agree to inform each owner of my account to notify you of such an event as well. If I fail to provide such notice or if I die or am declared legally incompetent, you can continue to

accept and collect items deposited to my account until you know of my death or adjudication of incompetency and have a reasonable opportunity to act.

19. All non-cash payments shall be credited subject to final payment on the day of deposit. My right to withdraw the funds represented by certain checks, savings, or other items I deposit may be delayed for several days. I will be notified if my right to withdraw will be delayed. I will refer to the Credit Union's Disclosure of Funds Availability Policy for further details.
20. If a check or other item which you cash for me or which I deposit to my account is returned to you as unpaid for any reason, you may charge my account for the amount of the check or other item. This may include, among other circumstances, checks which were paid originally and later are returned to you accompanied by documentation indicating that the endorsement is forged or unauthorized or that the item has been altered in any way. You may charge my account for the amount without questioning the truth of such documentation. You may also charge back any amount of accrued or paid dividends related to the returned check. You may re-present a returned check for payment by the financial institution upon which it is drawn if there were insufficient funds to initially pay the item, but you are not required to do so. If you choose to re-present the check, you may do so without telling me the check was not paid or that you are presenting it again. You may charge a fee for each deposited or cashed check charged back to my account. You may, at your option, notify me, by telephone or in writing, if a check has been returned unpaid and the fee charged.
21. I agree that you will not be responsible for any damages I incur in the event I deposit an item with you which is subsequently returned unpaid by the paying bank and that return is "late" due to markings on the back of the item caused by me or a prior endorser.
22. Although you are not obligated to, you may pay or accept checks and other items bearing restrictions or notations (e.g., "Void after 6 months," "Void over \$50.00," "Payment in Full," and the like), whether on the front or back, in any form or format. If I cash or deposit an item or write a check with such notation, I agree that, except as otherwise set forth in any agreement with you or in applicable law, it applies only between me and the payee or maker, the notation will have no effect on you, and I agree to accept responsibility for payment of the item. In the event that I deposit any item or check to any of my accounts with you using your mobile or remote deposit capture services, I agree to conform to the terms and conditions set forth in your Remote Deposit Capture Agreement and I agree to endorse the item or check and make a notation on the back of the item or check indicating that it is "for mobile deposit only at Kings Federal Credit Union." I agree to indemnify and hold you harmless from any claim or alleged loss of any maker, payee, or financial institution involving such notations or deposits, including my failure to endorse and/or make the notation set forth herein, whether I am the maker or payee or the funds are otherwise deposited into an account in which I have an interest.
23. You reserve the right to reverse any credit for any deposited item or charge my account for cashed items should they become lost while in the process of collection. If you do not reverse a credit, I agree to assist you in collecting the amount of any lost item by providing you with such information and other assistance as you may request. You may charge my account when a photocopy of a check I have written is presented to you for payment in place of a lost original, unless a stop payment order is in effect for that check.
24. You are under no obligation to pay a check which is presented more than six (6) months after its date, but you may do so at your discretion and charge my account without liability, even if the presentation occurs after the expiration of a stop payment order or notice of postdated change. I agree that you are not required to identify stale dated checks or seek my permission to pay them.
25. All accounts are subject to your Schedule of Fees and Charges, which accompanies this Agreement and Disclosure and is incorporated by this reference. I agree to pay any additional reasonable charges for services I request that are not covered by this Agreement and Disclosure should you decide to honor my request. You shall debit such charges against any account I own (including accounts on which I am a joint owner) except my IRA Accounts. Only fees related to an IRA Account will be debited from an IRA Account. If sufficient funds are not available, the charges are payable on demand and, for checking accounts, will be treated as an overdraft.

I agree that I am individually liable and, for joint accounts, the joint accountholders are jointly and severally liable, for any account shortage resulting from charges or overdrafts whether caused by me or by another person or entity with access to the account(s). This liability shall be due immediately and can be deducted directly from account balances whenever sufficient funds are available. I understand and agree that I have no right to defer payment of this liability regardless of whether or not I signed the item or benefitted from the charge or overdraft. I also understand and agree that I will also be liable for your costs to collect any deficit as well as for your reasonable attorneys' fees, to the extent permitted by law, whether incurred as a result of collection or in any other dispute involving my account(s) including, but not limited to, disputes between me and another joint owner, between me and an authorized signer, or between me and a third party claiming an interest in my account(s).

26. California law states that inactive account balances in savings, checking, and matured Term Share (Certificate) accounts must be turned over to the state after a period of three (3) years since the last time I:

- a. Increased or decreased the amount of funds on deposit with you or presented an appropriate record for crediting of dividends or cashed a dividend check from any of my accounts with you; or
- b. Corresponded in writing or electronically with you concerning the funds on deposit; or
- c. Otherwise indicated an interest in the funds on deposit as evidenced by a memorandum on file with you.

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

You may charge a fee for mailing an escheat notice. To recover funds turned over to the state, I must file a claim with the state. To recover funds turned over to the state, I must file a claim with the state.

- 27. You may, but are not obligated to, transfer funds from my Savings, Checking, or Loan Accounts on my written, electronic, or oral request. I understand and agree that no transfer will be made unless there are sufficient available funds on deposit or sufficient credit available at the time of transfer. I agree that any such transfer(s) shall be in the exact amount authorized and will be processed only on your "business days." If a transfer is to occur on a day other than a business day, such transfer will occur on the next business day. Moreover, if funds are not available for the transfer on the day authorized, the transfer will not occur.
- 28. Federal law requires you to report certain domestic currency transactions and foreign transactions. This reporting applies to all member accounts at the Credit Union.
- 29. You agree to retain and furnish to me, if requested, copies of certain records pertaining to my account and that these records will be available to me for the time frame required by law. I agree that the determination of which records I am entitled to shall be determined solely by you, if not otherwise specifically described under applicable law. I agree that the determination of which records I am entitled to shall be determined solely by you, if not otherwise specifically described under applicable law. I agree to pay applicable fees as listed in your Schedule of Fees for those copies.
- 30. You may comply with any writ of attachment, execution, garnishment, tax levy, restraining order, subpoena, warrant, or other legal process which you believe (correctly or otherwise) to be valid. You may notify me of such process by telephone, electronically, or in writing, unless you are prohibited by law from notifying me. If you are not fully reimbursed for your record research, photocopying, and handling costs by the party that served the process, you may charge such costs to any account I have with you, in addition to your minimum legal process fee, unless you are prohibited from doing so under applicable law. I agree to reimburse you for any cost or expense, including attorneys' fees, which you may incur in responding to legal process related to my accounts.
- 31. In the event that a cashier's, teller's, or certified check is lost or stolen, I must execute and deliver to you a written Declaration of Loss and Claim for Reimbursement in a form acceptable to you and in time for you to have a reasonable time to act thereon. I further understand and agree that the Declaration of Loss and Claim for Reimbursement is not enforceable until the later of (i) the time Declaration of Loss and Claim for Reimbursement is properly delivered to you or (ii) the 90th day following the date of the cashier's or teller's check, or the 90th day following the date of the acceptance of a certified check. I agree to indemnify you for any loss or claim occasioned by your attempting to, or stopping, payment on such check.
- 32. I authorize you to gather whatever financial, credit, checking account, and employment information you consider appropriate from time to time. I understand that this will assist you, for example, in determining my initial and ongoing eligibility for my account and/or in connection with making future credit opportunities available to me. I authorize you to give information concerning your experiences with me to others.
- 33. You are not responsible for any loss or damage which results from my negligence, including, without limitation, my failure to adequately safeguard my blank checks or other personal information or means of access to my account.
- 34. If I am a U.S. person, Federal law requires that you obtain and have certified by me a Taxpayer Identification Number (TIN) on all accounts. You will not open an account without this identification number. For additional information on this requirement, I will read "INSTRUCTIONS TO PAYER'S REQUEST FOR TAXPAYER IDENTIFICATION NUMBER AND CERTIFICATION (IRS FORM W-9)". These instructions will be provided to me by the Credit Union upon request. If I am not a U.S. Person, I will use the appropriate Form W-8 or Form 8233, Exemption From Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual.
- 35. In the event that a negative balance is created in my account (whether due to ATM activity, nonsufficient funds activity, Credit Union imposed fees and charges, or otherwise) or I have other outstanding financial obligations of any kind owed to you, which are in default, I understand and

agree that you may transfer funds to such account from any other deposit account (excluding IRA accounts), including account(s) upon which I am a joint owner, in an amount equal to the negative account balance or withdraw funds to offset the outstanding financial obligation that is in default, plus any applicable fees. In addition to any other rights that you may have, I agree that any deposits or future deposits in or other credits to any account in which I may now or in the future may have an interest are subject to your right of offset for any liabilities, obligations, or other amounts owed to you by me (e.g., overdrafts and any permissible fees and charges) unless otherwise prohibited by law and such is applicable irrespective of any contribution to the account or source of funds in the account. Moreover, I knowingly consent and expressly agree that the application of an offset of funds in any includes the offset of government benefits (such as Social Security and other public benefit funds) deposited in my account to the fullest extent permissible under applicable law.

36. Pursuant to federal law, the Credit Union must verify the identity of any person seeking to open or add a joint owner or signer to any account and must maintain records of the information used to verify the person's identity. For the purposes of this paragraph, "account" means "each formal banking or business relationship established to provide ongoing services, dealings, or other financial transactions." For example, a share account, a transaction or asset account, and a credit account or other extension of credit would each constitute an "account" for these purposes.
37. I understand and agree that telephone conversations with the Credit Union are not confidential and may be randomly monitored by Credit Union personnel. I also understand, consent, and agree that my telephone conversations with Credit Union personnel may be recorded by the Credit Union.
38. I understand that you may report information about my account to credit bureaus. Late payments, missed payments, negative balances, and other defaults on my account(s) may be reflected in my credit report.
39. Member accounts in this Credit Union are federally-insured by the National Credit Union Share Insurance Fund.
40. Any action or proceeding by me to enforce an obligation, duty, or right arising under this Agreement and Disclosure or by law with respect to my account must be commenced within one (1) year after the cause of action occurs.
41. I agree to indemnify, defend, and hold you and your employees and volunteers harmless from and against every claim, demand, action, cost, loss, liability, and expense including, without limitation, attorneys' fees, which you incur by acting in accordance with this Agreement and Disclosure or as a result of my failure to abide by its terms.
42. My account will be governed by California law, to the extent that California law is not inconsistent with controlling federal law. However, California's choice of law rules shall not be applied if that would result in the application of non-California law.
43. **NOTICE OF BINDING ARBITRATION AGREEMENT:** You and I agree to attempt to informally settle any disputes affecting my Accounts that might arise under this Agreement and Disclosure. If that cannot be done, you and I agree that any dispute affecting my Accounts and arising out of or relating to this Agreement and Disclosure will be resolved by BINDING ARBITRATION administered by the American Arbitration Association in accordance with its Commercial Dispute Resolution Procedures and Supplementary Procedures for Consumer-Related Disputes. I, thus, GIVE UP MY RIGHT TO GO TO COURT to assert or defend my rights under this Agreement and Disclosure or at law or in equity (EXCEPT for matters that may be taken to SMALL CLAIMS COURT). FURTHER, I GIVE UP MY RIGHT TO ASSERT CLAIMS AGAINST THE CREDIT UNION ON A CLASS ACTION OR COLLECTIVE ARBITRATION BASIS. My rights will be determined by a NEUTRAL ARBITRATOR and NOT a judge or jury. I am entitled to a FAIR HEARING, BUT the arbitration procedures are SIMPLER AND MORE LIMITED THAN RULES APPLICABLE IN COURT. Arbitrator decisions are as enforceable as any court order and are subject to VERY LIMITED REVIEW BY A COURT. The place of arbitration shall be Kings County, California. FOR MORE DETAILS, check the American Arbitration Association's website, [www.adr.org](http://www.adr.org), OR call the American Arbitration Association's Customer Service telephone number at (800) 778-7879. Please note that any debt or loan obligation I may have with you is not subject to this arbitration agreement.
44. I acknowledge that if I give anyone access to my account (such as, for example, providing any person with my check card, ATM card, ATM or home banking PIN, or granting any person power to act as my agent under a power of attorney or trustee for a trust account), I understand that any transaction completed by such person shall be considered authorized by me.

#### **TERMS AND CONDITIONS APPLICABLE TO ALL INDIVIDUAL AND JOINT ACCOUNTS:**

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

3. No transfer of voting rights or other membership privileges is permitted by virtue of a transfer of funds.
4. Joint ownership of an account does not constitute credit union membership. Joint owners may be non-members.
5. Except as set forth herein or in the applicable loan agreement(s), I may pledge any or all of the funds on deposit in an account as security for any loan(s) subject to then current loan policies. Further, a pledge of funds by any one of us shall be binding on all of us. I may not withdraw funds that are pledged as security on loan(s) without the written approval of the credit committee or a loan officer, except to the extent that such funds exceed my total primary and contingent liability to you. I may not withdraw any funds below the amount of my primary or contingent liability to you if I am delinquent as a borrower, or if borrowers for whom I am comaker, endorser, or guarantor are delinquent, without the written approval of the credit committee or a loan officer.
6. A right of survivorship arising from the express terms of a joint account cannot be changed by will.
7. Each person on this account agrees with each other and with the Credit Union that they will be jointly and severally liable for any transactions, fees, and charges of any other owner.

**TERMS AND CONDITIONS APPLICABLE TO ALL PAY-ON-DEATH (P.O.D.) DESIGNATIONS:**

1. If I have made a Pay-On-Death (P.O.D.) designation, all sums are payable on request to me during my lifetime and, upon my death, first to you to the extent of any outstanding matured or unmatured debts owed to you by me and second to my designated P.O.D. payee(s). If the account is jointly owned, all sums are payable to one or more account owner(s) during their lives and, on the death of all of them, first to you to the extent of any outstanding matured or unmatured debts owed to you by any of us and second to one or more payees then surviving in equal and individual shares, unless a different distribution percentage is set forth on the account Signature Card. If a P.O.D. payee dies before all of the account owner(s), then, upon the death of all of the owner(s), all sums are payable first to you to the extent of any outstanding matured or unmatured debts owed to you by any of us and the remaining funds shall be divided equally among the surviving P.O.D. payees, if any, unless a different distribution percentage is set forth on the account Signature Card in which case the deceased P.O.D. payee'(s)' distribution percentage(s) shall be distributed equally among the surviving P.O.D. payees, if any, and the funds remaining in the account upon the death of all owner(s) shall be distributed to the surviving P.O.D. payee(s), if any, in accordance with the revised distribution percentages as described above.
2. A Pay-on-Death designation cannot be changed by will.

**TERMS AND CONDITIONS APPLICABLE TO LIVING TRUST ACCOUNTS:**

1. If I am a trustor/trustee and want to establish an account in connection with a written trust, you may require me to provide you with a notarized trust certification confirming my power as a trustee prior to opening the account.
2. You are not required to know, understand, interpret, or enforce the terms of the Trust Instrument.
3. I acknowledge that the account is governed by the applicable terms and conditions set forth in this Agreement and Disclosure and by the terms and conditions set forth in my "Signature Card for Trust, UTMA, and Other Fiduciary Accounts."
4. The trustee(s), on behalf of the trust, and with the trustor(s) named in the Signature Card, agree to conform to the Credit Union's bylaws, the terms and conditions of the Signature Card, as well as this Account Agreement and Truth-in-Savings Disclosure, receipt of which is incorporated herein by this reference.
5. If the account is for a revocable trust, one or more trustor(s) must be member(s) of the Credit Union. If the account is for an irrevocable trust, either the trustor or beneficiary must be members or, in the case of multiple trustors or beneficiaries, all the trustors or all of the beneficiaries must be members in the Credit Union. All accounts opened in the name of the trust belong solely to the trust. No transfer of voting rights or other membership privilege is permitted by virtue of a transfer of shares. Accounts are not transferable, as defined in 12 CFR Part 204. It is understood that the trust under the Signature Card has no voting rights at any membership meeting, although the individual member/trustor(s) retain their personal voting rights if they retain individual membership at the Credit Union.
6. THE CREDIT UNION HAS NOT RECEIVED A COPY OF THE TRUST INSTRUMENT AND SHALL IN NO EVENT BE LIABLE FOR KNOWLEDGE OF ITS CONTENTS.
7. Trustee(s) and not the Credit Union assume full responsibility for enforcing the provisions of the Trust Instrument.
8. In the event that all named trustee(s) and successor trustee(s) die, resign, become incapacitated, refuse to act, or the Credit Union receives conflicting instructions, the Credit Union reserves the right to freeze or interplead any and all funds held in accounts opened under the Signature Card and to deduct its attorneys' fees for any interpleader action from the trust account funds.

9. If there is a change in the parties or terms of the trust, including, but not limited to, a change in trustors or trustees, all trustor(s) and trustee(s) agree to execute a new Signature Card. Such change shall not be effective until the Credit Union has received a properly completed and executed Signature Card and has had a reasonable opportunity to act on it. In the event of a change of address of trustors/trustees, the trustee(s) agree to notify the Credit Union promptly of such change(s).
10. The trustee(s) certify that they are duly appointed under the Trust Instrument and that, by the authority vested in them under the Trust Instrument, any trustee, acting alone or jointly, is authorized and empowered to transact business of any kind in connection with the trust's accounts at the Credit Union. It is agreed that any transaction by the trustee(s), acting alone or jointly, shall be valid and discharge the Credit Union from any liability. The trustee(s) may authorize the transaction of any business on accounts held at the Credit Union in the name of the trust by their verbal or written instruction to the Credit Union. Trustee(s) may obtain funds from the trust's accounts in their names or the names of third parties upon trustee's(s') verbal or written instruction.
11. Trustee(s) certify that the Trust Instrument provides that the trustee(s) may receive, take possession of, release, assign, mortgage, pledge, hypothecate, or otherwise use assets of the trust as security for a loan from the Credit Union or any other purpose except as specifically set forth in the Signature Card.
12. If the trustee(s) named on the Signature Card borrow from the Credit Union and the Trust Instrument must be examined by a third party (for example, a title company), the Credit Union agrees to forward a copy of the Trust Instrument from the trustee(s) to the third party only if trustee(s) present a sealed envelope containing the Trust Instrument to the Credit Union. The Credit Union will not accept copies of the Trust Instrument that are not in a sealed envelope. Further, the Credit Union will not keep any Trust Instrument in its files or be liable for the contents of a Trust Instrument. The trustee(s) shall sign on a form designated by the Credit Union that the Credit Union has received the Trust Instrument in a sealed envelope when the trustee(s) present(s) the Trust Instrument to the Credit Union.
13. Trustee(s) agree that if they borrow from the Credit Union and use trust assets as collateral, then the trustor(s) or the trustee(s), as members of the Credit Union, will, by signing all documents relating to the loan, obligate themselves as individuals in addition to the signatures of the trustee(s) on behalf of the trust.
14. Trustee(s) agree to promptly notify the Credit Union if any of the trustor(s) or trustee(s) die or become incapacitated. Prior to any successor trustee(s) transacting business on accounts held at the Credit Union in the name of the trust (including any withdrawal), the successor trustee(s) must provide the Credit Union with either a notarized letter of resignation signed by the existing trustee(s), a certified copy of the death certificate for the trustee(s), or any physician(s) letter(s) (or judicial declaration(s)) regarding the trustee's(s') incompetency. The successor trustee(s) must complete a new Signature Card as well as a new Certification of Trust. Death, resignation, or incapacity of any trustee or trustor shall not revoke the authority of the Credit Union to act under the Signature Card until written notice of the death, resignation, or incapacity has been presented to the Credit Union and the Credit Union has reasonable opportunity to act on it. However, upon presentation of a certified copy of trustee's(s') death certificate(s), notarized resignation letter, or physician(s) letter(s) (or judicial declaration(s)) regarding the trustee's(s') incompetency, the Credit Union is authorized to act upon designated successor trustee(s) instructions in accordance with the terms of the Signature Card.
15. Successor trustee(s) shall close all accounts opened under the Signature Card within 90 days after receiving notification of death, resignation, or incapacity of the trustee(s). The Credit Union is authorized, but not required, to close any accounts opened under the Signature Card upon the 91st day after receiving notice of the trustee's(s') death(s), and mail a check to the designated successor trustee(s), for the balance of the account and made payable to the designated successor trustee(s) as trustee(s) for the above-named trust. The parties may be able to maintain the trust accounts at the Credit Union under a new Signature Card. See a Credit Union account representative for eligibility.
16. Trustor(s) and trustee(s) acknowledge and agree that the Credit Union's sole obligation to the trustor(s)/trustee(s) is as a depository institution and is a debtor/creditor relationship and nothing in the Signature Card or in the Trust Instrument shall be construed to impose any duties or obligations whatsoever upon the Credit Union as a trustee or other fiduciary under the Trust Instrument or otherwise.
17. The trustor(s) and trustee(s) hereby agree for the trust, themselves, and all trust beneficiaries to indemnify and hold harmless the Credit Union from any and all claims, suits, actions, damages, judgments, costs, charges, and expenses, including, but not limited to, court costs and attorneys' fees, resulting from any and all liability, loss, or damage of any nature whatsoever that the Credit Union shall or may sustain resulting from the establishment, maintenance, or transaction of any business on any trust account at the Credit Union. The trustor(s) and trustee(s), on behalf of the trust, agree to pay any necessary expenses, attorneys' fees, or costs incurred by the Credit Union in the enforcement of the Signature Card.
18. Trustor(s) and trustee(s) acknowledge and agree that the Credit Union is relying upon the statements, representations, and warranties made by the trustor(s) and trustee(s) contained in the Signature Card, and that the Credit Union shall not be responsible in any way for verifying either the existence, validity, or legality of the trust itself or the authority or powers of the trustee(s) under the governing Trust Instrument to establish, maintain, or transact any business on the trust accounts. The Credit Union reserves the right, at any time, to require the trustee(s) to execute and provide a Certification of Trust pursuant to California Probate Code Section 18100.5, in form and substance acceptable to the Credit Union, affirming the existence of the trust and the authority and powers of the trustee(s) thereunder.

19. The Signature Card and this Agreement and Disclosure incorporates the full and complete understanding concerning the accounts, and the transaction of business thereon, at the Credit Union for the trust.

20. Living trust accounts are not subject to the California Multiple Party Accounts Law.

**TERMS AND CONDITIONS APPLICABLE TO ALL UNIFORM TRANSFERS TO MINORS ACT ACCOUNTS:**

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

**TERMS AND CONDITIONS APPLICABLE TO ALL FIDUCIARY ACCOUNTS:**

1. I am duly appointed and acting in the capacity of Executor/Executrix, Administrator/Administratrix, Guardian, Conservator, Personal Representative, or Social Security Representative Payee. By the authority vested in me, I, acting individually or jointly, am authorized and empowered to transact business of any character in connection with this account. My authority shall continue in force until written notice to the contrary is received by you.
2. If the account is blocked, I understand and agree that I shall file with the court a written receipt, including an agreement with you that the funds in the account, including any dividends, shall not be withdrawn or pledged except upon court order.
3. I may pledge any or all funds on deposit in the account as security for any loan(s) subject to then current loan policies. Further, a pledge of funds by any one of us shall be binding on all of us.
4. Fiduciary accounts are not subject to the California Multiple Party Accounts Law.

**TERMS AND CONDITIONS APPLICABLE TO ALL BUSINESS ACCOUNTS**

1. As used in this Section, the term "Agreement" includes, but is not limited to, these Terms and Conditions, the Membership and Account Agreement, the Account Application, and any other agreement that is applicable to a specific account or service offered by the Credit Union. These Agreements, Disclosures, Applications, and Schedules, together with specific terms and conditions governing my Account(s), provided together or separately, detail your relationship with us.
2. In this Agreement, each and all of the account owners, account signers, authorized users, representatives, agents, and successors of the business or organization may be referred to as "me," "I," "Account Signer," or "Account Owner." The Credit Union may be referred to as "you," "your," "yours," "Credit Union," and "KFCU." This Agreement is the contract that governs your business or organization account with the Credit Union.
3. This Agreement also refers to and includes other disclosures you may provide to me, including but not limited to: (1) product information; (2) rate information; (3) services and fees; and (4) other disclosures, agreements, and amendments that you may provide to me. All may contain information on fees that apply to my accounts. The term "Business Account" means any Account maintained or opened by or in the name of any corporation, partnership, sole proprietorship, unincorporated association or club, limited liability company, or any other organization. In the event of a conflict between the terms in the Agreement and other parts of the Membership and Account Agreement, the terms and conditions in this Section shall control.
4. I expressly represent that: (i) the business or organization named on any Application is duly organized, validly existing, and in good standing under the laws of the state where organized and has filed the necessary organizational documents with the Secretary of State's office or County office in a manner sufficient to ensure that no other person or entity shall conduct business under the same name or any name deceptively similar to that of the Account Owner; (ii) each officer, partner, agent, representative, or other party who signs on any Application as an Authorized Signer is qualified and authorized to sign in the capacity represented and is empowered to so act on behalf of the Account Owner

named; and (iii) the Account Owner named on any Application is either presently a member of the Credit Union or is eligible to apply for membership in keeping with the membership requirement set forth in this Agreement.

5. Any of the Authorized Signers on any Application shall be authorized to transact business on behalf of the Account Owner with respect to the Business Account(s) designated on the Application and are authorized to: (i) deposit and withdraw any of the funds of the Account Owner in such Business Account(s), whether represented by cash, checks, notes, any electronic transactions, or other evidences of debit or credit; (ii) sign for and receive the statements and records of the Account Owner with respect to any such Business Account(s); (iii) stop payment against checks or other payment orders; (iv) make withdrawals or transfers from any such Business Account(s) for the purpose of purchasing Certificates; and (v) make any other agreements and stipulations with you with respect to such Business Account(s) and to bind the Account Owner thereto.
6. The endorsement of the Account Owner of items for deposit may be written or stamped without designation of the party making the endorsement.
7. You are authorized to honor any and all withdrawals of the Account Owner's funds by any of the Authorized Signers, whether such withdrawals are presented for cash or for credit to the personal account of such party, and you need make no inquiry concerning any such action. I acknowledge that I may not stipulate that withdrawals and other actions be performed and signed by two or more Authorized Signers. I agree that any designation by me requiring the signatures of two or more persons is for my internal business purposes only and is not binding on you.
8. You will not be liable for any loss occasioned by the fraud, negligence, or misapplication of funds by any of the Authorized Signers. The Account Owner and all of the Authorized Signers, jointly and individually, agree to defend, indemnify, and hold KFCU harmless of any claims, demands, expenses, losses or damages, resulting from or directly or indirectly related to any such activity of such parties with regard to any Business Account maintained with you.
9. The Account Owner and the Authorized Signers agree to execute or provide such additional documentation as you may require or deem appropriate in connection with the opening and maintaining of any Business Account.
10. The Account Owner and all Authorized Signers authorize the Credit Union to recognize the facsimile signature(s) appearing on any Application and to charge the Account Owner for all checks, withdrawals, or similar orders drawn on business accounts maintained by the Account Owner. You will be so authorized so long as any facsimile signature reasonably resembles the facsimile signature appearing on any Application.
11. You may adopt policies from time to time under which you may issue Debit Cards, other electronic access devices, or personal identification numbers (PINs) to persons designated by the Account Owner, at the Account Owner's request. I acknowledge and agree that the issuance of any access device or PIN in connection with a Business Account affords ready access to the Business Account by the person or persons authorized by the Account Owner, as well as other persons who are provided access to the access device or PIN, or who otherwise obtain the access device or PIN whether by way of negligence, theft, collusion, or otherwise. As a result, I acknowledge and agree that the Account Owner and the persons authorized by the Account Owner to receive any access device or PIN are solely responsible for their use. In addition to the foregoing provisions, electronic funds transfers to and from a Business Account are subject to any additional terms and conditions provided to me at the time my request for an electronic funds transfer service is approved.
12. Check cashing is not available on Business Accounts. Business Accounts must deposit checks and then withdraw funds.
13. We do not accept Business Accounts for businesses engaged in a Money Service Business. I certify that neither I nor the business or organization is engaged in activity that would qualify as a Money Service Business and I agree to notify you immediately if, at any time, the Account Owner's business changes in any way that causes my certification to be inaccurate. A Money Service Business is generally defined as: (i) a currency dealer or exchanger; (ii) a check casher; (iii) an ATM service provider; (iv) an issuer, seller, or redeemer of traveler's checks, money orders, or stored value cards; or (v) a money transmitter. The Credit Union reserves the right to close any account engaged in the above activity. The Credit Union may elect to close the checking account and restrict the savings account to "mail only" access.
14. You are prohibited from processing illegal transactions through my Accounts or through my relationship with you, including Internet gambling transactions or marijuana-related business transactions. I may not use my Account in any manner or for any transaction that you believe poses an undue risk of illegality, and you may refuse to process or authorize any such use or transaction. If I engage in any unlawful activity, you may impose restrictions on my Account, including restricting my access to Account services. If I use my Account relationship or engage in a transaction in a way that is determined to be illegal, I will be liable to you for any losses, damages, costs, expenses, and/or attorneys' fees that you may suffer. I waive any right to take legal action against the Credit Union for any illegal use or transactions and I agree to indemnify, defend, and hold harmless the Credit Union, its employees, agents, volunteers, attorneys, and any third-party processors from and against any lawsuits, other legal action, or losses, damages, costs, expenses, and/or attorneys' fees or other liability that results directly or indirectly from such illegal use or transactions. I agree to certify to you at Account opening and, if requested, annually that I do not engage in an Internet gambling business or marijuana-related business transactions. I authorize you to investigate the Account Owners', the principals', and the

Authorized Signers' background, including, without limitation, any financial institution and payment processor references. I also agree to notify you immediately if at any time the Account Owner's business changes in any way that causes any prior certification to be inaccurate. If I certify to you that the Account Owner has legal authority to engage in an Internet gambling business or marijuana-related business transactions, I acknowledge that you may choose to close the Account at your sole and absolute discretion.

15. **Membership Eligibility.** A Business Account may be established if the Account Owner is a member or is eligible for membership in the Credit Union. A business may be eligible for Credit Union membership if the business is listed in your field of membership or is physically located within geographical areas that have been approved by the National Credit Union Administration as being in your field of membership. For sole proprietorships, the individual owner(s) must be within your field of membership. For corporations, all of the corporate shareholders must be within your field of membership. For partnerships, all of the partners must be within your field of membership. For unincorporated associations, limited liability companies, and other businesses and organizations, all of the members of any such association, organization, or company must be within your field of membership. The organization/association must be assigned a taxpayer identification number through the IRS. Currently, no debit card is issued to Organizational Accounts.
16. **Business Account Maintenance.** In order to add or delete Authorized Signers from any Business Account: (i) the Account Owner may close the Business Account and open a new Business Account through the execution of a new Non-Personal Membership Application; or (ii) the Account Owner may modify the Business Account to provide for any such addition or deletion by completing a new Membership Application or such other forms as you may require, bearing the signatures of all persons who thereafter are authorized to sign on behalf of the Account Owner. You reserve the right to require that a new Business Account be opened when adding or deleting Authorized Signers. In order to add or delete Authorized Signers on any Business Account, whether by way of Account closure or modification, you may require the presentment of a new certificate of corporate resolution or a new certification and authorization in the case of a sole proprietorship, partnership, association, or other business entity, specifying the action to be taken and setting forth those individuals who thereafter will be authorized to transact business on behalf of the Account Owner. I acknowledge and agree that, if the Account Owner elects to add or delete Authorized Signers by way of Account modification rather than by closing the Business Account(s), you may not be able to verify effectively whether any check presented is signed by an Authorized Signer, and I agree that you are not required to examine any instruments presented. In the event of any Business Account modification, I agree that the Account Owner is solely responsible for denying any deleted signers access to the Business Account and that you will not be liable for the payment of checks or orders signed or made by any deleted signer.
17. **Business Account Fees.** Business Accounts are subject to the rates and fees set forth periodically in the Dividend Rate Sheet and Fee Schedule. I acknowledge and agree that any Truth-in-Savings Account Disclosures, other than the Rate and Fee Schedule, and Electronic Fund Transfer Agreement that may be provided to you in connection with a Business Account are made for the benefit of, and are applicable only to natural-person members of the Credit Union who hold an Account primarily for personal, family, or household purposes. To the extent that those disclosures are also accurate with respect to Business Accounts, they are provided for informational purposes only and without any corresponding intent to extend coverage of the Truth-in-Savings Act and implementing regulations to Business Accounts. I understand that the provisions related to error resolution and limitations on liability on the back of periodic statements do not apply to Business Accounts or to accounts that are not used primarily for personal, family, or household purposes. The following error resolution and limitations on liability apply to Business Accounts:

I agree to notify you immediately if I discover: (a) any error or discrepancy between my records and the information you provide to me about my Accounts or transactions (e.g., in a statement, confirmation, or electronic report); (b) unauthorized transactions involving any account; (c) a breach in the confidentiality of any PIN; or (d) other problems related to the products and/or services you provide to me. I must send you a written notice of any discrepancy or other problem, including a statement of the relevant facts, within fourteen (14) days from the date I first discover the problem or receive information reflecting the problem, whichever occurs first. If I notify you within fourteen (14) days from the date I first discover the problem or receive information reflecting the problem, whichever occurs first, I may not be responsible for the amount of the transaction. If I fail to notify you within fourteen (14) days, I agree that, in addition to any other limitations on your liability: (a) in the case of an erroneous funds transfer, I will be liable for all losses up to the amount thereof (as well as any loss of interest) that result from my failure to give you such notice or that might have been prevented by my giving you such notice; and (b) in the case of an unauthorized funds transfer, you will not be liable for any loss of interest that results from my failure to give you such notice or which might have been prevented by my giving you such notice.

**IN NO EVENT WILL YOU BE LIABLE FOR ANY LOST REVENUE OR PROFIT, OR FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL, OR PUNITIVE DAMAGES, HOWEVER CAUSED, REGARDLESS OF THE THEORY OF LIABILITY, ARISING OUT OF OR RELATED TO ANY TRANSACTION GOVERNED BY THIS AGREEMENT, EVEN IF YOU HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.**

18. **Business ACH Transactions.** I agree and understand the KFCU does not offer or support ACH origination, which means that you cannot originate any ACH direct deposits to my employee accounts or debit ACH transactions for amounts owed to the business or organization.

**TERMS AND CONDITIONS APPLICABLE TO ALL SOLE PROPRIETORSHIP ACCOUNTS:**

1. I affirm that I am the sole proprietor of the sole proprietorship named on the Account Signature Card. You may pay out funds with my signature or an authorized signer designated by me. You may accept and/or endorse checks made payable to me or the sole proprietorship named on the Account Signature Card which you receive for deposit. Funds received are not withdrawable until collected.
2. I may not pledge any part of the funds on deposit in this Account as security for any loan(s).
3. Sole proprietorship accounts are not subject to the California Multiple Party Accounts Law.

**TERMS AND CONDITIONS APPLICABLE TO ALL CORPORATE, PARTNERSHIP, AND UNINCORPORATED ASSOCIATION ACCOUNTS:**

1. The person(s) named or authorized on the Account Signature Card, duly authorized to make the certification, certify that, at a regularly held meeting, the person(s) named were elected or appointed officers of said corporation or organization or are duly acting partners of said partnership, and that, by virtue of the authority vested in me by the bylaws or otherwise, any one (1) of the signators, as named on the Account Signature Card, is authorized and empowered to transact business of any character whatsoever in connection with the account. I certify that the signature(s) appearing on the Account Signature Card are the genuine signature(s) of said authorized person(s) and that the authority of the authorized signers shall continue in force until written notice to the contrary is received by you.
2. I may pledge any or all of the funds on deposit in the Account as security for any loan(s).
3. Corporate, partnership, and unincorporated association accounts are not subject to the California Multiple Party Accounts Law.

**TERMS AND CONDITIONS APPLICABLE TO MY SAVINGS ACCOUNTS:**

1. Your Savings Accounts are called Regular Savings, Minor Savings, Christmas Club, Money Market, and IRA Savings Accounts.
2. The minimum balance required to open any Savings Account is as disclosed on the Rate Sheet accompanying this disclosure. To be a member in good standing, to be eligible for other Credit Union accounts and services, and to avoid closure of my other accounts with you, I must maintain the minimum Regular Savings balance as disclosed on the Rate Sheet accompanying this disclosure.
3. I must maintain a minimum daily balance as disclosed on the Rate Sheet accompanying this disclosure in my Account(s) to obtain the disclosed Annual Percentage Yield (APY).
4. There is no monthly service fee required to maintain my Savings Accounts. Other fees and charges may apply as set forth in this Account Agreement and Truth-in-Savings Disclosure and in your Schedule of Fees.
5. The dividend rate and Annual Percentage Yield may change at any time, as determined by the Credit Union's Board of Directors. The dividend rate and Annual Percentage Yield for Savings Accounts as of the last dividend declaration date are set forth in your Rate Schedule.

**TRANSACTION LIMITATIONS – SAVINGS ACCOUNTS**

1. **REGULAR SAVINGS ACCOUNT** – I may take up to 4 withdrawals per quarter without being charged a fee. If I exceed the transfer/withdrawal limitations in any quarter, my Account will be subject to the excessive withdrawal fee stated on the accompanying Schedule of Fees.
2. **MINOR SAVINGS ACCOUNT** – This Account is for members aged 18 years or less. Minor Savings Accounts will be converted to Regular Savings Accounts on the account owner's eighteenth birthday. I may make up to 4 withdrawals per quarter without being charged a fee. If I exceed the transfer/withdrawal limitations in any quarter, my Account will be subject to the excessive withdrawal fee stated on the accompanying Schedule of Fees.
3. **CHRISTMAS CLUB ACCOUNT** – The Christmas Club Account may be opened at any time. Funds on deposit as of October 31 will be disbursed to me on or about November 1 of each year. If a withdrawal is requested prior to October 31, the full balance must be withdrawn and the Account will be closed until November 1, when the Account may be reopened.
4. **IRA SAVINGS ACCOUNTS** – I must open a Regular Savings Account to open my IRA Savings Account. I must maintain the Regular Savings Account to avoid closure of the IRA Savings Account.
5. **MONEY MARKET ACCOUNT** – The minimum deposit required to open my Money Market Account and the minimum balance required to obtain the Annual Percentage Yield is stated on the accompanying Rate Schedule.

The Credit Union will assess a fee for withdrawals from my IRA Savings Account if I am under 59 1/2 years of age. The Credit Union does not assess fees for withdrawals from my IRA Savings Account if I am over 59 1/2 years of age. All other terms and disclosures for the Individual Retirement Accounts are contained in the Credit Union's Individual Retirement Account Agreement and Disclosure Statement, which by this

reference is incorporated into this Account Disclosure in its entirety. When I open my Individual Retirement Account, the Credit Union Agreement and Disclosure Statement will be provided to me.

## TERMS AND CONDITIONS APPLICABLE TO CHECKING ACCOUNT ONLY:

### 1. MINIMUM DEPOSIT AND BALANCE REQUIREMENTS

- a. **MOBILE PLUS–DEBIT** – There is no minimum deposit required to open the Mobile Plus–Debit Account. I must maintain a minimum balance of \$300 in my Mobile Plus–Debit Account to avoid a service fee as indicated on the Schedule of Fees. The monthly fee will also be waived for all individuals under the age of 25.
- b. **MOBILE PLUS–BANKING** – There is no minimum deposit required to open the Mobile Plus–Banking Account. I must maintain a minimum balance of \$1,000 in my Mobile Plus–Banking Account to avoid a service fee as indicated on the Schedule of Fees. The monthly fee will also be waived for: (i) seniors over the age of 59; or (ii) a monthly electronic direct deposit to this Account; or (iii) an aggregate of \$5,000 in savings under the same membership number; or (iv) \$5,000 in loan balances under the same membership number.
- c. **MOBILE PLUS–REWARDS** – There is no minimum deposit required to open the Mobile Plus–Rewards Account. I must maintain a minimum balance of \$300 in my Mobile Plus–Rewards account or have a monthly electronic direct deposit to this account to avoid a service fee as indicated on the Schedule of Fees.

**Determination of rate.** The dividend rate and Annual Percentage Yield may change at any time, as determined by the Credit Union's Board of Directors. This account is a tiered-rate account. If my Average Daily Balance is \$20,000.00 or below and I meet all of the qualifications during a monthly qualification cycle, the Primary Dividend Rate listed for this account in the Rate Sheet will apply for the dividend period. If my Average Daily Balance is \$20,000.01 or greater and I meet all of the qualifications during a monthly qualification cycle, the Secondary Dividend Rate listed for this account will apply for the dividend period. Each rate will apply only to that portion of the Average Daily Balance within each balance range. For example, if my Average Daily Balance is \$25,000 and I met all of the qualifications during the monthly qualification cycle, I would receive the Primary Dividend Rate on the first \$20,000 and I would receive the Secondary Dividend Rate on the remaining \$5,000. Dividends earned at the applicable dividend rates will be disclosed as a combined Annual Percentage Yield Earned (APYE). This combined APYE will be shown on my statement each month.

**If I do not meet all of the qualifications during a monthly qualification cycle, the Non-Qualifying Dividend Rate listed for the Mobile Plus–Rewards Account will apply to the entire balance in the account.**

The Annual Percentage Yield (APY) disclosed on the Mobile Plus–Rewards account assumes that the dividends earned in Mobile Plus–Rewards compound. The dividend rates and APY may change after the account is opened. The dividend rates and APY may change every month, as determined by the Credit Union's Board of Directors, and there is no limitation on the amount the dividend rate may change each month.

**Qualifications.** To qualify for the Mobile Plus–Rewards preferred rates and the ATM fees refund (see below), I must meet the following requirements per monthly qualification cycle:

- **Debit Card:** 12 debit card point-of-sale transactions for at least \$5 each must post and clear your account in the monthly qualification cycle.
- **Electronic Statements:** Receive my monthly account statement electronically.
- **Direct Deposit:** At least one electronic direct deposit must post to my account in the monthly qualification cycle.
- **Good Standing:** Member must not be 30 days or more past due on any credit union loan and Mobile Plus–Rewards account must be open at the end of the statement cycle.

**Compounding and crediting frequency.** Dividends will compound monthly and be credited to my account monthly. Dividends will be deposited to my account within five days of the end of the statement cycle. For example, if my statement cycle ends on November 30th, my dividends would be deposited into my account by December 5th.

**Average daily balance computation method.** Dividends are calculated by the average daily balance method which applies a periodic rate to the average daily balance in the account for the period. The average daily balance is calculated by adding the balance in the account for each day of the period and dividing that figure by the number of days in that period. The period you use is the monthly statement cycle.

**Monthly qualification cycle.** Monthly qualification cycle means a period beginning on the first day of the current statement cycle through the close of the current statement cycle. For example, if my statement cycle begins on November 1 and closes on November 30, my monthly qualification cycle would be November 1 through November 30.

**ATM fees refund.** If I meet the qualifications for a monthly qualification cycle, you will reimburse me for ATM fees imposed by other U.S. financial institutions during the monthly qualification cycle (up to \$25 per month) by depositing the reimbursement into my account within five days of the end of the statement cycle. For example, if my statement cycle ends on November 30th, my earned ATM fee refunds would be deposited into my account by December 5th. Reimbursement does not apply to any ATM related fees assessed by Kings Federal Credit Union.

**Closure of Account.** My account must be open on the date dividends and ATM fee refunds are posted to my account in order to receive credit. If my account is closed prior to the payment of dividends or refund of ATM fees, accrued dividends and ATM fee refunds will be forfeited. In the month that I close my account, I will not meet qualification requirements.

- d. **ULTIMATE BANKING** – There is no minimum deposit or balance requirements to open or maintain the Ultimate Banking Account. My Ultimate Banking Account is subject to the monthly fee stated on the Schedule of Fees. The monthly fee will be waived for those who have been members of KFCU for over 20 years.
  - e. **SMALL BUSINESS CHECKING** – There is no minimum deposit or balance requirements to open the Small Business Checking Account. I must maintain a minimum balance of \$5,000 in my Business Checking Account to avoid a service fee as indicated on the Schedule of Fees. I will see the Credit Union’s Business Account Agreement for additional terms and conditions applicable to business accounts.
2. You may, at your discretion, but are not obligated to nor shall you be liable for refusal to pay funds from this account(s):
    - a. When such payment would draw the account below the minimum balance for the account as established from time to time by you (“overdrafts”);
    - b. If drawn by means not authorized in advance by you; or
    - c. Against checks presented over six (6) months past their dates.
  3. You may pay and charge to my applicable account, checks drawn by and payable to any person, organization, association, or corporation whom I have authorized by providing sample MICR-encoded information identifying my account, provided there are sufficient funds in my account to pay such checks. I agree that your rights in respect to such checks shall be the same as if it were a check drawn and signed by me personally. This authority shall remain in effect until revoked by me in writing (to you and to the agency to whom the sample MICR writing was provided) and you have had a reasonable opportunity to act on it. I agree that you shall be fully protected in honoring such checks. I further agree that if any such check is dishonored, whether with or without cause, and whether intentional or inadvertent, you shall be under no liability whatsoever, even though such dishonor results in the forfeit of insurance, loss, or damage to me of any kind.
  4. If you have made good faith payment to a holder, you may charge my Account according to:
    - a. The original terms of my check; or
    - b. The terms of my completed check unless you have notice that any such completion is improper.
  5. Except as otherwise set forth below, I, or any other person authorized to draw on the account, may order stop payment of any check (including a line of credit check) payable against the account, provided the request is timely and affords you a reasonable opportunity to act upon it under your rules. My stop payment must include the account number, check number, exact amount, check date, and name of payee. You will not be liable for paying a check over a stop payment request if the request is incomplete or incorrect. I agree to indemnify, defend, and hold you harmless for all claims, actions, and damages related to or arising from your action in stopping payment of any check pursuant to my request. A stop payment fee will be assessed for each stop payment as set forth in your Schedule of Fees. If I give a stop payment order orally, the order shall be valid for only fourteen (14) days thereafter unless confirmed in writing. Written orders shall be valid no longer than six (6) months, but may be renewed for additional six (6) month periods by written notice given during the time that the stop payment order was effective. I have the burden of establishing the fact and amount of loss resulting from payment contrary to a binding stop payment order. I may not stop payment on completed electronic point-of-sale transactions, cashier’s checks, certified checks, or checks issued or guaranteed by you.
  6. Death, dissolution, or incompetence of me (or any of us) shall not revoke your authority to accept, pay, or collect a check or to account for proceeds of its collection until you know of the fact of death or adjudication of incompetence and have the reasonable opportunity to act on it. Even with knowledge, you may, for ten (10) days after the date of death, dissolution, or incapacity, pay or guarantee checks drawn on or prior to that date unless ordered in writing to stop payment by a person claiming an interest in the account, which you believe is made in good faith. We shall notify you if any of us die, become incapacitated, or our organization is dissolved.
  7. If you have paid a check under circumstances giving a basis for objection by me, you shall be subrogated to the rights of:
    - a. Any holder in due course on the check against the drawer or maker;

- b. The payee or any other holder of the check against the drawer or maker either on the item or under the transaction out of which the item arose; and
  - c. The drawer or maker against the payee or any other holder of the check with respect to the transaction out of which the check arose.
8. Except as otherwise set forth herein, you may, without liability, accept, pay, guarantee, or charge checks to the account in any order convenient to you.
9. In the event of wrongful dishonor which occurs by mistake, your liability shall be limited to actual damages I prove. In the event of a dishonor of any check, share draft, or other debit on my account, your determination of whether sufficient funds exist in my account may be made at any time between the time the item is received and the time it is returned. If you should choose to make a subsequent account balance check, you must use the last figure in deciding whether to dishonor the check, share draft, or other debit.
10. You are neither given notice nor otherwise affected by a restrictive endorsement of any person or entity except your immediate transferor.
11. I agree that, in the event I draw a check on my account with you, I will hold you harmless and indemnify you from any liability I incur due to a delay or misrouting of the check where the delay or misrouting is caused by markings placed on the check by me or a prior endorser or any person to whom I have provided access, either purposely or inadvertently, that obscure any depository endorsement placed by you or your agent.
12. I understand that you may authorize transactions covered by this Agreement and Disclosure that would cause my account(s) to have a negative (or further negative) balance (determined by reference to my available balance)<sup>1</sup> using any combination of the following overdraft protection programs:
- a. **Transfer from Other Accounts:** I understand and agree that you have the right, but you are not required, to transfer available funds from any of my accounts with you (excluding IRA accounts), including account(s) upon which I am a joint owner, to cover an overdraft and to pay applicable fees. I agree that overdrafts paid by a transfer from any of my accounts with you in excess of funds available in such accounts are payable on demand, and, if not promptly paid, may result in the closure of my account(s). Items that are returned unpaid because of insufficient clear funds will be subject to a Non-Sufficient Funds (NSF) Fee.
  - b. **Written Request:** I understand and agree that I may authorize overdraft transactions to be cleared by executing a written request specifying the source of funds to be used to cover overdrafts. If, pursuant to such written request, overdrafts are to be covered by a transfer of funds from another checking account, my savings account(s), or from a line of credit account, such transfer(s) will generally be made only if there are sufficient clear funds on deposit or sufficient available credit at the time of transfer. I agree that overdrafts paid pursuant to such written request in excess of funds in any designated overdraft source are payable on demand, and, if not promptly paid, may result in the closure of my account(s). Items that are returned unpaid because of insufficient clear funds will be subject to a Non-Sufficient Funds (NSF) Fee.
  - c. **Overdraft Protection Program:** I understand and agree that you may, but you are not required to, pay items without sufficient available funds in my account(s) in accordance with the terms and conditions of your Overdraft Protection Program. Such overdrafts will be subject to your Overdraft Protection Fee. I will see your Overdraft Protection Program Agreement for more information.
  - d. **Exception for ATM and One-Time Debit Card Transactions:** I understand and agree that you will not pay overdrafts occurring as a result of ATM or one-time Debit Card transactions unless I expressly consent (opt-in) to allow you to cover such transactions in accordance with applicable law.
13. You may recognize the signature of anyone who signed the Account Signature Card as authorized to transact any business on this Account including, but not limited to, the causing or making of overdrafts (for which all of us shall be liable) and endorsement of checks payable to any signer of this Account. Each account owner is jointly and severally responsible for paying any overdrafts created by us whether or not we participate in the transaction or benefit from its proceeds.
14. If the Account Signature Card is signed by more than one person, we hereby appoint each other as agents and attorneys-in-fact to overdraft any of our Savings or loan accounts (including accounts on which we are joint owners, except IRA accounts).
15. I may not pledge any or all of the funds on deposit in a checking account as security for any loan(s).
16. I will notify you immediately if my checks are lost or stolen. I agree that I will be responsible for losses caused by a delay in my notification to you. You recommend that I close any checking account for which checks are lost or stolen or if there have been (or there is reasonable cause to

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<sup>1</sup> My "available balance" is defined as the funds immediately available to me and not subject to any hold or waiting period under your Delayed Funds Availability Policy or otherwise.

believe that there may be) unauthorized transactions on my account and open a new checking account. If I refuse to do so despite this recommendation, you shall have no liability for subsequent losses on the account due to unauthorized transactions to the extent permitted by law.

17. If this is an ORGANIZATION account (i.e., corporate, partnership, LLC, or unincorporated association account), the persons authorized to sign on this Account certify that they are duly appointed officers or authorized signers of said organization and have the authority to transact business of any character whatsoever in connection with this Account.
18. As a convenience to me, you will submit my initial order and reorders for personalized checks to the printer named on the face of the order. If the printer accepts the initial order and reorders, the printer will mail the checks either directly to me or to me in care of you. I authorize you to charge my checking account for the cost of delivered checks ordered, plus applicable sales tax and shipping costs. I am responsible for verifying the accuracy of all information shown on my checks whether I order them through you or elsewhere.
19. This is a truncated checking account. Checks are not returned with statements. I may request and you will provide me with a legible copy of a requested item within a reasonable time. In accordance with California law, you will not charge me for the first two (2) copies of checks I request on any statement per month. Additional copies will be subject to an assessment of a fee as set forth in your Schedule of Fees. If I have not ordered my Credit Union checks through your approved check vendors, I understand and agree that you are not responsible for the quality of any check copy that I request from you.
20. No dividends are paid on Checking Accounts, unless otherwise disclosed in this document.
21. If a transaction involves a remotely-created check, you reserve the right to accept or reject the item for deposit into any of my Accounts. If I deposit a remotely-created check into any of my Accounts, I represent and warrant to you that I have instituted procedures to ensure that these drafts are authorized by the person on whose account the remotely-created check is drawn in the amount stated on the check and to the payee stated on the check. If a remotely-created check which I have deposited into my Account is returned by the drawee-payor bank for any reason, I agree that you may debit my Account for the amount of the item, plus any applicable fees. If the debit causes my Account to be overdrawn, I agree to pay the overdrawn amount on your demand. For purposes of this Agreement, the term "remotely-created check" means a check that is not created by the paying bank and that does not bear a signature applied, or purported to be applied, by the person on whose account the check is drawn.
22. You may charge against my account a postdated check even though payment is made before the date of the check. However, if I notify you within a reasonable time to permit you to act and identify the check with reasonable certainty, you will not pay the check until the due date. My notice to you must be written or oral and it must include the exact amount, account number, check number, date of check, and name of payee. If oral, the notice shall be valid for fourteen (14) days. If written, the notice shall be valid for up to six (6) months, and can be renewed within six (6) months for another successive six (6) month period. A fee may be assessed for this service.
23. All checks written on my account must be drawn in U.S. dollars.
24. Checking accounts with no activity for ninety (90) days will be considered inactive and may be closed by the Credit Union.
25. I agree to pursue all rights I may have under any applicable insurance coverage before making a claim against you in connection with any account transaction and to provide you with all reasonable information about my insurance coverage. Your liability, if any, shall be reduced by the amount of all insurance proceeds I receive or am entitled to receive.
26. Except as otherwise required by applicable law, I agree that you shall have a reasonable period of time to investigate the facts and circumstances surrounding any claimed loss and that you have no obligation to provisionally credit my account.
27. When handling an item, your maximum liability for your failure to exercise ordinary care in handling such item shall not exceed the amount of the item. In any other case (including forgery, alteration, or other unauthorized withdrawal), your maximum liability is the lower of my actual damages proved or the amount of the forgery, alteration, or other unauthorized withdrawal. In either case, your liability for damages shall be reduced by the amount of damages that would not have been realized if I had used ordinary care. **IN NO EVENT SHALL YOU BE LIABLE FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT, OR PUNITIVE DAMAGES, INCLUDING LOST PROFITS AND/OR OPPORTUNITY, AND YOU SHALL NOT BE LIABLE FOR MY ATTORNEYS' FEES.**

#### **OVERDRAFT PROTECTION AGREEMENT:**

Overdraft Protection is not a line of credit. However, if you inadvertently overdraw your account, we will have the discretion to pay the overdraft, subject to the limit of your Overdraft Protection and the amount of the overdraft fee. This courtesy of paying overdrafts requires no accountholder action. If you maintain the account in good standing and have need for this "courtesy", we may, at our sole discretion, pay the item(s) up to the authorized limit, and we will charge the account our normal Non-Sufficient Funds or Overdraft Protection charge for each item that overdraws the

account. The Credit Union is not under any legal obligation to pay overdrafts and holds no responsibility for unpaid items. Any discretionary payment by KFCU of an overdraft check (or item, such as an ACH withdrawal) does not obligate KFCU to pay any other overdraft check (or item), or to provide prior notice of its decision to refuse to pay such check (or item).

Pursuant to KFCU's commitment to always provide you with the best level of service, now and in the future, if account owners are at least 18 years of age, your account has been open for at least ninety (90) days and thereafter you maintain your account in good standing, which includes at least:

- Making regular deposits and bringing the account to a positive balance at least every 30 days;
- Having a valid Address;
- Not having caused a loss to Kings Federal Credit Union;
- There are no legal or administrative orders or levies on the account;
- Not having a (any) delinquent loan(s) with the Credit Union;
- The owner is not a party in a bankruptcy proceeding; and
- There is no apparent illegal or abusive activity on the account,

KFCU will have the discretion to pay overdrafts within the Overdraft Protection limits. This privilege will generally be limited to a maximum of \$500 overdraft (negative) balance. Any and all fees and charges, including, without limitation, the Overdraft Protection fees (as set forth in our fee schedule), will be included as part of this maximum amount. It may be possible that your account will become overdrawn in excess of the Overdraft Protection amount as a result of the assessment of a fee. The total of the discretionary Overdraft Protection (negative) balance, which includes any and all fees and charges, including all overdraft fees is due and payable upon demand.

**Overdraft Fees:** Our standard overdraft fee of \$27 will be imposed for overdrafts created by checks, ACH, ATM withdrawals, everyday debit card transactions, check cashing at the branch, or by other electronic means. There is a limit of three (3) fees per day we will charge you for overdrawing your account. KFCU will not charge an overdraft fee for items that overdraw the account and result in a negative account balance of \$5.00 or less.

While KFCU will have the discretion to pay overdrafts on accounts in good standing (as described above), any such payment is a discretionary courtesy, and not a right of the member of an obligation of KFCU and KFCU, in its sole and absolute discretion, can cease paying overdrafts at any time without prior notice of reason or cause.

**Opt In :** KFCU will not pay overdrafts for ATM or everyday debit card transactions unless KFCU has provided you with the notice required by section 1005.17(b) of Regulation E and you have opted in to the payment of these overdrafts. If you opt in for coverage, you are able to revoke your consent at any time.

**Checking Account Balance:** Your checking account has two kinds of balances: the "actual" (also referred to as the "ledger" balance) and the "available" balance. You can review both balances when you review your account online, at an 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.

Your "actual/ledger" balance is the amount of money that is actually in my account at any given time. It reflects transactions that have "posted" to your account, but it does not include transactions that have been authorized and are pending. While it may seem that the actual balance is the most up-to-date display of the funds that you can spend, this is not always the case. Your account may have purchases, holds, fees, other charges, or deposits made on your account that have not yet posted and, therefore, will not appear in your actual balance.

Your "available" balance is the amount of money in your account that may be available to you to use without incurring an overdraft fee. The available balance takes into account 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. It is very important to understand 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 your available balance may not reflect outstanding checks and automatic bill payments that you have authorized (or other outstanding transactions) but have not yet posted to your account.

**Transaction Processing:** Transactions will be processed against the available balance in the account at the time of processing. Importantly, the actual balance and available balance may differ as the available balance may be reflective of any pending ATM or debit card transactions that have not posted to the account or due to check holds. We use the available balance when determining whether a transaction will cause your account to overdraw and for charging overdraft fees. There are many ways transactions are presented for payment by merchants and we are not necessarily in control of when transactions are received. We may receive multiple deposit and withdrawal transactions on your account in many different forms throughout each business day. This means you may be charged more than one fee if we pay multiple transactions when your account is overdrawn.

I understand that items (other than ACH transactions) presented for payment on the same day will be paid chronologically, in the order they were received by you, until all items received on the same day are paid or until my Overdraft Protection Limit is reached, whichever occurs first. ACH transactions are received in "batches," which means that numerous ACH items may be received at the same time in a single batch. ACH batches

may be received at various times throughout the day. ACH items are paid when received, except that ACH items within a single batch are paid chronologically, in the order in which they are presented to you in the batch. The order of payment described above means that items may not be processed in the order in which they actually occurred. I understand that the order in which items are processed can affect the total amount of fees that may be assessed against my Checking Account.

**Transfers from Other Accounts.** I agree that you have the right to transfer available funds from my other accounts I may have with you to cover the overdraft and pay permissible fees. I understand and agree that you may transfer funds to my Checking Account from any of my other account(s) with you (excluding IRA accounts), including account(s) upon which I am a joint owner, in an amount equal to the overdraft which you may pay according to the terms and conditions of this Agreement and to pay the permissible fees. In addition to any other rights that you may have, I agree that any deposits or future deposits in or other credits to any account in which I may now or in the future may have an interest are subject to your right of offset for any liabilities, obligations, or other amounts owed to you by me (e.g., overdrafts and any related fees and charges) and such is applicable irrespective of any contribution to the account or source of funds in the account. Moreover, unless I opt-out of the Overdraft Protection Service (see below), I consent and expressly agree that the application of an offset of funds in any account includes the offset of government benefits (such as Social Security and other public benefit funds) deposited to the account from which the overdraft or related fees are paid. Each person who causes an overdraft, which is paid by you, is a maker and agrees to be individually and jointly obligated to repay the unpaid negative balance in accordance with the terms and conditions of this Agreement.

**Default.** I will be in default under the terms of this Agreement if I fail to live up to any of the terms and conditions of this Agreement or I am in default on any loan obligation with you and/or a negative balance exists in any other deposit account with you on which I am an owner. If I am in default, in addition to any other rights you may have, you may temporarily suspend overdraft privileges or terminate the Overdraft Protection Service or close my Checking Account and demand immediate payment of the entire unpaid negative balance. I also agree to pay any collection costs, attorneys' fees, and court costs which you or I shall or may incur as a result of my default.

**Termination.** You may terminate or suspend the Overdraft Protection Service at any time without prior notice. In no event shall any termination or suspension relieve me of my obligation to repay such sums already overdrafted, overdraft fees, collection costs, and attorneys' fees, if any. You can delay enforcing any of your rights under this Agreement without losing them.

**Opt Out:** Although you are not charged for using Overdraft Protection unless you have an overdraft, you may opt-out of Overdraft Protection at any time. If you do not want us to pay your overdrafts, you must tell us ("opt-out"). If you receive Social Security or other federal benefit direct deposit, you must opt-out if you do not want us to apply those funds to repay an overdraft. You may opt-out of Overdraft Protection at any time by visiting our branch or contacting us at 559-582-4438.

**Alternatives to Overdraft Protection:** We offer other ways of covering your overdrafts that may be less expensive, such as linking your checking account to another deposit account or to an overdraft line-of-credit loan. Overdraft Protection will only be activated when funds available through other overdraft arrangements have been exhausted. Contact us to learn more about your options.

**Limitations:** We may limit the number of accounts eligible for the Overdraft Protection service to one account per household.

#### **TERMS AND CONDITIONS APPLICABLE TO ALL TERM SHARE (CERTIFICATE) ACCOUNTS:**

Certificates are offered in various monthly terms as disclosed on the Rate Schedule. Your certificates are called: Certificate Accounts, Minor Certificate, Traditional IRA Certificate, Roth IRA Certificate, and Coverdell Education Savings Certificate. Additional information about our Minor Certificate, Traditional IRA Certificate, Roth IRA Certificate, and Coverdell Education Savings Certificate Accounts is provided below.

#### **ANNUAL PERCENTAGE YIELD**

Credited dividends may be withdrawn or transferred at any time without early withdrawal penalty imposed by the Credit Union. The Annual Percentage Yield is based on an assumption that dividends will remain on deposit until maturity. If I make a withdrawal from my Account, my earnings will be reduced.

#### **MINIMUM BALANCE AND DEPOSIT REQUIREMENTS**

The minimum deposit required to open a Certificate Account is indicated on the Rate Schedule. I must maintain the minimum balance to obtain the Annual Percentage Yield stated on the Rate Schedule and to avoid closure. There is no monthly service fee required to maintain my Term Share Certificate Account. Other fees and charges may apply as set forth in this Account Agreement and Truth-in-Savings Disclosure and in your Schedule of Fees.

#### **MATURITY**

My Certificate Account will mature as reflected on the Rate Schedule.

## RATE INFORMATION

Your Certificate Accounts are fixed rate accounts or variable rate accounts as designated on the Rate Schedule. The dividend rate and Annual Percentage Yield for this Account as of the last dividend declaration date are set forth in your Rate Schedule.

## RENEWAL OF ACCOUNT/GRACE PERIOD

My Account will automatically renew at maturity as disclosed on the Certificate Maturity Notice and on the maturity date of any renewal term, unless (1) the Credit Union provides notice, at least thirty (30) days in advance of the Maturity Date, that the Account will not automatically renew; (2) I withdraw all funds in the Account prior to the Maturity Date or during the ten (10) day grace period; or (3) you or I close the Account. If I withdraw any of the principal after the grace period has expired, my Account will be assessed the penalty stated in the early withdrawal penalty section. If automatically renewed, the Account will be renewed for a term equal or closest to that of the initial term and at the dividend rate and Annual Percentage Yield in effect at that time for such a term. If automatically renewed, all funds in the Account as of the renewal date are considered to be principal.

## PLEDGE OF SHARES

The owner(s) may pledge any or all of the principal on deposit in this Account as security for any loan(s) subject to the Credit Union's then-current loan policies. Further, a pledge of funds in this Account by any owner shall be binding on all owners.

## ACCOUNT LIMITATIONS

I may not make deposits into or withdrawals of principal from this account until the maturity date. See Early Withdrawal Penalties. I may elect to have dividends paid to another Account.

## EARLY WITHDRAWAL PENALTY

You may impose a penalty if I withdraw any of the principal from my Account before the maturity date. The penalty imposed shall be as follows:

1. If the Account has a term of one year or less, I shall forfeit an amount equal to the lesser of:
  - a. all dividends for 90 days on the amount withdrawn; or
  - b. all dividends on the amount withdrawn since the date of issuance or renewal, whichever is less, with a minimum equal to 7 days' dividends.

If a withdrawal reduces the balance below the required minimum, the Account shall be closed and a loss of dividends as in (a) or (b) above, whichever is less, will be assessed on the entire amount in the Account. If the amount of the penalty exceeds the dividends earned, the principal amount of the Certificate may be used to obtain the total penalty assessed.

2. If the Account has a term of greater than one year, I shall forfeit an amount equal to the lesser of:
  - a. all dividends for 180 days on the amount withdrawn; or
  - b. all dividends on the amount withdrawn since the date of issuance or renewal, whichever is less, with a minimum equal to 7 days' dividends.

If a withdrawal reduces the balance below the required minimum, the Account shall be closed and a loss of dividends as in (a) or (b) above, whichever is less, will be assessed on the entire amount in the Account. If the amount of the penalty exceeds the dividends earned, the principal amount of the Certificate may be used to obtain the total penalty assessed.

## EXCEPTIONS TO PENALTIES

The penalties stated above will not apply if: (1) The withdrawal is made subsequent to the death of any owner of the Account, or is made pursuant to the Credit Union's bylaws; (2) the Account is part of a pension plan which qualifies or is qualified to specific tax treatment under Section 401(d) or 408 of the Internal Revenue Code and withdrawal is made to effect distribution of the funds following the participant's death or disability or upon attaining not less than 70 1/2 years of age; or (3) such withdrawal is made as a result of the voluntary or involuntary liquidation of the Credit Union issuing the account.

## MINIMUM BALANCE AND DEPOSIT REQUIREMENTS

A Regular Savings Account must be opened in order to open a Certificate Account. The minimum deposit required to open a Certificate Account is stated on the Rate Schedule. I must maintain the minimum balance to obtain the Annual Percentage Yield stated on the Rate Schedule and to avoid closure.

## **TERMS AND CONDITIONS APPLICABLE TO MINOR CERTIFICATE ACCOUNTS**

The Credit Union offers a Minor Certificate Account to members between the ages of 0-18 years old. A Minor Savings Account must be opened in order to open a Minor Certificate Account.

### **ACCOUNT LIMITATIONS**

I may make deposits into this Account anytime within the term of the Certificate. I may not make withdrawals of principal from this Account until the maturity date. See Early Withdrawal Penalty.

## **TERMS AND CONDITIONS APPLICABLE TO TRADITIONAL IRA, ROTH IRA, AND COVERDELL EDUCATION SAVINGS CERTIFICATE ACCOUNTS**

### **MINIMUM BALANCE AND DEPOSIT REQUIREMENTS**

The minimum deposit required to open a Traditional IRA, Roth IRA, or Coverdell Education Savings Certificate is indicated on the IRA Rate Schedule. I must maintain the minimum balance to obtain the Annual Percentage Yield stated on the IRA Rate Schedule and to avoid closure. Early withdrawals from a Traditional IRA Share Certificate, Roth IRA Share Certificate, or Coverdale Education Savings Certificate Account may be subject to state and federal penalties.

### **ESCHEATMENT**

Funds in an Individual Retirement Account will escheat to the state if I have not done any of the following for a period of more than three (3) years after the funds become payable or distributable:

- a. Increased or decreased principal;
- b. Accepted payment of principal or income (dividends);
- c. Corresponded electronically or in writing with you concerning the funds or otherwise indicated an interest therein.

## **III. FUNDS TRANSFERS AGREEMENT AND NOTICE**

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

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

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

1. This Agreement applies to Funds Transfers as defined in the Article 4A of the Uniform Commercial Code (Division 11 of the California Uniform Commercial Code) and Subpart B of Regulation J of the Board of Governors of the Federal Reserve.
2. The Credit Union may establish or change cut-off times for the receipt and processing of funds transfer requests, amendments, or cancellations. Unless other times are posted for the various types of funds transfers, the cut-off time for wire transfers will be at 11:00 a.m. (Pacific Time) on each weekday that the Credit Union is open that is not a federal holiday. Payment orders, cancellations, or amendments received after the applicable cut-off time may be treated as having been received on the next following business day and processed accordingly.
3. ACH funds received by the Credit Union on your behalf as a same-day ACH credit payment in accordance with NACHA Operating Rules will be available by 5:00 p.m. on the day that they are received. If the Credit Union initiates (sends) a same-day ACH debit payment to a third party on my behalf, such payment must be initiated before the cut-off time for same-day ACH debit payments, which is 11:45 a.m. (Pacific Time) on each weekday that the Credit Union is open that is not a federal holiday, with settlement occurring at 2:00 p.m. (Pacific Time) on the same day. Payment orders, cancellations, or amendments received after the applicable cut-off time may be treated as having been received on the next following business day and processed accordingly. I understand that I will be charged and agree to pay the processing fee for same-day ACH debit payments set forth on your Schedule of Fees. International payments and amounts of payments in excess of \$25,000 are ineligible for same-day ACH processing and will be processed on the next business day.

4. The Credit Union may charge my account for the amount of any funds transfer initiated by me or by any person authorized by me as a joint tenant or other authorized party with the right of access to the account from which the funds transfer is to be made.
5. The Credit Union may establish, from time to time, security procedures to verify the authenticity of a payment order. I will be notified of the security procedure, if any, to be used to verify payment orders issued by me or for which my account will be liable. I agree that the authenticity of payment orders may be verified using that security procedure unless I notify the Credit Union in writing that I do not agree to that security procedure. In that event, the Credit Union shall have no obligation to accept any payment order from me or other authorized parties on the account until I and the Credit Union agree, in writing, on an alternate security procedure.
6. If I send or receive a wire transfer, Fedwire may be used. Regulation J is the law covering all Fedwire transactions. This means that each of our rights and liabilities in a wire transfer involving Fedwire will be governed by Regulation J and this Agreement.
7. If I give the Credit Union a payment order which identifies the beneficiary (recipient of the funds) by both name and identifying account number, payment may be made by the beneficiary's bank on the basis of the identifying account number, even if the number identifies a person different than the named beneficiary. This means that I will be responsible to the Credit Union if the funds transfer is completed on the basis of the identifying account number I provided the Credit Union.
8. If I give the Credit Union a payment order which identifies an intermediary or beneficiary's bank by both name and an identifying number, a receiving bank may rely on the number as the proper identification even if it identifies a different person or institution than the named bank. This means that I will be responsible for any loss or expense incurred by a receiving bank that executes or attempts to execute the payment order in reliance on the identifying number I provided.
9. The Credit Union may give me credit for Automated Clearing House (ACH) payments before it receives final settlement of the funds transfer. Any such credit is provisional until the Credit Union receives final settlement of the payment. I am hereby notified and agree that, if the Credit Union does not receive such final settlement, it is entitled to a refund from me of the amount credited to me in connection with that ACH entry. This means that the Credit Union may provide me with access to ACH funds before the Credit Union actually receives the money. However, if the Credit Union does not receive the money, then the Credit Union may reverse the entry on my account and I will be liable to repay the Credit Union.
10. ACH transactions are governed by operating rules of the National Automated Clearing House Association. In accordance with these rules, the Credit Union will not provide me with next day notice of receipt of ACH credit transfers to my account. I will continue to receive notices of receipt of ACH items in the periodic account statements that you provide.
11. If the Credit Union received a funds transfer for me or for other persons authorized to have access to my account, I agree that the Credit Union is not obligated to provide me with next day notice of the receipt of the funds transfer. The Credit Union will provide me with notification of the receipt of all funds transfers by including such items in the periodic account statements which the Credit Union provides. I may, of course, inquire between receipt of periodic statements whether or not a specific funds transfer has been received.
12. If the Credit Union becomes obligated under Article 4A (Division II of the California Uniform Commercial Code) to pay interest to me, I agree that the rate of interest to be paid shall be equal to the dividend rate, on a daily basis, applicable to the account at the Credit Union to which the funds transfer should have been made or from which the funds transfer was made.
13. The Credit Union may, in its sole discretion, reject any funds transfer request which: (1) exceeds the collected and available funds on deposit in my designated account(s); (2) is not authenticated to the Credit Union's satisfaction or which the Credit Union reasonably believes may not be authorized by me; (3) contains incorrect, incomplete, or ambiguous information; (4) involves funds subject to a lien, hold, dispute, or legal process pending their withdrawal; or (5) involves a transfer that is prohibited under applicable law, rule, or regulation. I understand and agree that the Credit Union shall incur no liability for any loss occasioned by the Credit Union's refusal to accept any funds transfer order.
14. The Credit Union shall have the right to charge the amount of any funds transfer request to any of my accounts at the Credit Union in the event that no account is designated or in the event that a designated account has insufficient collected funds to cover the amount of a funds transfer request, or reject such request. The Credit Union may charge a service charge for services relating to the sending or receiving of the funds transfer request. Such charge(s) are set forth in the Credit Union's Schedule of Fees and Charges, which is incorporated by this reference.
15. If I initiate a funds transfer request denominated in United States dollars for transfer to a foreign country, the Credit Union may transfer payment in the currency of the beneficiary bank's country at the Credit Union's buying rate of exchange to United States dollars. If the transfer is returned for any reason, I agree to accept the refund in United States dollars in the amount of the foreign money credit, based on the then-current buying rate of the bank converting the currency to United States dollars at the date of refund, less any charges and expenses incurred by the Credit Union.

16. Except as expressly prohibited by applicable state and federal laws and regulations, I understand and agree that the Credit Union will not be liable for any loss or liability arising from: (1) any unauthorized transfer or interest thereon (including, but not limited to, fraudulent transfers and/or a transfer which the Credit Union failed to abide by the agreed upon security procedures) which I fail to report to the Credit Union within thirty (30) days after my receipt of notification of the transfer; (2) any negligent or intentional action or inaction on the part of any person not within the Credit Union's reasonable control, including, but not limited to, the failure of other financial institutions to provide accurate or timely information; (3) the failure of other financial institutions to accept a funds transfer order; (4) my negligent or intentional action or inaction and/or breach of this Agreement; (5) any ambiguity or inaccuracy in any instruction given to the Credit Union by me or my authorized agent; (6) any error, failure, or delay in execution of any funds transfer instruction, cancellation, or amendment caused by circumstances beyond the Credit Union's reasonable control, including, but not limited to, any computer or communication facilities malfunction; or (7) the Credit Union's good faith determination not to comply with any funds transfer request. Except as otherwise provided by applicable state or federal laws or regulations, the Credit Union's liability for any negligent or intentional action or inaction in connection with any funds transfer request shall be limited to my direct loss and payment of interest. **UNDER NO CIRCUMSTANCES SHALL THE CREDIT UNION BE LIABLE FOR ANY LOST PROFITS, CONSEQUENTIAL, INDIRECT, PUNITIVE, OR SPECIAL DAMAGES WHICH I MAY SUFFER IN CONNECTION WITH THIS AGREEMENT AND/OR ANY FUNDS TRANSFER REQUEST.**
17. Subject to applicable state and federal laws and regulations, the Credit Union may change, add to, delete from, modify, or establish new provisions for the terms of this Agreement at any time. By thereafter using or continuing to use the Credit Union's funds transfer services, I agree to such changes, additions, deletions, modifications, and new provisions, if any.
18. Except as otherwise expressly provided by applicable state and federal laws and regulations, this Agreement and all transactions initiated hereunder shall be governed by and construed in accordance with the internal laws of the State of California, notwithstanding any conflict of laws doctrines of such state to the contrary.

#### IV. LIMITATION OF SERVICES POLICY

Kings Federal Credit Union is committed to treating its employees, volunteers, and members with respect and to maintaining a workplace free from abusive conduct. Accordingly, the Credit Union has adopted the following Limitation of Services Policy to address standards of member conduct and to protect its employees, volunteers, any person on Credit Union premises (a Credit Union "invitee"), and members from abuse, harassment, and intimidation.

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

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

1. Denial of services other than the right to maintain a share account and the right to vote at annual member meetings and special member meetings;
2. Preclusion from personal contacts with Credit Union employees or volunteers such that Credit Union services may be provided only by remote means and that communications may be limited to communication through the mail only;
3. Preclusion from access to Credit Union premises; and
4. Taking any other action deemed appropriate under the circumstances that does not violate state or federal law.

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

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

1. Any threats of or actual bodily harm or illegal activity against another member or a Credit Union employee, volunteer, or invitee;
2. Any form of action that may constitute harassment. For example:
  - a. Any type of harassment, including age, sexual, ethnic, or racial harassment; making racial or ethnic slurs; engaging in sexual conduct; making sexual overtures;
  - b. Inappropriate or unwanted touching;
  - c. Making sexual flirtations, advances, or propositions; engaging in verbal abuse of a sexual, racial, or ethnic nature; making graphic or degrading comments about an individual or his or her appearance;

- d. Displaying sexually suggestive objects or pictures.
3. Fighting, kicking, or other physical harm or attempted harm towards a Credit Union member, employee, volunteer, or invitee;
4. Making false, vicious, or malicious statements about the Credit Union or its services, operations, policies, practices, or management, or any Credit Union employee, volunteer, member, or invitee;
5. Cursing or using other abusive, intimidating, profane, or vulgar language while on Credit Union premises or directed towards any Credit Union employee, volunteer, member, or invitee;
6. Bringing or possessing firearms or weapons of any type on Credit Union premises;
7. Possession, sale, or use of or being under the influence of an unlawful or unauthorized substance while on Credit Union premises;
8. Attempting to coerce or interfere with a Credit Union employee or volunteer in the performance of his/her duties at any time;
9. Engaging in immoral or uncivil conduct or failure to maintain business-like relationships with Credit Union employees and volunteers, other Credit Union members, or invitees;
10. Conducting or attempting to conduct any fraudulent, dishonest, or deceptive activity of any kind involving the Credit Union;
11. Engaging in any activity that causes a monetary loss to the Credit Union;
12. Any posting, defacing, or removing or any notices or signs on Credit Union premises;
13. Appropriation or misappropriation of Credit Union or member funds or property; or
14. Any other act that endangers the safety, health, or wellbeing of any Credit Union employee, volunteer, member, or invitee, or engaging in any other conduct that causes a disruption of business at the Credit Union.

#### **V. DISCLOSURE OF DELAYED FUNDS AVAILABILITY**

Your policy is to make funds from my cash and check deposits available to me on the first business day after the day you receive my deposit. Electronic direct deposits will be available on the day you receive the deposit. Once they are available, I can withdraw the funds in cash and you will use the funds to pay checks that I have written.

For determining the availability of my deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If I make a deposit before 3:00 p.m. PST (2:00 p.m. PST at non-proprietary ATMs and Shared Branch locations) on a business day that you are open, you will consider that day to be the day of my deposit. However, if I make a deposit after 3:00 p.m. PST (2:00 p.m. PST at non-proprietary ATMs and Shared Branch locations) on a day you are not open, you will consider that the deposit was made on the next business day you are open. Shared Branch locations are branches of other credit unions in the CU Service Center Network<sup>®</sup> that are not identified as our branches.

#### **LONGER DELAYS MAY APPLY**

In some cases, you will not make all of the funds that I deposit by check available to me on the first business day after the day of my deposit. Depending on the type of check that I deposit, funds may not be available until the fifth business day after the day of my deposit. However, the first \$225 of my deposits will be available on the first business day after the day of deposit.

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

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

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

1. You believe a check I deposit will not be paid.
2. I deposit checks totaling more than \$5,525 on any one day.
3. I redeposit a check that has been returned unpaid.
4. I have overdrawn my account repeatedly in the last six months.

5. There is an emergency, such as failure of communications or computer equipment.

You will notify me if you delay my ability to withdraw funds for any of these reasons, and you will tell me when the funds will be available. They will generally be available no later than the seventh (7th) business day after the day of my deposit.

#### SPECIAL RULES FOR NEW ACCOUNTS

If I am a new member, the following special rules will apply during the first thirty (30) days my account is open.

Funds from electronic direct deposits to my account will be available on the day you receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,525.00 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state, and local government checks will be available on the first business day after the day of my deposit if the deposit meets certain conditions. For example, the checks must be payable to me. The excess over \$5,525.00 will be available on the ninth (9th) business day after the day of my deposit. If my deposit of these checks (other than U.S. Treasury check) is not made in person to one of your employees, the first \$5,525.00 will not be available until the second business day after the day of my deposit.

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

#### Check Cashing

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

#### Holds on Other Funds

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

Items made payable to parties not on my credit union account will not be credited for deposit through any ATM that accepts deposits to your account.

#### Deposits at Automated Teller Machines (ATMs)

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

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

#### Cash Withdrawal Limitation

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

#### SPECIAL NOTICE REGARDING ENDORSEMENT STANDARDS

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

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

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

- SECTION TWO -

#### ELECTRONIC SERVICES DISCLOSURE

In this Disclosure and Agreement, the words "I," "me," "mine," "my," "us," and "our" mean each and all of those who apply for and/or use any of the electronic services described in this Disclosure and Agreement. The words "you," "your," "Credit Union," and "KFCU" mean Kings Federal Credit Union. My acceptance, retention, activation, or use of a VISA® Debit Card or other electronic service under this Disclosure and Agreement, constitutes an agreement between me and you as described below.

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

I understand and agree that this Disclosure and Agreement, along with any other documents you give me pertaining to my account(s), is a binding contract between the Credit Union and me, whether in my individual or representative capacity, or both, that establishes the rules that control my account(s) with you and which sets forth my rights, obligations, and responsibilities and the rights and obligations of the Credit Union. When I accept, retain, activate, or use an ATM Card, VISA Debit Card, VISA Credit Card, or conduct other electronic funds transactions hereunder, I agree to follow these rules.

The purpose of this Disclosure and Agreement is to:

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

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

This Disclosure and Agreement is given in compliance with the Electronic Funds Transfer Act (15 U.S.C. Section 1693, et seq.) and Regulation E (12 CFR 1005, et seq.) to inform me of certain terms and conditions of the electronic funds transfer services I have requested.

At the present time, you provide several types of services that may be accomplished by electronic transfer: preauthorized deposits of net paycheck, payroll deductions, preauthorized deposits of pension checks and Federal Recurring Payments (for example, Social Security payments), Point-of-Sale transactions, Automated Teller Machines (ATMs) and other shared ATM network electronic fund transaction services, VISA Debit Card (Debit Card), Audio Response Service, KFCU Anytime Access (Home Banking), and Bill Payment Service. Disclosure information applicable to all electronic services offered by you is given below, with certain specific disclosure information for each service following in separate sections. I understand and agree that the agreements, terms, conditions, rules, and regulations applicable to my Checking Account, Savings Account, VISA Credit Card Account, and any other applicable account, remain in full force and effect and continue to be applicable, except as specifically modified by this Disclosure and Agreement.

#### **GENERAL DISCLOSURES APPLICABLE TO ALL ELECTRONIC SERVICES**

**Business Day Disclosure:** Your business days are Monday through Friday. Your business hours are 8:30 a.m. to 5:30 p.m. Monday – Thursday and 8:30 a.m. to 6:00 p.m. Friday. Holidays are not included. ATMs are generally open, but not always accessible, 24 hours a day, 7 days a week. Audio Response Service and KFCU Anytime Access will generally be available for my convenience 24 hours a day, 7 days a week. KFCU Anytime Access may be temporarily unavailable due to Credit Union system maintenance or technical difficulties including those of the Internet Service Provider and Internet software.

**Disclosure of Account Information to Third Parties:** You will disclose information to third parties about my account or transactions I make:

1. When it is necessary to complete an electronic transaction;
2. In order to verify the existence and condition of my account for a third party, such as a credit bureau or merchant;
3. In order to comply with a government agency, court order, or any legal process;
4. If I give you written permission; or
5. As otherwise permitted under applicable law.

**In Case of Errors or Questions About My Electronic Services Transaction, you require that I give notice only at the telephone number or address disclosed below:**

Telephone you at: (559) 582-4438

or write you at: Kings Federal Credit Union  
1415 West Lacey Blvd.  
Hanford, CA 93230  
ATTENTION: Support Services Dept.

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

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

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

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

**EXCEPTION:** You have up to twenty (20) business days to provisionally credit my account if the notice of error involves an electronic fund transfer to or from an account within thirty days after the first deposit to the account was made (a new account). For new account transactions, or foreign-initiated transactions, or resulting from point-of-sale VISA Debit Card transactions (including all debit card transactions, those for cash only, at merchants' POS terminals, and also including mail and telephone orders), you may take up to 90 calendar days to complete your investigation.

**VISA DEBIT CARD EXCEPTION:** You will provide provisional credit within five (5) business days of notification for unauthorized point-of-sale transfers.

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

If an Automated Clearing House (ACH) transaction (preauthorized recurring transfer) takes place that I did not authorize (never authorized, or previously authorized but cancelled, or authorized but for a different amount or different date), you must hear from me as soon as I am aware of the unauthorized transfer, or within sixty (60) days of the posting date on the periodic statement showing the unauthorized or erroneous entry. If I tell you orally, you require me to give or send you a signed "ACH Stop Payment and/or Claim of Unauthorized Transaction."

**YOUR LIABILITY FOR FAILURE TO MAKE OR COMPLETE ELECTRONIC FUNDS TRANSACTIONS:** If you do not properly complete an electronic funds transaction to or from my Account on time or in the correct amount according to your agreement with me, you will be liable for my losses and damages. However, there are some exceptions. You will not be liable, for instance, if:

1. Circumstances beyond your control (such as fire, flood or earthquake, electronic failure or malfunction of our central data processing facility, etc.), prevent the transaction, despite reasonable precautions;
2. Through no fault of yours, I do not have enough money in my account (or sufficient collected funds) to make a transaction;
3. The funds in my account are subject to an uncollected funds hold, legal process or other circumstances restricting such transaction or payment;
4. If you have received incorrect or incomplete information from me or from third parties (e.g. the U.S. Treasury, an automated clearing house, or a terminal owner);
5. The ATM, Point-of-Sale terminal, Audio Response Service, or other electronic service systems contemplated hereunder was not working properly and I knew about this breakdown when I started the transaction;
6. The ATM where I was making the transaction did not have enough cash, or cash in the denominations I requested;

7. My VISA Debit Card or VISA Debit Card PIN Code or Audio Response Service or KFCU Anytime Access Personal Security Code (PSC) has been reported lost or stolen, my Card has expired, is damaged so that the ATM cannot read the encoding strip, is inactive due to non-use, is retained by you at my request, or because my PIN Code or PSC has been reported lost or stolen or repeatedly entered incorrectly;
8. The transaction would exceed my Line of Credit limit;
9. If my failure to complete the transaction is done to protect the security of my account and/or the electronic terminal system;
10. There may be other exceptions not specifically disclosed here.

**OVERDRAFTS:** I understand that you may authorize transactions covered by this Disclosure and Agreement that would cause my account(s) to have a negative (or further negative) balance (determined by reference to my available balance)<sup>2</sup> using any combination of the following overdraft protection programs:

1. **Transfer from Other Accounts:** I understand and agree that you have the right, but you are not required, to transfer available funds from any of my accounts with you (excluding IRA accounts), including account(s) upon which I am a joint owner, to cover an overdraft and to pay applicable fees. I agree that overdrafts paid by a transfer from any of my accounts with you in excess of funds available in such accounts are payable on demand, and, if not promptly paid, may result in the closure of my account(s). Items that are returned unpaid because of insufficient clear funds will be subject to a Non-Sufficient Funds (NSF) Fee.
2. **Written Request:** I understand and agree that I may authorize overdraft transactions to be cleared by executing a written request specifying the source of funds to be used to cover overdrafts. If, pursuant to such written request, overdrafts are to be covered by a transfer of funds from another checking account, my savings account(s), or from a line of credit account, such transfer(s) will generally be made only if there are sufficient clear funds on deposit or sufficient available credit at the time of transfer. I agree that overdrafts paid pursuant to such written request in excess of funds in any designated overdraft source are payable on demand, and, if not promptly paid, may result in the closure of my account(s). Items that are returned unpaid because of insufficient clear funds will be subject to a Non-Sufficient Funds (NSF) Fee.
3. **Overdraft Protection Program:** I understand and agree that you may, but you are not required to, pay items without sufficient available funds in my account(s) in accordance with the terms and conditions of your Overdraft Protection Program. Such overdrafts will be subject to your Overdraft Protection Fee. I will see your Overdraft Protection Program Agreement for more information.
4. **Exception for ATM and One-Time Debit Card Transactions:** I understand and agree that you will not pay overdrafts occurring as a result of ATM or one-time Debit Card transactions unless I expressly consent (opt-in) to allow you to cover such transactions in accordance with applicable law.

**EMAIL COMMUNICATIONS:** I may communicate with you via electronic mail (email); however, I may only email you general questions and not account information questions. You may not respond to account information-related questions sent to you via email. Also, I should not send you any confidential account or other information via email. I understand that I may not perform transactions on my account via email. I cannot request a stop payment or report an unauthorized transaction via email. Given that these types of requests/transactions require expeditious handling, I must make these requests by calling or mailing a letter to you as noted in this Disclosure and Agreement. I agree that you may take a reasonable amount of time to act on any email you actually receive from me. I agree that you are not responsible for any deficiencies in the accuracy, completeness, availability, or timeliness of information contained in any email communication or any decision I make using such information. You will only respond to emails from the email address you have on file for me. If I change my email address, I will notify you in writing.

**CHARGES FOR ELECTRONIC FUNDS TRANSACTION SERVICES:** All fees and charges associated with my electronic funds transactions are disclosed in your Schedule of Fees, which accompanies this Disclosure and Agreement. A stop payment placed on a preauthorized electronic payment is subject to a fee for each stop payment order I give. If I request a copy of the documentation relative to an ATM or Point-of-Sale transaction (except if the documentation is for resolution of a billing error), a fee equal to your reasonable cost of reproduction will be charged. All requests must be in writing. Any fees and charges will be deducted from my Checking or Savings Account. In addition, transactions at certain ATMs on the systems which are not owned by the Credit Union may be subject to a service fee charged by the owner of the terminal and/or any national, regional, or local network utilized to effect the transaction.

**CHANGE IN TERMS:** You may change the terms and fees and charges for the services indicated in this Disclosure and Agreement and may amend, modify, add to, or delete from this Disclosure and Agreement from time to time. If I have an account with you through which electronic transactions are being processed, I will receive written notice at least 21 days prior to the effective date of the change(s), or as otherwise provided by

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<sup>2</sup> My "available balance" is defined as the funds immediately available to me and not subject to any hold or waiting period under your Delayed Funds Availability Policy or otherwise.

law and I will be deemed to have accepted such changes unless I cease utilizing your Electronic Services subsequent to receiving such notice and before the effective date of such changes..

**DISCLOSURE OF DELAYED FUNDS AVAILABILITY:** You may place a hold for uncollected funds on an item I deposit. This could delay my ability to withdraw such funds. For further details, see the "Disclosure of Funds Availability Policy" or contact a Credit Union officer.

**TERMINATION OF ELECTRONIC SERVICES:** I may, by written request, terminate any of the electronic services provided for in this Disclosure and Agreement. You may terminate my right to make electronic funds transactions at any time upon written notice and may reinstate such services at your discretion. If I ask you to terminate my account, the use of the VISA Debit Cards, or other access device, I will remain liable for subsequent authorized transactions performed on my account occurring prior to or after such termination.

**ACCOUNT ACCESS:** My Account, the Card(s), or any other access device or method (including ACH and electronic check transactions) may not be used for any illegal activity or transaction. I understand that I may not utilize my Account, the Card(s), or any other access device or method for the purchase of any goods or services on the Internet that involve online gambling of any sort. Prohibited activity and transactions include, but are not limited to, any quasi-cash or online gambling transaction, electronic commerce gambling transaction conducted over an open network, and any betting transaction including the purchase of lottery tickets or casino gaming chips or off-track betting or wagering. You may deny authorization of any transactions identified as gambling or that you reasonably suspect may involve gambling activity. However, in the event that a transaction described in this paragraph is approved and processed, I will still be responsible for such charges.

**COLLECTIONS:** I agree that you shall be entitled to recover any money owed by me to you as a result of my use of, or the use of anyone I have provided access to, any of your electronic services, and I agree to repay any amounts that create an overdrawn balance immediately upon demand. I may be charged an overdraft fee, as disclosed in your Schedule of Fees and Charges, if permissible under applicable law. I grant you a security interest in my present and future shares on deposit and you have the right to apply such shares against any amounts owed to you by me (e.g., overdrafts and any related fees and charges). If any legal action is required to collect amounts I owe, I agree to pay all costs of collection, including reasonable attorneys' fees, court costs, and other charges incurred by enforcing your rights under this Disclosure and Agreement.

**INDEMNIFICATION:** To the extent permitted by law, I agree to indemnify, defend, and hold you and your directors, officers, employees, and agents harmless from and against any damage, expense, loss, or liability of any kind that you may incur, including, but not limited to, attorneys' fees and court costs that result, directly or indirectly, in whole or in part, from my use of any electronic service governed by this Disclosure and Agreement.

**RELATIONSHIP TO OTHER DISCLOSURES:** The information in this Disclosure and Agreement applies only to the electronic service transactions described herein. Provisions in other disclosure documents, as may be revised from time to time, remain effective for all other aspects of the account involved.

**GOVERNING LAW:** I understand and agree that this Disclosure and Agreement and all questions relating to its validity, interpretation, performance, and enforcement shall be governed by and construed in accordance with the internal laws of the State of California, notwithstanding any conflict-of-laws doctrines of such state or other jurisdiction to the contrary. I also agree to submit to the personal jurisdiction of the courts of the State of California.

**NOTICE OF BINDING ARBITRATION AGREEMENT:** You and I agree to attempt to informally settle any disputes concerning my Accounts or the Services described under this Agreement and Disclosure. If that cannot be done, you and I agree that any dispute concerning my Accounts or the Services described hereunder and arising out of or relating to this Agreement and Disclosure will be resolved by BINDING ARBITRATION administered by the American Arbitration Association in accordance with its Commercial Dispute Resolution Procedures and Supplementary Procedures for Consumer-Related Disputes. I, thus, GIVE UP MY RIGHT TO GO TO COURT to assert or defend my rights under this Agreement and Disclosure or at law or in equity (EXCEPT for matters that may be taken to SMALL CLAIMS COURT). FURTHER, I GIVE UP MY RIGHT TO ASSERT CLAIMS AGAINST THE CREDIT UNION ON A CLASS ACTION OR COLLECTIVE ARBITRATION BASIS. My rights will be determined by a NEUTRAL ARBITRATOR and NOT a judge or jury. I am entitled to a FAIR HEARING, BUT the arbitration procedures are SIMPLER AND MORE LIMITED THAN RULES APPLICABLE IN COURT. Arbitrator decisions are as enforceable as any court order and are subject to VERY LIMITED REVIEW BY A COURT. The place of arbitration shall be Kings County, California. FOR MORE DETAILS, check the American Arbitration Association's website, [www.adr.org](http://www.adr.org), OR call the American Arbitration Association's Customer Service telephone number at (800) 778-7879. Please note that any debt or loan obligation I may have with you is not subject to this arbitration agreement.

**COPY RECEIVED.** I acknowledge receipt of a copy of this Disclosure and Agreement.

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

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

**ACCOUNT ACCESS:** Preauthorized deposits may be made to my Checking or Savings Account(s).

**NOTIFICATION OF PREAUTHORIZED DEPOSITS:** If I have arranged with a third party (for example, the Social Security Administration) to make preauthorized deposits to my Account at least once every 60 days, that third party making preauthorized deposits may have agreed to notify me every time the party sends you money to deposit to my Account. If I have not made such an arrangement, I may telephone you at (559) 582-4438 and you will advise me whether or not the preauthorized deposit has been made.

**DOCUMENTATION OF PREAUTHORIZED DEPOSITS:** Generally, I will receive a monthly account statement for each month in which a preauthorized deposit is made, but at least quarterly if no preauthorized deposits are made. However, if the only electronic service I have with you is preauthorized deposits, then you reserve the right to send me only a quarterly statement.

#### **ADDITIONAL DISCLOSURES APPLICABLE TO PREAUTHORIZED PAYMENT SERVICES**

If I have requested a preauthorized payment to a third party from my Credit Union Checking Account, the following information applies to me:

**ACCOUNT ACCESS:** Preauthorized payments may be made from my Checking or Savings Account. (Limit 3 per month from Savings).

#### **RIGHT TO RECEIVE DOCUMENTATION OF PREAUTHORIZED PAYMENT**

**Initial Authorization:** I can get copies of the preauthorized payment documentation from the third party being paid at the time I give them the initial authorization.

**Notice of Varying Amounts:** If my preauthorized payment may vary in amount, the party who will receive the payment is required to tell me 10 days before such payment when it will be made and how much it will be. I may agree with the person being paid to receive this notice only when the payment will differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that I set.

**Periodic Statement:** I will receive a monthly account statement for each month in which a transfer is made, but at least a quarterly statement if no transfers are made.

**RIGHT TO STOP PREAUTHORIZED PAYMENT:** If I want to stop any of the preauthorized payments or revoke an entire preauthorized payment authorization, I must call you at (559) 582-4438 or write you at KINGS FEDERAL CREDIT UNION, 1415 West Lacey Blvd., Hanford, CA 93230, Attention: Support Services Department in time for you to receive my request 3 business days or more before the next payment is scheduled to be made. If I call, you will also require me to put my request in writing and get it to you within 14 days after my call. An oral request ceases to be binding after 14 days if I have not provided you with my required written confirmation of my request. You will charge me for each request I give pursuant to your Schedule of Fees. A stop payment request will apply only to that particular payment. If I have given you a request to revoke the entire preauthorized payment authorization, I understand and agree that I must also promptly contact the third party to cancel (revoke) the entire preauthorized payment authorization and provide you with a copy of my written revocation notice to the third party.

**YOUR LIABILITY FOR FAILURE TO STOP PAYMENT:** If I order you to stop one of my preauthorized payments 3 business days or more before the transfer is scheduled, and you do not do so, you will be liable for my losses or damages, to the extent provided for by law.

**LIABILITY FOR UNAUTHORIZED ELECTRONIC PAYMENTS:** I may be liable for unauthorized transfers made from my account by a third party. If I believe such a transfer has occurred, I must follow the procedures outlined in the "General Disclosures Applicable to All Electronic Services" section for resolving errors. Please also refer to the section entitled "Additional Disclosures Applicable to VISA Debit Card Electronic Fund Transactions, Point-of-Sale, Touch Tone Teller, KFCU Anytime Access Home Banking, and Electronic Check Transactions."

#### **ADDITIONAL DISCLOSURES APPLICABLE TO AUDIO RESPONSE SERVICE**

I must be a member in good standing with the Credit Union to have 24 hour access to my accounts through your Audio Response System. All transactions are posted to my Account(s) at the time I make them.

**TYPES OF AVAILABLE TRANSACTIONS:** I may use my Audio Response Service to perform the following transactions:

- Obtain account and loan balances;
- Obtain clearance of specific checks;
- Transfer funds between my Savings and Checking Accounts; and
- Make loan payments

All payments and deposits are subject to later verification by you.

## LIMITATIONS ON FREQUENCY AND DOLLAR AMOUNT OF TRANSACTIONS.

- (1) Account withdrawals by check through your Audio Response Service are limited to the extent of collected funds available in my account and/or funds available from my line of credit account.
- (2) For security reasons, any amounts over \$5,000 are subject to verification.
- (3) In the event my Audio Response Service PIN is lost or stolen, there may be restrictions on transactions I can make on the Audio Response Service.

**AUDIO RESPONSE SERVICE PERSONAL IDENTIFICATION NUMBER (PIN):** I understand that I cannot use the Audio Response Service system without an identification number, which you refer to as an Audio Response Service PIN. I am responsible for the safekeeping of my PIN and for all transactions by use of the Audio Response Service system through the use of the PIN. I will notify you immediately and send written confirmation if my Audio Response Service PIN is disclosed to anyone other than the joint owner of my account. I understand and agree that I must change the PIN immediately to prevent transactions on my account if anyone not authorized by me has access to the Audio Response Service PIN. If I disclose my Audio Response Service PIN to anyone, however, I understand that I have given them access to my account via the Audio Response Service and that I am responsible for any such transactions. I further understand that my Audio Response Service PIN is not transferable and I will not disclose the Audio Response Service PIN or permit any unauthorized use thereof.

## ADDITIONAL DISCLOSURES APPLICABLE TO HOME BANKING "KFCU ANYTIME ACCESS"

KFCU Anytime Access is your computer banking service that allows access to my accounts without assistance from your staff by using the Credit Union website and my own selected KFCU Anytime Access PIN.

**Minimum System Requirements.** In order to conduct transactions through the Service with you, I must satisfy the required hardware and software requirements posted by the Credit Union from time-to-time.

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

**Account Access.** KFCU Anytime Access is available for my Savings Accounts (with the exception of IRA accounts), Checking Accounts, Money Market Accounts, Personal Line of Credit Accounts, and loan account(s) (with the exception of VISA) using my PIN specific to this Service.

## TRANSACTIONS AVAILABLE

I may use the KFCU Anytime Access service to perform the following transactions:

- Obtain account/loan balance and history information
- Obtain last dividend date and amount;
- Obtain clearance of specific checks;
- Transfers funds between my Checking, Savings, and Loan Accounts;
- Make loan payments;
- E-mail Credit Union and schedule future transfers;
- Make Check Deposits
- Pay bills through Bill Pay from checking; and
- Obtain copies of paid checks.

**Balance Inquiries.** Balance information available through KFCU Anytime Access may not be accurate because the balance information may not reflect all recent transactions. For accurate balance information, contact the Credit Union at (559) 582-4438.

## Limitations on Frequency and Dollar Amount of Transactions.

1. Withdrawals from my Savings Account(s) or Checking Account(s) or loan advances on my Personal Line of Credit, whether by check or transfer to other accounts, are not limited in terms of minimum or maximum dollar amounts per transaction except as listed below.
2. All withdrawals and transfers from a Savings or Checking Account are limited to the extent of clear funds available in the Account.
3. All loan advances are limited to the amount available from the Personal Line of Credit and must be processed in increments of \$25.00.
4. There is no charge for KFCU Anytime Access.

**Authorization.** I authorize you to charge my designated account(s) for any transactions accomplished through the use of the KFCU Anytime Access Service, including the amount of any recurring payment that I make, and all charges as shown in the Schedule of Fees and Charges. I authorize you to transfer funds electronically between my designated account(s) according to my instructions initiated through KFCU Anytime Access.

**Eligibility.** I understand that in order to use KFCU Anytime Access, I must have an account in good standing and have a Security Code with you.

**KFCU Anytime Access PIN.** I understand that I cannot use KFCU Anytime Access without a member identification number which you refer to as a Security Code. I AGREE THAT THE USE OF THE SECURITY CODE CONSTITUTES A REASONABLE SECURITY PROCEDURE FOR ANY TRANSACTION.

I am responsible for the safekeeping of my Security Code and for all transactions made by use of KFCU Anytime Access. I will notify you immediately by phone and send written confirmation if my Security Code is disclosed to anyone other than the joint owner of my account or to another third party to whom I intentionally disclosed it. If I disclose my Security Code to anyone (including, without limitation, an account aggregate service provider), however, I understand and agree that I have given them access to my account via KFCU Anytime Access and I am responsible for any such transaction. I understand and agree that I must change the Security Code immediately to prevent transactions on my account if anyone not authorized by me has access to my Security Code. I further understand and agree that my Security Code is not transferable and I will not disclose it or permit any unauthorized use thereof.

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

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

The Credit Union will never contact me and ask me to provide my PINs, passwords, or Security Codes. If I am contacted by anyone claiming to be a representative of the Credit Union who asks me to provide any PIN, password, or Security Code, I understand that I should not provide my PIN, password, or Security Code and I will contact you at (559) 582-4438 immediately to report the incident.

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

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

**Joint Accounts.** If I utilize the Service to access my Accounts which are jointly owned, transactions performed on any such account by electronic means where my Security Code is utilized shall be considered authorized by me.

#### **ADDITIONAL DISCLOSURES APPLICABLE TO MOBILE BANKING AND REMOTE DEPOSIT CAPTURE**

This Agreement contains the terms and conditions for the use of the Kings Federal Credit Union Mobile Remote Deposit Capture and/or other remote deposit capture services that Kings Federal Credit Union or its affiliates ("KFCU," "us," or "we") may provide to you ("you" or "we"). Other agreements that you have entered into with KFCU, including Depository Agreement and Disclosures governing your KFCU account, are

incorporated by reference and made part of this Agreement. By accepting this Agreement, you agree to the terms set forth within and agreed to be subject to restrictions as set forth in this Agreement. This Agreement applies to Mobile Remote Deposit Capture ("Service") which includes image transmission of paper negotiable instruments as defined as an eligible item.

**General terms/Service.** This Service is designed to allow you to make a deposit to your checking, savings, and money market accounts from home or other remote locations by taking images of checks and delivering images and the associated deposit information to KFCU. You may use the Service only for non-business, personal use in accordance with this Agreement. This Agreement applies to consumer accounts only.

**Acceptance of these terms.** Your use of the Service constitutes your acceptance of this Agreement. This Agreement is subject to change as determined by KFCU and we will notify you of any material changes through previously agreed upon communication methods including electronic communication. Your continued use of this Service will indicate your acceptance of the revised Agreement. Further, KFCU reserves the right, at its sole discretion, to change, modify, add, or remove portions from the Service.

**Limitations on Service.** When using the Service, you may experience technical or other difficulties. We do not assume responsibility for any technical or other difficulties or any resulting damages that you may incur. The Service has qualification requirements and we reserve the right to change the qualifications at any time without prior notice. We reserve the right to change, suspend, or discontinue the Service, in whole or in part, or your use of the Service, in whole or in part, immediately and at any time without prior notice.

**Limits.** Mobile Remote Deposit Capture are limited to:

- \$5,000.00 per item deposit
- \$5,000.00 per day

If we permit deposits in excess of these limits, they are still subject to the terms of this Agreement and we are not obligated to allow such a deposit at other times. We may adjust these limits at any time without prior notice.

**Eligibility.** To be eligible for the Service, you must satisfy the following requirements:

- Download, install, and utilize the Mobiliti™ application for Kings Federal Credit Union;
- Have a Credit Union checking or savings account in good standing;
- Be at least 18 years of age or older;
- Be current on all loans;
- Have no charged-off share accounts or loans;
- Be a member of KFCU for at least 90 days;
- Provide the Credit Union with a valid and current mailing address; and
- Have no more than 3 overdrafts or returned deposited items in the past 12 months.

Termination of the Services or abuse/misuse of the Service may result in the removal of mobile access (i.e., termination of your access to the Service) by the Credit Union.

**Ineligible Accounts.** The Credit Union does not allow Mobile Remote Deposit Capture for the following account types: Business Accounts, Retirement Accounts, or Share Certificates.

**Eligible Items.** You agree to image and deposit only "checks" as that term is defined in Federal Reserve Regulation CC ("Reg CC"). You agree that the image of the check transmitted to KFCU shall be deemed an "item" within the meaning of Article 4 of the Uniform Commercial Code.

**Ineligible Items.** You agree that you will not use the Service to scan and deposit any of the checks or other items listed below:

- Checks or items payable to any person or entity other than you.
- Checks or items payable to you and another party who is not a joint on the account.
- Checks payable to a business, organization, or estate.
- Third party checks (e.g., a check payable to someone else, endorsed and signed over to you)

- Checks that are incomplete (e.g., any item that does not contain the signature of the maker, endorsement signature(s), or other required information).
- Check or items containing an obvious alteration to any of the fields on the front of the check or item, or which you know or suspect, or should know or suspect, are fraudulent or otherwise not authorized by the owner of the account on which the check or item is drawn.
- Checks or items previously converted to a substitute check, as defined by Reg CC.
- Check or items drawn on a financial institution located outside the United States.
- Checks or items that are remotely created checks as defined in Reg CC.
- Checks or items not payable in United States Currency.
- Checks payable to "Cash," "Kings Federal Credit Union," or "KFCU."
- Starter or counter checks.
- Money orders, travelers checks, or Amex gift cheques
- Checks or items dated more than 6 months prior to the date of the deposit.
- Checks or items that are post-dated and deposited prior to the date on that item.
- Checks that have previously been returned unpaid for any reason.
- Checks prohibited by KFCU current procedures relating to the Service or which are otherwise deemed unacceptable, in KFCU's sole and absolute discretion.

**Image Submission.** The image submitted must be clear and legible and must include: Date, Pay to the order of, Name of Payee, Specific amount, and Signature. The image quality must meet the standards, as amended from time to time, established by the American National Standards Institute, the Board of Governors of the Federal Reserve, or any other regulatory agency, clearing house or association. Items not meeting specific standards as determined by system identification and or Credit Union standards are subject to rejection. If you have endorsed an item that has been rejected for submission through Service, that item must be presented in person at one of our locations.

**Endorsements.** All checks submitted for deposit must be endorsed with the following restrictive endorsement: "For Mobile Deposit Only at KFCU" with your signature or as otherwise instructed by KFCU. The Credit Union will not accept third party checks through mobile deposit capture. All Endorsements must be in either blue or black ink as required for processing.

**Receipt of Deposit.** All images processed for deposit through Service will be treated as "deposits" under your current Account Agreement with us and will be subject to all terms of the Account Agreement. When we receive an image through the Service, the system will notify you to of receipt of the image. Receipt of the image does not mean that the item contains no errors and may not be rejected. We reserve the right, at our sole and absolute discretion, to reject any image for deposit into your account. The manner in which the items are cleared, presented for payment, and collected shall be in KFCU's sole discretion subject to the Depository Agreement and Disclosures governing your account. You will be notified of all rejections. We are not responsible for images or items which we do not receive. Items that are received after 1:00 pm Pacific Time will be processed on the next business day.

**Retention of the Negotiable Instrument.** You must securely retain the original checks(s) (deposited items) for a period of no less than 60 days. You agree that you will never re-present the original check unless specifically requested by the Credit Union. In the event that an item cannot be read through the Service process, the Credit Union may request the payee to submit the paper item for processing. After the end of the retention period, the original items should be destroyed writing "VOID" on the front of the check and then destroying it by crosscut shredding.

**Errors.** Notify us at 559-582-4438 as soon as possible, if you believe your statement is incorrect, or if you need more information about a transaction listed on the statement. You agree to notify KFCU of any suspected errors regarding items deposited through the Service right away, and in no event later than 60 days after the item FIRST appears on your periodic KFCU account statement. If you do not notify us within 60 days from the date your statement was sent to you, you may not be compensated for any loss.

**Risk of Loss.** In the event of a system failure or interruption, your data may be lost or destroyed. Any remote deposit that you initiated, were in the process of completing, or completed shortly before a system failure or interruption should be verified by you through means other than online to ensure the accuracy and completeness of such transaction(s). You assume the risk of loss of your data during any system failure or interruption and the responsibility to verify the accuracy and completeness of any remote deposit so affected.

**Hardware and Software.** In order to use the Service, you must obtain and maintain, at your expense, compatible hardware and software as specified by KFCU from time to time. See [kingsfcu.com](http://kingsfcu.com) for current hardware and software specifications. KFCU is not responsible for any third party software you may need to use the Service. Any such software is accepted by you "as is" and is subject to the terms and conditions of the software agreement you enter into directly with the third party software provider at time of download and installation.

**Ownership & License.** You agree that KFCU retains all ownership and proprietary rights in the Service, associated content, technology, and website(s). Your use of the Service is subject to and conditioned upon your complete compliance with this Agreement. Without limiting the effect of the foregoing, any breach of this Agreement immediately terminates your right to use the Service. Without limiting the restriction of the foregoing, you may not use the Service (i) in any anti-competitive manner, (ii) for any purpose which would be contrary to KFCU's business interest, or (iii) to KFCU's actual or potential economic disadvantage in any aspect. You may use the Service only for non-business, personal use in accordance with this Agreement. You may not copy, reproduce, distribute, or create derivative works from the content and agree not to reverse engineer or reverse compile any of the technology used to provide the Service.

**DISCLAIMER OF WARRANTIES.** YOU AGREE YOUR USE OF THE SERVICE AND ALL INFORMATION AND CONTENT (INCLUDING THAT OF THIRD PARTIES) IS AT YOUR RISK AND IS PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS. WE DISCLAIM ALL WARRANTIES OF ANY KIND AS TO THE USE OF THE SERVICES, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NONINFRINGEMENT. WE MAKE NO WARRANTY THAT THE SERVICE:

- (i) WILL MEET YOUR REQUIREMENTS;
- (ii) WILL BE UNINTERRUPTED, TIMELY, SECURE, OR ERROR-FREE;
- (iii) THE RESULTS THAT MAY BE OBTAINED FROM THE SERVICE WILL BE ACCURATE OR RELIABLE; OR
- (iv) ANY ERRORS IN THE SERVICE OR TECHNOLOGY WILL BE CORRECTED.

**LIMITATION OF LIABILITY.** YOU AGREE THAT WE WILL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, OR EXEMPLARY DAMAGES, INCLUDING, BUT NOT LIMITED TO, DAMAGES FOR LOSS OF PROFITS, GOODWILL, USE, DATA, OR OTHER LOSSES RESULTING FROM THE USE OR THE INABILITY TO USE THE SERVICE INCURRED BY YOU OR ANY THIRD PARTY ARISING FROM OR RELATED TO THE USE OF, INABILITY TO USE, OR THE TERMINATION OF THE USE OF THIS SERVICE, REGARDLESS OF THE FORM OF ACTION OR CLAIM (WHETHER CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE), EVEN IF KFCU HAS BEEN INFORMED OF THE POSSIBILITY THEREOF.

**USER WARRANTIES AND INDEMNIFICATION.** You warrant to KFCU that:

- a. You will only transmit eligible items that are properly endorsed;
- b. Images will meet the image quality standards;
- c. You will not transmit duplicate items;
- d. You will not deposit or represent the original item;
- e. All information you provide to KFCU is accurate and true; and
- f. You will comply with this Agreement and all applicable rules, laws, and regulations.

You agree to indemnify and hold harmless KFCU from any loss for breach of this warranty provision.

**Other terms.** You may not assign this Agreement. This Agreement is entered into in Hanford, CA, and shall be governed by the applicable laws of the State of California and of the United States. A determination that any provision of this Agreement is unenforceable or invalid shall not render any other provision of this Agreement unenforceable or invalid.

#### **ADDITIONAL DISCLOSURES APPLICABLE TO BILL PAY SERVICE SYSTEM REQUIREMENTS**

To use Bill Pay I must have a computer, modem, Internet Service, browser, my account number, and a PIN or Access Code.

#### **RIGHT TO STOP PAYMENT OF PREAUTHORIZED TRANSFERS AND RIGHT TO RECEIVE NOTICE OF VARYING AMOUNTS**

- a. Right to stop payment and procedure for doing so.

If I have told you in advance to make regular payments out of my account, I can also stop any of these payments. Here's how:

Call you at (559) 582-4438 for Bill Pay services or write to us at 1415 W. Lacey Boulevard, Hanford, CA 93230, in time for you to receive my request three (3) business days or more before the payment is scheduled to be made. If I call, you may also require me to put my request in writing and get it to me within fourteen (14) days after I call.

b. Notice of varying amounts.

If these regular payments vary in amount, the person I am going to pay will tell me ten (10) days before each payment, when it will be made and how much it will be. I may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that I set.

## TRANSACTIONS AVAILABLE

I may use my Bill Pay Service to perform the following transactions:

- **Add/Edit Merchants:** Merchant refers to the entity to which I pay bills. The merchant can be a company, organization, or individual. The Add/Edit Merchant feature allows me to add merchants to delete merchants from or edit merchant information on my personal list of merchants.
- **Make nonrecurring payments from my Checking Account:** This feature allows me to schedule one-time payments to merchants. This feature enables me to specify the amount of the payment and the processing date.
- **Make recurring payments from my Checking Account:** This feature allows me to schedule recurring payments to merchants.
- **View History:** View History permits me to see payments made over a specified time period.

## LIMITATIONS ON TRANSACTIONS

The following are limitations to the use of the Credit Union's Bill Pay Service:

- The maximum I may withdraw by check is \$10,000 during any 24-hour period;
- Bill payments can only be made from my Checking Account;
- Payments cannot be made for tax payments, court-ordered payments, or payments to payees outside of the United States;
- If I close the designated bill payment Checking Account, all scheduled payments will be stopped;
- I cannot stop a payment if the payment has already been processed; and
- I can schedule payments 24 hours a day, seven days a week; however, payments scheduled on a Saturday, Sunday, or holiday will be processed within one to two business days.

## METHODS AND RESTRICTIONS

Payments are made to my payee either electronically via the Automated Clearing House (ACH) or by check or laser draft. The method of payment depends upon the processing method that can be accommodated by the payee or by the bill payment service provider.

It is important that I take into consideration what method of bill payment will be used when scheduling bill payments to ensure payment deadlines are met. If the payee accepts electronic bill payment, the payment may take up to four (4) business days to process. If the payee does not accept electronic bill payment, the payment will be sent in a check form, and may take up to ten (10) business days to process.

## MEMBER RESPONSIBILITIES

I am responsible for:

- Any late payment, late fees, interest payments, and service fees charged by merchant(s);
- Any overdraft, NSF, or stop payment fees charged by the Credit Union as a result of these transactions;
- Data input of payee information (payment amount(s), name, address, and any other pertinent information);
- Written notification to the Credit Union in the event I wish to cancel this service; and
- I must allow sufficient time for bill payments to be processed so that the funds can be delivered to the merchant on or before the due date.

## ADDITIONAL DISCLOSURES APPLICABLE TO ATM ELECTRONIC FUND TRANSACTIONS

If I requested you to issue to me a VISA Debit Card to be used to transact business at any of your proprietary ATMs or any Shared Network ATMs, were approved for the Card, and have activated a Personal Identification Number (PIN) I have selected, the following information applies to me:

**TYPES OF AVAILABLE TRANSACTIONS & LIMITS ON TRANSACTIONS:** Types of available transactions are listed below. Transaction types and services may be limited on certain ATMs on the systems which are not owned by you (non-proprietary ATMs) (such as, for example, withdrawal limits). All ATMs that you own or operate are identified as your own machines. If a transaction or service type is not available, the attempted transaction will generally be refused as an "invalid transaction." In addition, transactions at certain ATMs on the systems which are not owned by you may be subject to a service fee charged by the owner of the terminal.

Transactions, including deposits, performed at your ATMs are processed on the same business day if they are completed before 2:00 p.m. at your Branch ATMs, Monday through Friday, Pacific Standard Time, and will generally be available on the second business day after the day of my deposit. Transactions after that time or on Saturdays, Sundays, or Holidays may be processed on the first business day following the transaction. Transactions not performed at your ATMs are processed within two business days. Funds from any deposits (cash or checks) made at ATMs you do not own or operate will be available on the fifth business day after the day of my deposit.

**ACCOUNT ACCESS:** The ATM services which you make available to me and which are covered by this Disclosure and Agreement are:

1. Deposits to my Savings Account(s) and Checking Account(s) at your proprietary (Credit Union owned) ATMs or the Co-op ATM network;
2. Withdrawals from my Savings Account(s) and Checking Account(s) at your proprietary ATMs and other shared network ATMs;
3. Transfers between my Savings Account(s) to my Checking Account(s) within the same member number; and
4. Balance inquiries at your proprietary ATMs and at other shared network ATMs.

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

Unless otherwise noted, the above services are generally available at ATMs on the Star®, Cirrus®, and CO-OP® Shared Network Systems. Services, however, may be restricted on certain ATMs on the systems that are not owned by you. In such case, an attempted transaction may be refused by the Shared Network ATMs.

I understand and agree that you accept funds deposited at ATMs subject to your verification and collection, and receipts issued by an ATM are binding only after verification. Funds deposited by check may be unavailable for withdrawal until collected by you. The delay will depend on your policies as permitted by law, and I will refer to your Disclosure of Funds Availability Policy for details.

By using my ATM Card or VISA Debit Card in conjunction with my PIN at an ATM, I authorize you to provide account balance information or to make withdrawals and transfers into or from my accounts with you, in accordance with the instructions given to the ATM. Furthermore, I authorize you to make advances on my line of credit account.

If I authorize you to issue an ATM Card or VISA Debit Card (or any other access device) to any third party, or if I permit any person to use my Card, I understand that I, thereby, authorize that person to withdraw funds from any account (including my line of credit account) which can be accessed using the ATM Card or VISA Debit Card.

**Balance Inquiries.** Balance information available through the ATM may not be accurate because the balance information may not reflect transactions that occurred within the past 72 hours. For accurate balance information, contact the Credit Union at (559) 582-4438.

**ATM Fees.** You may charge an ATM Foreign Transaction Fee for any transactions at ATMs not owned by you or the CO-OP® Network. In addition, when I use an ATM not owned by you, I may be charged a fee by the ATM operator and/or any network used (and I may be charged a fee for a balance inquiry even if I do not complete a fund transfer).

### LIMITATIONS ON FREQUENCY AND DOLLAR AMOUNT OF TRANSACTIONS:

1. Withdrawals from most ATMs are limited to a maximum of \$300.00 per day. Note, however, that withdrawal limitations may vary at individual machines on other shared network ATMs. You reserve the right to adjust my maximum per day cash disbursement levels, from time to time, in your sole discretion.
2. In addition, I am limited to a maximum of \$300.00 in withdrawals each 24 hours.
3. Minimum withdrawal amounts and increment amounts may vary depending on the system or machine I access. For example, the minimum withdrawal and increment amount at Shared Network machines is generally \$20.00.

4. For security reasons, in the event my ATM Card, VISA Debit Card, or VISA Credit Card or the PIN is lost or stolen, there may be restrictions on transactions I can make on the ATM System.

**MY VISA DEBIT CARD:** A VISA Debit Card and a Personal Identification Number (PIN) will be used each time I use an ATM or Point-of-Sale terminal. I have the right to select my own PIN or change my existing PIN at any of your branches. The following conditions must be observed for both the privacy and protection of my account and the system:

1. KEEP MY CARD IN A SAFE PLACE AND PERMIT NO UNAUTHORIZED PERSON TO USE IT;
2. I MUST NOT (A) TELL ANY UNAUTHORIZED PERSON MY PIN, (B) WRITE MY PIN ON MY CARD, (C) WRITE MY PIN ON A SEPARATE PIECE OF PAPER AND KEEP IT IN MY PURSE OR WALLET WITH MY CARD, OR (D) OTHERWISE MAKE IT AVAILABLE (THROUGH THEFT, MY OWN NEGLIGENCE, OR OTHERWISE) TO ANYONE ELSE;
3. I MUST TELL YOU IMMEDIATELY OF ANY LOSS OR THEFT OF MY CARD AND/OR PIN.
4. IF I AUTHORIZE YOU TO ISSUE A CARD (OR ANY OTHER ACCESS DEVICE) TO ANYONE ELSE, I AUTHORIZE THAT INDIVIDUAL TO WITHDRAW FUNDS FROM ANY ACCOUNT WHICH CAN BE ACCESSED BY THE CARD, REGARDLESS OF WHETHER THAT INDIVIDUAL IS AUTHORIZED TO WITHDRAW MONEY FROM THE ACCOUNT BY ANY MEANS OTHER THAN BY USE OF THE CARD. IF I GIVE MY CARD OR PIN TO ANYONE, ANY WITHDRAWAL OR TRANSFER BY THAT PERSON WILL BE CONSIDERED TO BE AUTHORIZED BY ME.

**SAFETY AT THE ATM:** I understand that I should use caution at all times when using an ATM. Some precautions I can take are: observe the area for anything unusual or suspicious; lock my vehicle when I leave it; have my Visa Debit Card in my hand as I approach the machine; avoid reaching into my wallet or purse in front of the ATM; avoid counting my cash at the ATM when using a drive-up ATM; lock the doors and roll up all but the driver's side window. If I feel unsafe for any reason, I should leave the area immediately. If someone follows me after using the ATM, I should quickly go to a safe area that is well populated and well lit. I should report any incident to the police as soon as possible.

**PERSONAL IDENTIFICATION NUMBER:** I agree to memorize my PIN(s) and will not write it on the card(s) or anywhere else. If I forget the number, I should contact you and you will re-PIN or order a PIN mailer for a fee disclosed on our Schedule of Fees.

**OWNERSHIP OF THE VISA DEBIT CARD:** The Card remains your property and I agree to surrender the Card to you upon demand. You may cancel, modify, or restrict the use of any Card upon proper notice or without notice if my account is: (a) overdrawn; (b) if you are aware that I have violated any term of this Disclosure and Agreement, whether or not you suffer a loss; or (c) where necessary to maintain or restore the security of my account(s) or the ATM or POS system. You also reserve the right to recall the Card(s) through retrieval by any of the ATMs.

**MAKING ELECTRONIC FUND TRANSACTIONS:** I agree to follow the instructions posted or otherwise given by you or any ATM Network or POS terminal concerning use of the machines.

#### **ADDITIONAL DISCLOSURES APPLICABLE TO VISA DEBIT CARD WHEN USED FOR POINT-OF-SALE (POS) TRANSACTIONS**

**TYPES OF AVAILABLE TRANSACTIONS AND LIMITS ON TRANSACTIONS:** By use of my ATM Card or VISA Debit Card at a point-of-sale terminal, I authorize you to make withdrawals from my designated checking account for cash advances and/or purchases.

**ACCOUNT ACCESS:** I may use my Card to withdraw cash from my designated checking account by way of a cash advance from merchants, financial institutions, or others who honor the Card(s) and/or pay for purchases from merchants, financial institutions, and others who honor the Card(s).

When I use my VISA Debit Card to pay for goods or services at a merchant or point-of-sale terminal, or to obtain cash, I use it as a debit card and it works like a check written on my account. My VISA Debit Card is not a credit card, which means that I cannot defer payment of my VISA Debit Card transactions.

I must follow the merchant's, financial institution's, or other person or entity who honors the card's rules and instructions and I may be asked to enter my PIN or sign a sales slip. Some merchants may impose a fee for VISA Debit Card use and you will not be liable for that fee or if the merchant, financial institution, or other person or entity refuses to accept my VISA Debit Card or VISA Debit Card number.

I understand that some participating merchants (such as hotels, car rental companies, restaurants, or gas stations) may initiate electronic notices seeking validation of the Card and/or approval of the anticipated purchase amount. Such an anticipated purchase amount may exceed the amount of the actual purchase transaction. You may place a hold against my designated checking account for the anticipated amount. The hold may remain in effect from the time the notice is received by you up to the time the merchant draft or other item is presented. The amount of the actual purchase transaction is then deducted from my designated checking account.

I may not stop payment on a VISA Debit Card transaction. Furthermore, in the event of a dispute, I may have to settle directly with the merchant, financial institution, or other person or entity that honored the Card. If the merchant misrepresents the quality, price, or warranty of the goods or services which I paid for with my VISA Debit Card, I agree to indemnify you from and against any and all damages, costs, liabilities, and expenses (including attorneys' fees and expenses) which may result, directly or indirectly, from such misrepresentation. If I breach or do not fulfill the terms of this Disclosure and Agreement with you, I also agree to indemnify you from and against any and all damages, costs, liabilities, and expenses (including attorneys' fees and expenses) which may result, directly or indirectly, therefrom.

**LIMITATIONS ON FREQUENCY AND DOLLAR AMOUNTS OF TRANSACTIONS:** I may make cash advances and purchases only to the extent that I have available funds in my designated checking account plus available funds in my designated overdraft sources. Purchase transactions with a VISA Debit Card are limited to \$2,000.00 each 24-hours. For security reasons, there may be limits on the number of these transactions that may be authorized.

**RETURNS AND ADJUSTMENTS (VISA DEBITCARDS):** Merchants and others who honor VISA Debit Cards may give credit for returns or adjustments, and they will do so by sending you a credit slip that you will post to my designated checking account.

**FOREIGN TRANSACTIONS (VISA DEBIT CARDS):** Purchases, cash advances, and credits made in foreign currencies will be billed to my Account in U.S. dollars. The conversion to U.S. dollars will be made in accordance with VISA operating regulations for international transactions. The exchange rate between the transaction currency and the billing currency used for processing international transactions is a rate selected by VISA from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate VISA itself receives, or the government-mandated rate in effect for the applicable central processing date. The conversion rate may be different than the rate on the day of the transaction or date of the posting of the account. When a credit to the account does not fully offset a charge to the account due to changes in the rate, I am responsible for the difference.

**Notice Regarding Non-VISA Pinless Debit Card Transactions:** You allow non-VISA debit transaction processing. This means I may use my VISA Debit Card on a PIN-Debit Network\* (a non-VISA network) without using a PIN to authenticate my transactions.

The non-VISA debit networks for which such transactions are allowed is CO-OP, Star, and CIRRUS systems. Examples of the types of actions I may be required to make to initiate a transaction on a Pin-Debit Network include initiating a payment directly with the biller (possibly via telephone, Internet, or kiosk locations), responding to a logo displayed at a payment site and choosing to direct payment through that network, and having my identity verified using known information derived from an existing relationship with us instead of through the use of a PIN. Please be advised that the terms and conditions of my agreement with you relating to VISA debit transactions do not apply to non-VISA debit transactions. For example, the additional limits on liability (sometimes referred to as VISA's zero-liability program) and the streamlined error resolution procedures offered on VISA Debit Card transactions are not applicable to transactions processed on a PIN-Debit Network. If you have any questions about non-Visa debit transactions, please call us at (559) 582-4438.

\*VISA rules generally define PIN-Debit Network as a non-VISA debit network that typically authenticates transactions by use of a personal identification number (PIN) but that is not generally known for having a card program.

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

If I have authorized a one-time transfer of funds from my account via automated clearing house (ACH) where I have provided a paper check or check information to a merchant or other payee in person or by telephone to capture the routing, Account, and serial numbers to electronically initiate the transfer (an "Electronic Check Transaction"), the following applies to me:

**TYPES OF AVAILABLE TRANSACTIONS:** I may authorize a merchant or other payee to make a one-time Electronic Check Transaction from my Checking Account using information from my check to (1) pay for purchases or (2) pay bills. I may also authorize a merchant or other payee to debit my Checking Account for returned check fees or returned debit entry fees.

I may make such a payment via ACH where I have provided a paper check to enable the merchant or other payee to capture the routing, account, and serial numbers to initiate the transfer whether the check is blank, partially completed, or fully completed and signed; whether the check is presented at POS or is mailed to a merchant or other payee or lockbox and later converted to an EFT; whether the check is retained by the consumer, the merchant, other payee, or the payee's financial institution; or I have provided the merchant or payee with the routing, account, and serial numbers by telephone to make a payment or a purchase.

**ACCOUNT ACCESS:** Electronic Check Transactions may be made from my Checking Account only.

**LIMITATIONS ON DOLLAR AMOUNTS OF TRANSACTIONS:** I may make Electronic Check Transactions only to the extent that I have available clear funds in my Checking Accounts or available funds in my designated overdraft sources.

**REMOTELY-CREATED CHECKS:** If the Electronic Check Transaction involves a remotely-created check, you reserve the right to accept or reject the item for deposit into any of my Accounts. If I deposit a remotely-created check into any of my Accounts, I represent and warrant to you that I have instituted procedures to ensure that these drafts are authorized by the person on whose account the remotely-created check is drawn in the amount stated on the check and to the payee stated on the check. If a remotely-created check, which I have deposited into my Account, is returned by the drawee-payor bank for any reason, I agree that you may debit my Account for the amount of the item, plus any applicable fees. If the debit causes my Account to be overdrawn, I agree to pay the overdrawn amount on your demand. For purposes of this Agreement, the term "remotely-created check" means a check that is not created by the paying bank and that does not bear a signature applied, or purported to be applied, by the person on whose account the check is drawn.

#### **ADDITIONAL DISCLOSURES APPLICABLE TO VISA CREDIT CARD**

If I requested the Credit Union to issue me a VISA Credit Card to be used in connection with advances on my Credit Union VISA Credit Card, then the following applies to me.

**TYPES OF AVAILABLE TRANSACTIONS AND LIMITS ON TRANSACTIONS:** By use of my VISA Credit Card at any VISA Network ATM with my PIN, I authorize you to charge my VISA account in accordance with instructions I give the ATM.

**WHEN USING THE VISA CREDIT CARD AT A VISA NETWORK ATM:** I may, with my PIN make cash advances from my credit card account only. I will not be able to access my other accounts via the VISA Network ATM. You may offer additional services in the future, and if so, I will be notified of them.

#### **ADDITIONAL DISCLOSURES APPLICABLE TO VISA DEBIT CARD ELECTRONIC FUND TRANSACTIONS, POINT-OF-SALE, TOUCH TONE TELLER KFCU ANYTIME ACCESS HOME BANKING, AND ELECTRONIC CHECK TRANSACTIONS.**

#### **RIGHT TO RECEIVE DOCUMENTATION OF TRANSACTIONS:**

**Transaction Receipt.** I can receive a receipt at the time I use an ATM or when I make a purchase using a POS terminal. I should retain this receipt to compare with my statement from you.

**Periodic Statement:** I will receive a monthly statement (unless there are no transfers in a particular month) for the account(s) which I have accessed by electronic transfer, which will show the calendar date that I initiated the transfer, the type of transfer and the type of account(s) accessed by the transfer, and the amount of transfers occurring in that statement period. I will get a statement at least quarterly.

**KFCU Anytime Access Transaction.** I may print a record of any individual transaction conducted through the Service at any time after the transaction is completed. I may also subsequently contact you to request a paper receipt for any such transaction provided it is no more than three (3) months old. A fee may be charged for such paper copy, subject to your Schedule of Fees and Charges.

**MY LIABILITY FOR UNAUTHORIZED TRANSACTIONS AND ADVISABILITY OF PROMPT REPORTING:** I will tell you AT ONCE if I believe my checks, account number, VISA Debit Card, VISA Credit Card, or my Audio Response PIN, KFCU Anytime Access Security Code, or VISA Debit Card PIN (collectively "check(s), account number, Card(s), and/or PIN(s)") has been lost or stolen or if I believe that an electronic fund transfer has been made without my permission using information from my check. Telephoning is the best way of keeping my possible losses down. A written notification to you should follow my telephone call. I could lose all the money in my account (plus my maximum overdraft line of credit). However, if I believe my check(s), account number, Card(s), and/or PIN(s) has been lost or stolen, and I tell you within 2 business days after I learn of the loss or theft, I can lose no more than \$50.00 if someone used my check(s) (in an Electronic Check Transaction), account number, my Card(s), and/or PIN(s) without my permission.

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

If I am using a VISA consumer card, including credit or Debit Card, for transactions that take place on the VISA network system, I understand that VISA Operating Rules and Regulations provide for \$0 liability for losses from unauthorized (fraudulent) activity. This does not apply to VISA commercial cards, ATM transactions using a PIN, or non-VISA PIN-Debit Network transactions.

Also, if my statement shows transfers that I did not make, including those made by Card, PIN, Security Code, or other means, I must tell you at once. If I DO NOT tell you within 60 days after the statement was mailed to me, I may not get back any money I lost after the 60 days if you can prove that I could have stopped someone from taking the money if I had told you in time. I should also call the number or write to the address listed on the cover of this brochure if I believe a transfer has been made using the information from my check without my permission.

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

**TELEPHONE NUMBER AND ADDRESS TO BE NOTIFIED IN EVENT OF AN UNAUTHORIZED TRANSACTION:** If I believe my check(s), account number, Card(s), and/or PIN(s) has been lost or stolen or that someone will or may use it to withdraw money from my account without my permission,

Telephone you at: (559) 582-4438; or

Write you at: Kings Federal Credit Union  
1415 West Lacey Blvd.  
Hanford, CA 93230  
ATTN: Support Services Department

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

**BUSINESS ACCOUNTS:** I understand that the Section entitled "My Liability for Unauthorized Transactions and Advisability of Prompt Reporting" in this Section of this Agreement as well as the Section entitled "In Case of Errors or Questions About My Electronic Services Transactions" and the provisions related to error resolution and limitations on liability on the back of periodic statements do not apply to business accounts or to accounts that are not used primarily for personal, family, or household purposes ("Business Accounts"). The following error resolution and limitations on liability apply to Business Accounts:

I agree to notify you immediately if I discover: (a) any error or discrepancy between my records and the information you provide to me about my Accounts or transactions (e.g., in a statement, confirmation, or electronic report); (b) unauthorized transactions involving any account; (c) a breach in the confidentiality of any Security Code or PIN; or (d) other problems related to the Services. I must send you a written notice of any discrepancy or other problem, including a statement of the relevant facts, within fourteen (14) days from the date I first discover the problem or receive information reflecting the problem, whichever occurs first. If I notify you within fourteen (14) days from the date I first discover the problem or receive information reflecting the problem, whichever occurs first, I will not be responsible for the amount of the transaction. If I fail to notify you within fourteen (14) days, I agree that, in addition to any other limitations on your liability: (a) in the case of an erroneous funds transfer, I will be liable for all losses up to the amount thereof (as well as any loss of interest) that result from my failure to give you such notice or that might have been prevented by my giving you such notice; and (b) in the case of an unauthorized funds transfer, you will not be liable for any loss of interest that results from my failure to give you such notice or which might have been prevented by my giving you such notice.

**IN NO EVENT WILL YOU BE LIABLE FOR ANY LOST REVENUE OR PROFIT, OR FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL, OR PUNITIVE DAMAGES, HOWEVER CAUSED, REGARDLESS OF THE THEORY OF LIABILITY, ARISING OUT OF OR RELATED TO ANY TRANSACTION GOVERNED BY THIS AGREEMENT, EVEN IF YOU HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.**

**VERIFICATION:** All transactions affected by use of ATMs, Point-of-Sale terminals, Audio Response Service, or other electronic transaction systems contemplated hereunder which would otherwise require my signature, or other authorization, shall be valid and effective as if signed by me when accomplished by use of an Electronic Check Transaction, my Card and/or PIN, a Security Code, or otherwise authorized under this Disclosure and Agreement. Deposits and loan payments at an ATM are subject to verification by you and deposits may only be credited or withdrawn in accordance with your "Delayed Funds Availability Policy". Generally, transactions accomplished after the cutoff time set forth in our "Delayed Funds Availability Policy" shall be deemed to have occurred on the next business day of the Credit Union. You are not responsible for delays in deposit posting due to improper identification on the deposit envelope or improper keying of a transaction. This identification should include my name, the Credit Union's name, my account number, dollar amount of deposit, and where I want the deposit to go.