



**CENTRAL STATE CREDIT
UNION
BUSINESS ACCOUNT
AGREEMENT**

P.O. Box 1329
Stockton, CA 95201-1329
(209) 444-5300 • (800) 675-5114
www.CentralStateCU.org

Table of Contents

Information Regarding Member Identification	3
General Information About All Of Our Business Accounts and Services	3
About Our Share Accounts	4
About Our Primary Share Accounts	4
About Our Share Plus Account	5
About Our Share Draft/Checking Accounts	5
About Our Absolutely Free Business Checking Account	5
About Our Business Dividend Checking Account	5
About Our Certificate Accounts	5
Electronic Fund Transfer	6
Additional Disclosures Applicable to ACH Services	8
Additional Disclosures Applicable to ATM and POS Services	9
Additional Disclosures Applicable to Visa® Debit Card Services	10
Additional Disclosures Applicable to Audio Response	11
Additional Disclosures Applicable to Online Banking	11
Regulations Relating to Fund Transfers	12
Your Ability to Withdraw Funds	13
Important Notice About Your Account(s) (California Residents)	14
General Terms and Conditions of Your Credit Union Accounts	14
Share Account Agreement	17
Share Draft/Checking Account Agreement	17

CENTRAL STATE CREDIT UNION BUSINESS ACCOUNT AGREEMENT

To open your account, complete the appropriate account card and return it to our Financial Services Representative. Please read this brochure completely and retain it with your records.

All agreements and disclosures shall be construed in accordance with the provisions of the California Uniform Commercial Code (UCC). Share accounts, "share draft/checking" accounts and share "certificate" accounts are subject to the requirements below and such other terms and conditions as established by the Board of Directors and as contained in the account agreements.



INFORMATION REGARDING MEMBER IDENTIFICATION

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 our Members: When you open a business account, we will ask for the business name, the business address, employer identification number and other information that will allow us to identify the business. We will also ask for your name, address, date of birth, and other information that will allow us to identify you or any Authorized Signers. We may also ask to see a driver's license or other identifying objects for you or any Authorized Signers.

INTRODUCTION AND ELIGIBILITY FOR SERVICES

In this Agreement, "you" and "your" or "Account Holder" refer to the Central State Credit Union Business Member. "Member" refers to the Company designated on the Membership and Account Application and its owners. "We," "us," and "our" refer to Central State Credit Union. "Board" refers to Central State Credit Union's Board of Directors. An Authorized Signer is a person who has your actual or apparent authority to transact business on your accounts, whether or not such person has signed the Membership and Account Application or other documentation for your accounts. The Credit Union may continue to recognize an Authorized Signer's authority until the Credit Union has received and had a reasonable time to act upon your written modification or revocation of it.

Provided you are within our field of membership and satisfy our Member identification requirements, your completion of a Membership and Account Application and your satisfying applicable Membership fees and/or Membership share account opening requirements make you a Central State Credit Union Member and entitle you to apply for all of our business products and services. All services are subject to approval. We can request verification of your eligibility for Membership.

Each person signing the Membership and Account Application or other account documents represents and agrees that they: 1) are fully authorized to execute all documents in their stated capacity; 2) have furnished all documents necessary to evidence that authority; and 3) will furnish any other documents in such a form as we may request from time to time. We may demand a resolution of authority from the business and may refuse to recognize any resolution affecting the account that is not on our form or that appears to us to be incomplete or improperly executed. The business entity must furnish its Taxpayer ID Number before we will open the account.

GENERAL INFORMATION ABOUT ALL OF OUR BUSINESS ACCOUNTS AND SERVICES

PAR VALUE

The par value of a share in the Central State Credit Union is \$5.

ACCRUAL OF DIVIDENDS

Dividends begin to accrue on the business day you deposit noncash items (e.g., checks) to your account if deposited before the close of business. If you close your Share or Business Dividend Checking Account before dividends are credited, you will not receive accrued dividends.

DIVIDEND RATES

The initial dividend rates and Annual Percentage Yields on our Share, Business Dividend Checking and Certificate Accounts are stated on the Rate Schedule accompanying this Disclosure. Dividends are paid from current income and available earnings after required transfers to reserves at the end of a dividend period.

BALANCE INFORMATION

We compute the balance in our Share, Business Dividend Checking, and Certificate accounts to determine the dividends you will be paid by using the daily balance method which applies a daily periodic rate to the balance in your account each day.

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. The Credit Union requires that members purchase 1 share each with a par value of \$5.

A member who reduces his share balance below the par value of 1 share and does not increase the balance to at least the par value of 1 share 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. No transfer of voting rights or other membership privilege is permitted by virtue of transfer to or co-ownership of shares by nonmembers. 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 CEO, COO or Credit Manager, 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 co-maker, endorser, or guarantor are delinquent, without the written consent of the CEO, COO or Credit Manager.

VOTING RIGHTS

If your business is a sole proprietorship, you will not receive an additional vote in Credit Union elections, because you and your business are not two separate legal entities. Any other form of business or organization (such as a partnership or corporation) will receive one vote, which may be exercised by an authorized representative of the business.

CHANGE IN TERMS AND CONDITIONS

The use of an account is subject to such other terms, conditions and requirements as the Credit Union may establish from time to time. The Credit Union has the right to change the terms and conditions of this Agreement at any time, in any manner, and for any reason. We may delete or modify existing terms. We may add new terms without regard to whether the matter is already addressed by this Agreement. We may offer new or different services at any time, and may convert an existing account or service into a new account or service. We will generally notify you in advance of changes by sending written notice to your address as it appears on our records. However, we may make changes without sending you advance notice, unless such notice is required by law. By continuing to use or keep your account open, you will be deemed to accept and agree to any such changes in terms.

REQUIREMENT TO MAINTAIN A REGULAR SHARE ACCOUNT

Our general rule is that you must open a Primary Share Account to open any subsequent accounts and you must maintain the Primary Share Account to avoid closure of that account and any subsequent accounts.

ABOUT OUR SHARE ACCOUNTS

Central State Credit Union's Share Accounts let you deposit your money in a savings account and withdraw your money at any time. Our business Share Accounts are the Primary Share Account and the Share Plus Account.

RATE INFORMATION

Our Share Accounts are designated tiered variable rate accounts on the Rate Schedule. This rate and yield may change at any time at the Credit Union's discretion.

DIVIDEND COMPOUNDING AND CREDITING

Dividends will be compounded monthly and will be credited monthly. For the share accounts the dividend period is monthly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date is January 31. All other dividend periods follow this same pattern of dates. A dividend is declared at the end of a dividend period. The date on which the dividend is declared is known as the dividend declaration date. The most recent dividend declaration date is stated on the Rate Schedule accompanying this Agreement.

TRANSACTION LIMITATIONS

No more than six (6) preauthorized, automatic, online or telephonic transfers made to another account at the Credit Union or to a third party or no more than six (6) transfers or withdrawals made by check, draft, debit card or similar order payable to a third party may be made from each savings account or Share Plus Account in any calendar month. If an Account Holder exceeds, or attempts to exceed, these transfer limits, the excess transfer requests may be refused or reversed, a fee may be imposed on the excess transfer requests, and the Credit Union may reclassify or close the account. Transfers initiated by telephone must be counted among the six monthly transfers, except that there are no limits on the number of withdrawals paid directly to an Account Holder when initiated by mail, telephone or messenger. There are no limits on the number of withdrawals if initiated in person.

➡ *About Our Primary Share Accounts*

MINIMUM BALANCE AND DEPOSIT REQUIREMENTS

The minimum deposit required for you to open your Primary Share Account is \$5. You must maintain a minimum average daily balance of \$500 in order to obtain the Annual Percentage Yield stated on the Rate Schedule. You must maintain a \$300 minimum balance in this account in order to avoid the Quarterly Low Balance Maintenance Fee as stated on the accompanying Fee Schedule. This service fee is waived for members who have opened an account with the credit union within the last six months, or maintain an active checking, Share Plus, or Certificate account. You must maintain a \$5 minimum balance in this account to avoid closure.

➔ ***About Our Share Plus Account***

MINIMUM BALANCE AND DEPOSIT REQUIREMENTS

The minimum deposit required for you to open your Share Plus Account is \$2,500. You must maintain a minimum average daily balance of \$2,500 in order to obtain the Annual Percentage Yield stated on the Rate Schedule and to avoid a monthly service fee as stated on the Fee Schedule. You must maintain a minimum balance of \$5 to avoid closure.

TRANSACTION LIMITATIONS

The maximum number of withdrawals you may make is 3 within a calendar month. If you exceed the withdrawal limitations in any calendar month, your account will be subject to the service fee stated on the Fee Schedule.

ABOUT OUR SHARE DRAFT/CHECKING ACCOUNTS

Central State Credit Union offers share draft/checking accounts that let you withdraw your money and write checks against your account at any time. Our share draft/checking business accounts are the Absolutely Free Business Checking and the Business Dividend Checking Account.

➔ ***About Our Absolutely Free Business Checking Account***

The Absolutely Free Business Checking Account is a non-dividend earning account.

MINIMUM BALANCE AND DEPOSIT REQUIREMENTS

The minimum deposit required for you to open your Absolutely Free Business Checking Account is \$50. There are no minimum balance requirements for you to maintain an Absolutely Free Business Checking Account.

➔ ***About Our Business Dividend Checking Account***

The Business Dividend Checking Account is offered to eligible sole proprietorship and non-profit businesses.

RATE INFORMATION

Our Business Dividend Checking Account is designated a variable rate account on the Rate Schedule. This rate and yield may change at any time at the Credit Union's discretion.

MINIMUM BALANCE AND DEPOSIT REQUIREMENTS

The minimum deposit required for you to open your Business Dividend Checking Account is \$50. You must maintain a minimum balance of \$1,000 in order to obtain the Annual Percentage Yield stated on the Rate Schedule and to avoid a service fee as stated on the Fee Schedule.

DIVIDEND COMPOUNDING AND CREDITING

Dividends will be compounded monthly and will be credited monthly. For the Business Dividend Checking Account, 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. A dividend is declared at the end of a dividend period. The date on which the dividend is declared is known as the dividend declaration date. The most recent dividend declaration date is stated on the Rate Schedule accompanying this Agreement.

ABOUT OUR CERTIFICATE ACCOUNTS

Central State Credit Union's Certificate Accounts let you deposit your money for a specified period of time. Our Certificate Accounts are the Share Certificates.

ANNUAL PERCENTAGE YIELD

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

MATURITY

Your account will mature as reflected on the Rate Schedule.

RATE INFORMATION

Unless otherwise disclosed to you when you open a Certificate Account, our Certificate Accounts are fixed rate accounts as indicated on the Rate Schedule. You will be paid these dividend rates and Annual Percentage Yields until maturity.

DIVIDEND COMPOUNDING AND CREDITING

All certificates will be compounded monthly and will be credited monthly and at maturity.

MINIMUM BALANCE AND DEPOSIT REQUIREMENTS

The minimum deposit required for you to open a Share Certificate is indicated on the 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 for the same time period as the original term unless you withdraw all of the funds in your account at maturity or within a grace period of 7 days after maturity. Funds added to the Certificate Account during the grace period will earn dividends from the date of deposit.

ACCOUNT LIMITATIONS

For the Share Certificates you may not make deposits into or withdrawals of principal from this account, except at maturity. You may make withdrawals of earned dividends from your account at any time.

EARLY WITHDRAWAL PENALTY

We may impose a penalty if you withdraw principal from your account before the maturity date. The penalty imposed shall be as follows:

1. If funds are withdrawn in the first six days of issuance, a minimum penalty of seven days dividends will be imposed.
2. If the certificate term is less than one year, the member shall forfeit an amount equal to all dividends paid for the first 90 days since the date of issuance or renewal and the account will be closed.
3. If the certificate term is one year or more, the member shall forfeit an amount equal to all dividends paid for the first 180 days since the date of issuance or renewal and the account will be closed.

EXCEPTIONS TO PENALTIES

The penalties stated above will not apply if:

1. The withdrawal is made pursuant to the Credit Union's bylaws, or
2. Such withdrawal is made as a result of the voluntary or involuntary liquidation of the Credit Union.

PLEDGING OF FUNDS

Certificates may not be pledged, transferred, or assigned to any party other than the Credit Union unless otherwise provided by statute. The Credit Union reserves the right to offset certificates except as otherwise precluded by law. If the Credit Union offsets funds from a certificate, the funds withdrawn are subject to the early withdrawal penalty.

ELECTRONIC FUND TRANSFERS

The Electronic Funds Transfer (EFT) Act and its implementing regulation, Regulation E, do not apply to accounts maintained for business purposes. Although we will, upon request, issue EFT devices on business accounts, the business is responsible for monitoring the security and use of its EFT devices. Except as expressly provided herein, we will not be liable for any unauthorized EFT activity on business accounts unless the unauthorized activity is the result of our gross negligence or misconduct. Under no circumstances will we be liable for any indirect, special, consequential or exemplary damages involving such accounts. Disclosure information that applies to all electronic services offered by Central State Credit Union for business accounts is given below, followed by specific disclosure information for each service. By retaining, using, or allowing others to use the electronic services offered by Central State Credit Union, you are agreeing to be bound by the terms and conditions of this Agreement. In order to qualify for the Credit Union's EFT services, you must maintain a \$5 balance in your Share Account.

PERSONAL IDENTIFICATION NUMBER

The Credit Union will issue you a Personal Identification Number (PIN) that must be used with the ATM/Debit Card for transactions that require the use of a PIN. This number should be memorized-DO NOT write it on your ATM/Debit Card. After memorizing your PIN, you should destroy the notice disclosing your PIN. If you forget your PIN, contact the Credit Union and we will issue you a new one.

RIGHT TO RECEIVE DOCUMENTATION OF TRANSACTIONS

You will get a monthly account statement reflecting all of your transactions unless there is no activity in a particular month. In any case you will get the statement at least quarterly. Depending on the terminal, or if the transaction is \$15 or less, you may receive a receipt at the time you make a transaction at a terminal. If you do receive a receipt, retain the receipt to compare with your monthly statement from the Credit Union. You must promptly and carefully review your statements to determine if any errors or problems exist.

YOUR LIABILITY FOR LOST, STOLEN OR UNAUTHORIZED TRANSACTIONS INVOLVING DEBIT CARDS, AUTOMATED TELLER MACHINE (ATM) CARDS AND DRAFT/CHECKS

If you fail to notify us within a reasonable time (not exceeding 30 days after your statement date or the date the information about the item or transaction is made available to you) of an unauthorized signature, alteration, forgery, counterfeit check or other unauthorized transaction involving any of your accounts, we will not be responsible for any such unauthorized transactions.

Without regard to care or lack of care of either you or us, if you do not discover and report an error or an unauthorized signature, alteration, forgery, counterfeit check, or other unauthorized debit to your account within 60 days after the date of your statement or the date the information about the item or transaction is made available to you, whichever is earlier, you are precluded from asserting the error or unauthorized transaction against us and we will have no liability to you for resulting losses. If you have authorized someone else to use the ATM/POS Card and/or PIN, you are responsible for all transactions that person or persons initiates at any time, even if the amount or transactions exceed what you may have authorized.

SPECIAL NOTICE TO VISA® DEBIT CARDHOLDERS

Your liability for unauthorized Visa® Debit Card transactions is limited to zero dollars (\$0.00), provided you:

- a. Notify us of the unauthorized transaction promptly following your discovery of the same, or of your suspicion that an unauthorized transaction has or may occur; and
- b. Do so within 60 calendar days of the mailing date of the first statement showing unauthorized Visa® Debit Card transactions. We may require written confirmation. We also may increase the limit of your liability for unauthorized Visa® Debit Card transactions if we determine that you were grossly negligent in the handling of the affected account or Card.

For purposes of zero liability above, an unauthorized Visa® Debit Card transaction means use of the Visa® Debit Card by a person, other than you or an Authorized Signer, who does not have actual, implied or apparent authority for the use and from which neither you nor any Authorized Signer receives any benefit. An unauthorized Visa® Debit Card transaction does not include, and the limitations under this Section will not apply to:

- a. Use of a Visa® Debit Card by a person who was given the Card or a PIN by you or an Authorized Signer, even if the person exceeds any limitations imposed;
- b. Any transaction conducted by a business co-owner of the Member, or any person with an interest in or authority to transact business on the affected account;
- c. Any transaction that is not governed by rules adopted by Visa® and applicable to Visa® Business Debit Card transactions; or
- d. Transactions not subject to liability limitations under applicable Visa® rules.

HOW TO NOTIFY THE CREDIT UNION IN THE EVENT OF AN UNAUTHORIZED TRANSACTION

If you believe your ATM/POS Card, Debit Card or PIN has been lost or stolen, or that someone has transferred or may transfer money from your account without your permission, notify us immediately by either calling us at (209) 444-5300 or (800) 675-5114, or write to us at P.O. Box 1329, Stockton, California 95201.

You should also call the number or write to the address listed above if you believe a transfer has been made using information from your check without your permission. The sooner you contact us, the less liability you will have for unauthorized transactions on your account and the sooner we can provide you with a new account and new checks, Cards and PINs.

1. Tell us your name and account number (if any).
2. Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
3. Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days.

You agree to provide us with a declaration containing whatever reasonable information we require regarding your account, the transaction and the circumstances surrounding any claimed loss.

Our maximum liability will never exceed the amount of actual damages proven by you, and will be reduced by the amount of the loss caused by your negligence or lack of reasonable care.

BUSINESS DAYS

Our business days are Monday through Friday, excluding holidays.

CHARGES

In order to obtain the electronic services listed, you must open and maintain a Share Account. All charges associated with our electronic fund transactions are disclosed in our Fee Schedule which accompanies this Agreement.

DISCLOSURE OF ACCOUNT INFORMATION TO THIRD PARTIES

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

- a) when it is necessary to complete the transaction;
- b) in order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant;
- c) in order to comply with government agency or court orders or other legal process; or
- d) if you give us your prior oral or written permission.

ADDRESS CHANGE

Keep the Credit Union informed of your current address by written notification, to insure correct mailing of monthly statements.

AMENDMENTS

The Credit Union may change the terms and conditions of this Agreement from time to time by mailing written notice to your address as it appears on our records. If any change results in greater cost or liability to you or decreases access to your Accounts, you will be given at least twenty-one (21) days prior notice of the change. Prior notice may not be given where an immediate change in terms or conditions is necessary to maintain the integrity of the system and/or the security of ATM Cards, Debit Cards or designated accounts.

TERMINATION

You may terminate this Agreement with us at any time. The Credit Union reserves the right to terminate this Agreement and/or your use of your ATM/POS Card, Visa® Debit Card or PIN with or without cause. We may do so immediately if:

- a) you or any authorized user of your ATM/POS Card, Visa® Debit Card, PIN or account breaches this or any other agreement with the Credit Union;
- b) we have reason to believe that there has been, or might be, an unauthorized use of your ATM/POS Card, Visa® Debit Card, PIN or account; or
- c) you or any authorized user of your ATM/POS Card, Visa® Debit Card, PIN or account request that we do so.

ADDITIONAL BENEFITS/CARD ENHANCEMENTS

The Credit Union may from time to time offer additional services to your Accounts. Some may be at no additional cost to you and others may involve a specified fee. You understand that the Credit Union is not obligated to offer such services and may withdraw or change them at any time.

WAIVER OF RIGHTS

The Credit Union can delay enforcing any of the provisions under this Agreement or the law any number of times without losing its right to enforce them at a later date.

OTHER AGREEMENTS

Except as stated otherwise in the Agreement, this Agreement does not alter or amend any of the terms or conditions of any other agreement you may have with the Credit Union.

SEVERABILITY

If any part of this Agreement should be held to be unenforceable, the remaining provisions of this Agreement shall remain in full force and effect.

WHO IS BOUND BY THIS AGREEMENT

The Agreement is binding upon the Company and any guarantors and is also binding upon any successors or assigns of the Company or guarantors or any heirs or legal representatives of the Account Owner that is an individual or organized as a sole proprietorship.

SIGNATURES

By using your access to the system, or authorizing anyone else to use your access to the system, and/or by signing the Application, you agree to be bound by the terms and conditions of this Agreement.

➡ *Additional Disclosures Applicable to ACH Services*

DOCUMENTATION OF DIRECT DEPOSIT

If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can call us at (209)444-5300 or (800) 675-5114 or the Audio Response System at (209) 943-6803 or (800) 217-4939, or you can access your account through our Online Banking or Mobile Banking service to find out whether or not the deposit has been made. If the only possible transfers to or from your account are direct deposits or pre-authorized deposits, you will get at least a quarterly statement from us.

DISCLOSURE OF RIGHT TO STOP PAYMENT

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

If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here's how: Call us at (209)444-5300 or (800) 675-5114, or write to us at P. O. Box 1329, Stockton, California 95201, in time for us to receive your request three (3) business days or more before the payment is scheduled to be made. If you call we will also require you to put your request in writing and get it to us within 14 days after you call.

- b) Notice of varying amounts.

If these regular payments vary in amount, the person you are going to pay will tell you 10 days before each payment, when it will be made and how much it will be. You 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 you set.

TRANSACTIONS AVAILABLE

You may use your ACH services to perform the following transactions:

- Make deposits to your share or share draft/checking account;
- Pay bills directly from your share or share draft/checking account in the amounts and on the days you request;
- Authorize a merchant or other payee to make a one-time electronic payment from your share draft/checking account using information from your check to pay bills or pay for purchases; and
- Authorize a merchant or other payee to debit your share draft/checking account for returned check fees or returned debit entry fees.

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

➡ ***Additional Disclosures Applicable to ATM and POS Services***

RULES FOR USE

By using your ATM/POS Card with your personal identification number (PIN) at automated teller machines (“ATM’s”) or other electronic terminals operated by a participating institution, network system, or company (collectively “terminals”), you authorize us to effect the transactions from or to your share or share draft/checking account(s) in accordance with the instructions given at the terminals. All ATM/POS Card transactions are subject to the terms and conditions of your account agreements with us governing the affected accounts.

FEEES

When you use an ATM not owned by Central State Credit Union, you may be charged a fee by the ATM operator and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer. A fee will not be imposed for use of an ATM or Visa® Debit Card issued by Central State Credit Union for use of an electronic terminal operated by Central State Credit Union.

TRANSACTIONS AVAILABLE

You may use your ATM/POS Card to perform the following transactions:

- Make deposits to your share or share draft/checking account;
- Withdraw cash from your share or share draft/checking account;
- Transfer funds between your share and share draft/checking accounts;
- Make point-of-sale payments for goods and services to others from your share draft/checking account; and
- Make account balance inquiries.

Some of the transactions listed above may not be available at all terminals. All payments and deposits are subject to later verification by us.

LIMITATIONS ON TRANSACTIONS

You may make ATM cash withdrawals or POS transactions up to \$500 each 24-hour period as long as your available balance will cover the transaction. Various institutions which participate in networks of which the Credit Union is a member may have withdrawal limits different from the amount set forth herein. In the event that a specific ATM is so limited, you may not be able to withdraw more than the cash limit of that particular ATM.

ACCESS CARDS

All ATM Cards/Debit Cards are nontransferable and belong to the Credit Union. The Credit Union may cancel, modify and restrict the use of any ATM/Debit Card upon proper notice or without notice if your account is overdrawn or where necessary to maintain or restore the security of accounts on the ATM system.

FOREIGN TRANSACTIONS

Foreign Transactions in Foreign Currency- Purchases and cash advances made in foreign currencies will be billed to you in U.S. dollars. Transactions processed outside of the United States, or in a foreign currency may be charged a foreign transaction fee, regardless of whether there is a currency conversion associated with the transaction. The conversion rate in dollars will be a rate selected by Visa® from a 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 in each instance, plus a one percentage point (1%) fee charged by the Issuer.

Foreign Transactions in U.S. Currency- Purchases and cash advances made in foreign countries will be billed to you in U.S. dollars. Transactions processed outside of the United States, in U.S. dollars, may be charged a foreign transaction fee of point eight percent (.8%), regardless of whether there is a currency conversion associated with the transaction.

ATM SAFETY

An ATM provides a quick and convenient way to access your money. However, use caution and remember the following safety tips whenever you use an ATM:

- Be aware of the surroundings, particularly at night.
- Look for well-lighted ATM’s when transacting at night.
- If you notice anything suspicious when approaching the ATM, return later or use another ATM.
- Have your transaction ready before you go to the ATM. When you can, fill out any deposit or withdrawal slips/envelopes before leaving your vehicle.
- Have your ATM/Debit Card ready, to avoid going through your purse or searching through the contents of your wallet at the ATM site.
- If you notice anything suspicious while you are transacting business, immediately stop your transaction, put your ATM/Debit Card away and leave.
- Consider having another person accompany you to the ATM.
- Immediately report all crimes to the ATM operator and to local law enforcement officials.

- Stand close to the ATM and away from others in line to avoid detection of your PIN or other account information.
- Put your cash away as soon as the transaction is complete; count the cash later in the safety of your vehicle or home.
- Never give information to strangers at the ATM or to anyone over the phone. Be aware of fraud or people who pose as Credit Union employees who try to get information from you. This information should only be discussed in person by you at the Credit Union.
- Remember to keep your PIN a secret. Make sure not to write it on your ATM/Debit Card or anywhere else in your wallet; thieves can easily figure out the reason for “hidden” or “secret” numbers.

➡ ***Additional Disclosures Applicable to Visa® Debit Card Services***

ISSUANCE OF CARD

“Card” means the Central State Credit Union Debit Card and any duplicates, renewals, or substitutions the Credit Union issues to you; “Account” means the account designated on the application for your Debit Card.

RESPONSIBILITY FOR TRANSACTIONS

You are responsible for all transactions you make with the Card or that you authorize another person to make with the Card. You understand that if you disclose your Debit Card PIN to anyone, they will have access to all accounts identified by your account number.

LIMITATIONS ON DOLLAR AMOUNTS AND FREQUENCY OF TRANSACTIONS

You may make ATM cash withdrawals or point-of-sale ("POS") transactions using your Card and PIN up to \$1,000 in each 24-hour period as long as your available balance will cover the transaction. You may make Visa® Debit Card transactions up to \$2,500 in each 24-hour period as long as your available balance will cover the transaction.

Purchases and cash withdrawals made at merchants and financial institutions that accept cards with the Visa® logo will require an authorization number from Visa®.

USE OF THE CARD

You may use the Card and PIN to:

- Withdraw cash from your Account at ATMs, merchants, or financial institutions that accept Visa® Debit Cards;
- Transfer funds between your Account and another account you have with the Credit Union; and
- Make deposits to one of your accounts at the Credit Union.

You may use the Card without the PIN to:

- Purchase goods or services at places that accept Visa® Debit Cards (these are point-of-sale or POS transactions);
- Order goods or services by mail or telephone from places that accept Visa® Debit Cards;
- Order goods or services without a PIN by mail, online, or telephone at merchants who offer the payment transactions processed through the STAR, PULSE, CO-OP, ACCEL/Exchange or any other Debit Card network; and
- Make automatic payments from your Account to pay bills or other charges, providing that the person or organization that you are paying agrees to accept payments this way.

Some of these services may not be available at all terminals.

Use of the Card, the Account number on the Card, the PIN or any combination of the three for payments, purchases, or to obtain cash from merchants, financial institutions or others who honor Visa® Debit Cards is an order by you for the withdrawal of the amount of the Transaction from your Account. Each Transaction with the Card will be charged to your Account on the date the Transaction is posted to your Account. When the Credit Union receives notification of a Visa® Debit Card transaction, it will put a hold on an equivalent amount of funds in your share draft/checking account for 3 days.

All Debit Card transactions covered by this Agreement are subject to the terms and conditions of your Account agreements with us governing the affected Accounts, except as modified by this Agreement. Any future changes to your Account agreements may affect the use of the Card.

ILLEGAL USE OF VISA® DEBIT CARD

You agree that your Visa® Debit Card Account will not be used to make or facilitate any transaction(s) that are or might be construed to be illegal pursuant to applicable law, rule or ordinance, including but not limited to gambling. Said use, including any such authorized use, will constitute an event of default under this Agreement. You agree that the Credit Union has no liability, responsibility or culpability whatsoever for any such use by you or any authorized user(s). You agree that you are responsible for repayment of any and all debts incurred for these transactions. You further agree to indemnify and hold the Credit Union harmless from any suits, liability, damages or adverse action of any kind that results directly or indirectly from such illegal use.

OVERDRAFTS

You promise to pay the Credit Union immediately upon demand for any negative (overdraft) balance arising in your Account, unless you have available overdraft privileges. If you do not have overdraft privileges, the Credit Union may deduct the amount of any overdraft on your Account from any other account you have with the Credit Union. See Courtesy Pay disclosure for more information.

REFUSAL TO HONOR CARD

The Credit Union is not liable for the refusal or inability of any electronic terminal to honor the Card or to complete a withdrawal from your Account, or for their retention of the Card. The Credit Union is also not responsible for the refusal of any merchant or financial institution to honor the Card or for their retention of the Card.

FOREIGN TRANSACTIONS

Foreign Transactions in Foreign Currency- Purchases and cash advances made in foreign currencies will be billed to you in U.S. dollars. Transactions processed outside of the United States, or in a foreign currency may be charged a foreign transaction fee, regardless of whether there is a currency conversion associated with the transaction. The conversion rate in dollars will be a rate selected by Visa® from a 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 in each instance, plus a one percentage point (1%) fee charged by the Issuer.

Foreign Transactions in U.S. Currency- Purchases and cash advances made in foreign countries will be billed to you in U.S. dollars. Transactions processed outside of the United States, in U.S. dollars, may be charged a foreign transaction fee of point eight percent (.8%), regardless of whether there is a currency conversion associated with the transaction.

➔ *Additional Disclosures Applicable to Audio Response*

TRANSACTIONS AVAILABLE

You may use your Audio Response Service to perform the following transactions:

- Obtain account balances;
- Obtain account transaction history;
- Obtain current and prior year dividends earned;
- Obtain clearance of specific checks;
- Request a check withdrawal from your share or share draft/checking account;
- Transfer funds between your share and share draft/checking accounts;
- Transfer funds between accounts;
- Request a copy of a cancelled check; and
- Request a stop payment on a check you have written.

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

LIMITATIONS ON TRANSACTIONS

The maximum amount you may withdraw by check is \$10,000 during any 24 hour period. The minimum amount you may withdraw by check is \$5. The maximum number of withdrawals or transfers you may make from your Share Account is six (6) per calendar month.

➔ *Additional Disclosures Applicable to Online Banking*

Online Banking allows convenient access to your account information 24 hours a day. To use Online Banking you must have a computer, modem, Internet Service, browser, your account number, an access code, and a secret password.

TRANSACTIONS AVAILABLE

You may use Online Banking service to perform the following transactions:

- Obtain account balance;
- View account history;
- Obtain last dividend, date and amount;
- Obtain images of cancelled checks;
- Transfer funds between your share and share draft/checking accounts;
- Transfer funds from your Visa® Credit Card to your share or share draft/checking accounts;
- Send secure emails via the service's messaging system;
- Perform online check reorders;
- Download transaction information to personal financial management software from share or share draft/checking accounts;
- Use the Bill Pay service to pay your bills (optional service); and
- Access Online Statements.

LIMITATIONS ON TRANSACTIONS

The following are limitations to the use of the Credit Union's Online Banking Service:

No more than six (6) preauthorized, automatic, online or telephonic transfers made to another account at the Credit Union or to a third party or no more than six (6) transfers or withdrawals made by check, draft, debit card or similar order payable

to a third party may be made from each savings account or money market deposit account in any calendar month. If an Account Holder exceeds, or attempts to exceed, these transfer limits, the excess transfer requests may be refused or reversed, a fee may be imposed on the excess transfer requests, and the Credit Union may reclassify or close the account. Transfers initiated by telephone must be counted among the six monthly transfers, except that there are no limits on the number of withdrawals paid directly to an Account Holder when initiated by mail, telephone or messenger. There are no limits on the number of withdrawals if initiated in person.

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

➡ ***Regulations Relating to Fund Transfers***

APPLICABLE LAW

This agreement and notice applies to funds transfers as defined in the Article 4A of the Uniform Commercial Code and Subpart B of Regulation J of the Board of Governors of the Federal Reserve System.

FUNDS TRANSFER CUT-OFF TIME

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 will be at 1:00 p.m. P.S.T. on each weekday that the Credit Union is open excluding holidays. Payment orders, cancellations, or amendments received after the applicable cut-off time may be treated as having been received on the next funds transfer business day and processed accordingly.

SERVICE CHARGES/FEEES

The Credit Union may charge your account for the amount of any funds transfer initiated by you or by any person authorized by you as a joint tenant or other authorized party with the right of access to the account from which the funds transfer is to be made. Please refer to our Schedule of Fees and Charges for current fees.

SECURITY PROCEDURES

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.

USE OF FEDWIRES

If you send or receive a wire transfer, Fedwire may be used. Regulation J will govern Fedwire transactions, except to the extent of a conflict between Regulation E and Regulation J with respect to remittance transfers, in which case, Regulation E shall govern.

IDENTIFICATION OF BENEFICIARY

If you give the Credit Union a payment order which identifies the beneficiary (recipient of the funds) by both name and identifying or account number, payment may be made by the beneficiary's bank on the basis of the identifying or bank 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 identification number you provided the Credit Union.

IDENTIFICATION OF BENEFICIARY AND INTERMEDIARY BANK BY NUMBER

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 bank than the named bank.

This means that you will be responsible for any loss or expenses incurred by a receiving bank which executes or attempts to execute the payment order in reliance on the identifying number you provided.

PROVISIONAL ACH PAYMENTS

The Credit Union may at its discretion give you credit for automated clearinghouse (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 would be liable to repay the Credit Union.

NOTICE OF RECEIPT OF ACH FUNDS

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

RECEIPT OF INCOMING (NON-ACH) FUNDS TRANSFERS

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

PAYMENT OF DIVIDENDS (OR INTEREST)

If the Credit Union becomes obligated under Article 4A to pay interest (or dividends) to you, you agree that the rate of interest (or dividends) 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.

YOUR ABILITY TO WITHDRAW FUNDS

Our policy is to make funds from your cash and check deposits available to you on the first business day after the day we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once the funds are available, you can withdraw them in cash and we will use them 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 before the close of business on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after the close of business or on a day we are not open, we will consider that the deposit was made on the next business day we are open. Deposits made at an ATM on a Credit Union business day are not available until after 12:00 a.m. on the second business day.

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 the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. The first \$200 of your deposits, however, may be available on the first business day.

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

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 a check you deposit will not be paid.
- You deposit checks totaling more than \$5,000 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- There is an emergency, such as failure of computer or communications 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 7th 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 day we receive 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 after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over \$5,000 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,000 will not be available until the second business day after the day of your deposit.

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

HOLDS ON OTHER FUNDS (OTHER ACCOUNT)

If we accept for deposit a check that is drawn on another financial institution, 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.

DEPOSITS AT AUTOMATED TELLER MACHINES

Funds from any deposits (cash or checks) made at automated teller machines (ATM's) 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 ATM's that we own or operate.

IMPORTANT NOTICE ABOUT YOUR ACCOUNT(S) (CALIFORNIA RESIDENTS)

In accordance with California's Unclaimed Property Law, C.C.P. §1500, et seq., any funds held by the Credit Union (including, without limitation, funds in a share, share draft/checking, certificate, or other account, sums for the payment of cashier's checks, teller's checks, etc.) may be transferred to the Unclaimed Property Division of the California State Controller's Office if no activity occurs in the account within the time period specified by state law.

GENERAL TERMS AND CONDITIONS OF YOUR CREDIT UNION ACCOUNTS

DEFINITIONS

ACCOUNT AGREEMENT means any share, share draft/checking, or certificate account agreement.

MEMBERSHIP & ACCOUNT APPLICATION

The terms, conditions and information contained in the Membership & Account Application, and all amendments thereto, are by this reference hereby incorporated in their entirety into this Agreement and become an integral part of the General Terms and Conditions of the Credit Union Accounts.

ACCOUNT OWNERSHIP

Account proceeds are owned by the business or entity. Accounts may have multiple authorized signers, but an Authorized Signer on a business account is not an owner of the funds in the account.

When you open a business or DBA account, you may choose one of several types of ownership. You may wish to consult your tax advisor or attorney before opening any type of business account. The type of ownership you select depends on the legal structure of the business, how many people will sign on the account, how (or whether) they will share an interest in the account, and the purposes for which the account will be used. The type of ownership you select will be indicated on the Membership & Account Application you sign when you open the account.

The forms of ownership available include but are not limited to: Sole Proprietor Account, Partnership Account, General Partnership Account, Limited Partnership Account, Limited Liability Partnership Account, Limited Liability Company Account, Corporation Account, Community Organization Account, and Unincorporated Association Account.

Should the owner of a sole proprietorship business account die, the account proceeds will pass to his or her estate. Should the owner of another type of business entity die, the account will continue to belong to the business entity and we will honor the transaction request of Authorized Signers on the account who are still living, or if there are none, will honor the instructions of surviving authorized representatives of the business. Business accounts do not permit "joint Members" or Pay-on-Death beneficiaries.

BUSINESS ACCOUNTS

Your account is designed to be used for a business purpose. The Credit Union does not open or maintain the following accounts: businesses that violate federal or state law (such as businesses that directly or indirectly facilitate the production, sale, use or distribution of marijuana or marijuana products in any form), businesses believed to be connected with businesses in violation of federal or state law, gambling businesses, or businesses that present a degree of risk that we determine in our discretion that we do not have the capacity to manage (such as any money service businesses). You may not use your account primarily for personal, family or household purposes.

AUTHORIZED SIGNERS

Your Membership Application identifies who is authorized to make withdrawals, write checks, transfer funds, stop payments, obtain ancillary services (e.g. wire transfers), and otherwise give us instructions regarding your account (each an "Authorized Signer"). Additionally, if you authorize us to issue a duplicate Debit Card or ATM Card to someone, or if you give your Card, PIN, or account number to another person, you are authorizing that person to withdraw funds and perform other transactions on your accounts covered by this Agreement, regardless of any limits to which you and the authorized user have agreed. You are responsible for any transactions that person makes. We are not subject to agreements between you and other people limiting their access to your account.

We may pay any check that bears a signature or endorsement (including a facsimile signature) resembling an authorized signature on file with us. You agree that signatures by your authorized agents are valid, even if the principal agent relationship is not indicated on the check or instruction.

We may honor checks drawn against your account or other withdrawals by Authorized Signers, even if the withdrawal is 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. You should monitor the activities of your Authorized Signers carefully. You must take up any disputes regarding use of your accounts by Authorized Signers directly with those individuals. The only way you can terminate an Authorized Signer's ability to sign on your accounts is to notify us in writing.

To maintain the security of your accounts, we advise you to obtain a new Member number after you delete an Authorized Signer's authority to conduct business on your accounts. Because we have no control over the information (such as identifying information) or documents (such as blank checks) your Authorized Signer may have regarding you and your accounts, we will not be responsible for transactions by a former Authorized Signer unless you change your Member number.

We cannot recognize accounts that require more than one signature to transact business. Each Member, or each fiduciary if the account has co-fiduciaries, must be able to transact business alone.

OUR OBLIGATIONS TO FOLLOW YOUR INSTRUCTIONS

Subject to the terms of this Agreement and applicable law, we are required to follow written instructions transmitted to us on your accounts by any Authorized Signer on the account. We consider instructions received in writing or via electronic means such as Automated Clearing House (ACH) authorizations, Automated Teller Machine (ATM) keypads, Online Banking, or Audio Response to be “written” instructions. Our following the written instructions of any authorized person excuses us of any further legal obligation regarding the proceeds of the transaction. You agree to indemnify and hold us harmless from any claims, suits or liability that directly or indirectly result from our handling of your accounts consistent with an authorized person’s written instructions.

We have the right to refuse to honor your instructions if the instructions are uncertain, or if a signature appears not to be authentic, or if your account is not in good standing. If that happens, we will notify you. We also have the right to refuse to follow instructions if we reasonably believe they do not comply with state or federal law. We have the right to verify your identity in any reasonable manner before conducting business on your accounts.

Disputes – If there is a dispute about ownership or control of an account, the Credit Union may place a hold on the account and not release funds until the Credit Union receives either a court order or an instruction signed by all persons claiming an interest in the account.

ACCESS TO CREDIT UNION SERVICES

Although Credit Union membership eligibility may be based on place of employment, continued membership and access to credit union services are not employment benefits and may be provided or withheld based on credit union policies.

CONSENT TO CONTACT YOU

You agree that whenever you provide us with a telephone number in connection with any transaction, communication, application or agreement (including a cellular, residential, or other telephone number), you are giving us your prior express consent to contact you using that telephone number.

NOTICE

Notice to an Account Holder or Authorized Signer shall constitute notice to all persons authorized to have access to the account.

ENFORCEMENT OF LIENS

All funds in an account remain subject to any and all liens, including but not limited to statutory liens and/or consensual liens, security interests, rights of offset and charges, notwithstanding the source of the contribution.

PAYMENT ORDER OF ITEMS

We will pay checks, automated debits (ACH), Debit Card transactions, ATM withdrawals and point-of-sale transactions in the order presented to the Credit Union. Multiple checks presented for payment on the same day will be paid in check number order. For ACH transactions, deposits are posted first then debits are posted by settlement date, then lowest to highest amount. For ATM Card and Debit Card transactions, items are posted in the order received.

The Credit Union reserves the right to adjust the above processing times in its sole discretion.

FINANCIAL ABUSE REPORTING

Account Holder(s) understand(s) and agree(s) that the Credit Union may report known or suspected illegal or fraudulent activity including, but not limited to, the following:

- Financial abuse involving an elder or dependent adult;
- Where the ownership or collectibility of funds are subject to dispute; or
- Misuse or abuse of account services;

to appropriate law enforcement or government entities, as required or permitted by law. In addition, the Credit Union reserves the right to suspend, restrict, deny or terminate account services and activity, including the placement of an administrative hold (freeze) on account proceeds, or take such other actions as deemed necessary under the circumstances. Account Holder(s) agree(s) to indemnify and hold the credit union harmless from and against all claims, actions, damages, losses, and expenses, including attorneys’ fees, as a result of any action or inaction taken in relation to the matters described here.

NOTIFICATION OF CHANGES

Each Account Holder and Authorized Signer agrees to promptly notify us in writing of any change in address(es). If you fail to do so, we may send notices, statements or other important information to the address shown in our records and you agree to release us from any liability for doing so. You also agree to notify us in writing of any change in ownership or Authorized Signers, or if an owner or Authorized Signer dies or is placed under legal guardianship or conservatorship. We may, at our option, require a new Account Agreement to be completed before any such change takes effect. Any such changes shall not affect transactions previously made.

WAIVER OF CERTAIN RIGHTS

The Credit Union reserves the right to waive the enforcement of any of the provisions of this Agreement with respect to any transaction or series of transactions. Any such waiver will not affect the right of the Credit Union to enforce any of its rights with respect to later transactions and is not sufficient to modify the terms and conditions of this Agreement.

CONSUMER REPORTS

The Credit Union makes credit available to its members on a regular basis. The Applicant(s)/Account Holder(s) of the account authorizes the Credit Union to obtain consumer reports in connection with credit and business transactions involving the Applicant(s)/Account Holder(s), including but not limited to applying for membership, the opening of a share or share/draft account or the issuance of an ATM card, debit card, or other service provided by the Credit Union, and the Applicant(s)/Account Holder(s) of the account authorize any person, association, or corporation to furnish on request of this Credit Union, information concerning the affairs of the Applicant(s)/Account Holder(s). The Applicant(s)/Account Holder(s) also authorizes the Credit Union to furnish information concerning the account to consumer reporting agencies.

NEGATIVE CREDIT REPORTING

We may report information about your account to credit bureaus. Late payments, missed payments, or other defaults on your account may be reflected in your credit report.

REPORTING INACCURATE INFORMATION

If you believe the Credit Union is reporting inaccurate information to a credit reporting agency, please notify us at Central State Credit Union, P.O. Box 1329, Stockton, CA 95201, so we can investigate.

POST-DATED SHARE DRAFTS/CHECKS

The Credit Union will treat all share drafts/checks as though the share draft/checks were written on the date presented. The Credit Union shall not be liable for payment of a postdated check or preauthorized debit on the date presented unless a stop payment has been placed in accordance with Credit Union policy and procedure.

EXAMINATION OF STATEMENTS

The Account Holder(s) to whom the periodic statement of account is sent agree(s) to exercise reasonable care and promptness in examining the statement to discover any errors or discrepancies, and to promptly notify the Credit Union after discovery thereof.

NON-CASH PAYMENTS

Non-cash payments deposited into an account may be credited subject to final payment.

FEES AND CHARGES

All accounts shall be subject to service charges in accordance with fee schedules adopted by the Credit Union as amended from time to time.

CREDIT UNION'S RIGHT TO OFFSET

Account Holder(s) agrees that the Credit Union has the right to offset against any account of any Account Holder to cover any amount owing to the Credit Union for any reason. Account Holder(s) understand that this means that the Credit Union has the right to impress and enforce a statutory lien against the Account Holder(s)'s share and dividends in the event of the failure of the Account Holder(s) to satisfy any financial obligation due and payable to the Credit Union. Account Holder(s) understand that the Credit Union may enforce this right without further notice except as otherwise prohibited by law. An obligation incurred by a fictitious business name account can be offset against any Credit Union accounts in which the individual has an interest.

This consent by you is in addition to our statutory right to impress a lien on an Account under applicable state and/or Federal law in the event you fail to meet your payment obligations to us. Our exercising these rights will not be an election of remedies and will not impair our rights to pursue any other remedies we may have against you.

TERMINATION OF MEMBERSHIP

Once you become a member of Central State Credit Union, you may always remain a member; however, Central State Credit Union has the right to terminate your membership for any of the following reasons:

1. Conviction of a criminal offense involving moral turpitude.
2. Failure to carry out contracts, agreements or obligations with the Credit Union.
3. Refusal to comply with the provisions of the California Credit Union Law or of the Credit Union bylaws.

In addition, the Credit Union reserves the right to limit or deny services, and if appropriate, restrict your access to Credit Union premises, to anyone who, in its sole discretion, poses an undue risk to the Credit Union or its membership, including, but not limited to:

1. Causing willful destruction or damage to Credit Union property.
2. Acting without civility in dealings with Credit Union officers, employees and volunteers.

ATTORNEYS' FEES

You agree to pay the Credit Union all of our costs and reasonable attorneys' fees, including all collection costs, litigation costs, skip-tracing fees, and outside services fees incurred while we are enforcing our rights under this Agreement.

GOVERNING LAW

This Agreement shall be construed in accordance with the laws of the State of California, including the California Uniform Commercial Code (UCC), without giving effect to its conflict of law provisions or your actual state or country of residence. To the extent permitted by applicable law, you agree that any legal action regarding this Agreement shall be brought in the county in which the Credit Union's headquarters office is located.

➔ ***Share Account Agreement***

TRANSFERS TO THIRD PARTIES

No more than six (6) preauthorized, automatic, online or telephonic transfers made to another account at the Credit Union or to a third party or no more than six (6) transfers or withdrawals made by check, draft, debit card or similar order payable to a third party may be made from each savings account or money market deposit account in any calendar month. If an Account Holder or Authorized Signer exceeds, or attempts to exceed, these transfer limits, the excess transfer requests may be refused or reversed, a fee may be imposed on the excess transfer requests, and the Credit Union may reclassify or close the account. Transfers initiated by telephone must be counted among the six monthly transfers, except that there are no limits on the number of withdrawals paid directly to an Account Holder when initiated by mail, telephone or messenger. There are no limits on the number of withdrawals if initiated in person.

WITHDRAWALS, PRIOR NOTICE REQUIREMENT

The Credit Union reserves the right to require prior written notice of intention to withdraw all or any part of shares not to exceed the notice requirement as set forth in the Credit Union's bylaws. Cash withdrawals exceeding \$3,000 may require seven business days prior notice. The Credit Union may limit total cash withdrawals within seven business days to a maximum of \$25,000.

➔ ***Share Draft/Checking Account Agreement***

WITHDRAWALS, APPROVED METHODS

Only share draft/check blanks and other methods approved by the Credit Union may be used to withdraw funds from a share draft/checking account.

ELECTRONIC CHECK CONVERSION

Upon prior notification from the merchant to the Account Holder, a purchase made with a share draft/check can be converted to a one-time electronic fund transfer (EFT) if authorized by the Account Holder. The Account Holder may also authorize merchants to electronically debit the account for returned check fees. It is agreed that the Account Holder authorizes the electronic funds transfers if the transaction is completed after being told (orally or by a notice posted) that the transfer may be processed electronically or if the Account Holder signs a written authorization.

DEMAND DRAFTS

The Credit Union may pay and charge to the applicable share draft/checking account, share draft/checks drawn by and payable to any person, organization, association or corporation that has been authorized by an Account Holder to be paid, by the provision of MICR encoded information on the account. It is agreed that the Credit Union's rights in respect to such share draft/checks shall be the same as if it were a share draft/check drawn and signed by an Account Holder(s) personally. This authority shall remain in effect until revoked by an Account Holder in writing. It is agreed that the Credit Union shall be fully protected in honoring such share draft/checks. It is further agreed that if any such share draft/check is dishonored, whether with or without cause, and whether intentionally or inadvertently, the Credit Union shall incur no liability whatsoever, even though such dishonor results in the forfeit of insurance, loss or damage of any kind.

OVERDRAFTS

The Credit Union is under no obligation to pay a share draft/check which exceeds the available balance in an account; the Credit Union may, however, pay such a share draft/check and recover or obtain a refund of the amount of the resulting overdraft plus applicable service charges from any of the Account Holders of this account, each of whom expressly agrees that each Account Holder is jointly and severally liable for any and all overdrafts of this account and any and all associated costs created by any Account Holder. See Courtesy Pay disclosure for more information.

COURTESY PAY DISCLOSURE

The Credit Union recognizes that sometimes you may overdraw your share draft/checking account. In such cases the Credit Union may decide to honor drafts for which there are insufficient funds. This is the Credit Union's Courtesy Pay Program. The Credit Union provides the Courtesy Pay Program as an accommodation to you and is not obligated to do so, even when it has done so in the past. You do not apply for this service.

Qualification

To be eligible for the Courtesy Pay Program, the member must meet all of the following criteria:

- Must be a member in good standing;
- Share draft/checking account must be opened for a minimum of thirty (30) days;
- Account has not had a negative balance for more than five (5) consecutive days during the first thirty (30) days of account opening;

- Cannot be delinquent on any Credit Union loans or other obligations to the Credit Union beyond thirty (30) days;
- Account must not have any legal or administrative orders, levies, garnishments, or bankruptcy proceedings on the account;
- Must not have an outstanding balance on an Overdraft Repayment Plan;
- Account must have minimum monthly deposits totaling at least \$500;
- Authorized Signors must not have a negative record reported to a consumer credit reporting agency;
- Account must not be a fiduciary trust or escrow account;
- Account must not be flagged as dormant;
- Must not have any extended holds on the share draft/checking account or any other accounts with the Credit Union;

Only one (1) account per Taxpayer ID Number will be eligible to receive the Courtesy Pay service. If the member maintains more than one account with the Credit Union, the member must designate which account may obtain the service.

Description of Service

The Credit Union may honor overdrafts, including checks, automated debits (ACH), debit card transactions, ATM withdrawals, and point-of-sale transactions.

Unless the Credit Union currently has your affirmative consent (opt-in) on file, we will not approve your overdrafts for ATM withdrawal or debit card transactions. You must tell us you want overdraft coverage for these transactions. To request overdraft coverage for your ATM withdrawal or debit card purchases, contact us at (209) 444-5300 or write to us at P.O. Box 1329, Stockton, CA 95201-1329. Complete the Overdraft Consent Form, which is provided with this disclosure, and return it to any Credit Union branch or mail it to us at the address shown. The Credit Union will provide you with written confirmation of your opt-in choice.

When an overdraft is covered, the account will be taken negative by the dollar amount of the overdraft, plus the amount of the Courtesy Pay fee. The Courtesy Pay Program fee is a flat fee charged for each overdraft item presented and paid by the Credit Union. The Credit Union will not charge the Courtesy Pay fee for an item that causes an overdraft balance amount of \$10 or less. The charge for the Courtesy Pay service is described in our Fee Schedule. If your account remains overdrawn for more than ten (10) business days and to the extent permitted by applicable law, you may also be assessed a Sustained Overdraft Fee for each additional day your account has a negative balance.

If we honor multiple overdrafts, we may honor them in the order presented to the Credit Union or return any such items. The Credit Union reserves the right to adjust the processing times in its sole discretion. Refer to "Payment Order of Items" in the General Terms and Conditions of Your Credit Union Accounts for information regarding payment order of items. The maximum dollar amount of overdrafts the Credit Union will cover for each member is \$500, including the Courtesy Pay fee.

When the Credit Union honors overdraft items, you must deposit funds immediately, but in no case more than thirty (30) days from the date of any notice sent to you. To satisfy your obligation in bringing your account positive, funds deposited to cover a negative balance must remain in the account until the next business day. If you fail to cover the total overdraft amount within thirty (30) days, the Credit Union may pursue all collection options available to it. The Credit Union may, but is not obligated to, transfer funds from your other accounts with us to cover the overdraft.

The Courtesy Pay service is a discretionary privilege offered to members and not a right of membership. The Credit Union encourages you to properly maintain your accounts with us. You agree that the Credit Union will not be held liable for either paying or refusing to pay any overdraft item. The Credit Union reserves the right to discontinue this service at any time without any notice.

If you do not want the Courtesy Pay service you must complete an opt-out form. To obtain this form, call the Credit Union at (209) 444-5300 or write to us at P.O. Box 1329, Stockton, CA 95201-1329.

STALE-DATED SHARE DRAFT/CHECKS

The Credit Union is under no obligation but may pay a share draft/check which is presented more than six (6) months after it is dated. The Credit Union may assess a special handling charge upon receipt of any such item in addition to a service charge upon the account in accordance with the fee schedules adopted by the Credit Union and as amended from time to time. However, the Credit Union shall not be liable for payment of a stale dated check.

LOST OR STOLEN SHARE DRAFT/CHECKS

You are responsible for taking reasonable measures to keep your checks secure. Do not leave your checks in the possession of someone who is not an owner on your account. If your checkbook or any check has been lost or stolen, please notify any Credit Union office or the Member Service Call Center immediately. The Credit Union may, in its sole discretion, close your account and open a new one for you. Outstanding checks will not be paid under the old account number, unless you have given us specific written instructions to pay them and sufficient funds are available to do so. No electronic debits will be paid under the old account number, and you are responsible for completing new instructions to transfer them to the new account if you so desire.

STOP PAYMENTS

Any Account Holder(s) or Authorized Signer(s) of this account may stop payment of any item drawn against the account. The Stop Payment Order must describe the item with reasonable certainty and must be received in such time and manner as to afford the Credit Union a reasonable opportunity to act upon it. A Stop Payment Order is effective for six (6) months, but it lapses after 14 calendar days if the original order was oral and was not confirmed in writing within that 14 day period. The Stop Payment Order may be renewed in writing for an additional six (6) month period.

TRUNCATION OF DRAFTS

The Account Holder(s) and any Authorized Signer(s) acknowledges that share draft/checks are truncated and hereby waives any and all rights to receive the items without prejudice to any of the Credit Union's defenses available under the California Uniform Commercial Code (UCC).

LIABILITY OF CREDIT UNION

Except for its own lack of good faith or gross negligence, the Credit Union is not liable for any action it takes regarding the payment or nonpayment of a share draft/check, even if nonpayment results in the forfeit of insurance, loss or damage of any kind.

CLOSURE OF ACCOUNT

The Credit Union may close a share draft/checking account at any time. Closure of a share draft/checking account will not affect the obligation to pay any outstanding balances or charges owed.

FOR SHARE DRAFT/CHECKING ACCOUNTS WITH SHARE OVERDRAFT PROTECTION

If any Account Holder(s) writes a share draft/check that would result in the share draft/checking account being overdrawn, the Credit Union is authorized to charge the designated share account(s), regardless of which party signed the item, in such multiples as determined by the Credit Union sufficient to permit the Credit Union to honor the share draft and any associated fees and to credit such charge to the share draft/checking account. No share draft/check overdraft may be paid by charging a share account if, as a result of such charge, that share account would be subject in any one month to more than six pre-authorized, automatic or telephonic transfers.

