

TRUTH-IN-SAVINGS INDEX DISCLOSURE & AGREEMENT

**PLEASE KEEP THIS BROCHURE
FOR YOUR RECORDS**

THIS DISCLOSURE SUPERSEDES ALL DISCLOSURES
PRIOR TO THE EFFECTIVE DATE SHOWN BELOW.

EFFECTIVE DECEMBER 1, 2015



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In the following agreement(s), the words "You", "Your", and "Yours" mean each and all of those (whether one or more persons) who are subject to the agreement(s) as a result of signing an account signature card or share certificate for each respective account. The words "We", "Us", "Our" and "Credit Union" mean LA LOMA CREDIT UNION.

This disclosure is presented for your information and is accurate as of the date shown on the cover. Furthermore, the Credit Union's Fee Schedule and Rate Schedule is incorporated herein by reference. We have the right to change its terms and conditions or amend this disclosure from time to time. However, before any fee or charge is increased or added, or terms and conditions amended, you will receive 30 days advance notice at your address of record. You may always obtain more information by calling our Member Services Department at (888) 252-5662.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, address, date of birth and other information that will allow us to identify you. We may also make a copy of your driver's license or other identifying documents.

TRUTH-IN-SAVINGS DISCLOSURE GENERAL INFORMATION

ACCRUAL OF DIVIDENDS: Dividends begin to accrue on the business day you deposit non-cash items (e.g., checks) or cash items to your account if deposited before the close of business. For all accounts, if you close your account before dividends are credited, you will not receive the accrued dividends (if any).

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

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. A member who reduces his share balance below the par value of ten shares and does not increase the balance to at least the par value of ten shares within 3 months of the reduction may be terminated from membership at the end of a dividend period.

Shares may be transferred only from one member to another, by written instrument in such form as the Credit Union may prescribe. Shares may be transferred from one member to another, provided they are joint owners on both accounts, 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 the credit committee or a loan officer, except to the extent that such shares 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 comaker, endorser, or guarantor are delinquent, without the written consent of the credit committee or loan officer.

REQUIREMENT TO MAINTAIN A REGULAR SHARE ACCOUNT: You must open a Regular Share Account to open any subsequent Accounts. You must maintain the Regular Share Account to avoid closure of that Account and any subsequent accounts.

PAR VALUE: The par value of one share in the Credit Union is \$5.00.

CREDIT REPORTS: You authorize us to obtain credit reports as we deem necessary for purposes of determining future credit opportunities with you and you authorize any person, association or corporation to furnish, on our request, credit reports. You also authorize us to furnish information concerning your account(s) with us to credit reporting agencies.

TERMS AND CONDITIONS APPLICABLE TO YOUR SHARE ACCOUNTS

Our Share Accounts are called Regular Shares, Christmas Club, Planet M boom! Share, and IRA Shares.

MINIMUM BALANCE AND DEPOSIT REQUIREMENTS: A minimum deposit as disclosed on the enclosed Rate Schedule is required to open any Share Account. A minimum average daily balance as disclosed on the enclosed Rate Schedule is required to be maintained in order to obtain the Annual Percentage Yield stated on the Rate Schedule.

BALANCE INFORMATION: You must maintain a minimum daily balance of \$5.00 in your Regular Share Account to avoid closure of that account and closure of your other accounts with us. We compute the balance in your Share Accounts to determine the dividends you will be paid by using the daily balance method which applies a periodic rate to the daily balance in the Account each day.

DIVIDEND COMPOUNDING AND CREDITING: Dividends will be compounded monthly and credited monthly and 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 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.

TRANSACTION LIMITATIONS

CHRISTMAS CLUB: The maximum amount you may deposit in one month is \$325, or \$150 biweekly through payroll deduction. Our Christmas Club Account may be opened from November 1 through the first week of January. Funds will be disbursed to your Regular Share Account on about November 1. One withdrawal per plan year may be made without penalty. If a subsequent withdrawal is necessary, the full balance must be withdrawn and the Account will be closed. Any unpaid dividends will be forfeited. The penalty for premature closure is shown on the accompanying Fee Schedule. After maturity and disbursement the Account will be automatically reopened with a subsequent deposit.

PLANET M ACCOUNT: The Planet M Account is a special kid's Account for ages 5 to 12. A parent's signature is required on the Application/Signature Card.

BOOM! SHARE ACCOUNT: The boom! Share Account is an Account for teens between 16 to 17 years old. A parent's signature is required on the Application/Signature Card.

IRA SHARE ACCOUNT: All other terms and disclosures for our 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 you open your Individual Retirement Account, the Credit Union Agreement and Disclosure Statement will be provided to you.

TERMS AND CONDITIONS APPLICABLE TO YOUR MONEY MARKET ACCOUNT

MINIMUM BALANCE AND DEPOSIT REQUIREMENTS: The minimum balance required to open this Account is as disclosed on the enclosed Rate Schedule.

You must maintain a minimum average daily balance, as disclosed on the enclosed Rate Schedule, in your Account to earn dividends.

DIVIDEND COMPOUNDING AND CREDITING: Dividends will be compounded monthly and credited monthly and 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 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.

The Dividend Rate and Annual Percentage Yield (APY) on Money Market Accounts are tiered. A tier is a range of Account balances; different Rates and APYs may apply to different tiers. When the balance increases or decreases to a different tier, the Account balance will be subject to the Rate and APY applicable to that tier for the time the balance is at a higher or lower level. This means if an Account balance goes below or above a certain tier level even for one day, the Account will be subject to that tier for one day. These rates are subject to change without notice. The current Rate Sheet will show Rates, APYs and tiers.

If you close your Account before dividends are credited, you will not receive the accrued dividends.

BALANCE COMPUTATION METHOD: Dividends are calculated by the daily balance method which applies a periodic rate to the daily balance in the account for the period.

Dividends will begin to accrue no later than the business day you receive provisional credit for the deposit on noncash items (e.g., checks) to your Account.

TRANSACTION LIMITATIONS.

No minimum balance is required to maintain your Money Market Account. You are limited to 6 (six) combined withdrawals per month.

TERMS AND CONDITIONS APPLICABLE TO YOUR SHARE DRAFT (CHECKING) ACCOUNT

LA LOMA FEDERAL CREDIT UNION offers Share Draft (Checking) Accounts which lets you withdraw your money and write checks against your Account at any time. Our Checking Accounts are called e-Checking, Basic Checking, Premier Checking, New Start Checking, boom! Checking and Business Checking.

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

You may not stop payment on completed electronic point-of-sale transactions, cashier's checks, certified checks, or checks issued or guaranteed by us.
5. Your death, dissolution, or incompetence shall not revoke our authority to accept, pay, or collect a check or to account for proceeds of its collection until we know of the fact of death or adjudication of incompetence and have the reasonable opportunity to act on it. Even with knowledge, we 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 under rules established by us. You shall notify us if any of you die, become incapacitated, or your organization is dissolved.
6. If we have paid a check under circumstances giving a basis for objection by you, we shall be subrogated to the rights of:
 - a. Any holder in due course on the check against the drawer or maker;
 - b. The payee or any other holder of the check against the drawer or maker either on the item or under the transaction out of which the item arose; and
 - c. The drawer or maker against the payee or any other holder of the check with respect to the transaction out of which the check arose.
7. We may, without liability, accept, pay, guarantee, or charge checks to the account in any order convenient to us.
8. In the event of wrongful dishonor that occurs by mistake, our liability shall be limited to actual damages you prove. In the event of a dishonor of any check, share draft, or other debit on your account, our determination of whether sufficient funds exist in your account may be made at any time between the time the item is received and the time it is returned. If we should choose to make a subsequent account balance check, we must use the last figure in deciding whether to dishonor the check, share draft, or other debit.
9. You agree that in the event you draw a check on your account with us that you will hold us harmless and indemnify us from any liability you incur due to a delay or misrouting of the check where the delay or misrouting is caused by markings placed on the check by you or a prior endorser that obscure any depository endorsement placed by us or our agent.
10. Except as set forth in our Courtesy Pay Agreement, you may authorize all checks from your checking account(s) to be cleared pursuant to a written overdraft protection request, which you must execute. If overdrafts are to be covered by a transfer of funds from your 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. You agree that overdrafts, if paid in excess of funds in any savings account or available from any loan account, are payable on demand. Any items that are paid without sufficient clear funds in your checking account and overdraft source(s) will be subject to a Courtesy Pay Fee. See Courtesy Pay Agreement for more information. Items that are returned unpaid because of insufficient clear funds will be subject to Non-Sufficient Funds (NSF) Fee.
11. We 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 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 you whether or not you participate in the transaction or benefit from its proceeds.
12. If the Account Signature Card is signed by more than one person, you hereby appoint each other as agents and attorneys-in-fact to overdraft from any of your savings or loan accounts (including accounts on which you are joint owners, except IRA accounts).

13. You may not pledge any or all of the funds on deposit in a checking account as security for any loan(s).
14. You will notify us immediately if your checks are lost or stolen. You agree that you will be responsible for losses caused by a delay in your notification to us. We recommend that you close any checking account for which checks are lost or stolen or if there have been (or there is reasonable cause to believe that there may be) unauthorized transactions on your account and open a new checking account. If you refuse to do so despite our recommendation, we shall have no liability for subsequent losses on the account due to unauthorized transactions to the extent permitted by law.
15. 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 said organization and have the authority to transact business of any character whatsoever in connection with this account.
16. As a convenience to you, we will submit your 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 you or to you in care of us. You authorize us to charge your checking account for the cost of delivered checks ordered, plus applicable sales tax and shipping costs at the fee set forth in the Rate and Fee Schedule. You are responsible for verifying the accuracy of all information shown on your checks whether you order them through us or elsewhere.
17. This is a truncated checking account. Checks are provided with carbonless copies and are not returned with statements. Checks are imaged on both sides and stored for seven years from date of posting. You may request and we will provide you with a photocopy of a requested item within a reasonable time. We will not charge you for copies of the first two items you request appearing on any statement. Additional copies will be subject to an assessment of a fee. If you have not ordered your Credit Union checks through our approved check vendors, you understand and agree that we are not responsible for the quality of any check copy that you request from us.
18. If a transaction involves a remotely-created check, we reserve the right to accept or reject the item for deposit into any of your Accounts. If you deposit a remotely-created check into any of your Accounts, you represent and warrant to us that you 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 you have deposited into your Account is returned by the drawee-payor bank for any reason, you agree that we may debit your Account for the amount of the item, plus any applicable fees. If the debit causes your Account to be overdrawn, you agree to pay the overdrawn amount on our 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.
19. We may charge against your account a postdated check even though payment is made before the date of the check. However, if you notify us within a reasonable time to permit us to act and identify the check with reasonable certainty, we cannot pay the check until the due date. Notice may be written or oral and it must include the exact amount, account number, check number, date of check, and name of payee. If oral, the notice shall be valid for fourteen (14) days. If written, the notice shall be valid for up to six (6) months, and can be renewed within six (6) months for another successive six (6) month period. A fee may be assessed for this service.
20. All checks written on your account must be drawn in U.S. dollars.
21. Checking accounts with no activity for ninety (90) days will be considered inactive and may be closed by the Credit Union.
22. You agree to pursue all rights you may have under any applicable insurance coverage before making a claim against us in connection with any account transaction and to provide us with all reasonable information about your insurance coverage. Our liability, if any, shall be reduced by the amount of all insurance proceeds you receive or are entitled to receive.
23. Except as otherwise required by applicable law, you agree that we shall have a reasonable period of time to investigate the facts and circumstances surrounding any claimed loss and that we have no obligation to provisionally credit your account, except as required by law.
24. When handling an item, our maximum liability for our 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), our maximum liability is the lower of your actual damages proved or the amount of the forgery, forgery, alteration, or other unauthorized withdrawal. In either case, our liability for damages shall be reduced by the amount of damages that would not have been realized if you had used ordinary care. IN NO EVENT SHALL WE BE LIABLE FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT, OR PUNITIVE DAMAGES, INCLUDING LOST PROFITS AND/OR OPPORTUNITY, AND WE SHALL NOT BE LIABLE FOR YOUR ATTORNEYS' FEES.

LIMITATION OF SERVICES POLICY

La Loma 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, 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, 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, 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 or volunteer;
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, or volunteer;
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, or member;
5. Cursing or using other abusive, intimidating, profane, or vulgar language while on Credit Union premises or directed towards any Credit Union employee, volunteer, or member;
6. Bringing or possessing firearms or weapons of any type on Credit Union premises;
7. Possession, sale, or use of or being under the influence of an unlawful or unauthorized substance while on Credit Union premises;
8. Attempting to coerce or interfere with a Credit Union employee or volunteer in the performance of his/her duties at any time;
9. Engaging in immoral or uncivil conduct or failure to maintain business-like relationships with Credit Union employees and volunteers and other Credit Union members;
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 well being of any Credit Union employee, volunteer, or member or engaging in any other conduct that causes a disruption of business at the Credit Union.

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

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

1. This Agreement applies to Funds Transfers as defined in 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 12:00 p.m. (Pacific Time) on each weekday that the Credit Union is open that is not a federal holiday. Payment orders, cancellations, or amendments received after the applicable cut-off time may be treated as having been received on the next following business day and processed accordingly.
3. The Credit Union may charge my account for the amount of any funds transfer initiated by you or by any person authorized by you 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.
4. The Credit Union may establish, from time to time, security procedures to verify the authenticity of a payment order. You will be notified of the security procedure, if any, to be used to verify payment orders issued by you or for which your account will be liable. You agree that the authenticity of payment orders may be verified using that security procedure unless you notify the Credit Union in writing that you do not agree to that security procedure. In that event, the Credit Union shall have no obligation to accept any payment order from you or other authorized parties on the account until you and the Credit Union agree, in writing, on an alternate security procedure.
5. If you send or receive a wire transfer, Fedwire may be used. Regulation J is the law covering all Fedwire transactions. This means that each of our rights and liabilities in a wire transfer involving Fedwire will be governed by Regulation J and this Agreement.
6. If you give the Credit Union a payment order which identifies the beneficiary (recipient of the funds) by both name and identifying account number, payment may be made by the beneficiary's bank on the basis of the identifying account number, even if the number identifies a person different than the named beneficiary. This means that you will be responsible to the Credit Union if the funds transfer is completed on the basis of the identifying account number you provided the Credit Union.
7. If you give the Credit Union a payment order 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 you will be responsible for any loss or expense incurred by a receiving bank that executes or attempts to execute the payment order in reliance on the identifying number you provided.
8. The Credit Union may give you credit for 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. You are hereby notified and agree, if the Credit Union does not receive such final settlement, that it is entitled to a refund from you of the amount credited to you in connection with that ACH entry. This means that the Credit Union may provide you with access to ACH funds before the Credit Union actually receives the money. However, if the Credit Union does not receive the money, then the Credit Union may reverse the entry on your account and you will be liable to repay the Credit Union.
9. ACH transactions are governed by operating rules of the National Automated Clearing House Association. In accordance with these rules, the Credit Union will not provide you with next day notice of receipt of ACH credit transfers to your account. You will continue to receive notices of receipt of ACH items in the periodic account statements that we provide.
10. If the Credit Union received a funds transfer for you or for other persons authorized to have access to your account, you agree that the Credit Union is not obligated to provide you with next day notice of the receipt of the funds transfer. The Credit Union will provide you with notification of the receipt of all funds transfers by including such items in the periodic account statements which the Credit Union provides. You may, of course, inquire between receipt of periodic statements whether or not a specific funds transfer has been received.
11. If the Credit Union becomes obligated under Article 4A (Division II of the California Uniform Commercial Code) to pay interest to you, you agree that the rate of interest to be paid shall be equal to the dividend rate, on a daily basis, applicable to the account at the Credit Union to which the funds transfer should have been made or from which the funds transfer was made.

12. The Credit Union may, in its sole discretion, reject any funds transfer request which: (1) exceeds the collected and available funds on deposit in your 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 you; (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. You 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.
 13. 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. 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 Rate and Fee Schedule, which is incorporated by this reference.
 14. If you initiate a funds transfer request denominated in United States dollars for transfer to a foreign country, the Credit Union may transfer payment in the currency of the beneficiary bank's country at the Credit Union's buying rate of exchange to United States dollars. If the transfer is returned for any reason, you agree to accept the refund in United States dollars in the amount of the foreign money credit, based on the then-current buying rate of the bank converting the currency to United States dollars at the date of refund, less any charges and expenses incurred by the Credit Union.
 15. Except as expressly prohibited by applicable state and federal laws and regulations, you understand and agree that the Credit Union will not be liable for any loss or liability arising from: (1) any unauthorized 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 you 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) your negligent or intentional action or inaction and/or breach of this Agreement; (5) any ambiguity or inaccuracy in any instruction given to the Credit Union by you or your authorized agent; or (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.
- Except as otherwise provided by applicable state or federal laws or regulations, the Credit Union's liability for any negligent or intentional action or inaction in connection with any funds transfer request shall be limited to your direct loss and payment of interest. **UNDER NO CIRCUMSTANCES SHALL THE CREDIT UNION BE LIABLE FOR ANY LOST PROFITS, CONSEQUENTIAL, INDIRECT, PUNITIVE, OR SPECIAL DAMAGES WHICH YOU MAY SUFFER IN CONNECTION WITH THIS AGREEMENT AND/OR ANY FUNDS TRANSFER REQUEST.**
16. Subject to applicable state and federal laws and regulations, the Credit Union may amend the terms of this Funds Transfer Agreement at any time. By thereafter using or continuing to use the Credit Union's funds transfer services, you agree to such amendments.
 17. Except as otherwise expressly provided by applicable state and federal laws and regulations, this Agreement and all transactions initiated hereunder shall be governed by and construed in accordance with the internal laws of the State of California, notwithstanding any conflict of laws doctrines of such state to the contrary.

TERMS AND CONDITIONS OF COURTESY PAY: Courtesy Pay service means the Credit Union may honor and pay your checks drawn against insufficient funds so that your checks are not returned unpaid. You will receive written notice of check payment when your checks are paid.

Courtesy Pay service cannot be applied for and is made available only to members meeting specific qualifying criteria. In order to be eligible to receive Courtesy Pay service, you must be a member in good standing. Other qualifying criteria may apply. Not all members may qualify. If you prefer not have Courtesy Pay service you will notify us in writing at P.O.Box 906, Loma Linda, CA 92354. The Credit Union may limit Courtesy Pay to only one account per household.

Courtesy Pay service may apply to checks you have drawn against insufficient funds in your Checking and/or Overdraft Protection Accounts with the Credit Union [as well as any other transfer or withdrawal request you have authorized (such as, but not limited to, ATM transaction, Point-of-Sale transactions, and preauthorized transfers) for which funds are insufficient]. The Credit Union may, at our sole discretion, but are not obligated to, make payment on such overdrawn checks, transfers, and/or withdrawal requests in any order at The Credit Union's option or return the overdrawn checks, transfers, and/or withdrawal requests unpaid. Regardless, The Credit Union is not liable for any action we take regarding payment or nonpayment of an overdrawn check [transfer or withdrawal request].

If we choose to pay and overdrawn check transfer or withdrawal request you will be subject to a Courtesy Pay fee in the amount as disclosed on the Fee Schedule for each item paid. However, the Credit Union will not charge a Courtesy Pay Fee for overdrafts due to ATM transactions or one-time debit card transactions unless you opt-in to have your ATM and one-time debit card overdrafts paid through this Service. The Courtesy Pay fees charged to the account will count against your overdraft dollar limit determined by the checking account type. If you have multiple checks transfer and withdrawal requests, you will be assessed the Courtesy Pay fee for each item paid. In that event, you understand and agree that you are obligated to reimburse us "on demand". You are required to immediately deposit with us, within 14 days, sufficient good funds to cover the overdrawn check transfer or withdrawal request paid by this Courtesy Pay service and pay the Courtesy Pay fee(s). More than one Courtesy Pay Fee may be assessed against your Checking Account per day depending upon the number of overdrafts paid through the Courtesy Pay Service.

Checks transfer and withdrawal requests may not be processed in the order in which they occurred and this may affect the total dollar amount of Courtesy Pay fees charged to your account.

If we choose not to pay the overdrawn check transfer or withdrawal request, you are subject to the NSF Fee as disclosed on the Fee Schedule for each such item not paid.

The Credit Union reserves the right to limit the number of overdrawn checks in any calendar month and the total dollar amount of overdrawn checks, transfers, and/or withdrawal request that may be paid under the Courtesy Pay service during any calendar month. Further, The Credit Union does not guarantee payment of any overdrawn check, transfer or withdrawal request. You understand that if The Credit Union permits payment of an overdrawn check [transfer or withdrawal request] The Credit Union is not required to notify you. In addition, the Courtesy Pay service may be discontinued at any time without prior notice.

You also agree that we have the right to transfer available funds from your other accounts you may have with us to cover the overdraft and pay permissible fees. you understand and agree that we may transfer funds to your Checking Account from any of your other account(s) with us (excluding IRA accounts), including account(s) upon which you are a joint owner, in an amount equal to the overdraft which we may pay according to the terms and conditions of this Courtesy Pay Agreement and to pay the permissible fees.

IN ADDITION TO ANY OTHER RIGHTS THAT WE MAY HAVE, YOU AGREE THAT ANY DEPOSITS OR FUTURE DEPOSITS IN OR OTHER CREDITS TO ANY ACCOUNT IN WHICH YOU MAY NOW OR IN THE FUTURE MAY HAVE AN INTEREST ARE SUBJECT TO OUR RIGHT OF OFF-SET FOR ANY LIABILITIES, OBLIGATIONS, OR OTHER AMOUNTS OWED TO US BY YOU (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 YOU OPT-OUT OF THE COURTESY PAY SERVICE, YOU CONSENT AND EXPRESSLY AGREE THAT THE APPLICATION OF AN OFF-SET OF FUNDS IN ANY ACCOUNT INCLUDES THE OFF-SET OF GOVERNMENT BENEFITS (SUCH AS SOCIAL SECURITY AND OTHER PUBLIC BENEFIT FUNDS) DEPOSITED TO THE ACCOUNT FROM WHICH THE OVERDRAFT OR RELATED FEES ARE PAID.

Each person who causes an overdraft, which is paid by us, 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.

TERMS AND CONDITIONS APPLICABLE TO YOUR SHARE CERTIFICATE ACCOUNTS

La Loma Federal Credit Union's Share Certificate Accounts let you deposit your money for a specified period of time. Our Share Certificate Accounts are Term Certificates with maturities ranging from 6 month to 60 months.

ANNUAL PERCENTAGE YIELD

The Annual Percentage Yield is based on an assumption that dividends will remain on deposit until maturity. If you make a withdrawal from your Account, your earnings will be reduced.

MATURITY

Your Account will mature as reflected on the Certificate or receipt provided to you at the time of opening your Account.

RATE INFORMATION

Our Share Certificate Accounts are designated fixed rate Accounts on the Rate Schedule. You will be paid this rate and yield until maturity.

DIVIDEND COMPOUNDING AND CREDITING

Dividends will be compounded monthly and will be credited monthly, and at the maturity date. The dividend period is also monthly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the ending date of a dividend period, and for the example is January 31.

MINIMUM BALANCE AND DEPOSIT REQUIREMENTS

The minimum deposit required for you to open a Certificate Account is shown on the accompanying Rate Schedule. You must maintain the minimum balance to obtain the Annual Percentage Yield stated on the Rate Schedule and to avoid closure.

RENEWAL OF ACCOUNT/GRACE PERIOD

Your Account will automatically renew at maturity at the current dividend rate for same time period as original term unless you withdraw all of the funds in your Account at maturity or within a grace period of 7 days after maturity.

ACCOUNT LIMITATIONS

You may not make deposits into or withdrawals from this Account until the maturity date. See early withdrawal penalties.

EARLY WITHDRAWAL PENALTIES

We may impose a penalty if you withdraw any of the funds from your Account before the maturity date. The penalty imposed shall be equal to 90 days dividends, whether earned or not.

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 Certificate Account, or is made pursuant to the Credit Union's bylaws.
2. The Certificate Account is part of a pension plan which qualifies for or is qualified for special tax treatment under Section 401(d) or 408 of the Internal Revenue Code and withdrawal is not made to effect distribution of the funds evidence by such Account following the participant's death or disability or upon attaining not less than 70 years of age, or
3. Such withdrawal is made as a result of the volunteer or involuntary liquidation of the Credit Union issuing the Account.

TERMS AND CONDITIONS APPLICABLE TO ALL ACCOUNTS

1. You must deposit the par value of at least one (1) share into a Regular Share Account and maintain the par value of a share in a Regular Share Account to open other accounts. The par value of a share necessary to become a member and maintain accounts with us is currently \$5.00. You must be and remain a member in good standing to maintain any account. The maximum amount of shares that may be held by any member may be established from time to time by the Board of Directors.
2. All accounts (except checking accounts) are not transferable except as defined in 12 CFR Part 204. For all accounts except checking accounts, during any statement period, you may not make more than six (6) withdrawals or transfers to another account of yours at the Credit Union or to a third party using any combination of preauthorized or automatic transfers or telephonic orders or instructions. If you exceed the transfer limitations set forth above in any statement period, your account may be closed.
3. Our delay in enforcing any of the terms and conditions of this Agreement and Disclosure shall not prohibit us from enforcing such terms and conditions at a later date.
4. We reserve the right, upon thirty (30) days written notice, to change any provision of or establish new provisions to this Agreement and Disclosure.
5. We may refuse to follow any of your instructions that in our sole judgment are illegal or would expose us to potential liability. Alternatively, we may require adequate security or invoke other security measures to protect us from all losses and expenses incurred if we follow your instructions. You agree to reimburse us for any damages, losses, liabilities, expenses, and fees (including, but not limited to, reasonable attorneys' fees) that we incur in connection with your account if we take an action in accordance with your or what purports to be your oral, written, or electronic instructions.
6. We reserve the right to refuse to open any account or to provide any service or to accept additional deposits to an existing account.
7. We may endorse and/or collect items deposited to your account without your endorsement, but may require your personal endorsement prior to accepting an item for deposit. If you deposit items which bear the endorsement of more than one person or persons that are not known to us or that require endorsement of more than one payee, we may refuse the item or require all endorsers to be present or to have their endorsements guaranteed before we accept the item.
8. You authorize us to accept items payable to any account owner for deposit to your 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 you.
9. You understand and agree that we may utilize automated means to process checks and other items written on or deposited to your account. Although we may manually review checks or other items drawn on your account, you understand and agree reasonable commercial standards do not require us to do so.
10. We will mail all statements and other notices only to the person whose signature appears first on the Account Signature Card. You shall exercise reasonable care and promptness examining your statements and must promptly notify us of any error or unauthorized payment including, but not limited to, an altered item or an unauthorized signature. If you fail to uphold these duties, you understand and agree that you are precluded from asserting the error or unauthorized payment against us if: (1) we suffer a loss on the item because of your failure or (2) we pay on another item presented by the same wrongdoer if the payment was made before you properly notified us. Notification must be made within thirty (30) days of the date of the statement. If you fail to uphold your duties but you can prove

that we 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 us and you to the extent our respective actions contributed to the loss. If you have failed to examine your statement and report any unauthorized item one (1) year or more after your statement or the item has been made available to you, you cannot recover from us even if we failed to exercise ordinary care in paying the item.

11. We or you may terminate an account at any time. You understand and agree, however, that our authority may not be changed or terminated except by written notice to us which will not affect prior transactions. Moreover, if we receive conflicting claims to funds in an account we hold, we may, at our 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 our records, at the statement mailing address; interplead all or any portion of the funds from an account to the court; or hold the funds, without liability to anyone, pending resolution of the claim to our satisfaction.
12. In addition, we reserve the right to close any accounts should we discover that any of your accounts or any other accounts with us have been deliberately manipulated by you to our, any other account holder's, and/or any other member's detriment. "Manipulation" includes, but is not limited to, making unauthorized withdrawals or other transactions, kiting, and repeated patterns of transactions which have no apparent business reason other than to take advantage of Regulation "CC" hold periods and/or "interest float" to our detriment.
13. You acknowledge that we may be 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 we suspect such financial abuse, you understand and agree that, in addition to reporting such abuse as may be required under law, we have the right to freeze the account, refuse to complete transactions on the account, or to take any other action(s) that we deem appropriate under the circumstances, including providing relevant information and documentation concerning your accounts and other transactions to the proper authorities empowered to investigate such cases. You agree to indemnify and hold us 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. We may recognize the signature of anyone who signed an Account Signature Card as authorized to transact business on that account. Any payment made on your account by us in good faith and in reliance on the terms and conditions of this Agreement and Disclosure, any Share Certificate Account Agreement and Disclosure, and/or the Account Signature Card shall be valid and discharge us from liability. Without limitation to the foregoing, we may honor checks drawn against your account by authorized signers, even if the checks are made payable to them, to cash, or for deposit to their personal accounts. We have no duty to investigate or question withdrawals or the application of funds.
15. We reserve the right to require you to give not less than seven (7) and up to sixty (60) days written notice of your intention to withdraw funds from any account except checking accounts.
16. You understand and agree that Individual, Joint, and Pay-on-Death accounts may be subject to the Multiple Party Accounts Law, Division 5 of the California Probate Code, as now in effect or hereafter amended.
17. Ownership for the primary account and all sub-accounts shall be established and determined by the most recent Account Signature Card 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 owners (both as an individual and as a group) in the case of a joint or other account with multiple parties.
18. You are required to keep us informed of your current address. You agree to notify us promptly of any change of address. You may notify us in person at our office or by sending a written and signed notice to:

La Loma Federal Credit Union
P.O. Box 906
Loma Linda, CA 92354

In the event that you fail to do this, a charge may be made to your account for the actual cost of a necessary locator service paid to a person or concern normally engaged in providing such service and incurred in determining your address.

19. You agree to notify us immediately of the death or court declared incompetence of any owner of your account. You agree to inform each owner of your account to notify us of such an event as well. If you die or am declared legally incompetent, we can continue to accept and collect items deposited to your account until we know of your death or adjudication of incompetency and have a reasonable opportunity to act.
20. All non-cash payments shall be credited subject to final payment on the day of deposit. Your right to withdraw the funds represented by certain checks, savings, or other items you deposit may be delayed for several days. You will be notified if your right to withdraw will be delayed. You will refer to the Credit Union's Disclosure of Funds Availability Policy for further details.
21. If a check or other item which we cash for you or which you deposit to your account is returned to us as unpaid for any reason, we may charge your 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 us accompanied by documentation indicating that the endorsement is forged or unauthorized or that the item has been altered in any way. We may charge my account for the amount without questioning the truth of such documentation. We may also charge back any amount of accrued or paid dividends related to the returned check. We 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 we are not required to do so. If we choose to re-present the check, we may do so without telling you the check was not paid or that we are presenting it again. We may charge a fee for each deposited or cashed check charged back to your account. We may, at our option, notify you, by telephone or in writing, if a check has been returned unpaid and the fee charged.
22. You agree that we will not be responsible for any damages you incur in the event you deposit an item with us 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 you or a prior endorser.
23. Although we are not obligated to, we 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 you cash or deposit an item or write a check with such notation, you agree that it applies only between you and the payee or maker. The notation will have no effect on us, and you agree to accept responsibility for payment of the item. You agree to indemnify and hold us harmless from any claim or alleged loss of any maker or payee involving such notations, whether you are the maker or payee or the funds are otherwise deposited into an account in which you have an interest.
24. We reserve the right to reverse any credit for any deposited item or charge your account for cashed items should they become lost while in the process of collection. If we do not reverse a credit, you agree to assist us in collecting the amount of any lost item by providing us with such information and other assistance as we may request. We may charge your account when a photocopy of a check you have written is presented to us for payment in place of a lost original, unless a stop payment order is in effect for that check.
25. We are under no obligation to pay a check that is presented more than six (6) months after its date, but we may do so at our discretion and charge your account without liability, even if the presentation occurs after the expiration of a stop payment order or notice of postdated change. You agree that we are not required to identify stale dated checks or seek your permission to pay them.

26. All accounts are subject to our Rate and Fee Schedule, which accompanies this Agreement and Disclosure and is incorporated by this reference. We shall debit such charges against any account you own (including accounts on which you are a joint owner) except your 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.
27. California law states that inactive account balances in savings, checking, and matured Term Share (Certificate) accounts must escheat to the state after a period of three (3) years since the last time I:
- 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
 - Corresponded in writing or electronically with you concerning the funds on deposit; or
 - Otherwise indicated an interest in the funds on deposit as evidenced by a memorandum on file with you.

Your deposit account will not escheat to the state, however, if, during the previous three (3) years, you have owned another deposit account with the Credit Union and, with respect to that deposit account, you 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, we have "communicated" (i.e., sent account statements or statements of interest paid for federal and state income tax purposes) electronically or in writing with you at the address to which communications regarding the other deposit account are regularly sent.

We may charge a fee for mailing an escheat notice and/or a service charge for money orders escheated to the state.

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

28. We may, but are not obligated to, transfer funds from your savings, checking, or loan accounts on your written, oral, or electronic request. You 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. You agree that any such transfer(s) shall be in even increments of \$25 and will be processed only on our "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.
29. Federal law requires us to report certain domestic currency transactions and foreign transactions. This reporting applies to all member accounts at the Credit Union.
30. We agree to retain and furnish to you, if requested, photocopies of certain records pertaining to your account and that these records for the time frame required by law will be available to you. You agree to pay applicable fees for those copies.
31. We may comply with any writ of attachment, execution, garnishment, tax levy, restraining order, subpoena, warrant, or other legal process which we believe (correctly or otherwise) to be valid. We may notify you of such process by telephone, electronically, or in writing, unless we are prohibited by law from notifying you. If we are not fully reimbursed for our record research, photocopying, and handling costs by the party that served the process, we may charge such costs to any account you have with us, in addition to our minimum Legal Process Fee. You agree to reimburse us for any cost or expense, including attorneys' fees, which we may incur in responding to legal process related to your accounts.
- In addition to the above, if we are served with any type of legal process, you understand and agree that we have the right to freeze the account, refuse to complete transactions on the account, or to take any other action(s) that we deem appropriate under the circumstances, including providing relevant information and documentation concerning your accounts and other transactions if we believe we are required to do so, unless we are served with an appropriate objection, motion to quash, or other binding legal order. We may do these things even if the legal action involves less than all of you. We will have no liability to any you if there are insufficient funds to pay items drawn on your account because we have withdrawn funds from your account or in any way restricted access to your funds in accordance with the legal action. You agree to indemnify and hold us 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 section.
32. In the event that a cashier's, teller's, or certified check is lost or stolen, you must execute and deliver to us a written Declaration of Loss and Claim For Reimbursement and/or affidavit in a form acceptable to us and in time for us to have a reasonable time to act thereon. You further understand and agree that the Declaration of Loss and Claim For Reimbursement and/or affidavit is not enforceable until the later of (i) the time the Declaration of Loss and Claim For Reimbursement and/or affidavit is properly delivered to us 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. You agree to indemnify us for any loss or claim occasioned by our attempting to, or stopping, payment on such check.
33. You authorize us to gather whatever credit, checking account, and employment information we consider appropriate from time to time. You understand that this will assist us, for example, in determining your initial and ongoing eligibility for your account and/or in connection with making future credit opportunities available to you. You authorize us to give information concerning our experiences with you to others.
34. We are not responsible for any loss or damage that results from your negligence, including, without limitation, your failure to adequately safeguard your blank checks or other personal information or means of access to your account. We are not responsible for items lost while in our possession.
35. Federal law requires that we obtain and have certified by you a Taxpayer Identification Number (TIN) on all accounts. We will not open an account without this identification number. For additional information on this requirement, upon your request, we will provide "INSTRUCTIONS TO PAYER'S REQUEST FOR TAXPAYER IDENTIFICATION NUMBER AND CERTIFICATION (IRS FORM W-9)."
36. In the event that a negative balance is created in your account (whether due to ATM activity, nonsufficient funds activity, Credit Union imposed fees and charges, or otherwise) or you have other outstanding financial obligations of any kind owed to us, which are in default, you understand and agree that we may transfer funds to such account from any other account (excluding IRA accounts), including account(s) upon which you are a joint owner, in an amount equal to the negative account balance or the outstanding financial obligation which is in default.

In addition to any other rights that we may have, you agree that any deposits or future deposits in or other credits to any account in which you may now or in the future may have an interest are subject to our right of off-set for any liabilities, obligations, or other amounts owed to us by you (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, you knowingly consent and expressly agree that the application of an offset of funds in any account includes the offset of government benefits (such as Social Security and other public benefit funds) deposited in your account.

37. Pursuant to federal law, the Credit Union must verify the identity of any person seeking to open or add a joint owner or signer to any account and must maintain records of the information used to verify the person's identity. For the purposes of this paragraph, "account" means "each formal banking or business relationship established to provide ongoing services, dealings, or other financial transactions." For example, a share account, a transaction or asset account, and a credit account or other extension of credit would each constitute an account.
38. You understand and agree that telephone conversations with the Credit Union are not confidential and may be randomly monitored by Credit Union personnel. You also understand, consent, and agree that your telephone conversations with Credit Union personnel may be recorded by the Credit Union.
39. You understand that we may report information about your account to credit bureaus. Late payments, missed payments, negative balances, and other defaults on your account(s) may be reflected in your credit report.

40. Member accounts in this Credit Union are federally-insured by the National Credit Union Share Insurance Fund.
41. An action or proceeding by me to enforce an obligation, duty, or right arising under this Agreement and Disclosure or by law with respect to your account must be commenced within one (1) year after the cause of action occurs.
42. You agree to indemnify, defend, and hold us and our employees harmless from and against every claim, demand, action, cost, loss, liability, and expense including, without limitation, attorneys' fees, which we incur by acting in accordance with this Agreement and Disclosure or as a result of your failure to abide by its terms.
43. Your account will be governed by California law, to the extent that California law is not inconsistent with controlling federal law. However, California's choice of law rules shall not be applied if that would result in the application of non-California law.
44. **NOTICE OF BINDING ARBITRATION AGREEMENT:** We and you agree to attempt to informally settle any disputes affecting your Accounts that might arise under this Agreement and Disclosure. If that cannot be done, we and you agree that any dispute affecting your 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. You, thus, **GIVE UP YOUR RIGHT TO GO TO COURT** to assert or defend your rights under this Agreement and Disclosure at law or in equity (**EXCEPT** for matters that may be taken to **SMALL CLAIMS COURT**). Further, you give up your right to assert claims against **THE CREDIT UNION** on a class action or collective arbitration basis. Your rights will be determined by a **NEUTRAL ARBITRATOR** and **NOT** a judge or jury. You are 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 San Bernardino County, California. **FOR MORE DETAILS**, check the American Arbitration Association's website, 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 you may have with us is not subject to this arbitration agreement.
45. You acknowledge that if you give anyone access to your account (such as, for example, providing any person with your check card, ATM card, ATM or online banking PIN, or granting any person power to act as your agent under a power of attorney or trustee for a trust account), you understand that any transaction completed by such person shall be considered authorized by you.
46. The terms and conditions of any Account Signature Card, IRA Agreement, or Share Certificate are incorporated herein by this reference.
47. If your membership is terminated within the first three (3) months of opening a new account, an Account Closure fee will be assessed.

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 us that all sums now paid in on shares or hereafter paid in on shares by any one or all 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 regardless of their net contributions shall be subject to withdrawal or receipt by any of the account owner(s) or the survivor(s) of any of the account owner(s). Any such payment shall be valid and shall discharge the Credit Union from any liability.
2. We 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 shares.
4. Being a joint owner of a member's account does not constitute credit union membership for the joint owner. Joint owners may be nonmembers.
5. Except as set forth herein or in the applicable loan agreement(s), you may pledge any or all of the funds on deposit in an account as security for any loan(s) subject to our then-current loan policies. Further, a pledge of funds by any one of you shall be binding on all of you. You 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 your total primary and contingent liability to us. You may not withdraw any funds below the amount of your primary or contingent liability to us if you are delinquent as a borrower, or if borrowers for whom you are cosigner, 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 a will.

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

If you have made a pay-on-death (P.O.D) designation, all sums are payable on request to you during your lifetime and upon your death, first to us to the extent of any outstanding matured or unmatured debts owed to us by you and second to your designated P.O.D. payee(s) or if the account is jointly owned, to one or more account owner(s), during their lives and on the death of all of them, first to us to the extent of any outstanding matured or unmatured debts owed to us by you and second to one or more payees then surviving in equal and individual shares. If a P.O.D. payee dies before all of the account owner(s) then, upon the death of all of the account owner(s), all sums are divided equally among the surviving P.O.D. payees. As between P.O.D. payees, there is no right of survivorship. A P.O.D. designation cannot be changed by a will.

TERMS AND CONDITIONS APPLICABLE TO LIVING TRUST ACCOUNTS

1. If you are a trustor/trustee and want to establish an account in connection with a written trust, we may require you to provide us with a notarized trust certification confirming your power as a trustee prior to opening the account.
2. We are not required to know, understand, interpret, or enforce the terms of the Trust Instrument.
3. You 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 your "Application & Agreement for Credit Union Account in the Name of Trustee(s)."
4. Living trust accounts are not subject to the Multiple Party Accounts Law.

TERMS AND CONDITIONS APPLICABLE TO ALL CUSTODIAL ACCOUNTS

1. The custodian is opening an account as custodian for the minor named on the signature card or share certificate under the Uniform Transfers to Minors Act. The transfer of money to the minor named on the signature card or share certificate, which transfer shall be deemed to include all dividends and any future 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. You acknowledge that by signing the signature card or share certificate, you have received the funds deposited to the account as custodian for the minor named herein under the Uniform Transfers to Minors Act and you agree to the applicable terms and conditions set forth in this Disclosure and Agreement as well as the terms and conditions of the account signature card or share certificate.
3. The successor custodian named in the signature card or share certificate shall serve if you should be unable to act as custodian because you resign, die, or become legally incapacitated. Custodial accounts are not subject to the Multiple Party Accounts Law.

TERMS AND CONDITIONS APPLICABLE TO ALL FIDUCIARY ACCOUNTS

1. You are duly appointed and acting in the capacity of Executor / Executrix, Administrator / Administratrix, Guardian or Conservator. By the authority vested in you, you are, acting individually or jointly, authorized and empowered to transact business of any character in connection with this Account. Your authority shall

continue in force until written notice to the contrary is received by us.

2. You may pledge any or all shares on deposit in the account as collateral security for any loan(s) subject to then current loan policies.
3. If a Checking Account is opened with us, you agree that the account shall be governed by the terms of this Account Agreement as well as the terms of the Checking Account Agreement.
4. If the account is blocked, you understand that you shall file with the Court a written receipt including the agreement with the Credit Union that the money in the account, including any earnings thereon, shall not be withdrawn except upon court order.

TERMS AND CONDITIONS APPLICABLE TO ALL SOLE PROPRIETORSHIP ACCOUNTS

1. You affirm that you are the sole proprietor of the sole proprietorship named on the signature card or share certificate. We may accept and/or endorse checks made payable to you or the sole proprietorship named on the signature card or share certificate which we receive for deposit. Funds received are subject to the Credit Union's policy on Delayed Availability of Deposited Funds.
2. You understand that you are pledging any or all of the shares on deposit in the account as collateral security for any loan or loans subject to then current loan policies.
3. If a Checking Account is opened with us, you agree that the account shall be governed by the terms of this Account Agreement as well as the terms of the Share Draft Account Agreement.
4. Sole proprietorship accounts are not subject to the Multiple Party Accounts Law.

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

1. The persons named on the signature card or share certificate duly authorized to make 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 you by the constitution, bylaws or otherwise, any one (1) of the signatures, as named on the signature card or share certificate, is authorized and empowered to transact business of any character whatsoever in connection with the account. You certify that the signature(s) appearing on the signature card or share certificate are the genuine signature(s) of said authorized person(s); and that your authority shall continue in force until written notice to the contrary is received by us.
2. You understand that you are pledging any or all of the shares on deposit in the account as collateral security for any loan or loans subject to then current loan policies.
3. If a Checking Account is opened with us, you agree that the account shall be governed by the terms of this Account Agreement as well as the terms of the Share Draft Account Agreement.
4. Corporate, partnership, and unincorporated association accounts are not subject to the Multiple Party Accounts Law.

DISCLOSURE OF DELAYED AVAILABILITY OF DEPOSITED FUNDS

Our policy is to make funds from your deposits available to you not later than the first business day after we receive your deposit. Electronic direct deposits will be available on the effective date of the deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit on a business day that we are open,

Monday through Friday 9:00 a.m. to 5:00 p.m.

we will consider that day to be the day of your deposit. However, if you make a deposit on a non-business day or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

LONGER DELAYS MAY APPLY

In some cases, we will not make all of the funds that you deposit by check available to you on the first business day after your deposit. Depending on the type of check that you deposit, funds may not be available until the fifth business day after the day of your deposit. However, the first \$200 of your deposits will be available on the first business day after the day of deposit.

If we are not going to make all the funds from your deposit available on the first business day after your deposit, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees (for example, at an ATM or Night Drop), or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit.

Deposits at Nonproprietary Automated Teller Machine (ATMs):

Funds from any deposits (cash or checks) made at nonproprietary ATMs we do not own or operate may not be available until the fifth business day after the day of your deposit. This rule does not apply at ATMs that we own or operate. All ATMs that we own or operate are identified as our machines and follow the standard delayed availability of deposit funds policy.

If you will need the funds from a deposit right away, you should ask us when the funds will be available. In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

- We believe the collectibility of a check you deposited is doubtful.
- You deposit checks totaling more than \$5,000 on any one day.
- You re-deposit a check that has been returned unpaid.
- You have overdrawn your account six or more times in a six month period.
- There is an emergency, such as failure of communications or computer equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the 11th business day after the day of your deposit.

SPECIAL RULES FOR NEW ACCOUNTS

If you are a new member, the following special rules will apply during the first 30 days your account is open.

Funds from electronic direct deposits to your account will be available on the effective date of the deposit. Funds from deposits of cash, wire transfers, and the first \$5,000 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 of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5,000 will be available on the seventh business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,000 will not be available until the second business day after the day of your deposit.

Funds from all other check deposits will be available on the 11th business day after the day of your deposit.

OTHER METHODS OF HOLDS ON FUNDS

Holds on Other Funds (Check Cashing):

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

Holds on Other Funds (Other Account):

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

PRIVACY NOTICE

We will disclose information to third parties about your account or the transfers you make:

- (1) Where it is necessary for completing transfers; or
- (2) In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or
- (3) In order to comply with a government agency or court orders; or
- (4) As explained in the separate Privacy Disclosure.



A M E R I C A ' S
C R E D I T U N I O N S TM

