

Deposit Account Agreement, Truth-In-Savings Disclosure and Funds Availability Disclosure

**Notice: Read and retain this copy of
your Agreement and Truth-in-Savings
Disclosure for future reference.**

EFFECTIVE NOVEMBER 1, 2017

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- SECTION 1 -

ACCOUNT AGREEMENT AND TRUTH-IN-SAVINGS DISCLOSURE

In the following Agreement and Disclosure, the words "I", "me", "mine", "my", "us", and "our" mean each and all of those (whether one or more persons) who are subject to this Agreement and Disclosure as a result of signing an Account Signature Card for one or more deposit account(s) with you. The words "you", "your" and "yours" mean Foothill Federal Credit Union (FFCU), also known as Foothill Credit Union.

FFCU bylaws, which you may amend from time to time, establish basic rules about credit union policies and operations which affect my account and membership. I may obtain a copy of the bylaws on request.

PART I. PAYMENT OF DIVIDENDS

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

For specific dividend rate(s) for each type of dividend-bearing deposit account, I will refer to the attached Dividend Rate Sheet, which is incorporated by this reference.

For all accounts except Term Share Accounts, dividends will be compounded daily and will be credited monthly. Dividends on Term Share Accounts are compounded and will be credited as set forth in my Term Share Certificate. For all accounts except Term Share Accounts the dividend period is monthly, for example, the beginning date of the first dividend period 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 follows the ending date of a dividend period, and for the example is February 1.

If I close any of my dividend earning accounts before dividends are credited, I will not receive the accrued dividends.

Balance Computation Method: For all accounts, dividends are calculated by the daily balance method, which applies a daily periodic rate to the balance in the account each day.

Dividends will begin to accrue on the business day I make the deposit.

Dividends cannot be guaranteed.

PART II. TERMS AND CONDITIONS

TERMS AND CONDITIONS APPLICABLE TO ALL ACCOUNTS:

1. I must be and remain a member in good standing to maintain any account with you. To remain a member in good standing I must meet the account balance minimums for the account type I hold. If I reduce my primary share account balance below \$5.00 and do not increase the balance to at least \$5.00 within thirty (30) days of the reduction, I may be terminated from membership at the end of a dividend period.
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, I may not make more than six (6) withdrawals or transfers to another credit union account of mine or to a third party by means of a preauthorized or automatic transfer or telephonic order or instruction. If I exceed the transfer limitations set forth above in any statement period, my account will be subject to closure by you.
3. Your delay in enforcing any of the terms and conditions of this Agreement and Disclosure shall not prohibit you from enforcing such terms and conditions at a later date.
4. You reserve the right upon thirty (30) days written notice to change any provision of or establish new provisions to this Agreement and Disclosure.
5. You reserve the right to refuse to open any account or to service or accept additional deposits to any existing accounts. The maximum allowable aggregate deposit balance is \$2.5 million per member.
6. I authorize you to accept items payable to any account owner for deposit to my account from any source without questioning the authority of the person making the deposit, and to give cash back to any authorized signer(s) or designated agent on any check payable to any one or more of the account owners, whether or not it is endorsed by me.
7. You may endorse and/or collect items deposited to my account without my endorsement, but may require my personal endorsement prior to accepting an item for deposit. If I deposit items which bear the endorsement of more than one person or persons that are not known to you or that require endorsement of more than one payee, you may refuse the item or require all endorsers to be present or to have their endorsements guaranteed before you accept the item.
8. I understand and agree that you may utilize automated means to process checks and other items written on or deposited to my account. Although you may manually review checks or other items drawn on my account, I understand and agree reasonable commercial standards do not require you to do so.

9. You will deliver all statements and other notices only to the person whose signature appears first on the Account Signature Card. I shall exercise reasonable care and promptness examining my statements and must promptly notify you of any error or unauthorized payment including but not limited to an altered item or an unauthorized signature. If I fail to uphold these duties, I understand and agree I am precluded from asserting the error or unauthorized payment against you if you: 1) suffer a loss on the item because of my failure; or 2) you pay on another item presented by the same wrongdoer if the payment was made before I properly notified you. Notification must be within sixty (60) days of the date of the statement. If I fail to uphold my duties but I can prove that you failed to exercise ordinary care in the payment of the relevant items, then the above preclusion will not apply and the loss on the items will be allocated between you and me to the extent our respective actions contributed to the loss. If I have failed to examine my statement and report any unauthorized item within one (1) year after my statement or the item has been made available to me, I cannot recover from you even if you failed to exercise ordinary care in paying the item.
10. You or I may terminate an account(s) at any time. I understand, however, that your authority may not be changed or terminated except by written notice to you which will not affect prior transactions. Moreover, if you receive conflicting claims to funds in an account you hold, you may, at your discretion, restrict the account and deny access to all; close the account and send the funds to the owner or owners of the account according to your records at the statement mailing address; interplead all or any portion of the funds from an account to the court; or hold the funds, without liability to anyone, pending resolution of the claim to your satisfaction.
11. You reserve the right to close any account(s) discovered to be deliberately manipulated to your detriment and/or your membership. "Manipulation" includes, but is not limited to, kiting and repeated patterns of transactions which have no apparent business reason other than to take advantage of Regulation "CC" hold periods and/or "interest float" to your detriment.
12. You may recognize the signature of anyone who signed an Account Signature Card as authorized to transact business on that account. Any payment made on my account by you in good faith and in reliance on the terms and conditions of this Agreement and/or Disclosure, any Term Share (Certificate) Account Agreement and Disclosure Statement and the Account Signature Card shall be valid and discharge you from liability. Without limitation to the foregoing, you may honor checks drawn against my account by authorized signers, even if the checks are made payable to them, to cash or for deposit to their personal accounts. You have no duty to investigate or question withdrawals or the application of funds.
13. If a check or other item which you cash for me or which I deposit to my account is returned to you as unpaid for any reason, you may charge my account for the amount of the check or other item. This may include, among other circumstances, checks which were paid originally and later are returned to you accompanied by documentation indicating that the endorsement is forged or unauthorized or that the item has been altered in any way. You may charge my account for the amount without questioning the truth of such documentation. You may also charge back any amount of accrued or paid dividends related to the returned check.
14. I understand and agree that Individual, Joint, Trust and Pay-on-Death accounts may be subject to Multiple Party Accounts Law, Division 5 of the California Probate Code, as now in effect or hereafter amended.
15. Ownership for the primary share account and all sub-accounts shall be established and determined by the most recent Account Signature Card. Therefore, the ownership on all accounts (except IRA Accounts) shall be the same, including those on term share (Certificate) accounts. A different form of ownership may be established by executing a new Account Signature Card and a new account number will be assigned. 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.
16. Owner(s) agree that any and all sums heretofore or hereafter on deposit shall be subject to withdrawal or receipt by any owner and any such payment shall be valid and discharge you from any liability.
17. I agree to notify you promptly of any change of address. I may notify you in person at your office or by sending a written and signed notice to Foothill Federal Credit Union, P.O. Box 660130, Arcadia, CA 91066-0130.
18. I am required to keep you informed of my current address. In the event that I fail to do this, a charge as set forth in the Schedule of Fees may be made to my 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 my address.
19. All non-cash payments shall be credited subject to final payment on the day of deposit. My right to withdraw the funds represented by certain checks, savings or other items I deposit may be delayed for several days. I will be notified if my right to withdraw will be delayed. I will refer to the Credit Union's Disclosure of Funds Availability Policy for further details.
20. All accounts are subject to your current Schedule of Fees, which accompanies this Agreement and Disclosure attached hereto and is incorporated by this reference.

You shall debit such charges against any account I own (including accounts on which I am a joint owner) except my IRA Accounts. If there are insufficient funds available, the charges are payable on demand and, for checking accounts, will be treated as an overdraft.

21. I agree that you will not be responsible for any damages I incur in the event I deposit an item with you which is subsequently returned unpaid by the paying bank and that return is "late" due to markings on the back of the check caused by me or a prior endorser.
22. Although you are not obligated to, you may pay or accept checks and other items bearing restrictions or notations (e.g., "Void after 6 months", "Void over \$50.00," "Payment in Full," and the like), whether on the front or back, in any form or format. If I cash or deposit an item or write a check with such notation, I agree that it applies only between me and the payee or maker. The notation will have no effect on you, and I agree to accept responsibility for payment of the item. I agree to indemnify and hold you harmless from any claim or alleged loss of any maker or payee involving such notations, whether I am the maker or payee or the funds are otherwise deposited into an account in which I have an interest.
23. California law states that inactive account balances must be turned over ("escheat") to the state after a period of three (3) years if I have not:
 - a) Increased or decreased the amount of any of my account(s) with you or presented an appropriate record for crediting of dividends or cashed a dividend check from any of my accounts with you (if the account statements are sent to the same address); or
 - b) Correspond in writing or electronically with you concerning any of my accounts with you; or
 - c) Otherwise indicated an interest in any of my accounts with you as evidenced by a memorandum on file with you.

You may charge a fee for mailing an escheat notice and/or a monthly service charge for an inactive account. Refer to the current Schedule of Fees for details.
To recover funds turned over to the state, I must file a claim with the state.
24. You reserve the right to require that withdrawals made from my deposit accounts be made in minimum amounts as established from time to time by Board policy.
25. You may but are not obligated to transfer funds from my savings accounts or loan accounts on my written or oral request. I understand and agree that no transfer will be made unless there are sufficient available funds on deposit or sufficient credit available at the time of transfer. I agree that any such transfer(s) will be processed only on your "business days." If a transfer is to occur on a day other than a business day, such transfer will occur on the next business day. Moreover, if funds are not available for the transfer on the day authorized, the transfer will occur when sufficient funds become available.
26. Federal law requires you to report certain domestic currency transactions and foreign transactions. This reporting applies to all member accounts at the Credit Union.
27. You agree to retain and furnish to me, if requested, copies of certain records pertaining to my account and that these records will be available to me for the time frame required by law. I agree to pay applicable fees as listed in your Schedule of Fees for those copies.
28. In the event that a cashier's, teller's, or certified check is lost or stolen, I must execute and deliver to you a written Declaration of Loss and Claim for Reimbursement in a form acceptable to you and in time for you to have a reasonable time to act therein. I further understand and agree that the Declaration of Loss and Claim Reimbursement is not enforceable until the later of (i) the time the Declaration of Loss and Claim for Reimbursement is properly delivered to you, or (ii) the 90th day following the date of the cashier's or teller's check, or the 90th day following the date of the acceptance of a certified check. I agree to indemnify you for any loss or claim occasioned by your attempting to, or making, my stop payment.
29. I authorize you to gather whatever credit, checking account and employment information you consider appropriate from time to time. I understand that this will assist you, for example, in determining my initial and ongoing eligibility for my account and/or in connection with making future credit opportunities available to me. I authorize you to give information concerning your experiences with me to others.
30. Federal law requires that you obtain and have certified by me a Taxpayer Identification Number (TIN) on all accounts. You will not open an account without this identification number. For additional information on this requirement, refer to Section 2 of this disclosure entitled "Instructions for Reporting Taxpayer Identification Number and Certification".
31. I understand and agree that you must comply if you are served with any notice of garnishment or of attachment, tax levy, injunction, restraining order, subpoena or other legal process relating to my account that you reasonably believe is valid. You may charge a Compliance With Legal Process fee, and you may assess this fee against any account I maintain with you, including the account that is the subject of the legal process.

32. In the event that a negative balance is created in my deposit account (whether due to ATM activity, nonsufficient funds activity, Credit Union imposed fees and charges, or otherwise) or I have other outstanding financial obligations of any kind owed to you, I understand that I am responsible to cover such activity, bringing account back in good standing, immediately. I understand and agree that you may transfer funds to such account from any other deposit account (excluding IRA's), including account(s) upon which I am a joint owner, in an amount equal to the negative account balance or the outstanding obligation.
33. 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 my account must be commenced within one year after the cause of action occurs.
34. I agree to indemnify, defend and hold you and your employees harmless from and against every claim, demand, action, cost, loss, liability and expense (including, without limitation, attorney's fees) which you incur by acting in accordance with this Agreement and Disclosure or as a result of my failure to abide by its terms.
35. My account will be governed by California law, to the extent that California law is not inconsistent with controlling federal law. However, California's choice of law rules shall not be applied if that would result in the application of non-California law.
36. Member accounts in this Credit Union are federally insured by the National Credit Union Share Insurance Fund.

TERMS AND CONDITIONS APPLICABLE TO ALL INDIVIDUAL AND JOINT ACCOUNTS:

1. If there is more than one owner, all agree with each other and with you that all sums now paid in or hereafter paid in by 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 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 you from any liability.
2. You are not obligated to inquire as to the source of funds received for deposit to a joint account or to inquire as to the proposed use of any sums withdrawn from the account for the purpose of establishing net contributions.
3. No transfer of voting rights or other membership privileges is permitted by virtue of a transfer of funds.
4. Being a joint owner of an account does not constitute credit union membership for the joint owner. Joint owners may be non-members.
5. Except as set forth herein or in the applicable loan agreement(s), I may pledge any or all of the funds on deposit in an account as security for any loan(s) subject to then current loan policies. Further, a pledge of funds by any one of us shall be binding on all of us. I may not withdraw funds that are pledged as security on loan(s) without the written approval of a loan officer, except to the extent that such funds exceed my total primary and contingent liability to you. I may not withdraw any funds below the amount of my primary or contingent liability to you if I am delinquent as a borrower, or if borrowers for whom I am comaker, endorser, or guarantor are delinquent, without the written approval of a loan officer.
6. A right of survivorship arising from the express terms of a joint account cannot be changed by will.

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

1. If I have made a Pay-On-Death (P.O.D.) designation on my Account Application, this designation will apply to all my Credit Union share accounts with the exception of IRA Accounts. If I wish to change beneficiaries I must complete a new Account Application Designation of Beneficiary. All sums in such accounts are payable on request to me during my lifetime and upon my death to my 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 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 owner(s), all sums are divided equally among the surviving P.O.D. payees.
2. A Pay-On-Death designation cannot be changed by will.

TERMS AND CONDITIONS APPLICABLE TO TRUST ACCOUNTS (TOTTEN TRUST):

1. I may open this account individually or with a joint owner(s) acting as Trustee(s) who name another as beneficiary(ies) on the Totten Trust Agreement. If there is more than one owner, all agree with each other and with you that all sums now paid in or hereafter paid in by 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 to survivorship and 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 you from any liability.
2. In the event of my death or, if the account is held by more than one person, upon the death of my survivor owner(s), then and only then, you shall pay such account funds to the Beneficiary if then living (if more than one Beneficiary is designated then equally to those Beneficiaries living at the later of the date of my death or

the death of my survivor owners), but if no Beneficiary is living at my death or the death of my survivor owner(s), you shall pay such account funds to my estate or the estate of my survivor owner(s). There is no right of survivorship between Beneficiaries.

3. I may not pledge any or all of the funds on deposit in the account as collateral security for any loan(s).
4. A right of survivorship or a Beneficiary designation in such a trust account cannot be changed by will.

TERMS AND CONDITIONS APPLICABLE TO ALL CUSTODIAL ACCOUNTS:

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

TERMS AND CONDITIONS APPLICABLE TO ALL FIDUCIARY ACCOUNTS:

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

TERMS AND CONDITIONS APPLICABLE TO ALL SOLE PROPRIETORSHIP ACCOUNTS:

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

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

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

TERMS AND CONDITIONS APPLICABLE TO ALL REGULAR SHARE ACCOUNTS:

1. The minimum balance required to open the primary share account is \$5.00.
2. I must maintain a minimum average daily balance of \$150.00 in my account to obtain the disclosed Annual Percentage Yield (APY).

TERMS AND CONDITIONS APPLICABLE TO YOUTH ACCOUNTS:

MoneyLand

1. MoneyLand will be offered to members between ages 0-8.
2. The minimum balance required to open the primary share account is \$5.00.
3. I must maintain a minimum average daily balance of \$5.00 in my account to obtain the disclosed Annual Percentage Yield (APY).
4. Special rates and incentives for this account are subject to change at any time without notification.
5. The Moneyland account will automatically be switched to the Money101 account when the child reaches 9 years of age.

Money101

1. Money101 will be offered to members between ages 9-12.
2. The minimum balance required to open the primary share account is \$5.00.
3. I must maintain a minimum average daily balance of \$5.00 in my account to obtain the disclosed Annual Percentage Yield (APY).
4. Special rates and incentives for this account are subject to change at any time without notification.
5. The Money101 account will automatically be switched to the Money\$mart account when the child reaches 13 years of age.

Money\$mart

1. Money\$mart will be offered to members between ages 13-17.
2. The minimum balance required to open the primary share account is \$5.00.
3. I must maintain a minimum average daily balance of \$25.00 in my account to obtain the disclosed Annual Percentage Yield (APY).
4. Special rates and incentives for this account are subject to change at any time without notification.
5. The Money\$mart account will automatically be switched to the MoneyBound account when the child reaches 18 years of age. If the teen had a Money\$mart checking the account will automatically be switched to a MyChoice Checking account. The Standard Courtesy Pay option will be automatically provided on the account at this time. If the member would like the Courtesy Pay Option for ATM and Debit Card transactions the member will need to sign the authorization form. Refer to the MyChoice Checking account and Courtesy Pay disclosures within for specific details and account features.

MoneyBound

1. MoneyBound will be offered to members between ages 18-24.
2. The minimum balance required to open the primary share account is \$5.00.
3. I must maintain a minimum average daily balance of \$50.00 in my account to obtain the disclosed Annual Percentage Yield (APY).
4. Special rates and incentives for this account are subject to change at any time without notification.
5. The MoneyBound account will automatically be switched to the standard personal account when the member reaches 25 years of age.

TERMS AND CONDITIONS APPLICABLE TO ALL CHECKING ACCOUNTS:

1. The minimum deposit to open a Rebound checking account is \$50. There are no minimum deposit requirements to open a Protection Plus checking account, a Rewards checking account, a Simply Free checking account or a Money\$mart checking account.
2. I must maintain a minimum average daily balance of:
 - a) There is no monthly service fee for my Simply Free checking Account or Money\$mart checking account.
 - b) \$1,500.00 in my Business checking account to avoid a monthly service fee. I can also avoid the monthly service fee by maintaining combined deposits of \$5,000 or more in my business account.

If, during any month, my Business checking account average daily balance is below the required minimum, or if any of my accounts are in default, my checking account will be subject to a service fee for that month as set forth in the Schedule of Fees and Charges.

3. Simply Free checking accounts do not earn dividends.
4. You may, at your discretion, but are not obligated to nor shall you 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 you ("overdrafts").
 - b) If drawn by means not authorized in advance by you.
 - c) Against checks presented over six (6) months past their dates.

5. You may pay and charge to my applicable account, checks drawn by and payable to any person, organization, association or corporation whom I have authorized by providing sample MICR encoded information identifying my account, provided there are sufficient funds in my account to pay such checks. I agree that your rights in respect to such checks shall be the same as if it were a check drawn and signed by me personally. This authority shall remain in effect until revoked by me in writing (to you and to the agency to whom the sample MICR writing was provided) and you have had a reasonable opportunity to act on it. I agree that you shall be fully protected in honoring such checks. I further agree that if any such check is dishonored, whether with or without cause, and whether intentional or inadvertent, you shall be under no liability whatsoever, even though such dishonor results in the forfeit of insurance, loss or damage to me of any kind.
 6. If you have made good faith payment to a holder, you may charge my account according to:
 - a) The original terms of my check; or
 - b) The terms of my completed check unless you have notice that any such completion is improper.
 7. I, or any other person authorized to draw on the account, may order stop payment of any check payable against my account, provided my request is timely and affords you a reasonable opportunity to act upon it under your rules. I may also stop payment on a Line of Credit check. A stop payment fee will be assessed for each stop payment as set forth in your Schedule of Fees. If I give a stop payment order orally, the order shall be valid for only fourteen (14) days thereafter unless confirmed in writing. Written orders shall be valid no longer than six (6) months, but may be renewed for additional six (6) month periods by written notice given during the time that the stop payment order was effective. I have the burden of establishing the fact and amount of loss resulting from payment contrary to a binding stop payment order.
 8. Death, dissolution or incompetence of me (or any of us) shall not revoke your authority to accept, pay or collect a check or to account for proceeds of its collection until you know of the fact of death or adjudication of incompetence and have the reasonable opportunity to act on it. Even with knowledge, you may for ten (10) days after the date of death, dissolution or incapacity, pay or guarantee checks drawn on or prior to that date unless ordered in writing to stop payment by a person claiming an interest in the account under rules established by you. We shall notify you if any of us die, become incapacitated or our organization is dissolved.
 9. If you have paid a check under circumstances giving a basis for objection by me, you shall be subrogated to the rights of:
 - a) Any holder in due course on the check against the drawer or maker;
 - b) The payee or any other holder of the check against the drawer or maker either on the item or under the transaction out of which the item arose; and
 - c) The drawer or maker against the payee or any other holder of the check with respect to the transaction out of which the check arose.
 10. You may without liability accept, pay, guarantee or charge checks to the account in any order convenient to you.
 11. In the event of wrongful dishonor which occurs by mistake, your liability shall be limited to actual damages I prove. In the event of a dishonor of any check, share draft or other debit on my account, your determination of whether sufficient funds exist in my account may be made at anytime between the time the item is received and the time it is returned. If you should choose to make a subsequent account balance check, you must use the last figure in deciding whether to dishonor the check, share draft or other debit.
 12. You are neither given notice or otherwise affected by a restrictive endorsement of any person or entity except your immediate transferor.
 13. I agree that in the event I draw a check on my account with you that I will hold you harmless and indemnify you from any liability I incur due to a delay or misrouting of the check where the delay or misrouting is caused by markings placed on the check by me or a prior endorser that obscure any depository endorsement placed by you or your agent.
 14. I may authorize all checks from my Checking Account(s) to be cleared pursuant to a separate written "Automatic Overdraft Protection Request" from which I must execute. I agree that overdrafts, if paid in excess of funds in any Line of Credit or Regular Share Account, are payable on demand. If overdrafts are to be covered by a transfer of funds from my Regular Share Account(s), such transfer(s) will generally be made only if there are sufficient funds available at the time of transfer. Overdrafts, if paid in excess of funds available in any Share Account, are payable on demand.
 15. You may recognize the signature of anyone who signed the Account Signature Card as authorized to transact any business on this account including, but not limited to, the causing or making of overdrafts (for which all of us shall be liable) and endorsement of checks payable to any signer of this account.
 16. No funds in this account may be pledged by any or all of said owner(s) as security for any loan(s).
 17. If the Account Signature Card is signed by more than one person, we hereby appoint each other as agents and attorneys in fact to overdraft any of our savings or loan accounts (including accounts on which we are joint owners except IRA accounts).
 18. If this is an ORGANIZATION account (i.e., corporate, partnership or unincorporated association account), the persons authorized to sign on this account certify that they are duly appointed officers of said organization and have the authority to transact business of any character whatsoever in connection with this account.
 19. I will notify you immediately if my checks are lost or stolen.
 20. As a convenience to me, you will submit my initial order and reorders for personalized checks to the printer named on the face of the order. If the printer accepts the initial order and reorders, the printer will mail the checks either directly to me or to me in care of you. I authorize you to charge my checking account for the cost of delivered checks ordered, plus applicable sales tax and shipping costs, at the fee set forth in the current Schedule of Fees and Charges.
 21. This is a truncated checking account. Checks are provided with carbonless copies and are not returned with statements. I may request and you will provide me with a legible copy of a requested item within a reasonable time. Copies may be obtained online through Foothill@home free of charge, otherwise refer to the schedule of fees for possible charges. If I have not ordered my Credit Union checks through your approved check vendors, I understand and agree that you are not responsible for the quality of any check copy that I request from you.
 22. You may charge against my account a postdated check even though payment is made before the date of the check. However, if I notify you within a reasonable time to permit you to act and identify the check with reasonable certainty, you cannot pay the check until the due date. Notice may be written or oral. 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 as set forth in your Schedule of Fees may be assessed for this service.
- SPECIAL TERMS AND CONDITIONS APPLICABLE TO PROTECTION PLUS AND REWARDS CHECKING ACCOUNTS**
23. The Protection Plus and Rewards checking accounts are qualifying checking accounts that will pay step rate dividends. The actual end of day checking account balance for each day is taken to calculate a daily dividend. The daily dividend amount is stored for the dividend period then posted to the account as one total at the end of the dividend period. The special predetermined step rates are subject to change at any time without notification. The dividend period is monthly and the dividend will be posted to the account at month end.
 - a) To qualify for the special dividend, I must do all of the following:
 - i. maintain a valid email address on the primary account record,
 - ii. elect to receive E-Statements without cancellation of the service,
 - iii. perform at least 10 signature debit or POS debit transactions per month (note: regular ATM cash withdrawals are excluded and signature debit transactions are only counted when posted against the account meaning authorizations will not count during any given month), and iv. transact at least one ACH direct deposit, ACH debit, or Bill Payment per month on the Protection Plus or Rewards checking account.
 - b) Qualifying checking accounts will receive a special step rate calculated separately and dividend paid on each of the following balance tiers:
 - i. \$0 - \$2,500
 - ii. \$2,500.01-\$5,000
 - iii. \$5,000.01-\$10,000
 - iv. \$10,000.01 and up
 - v. refer to our Rate Sheet for the current dividend rate paid on each balance tier
 - c) Qualifying Protection Plus and Rewards checking accounts will receive reimbursement of ATM fees for out-of-network charges (including internal FFCU ATM fees) charged against the Protection Plus and Rewards checking account only, throughout a given month, up to a maximum of \$20 per month. ATM fees in excess of \$20.00 per month will be assessed against the Protection Plus and Rewards checking accounts and will not be reimbursed.
 - d) For qualifying accounts, dividends are calculated using the method of day-in to day-out with no compounding. You determine the effective balance at the end of each day in the dividend period. You calculate the dividends separately for each balance tier for each day in the period, and then add the daily dividends together to determine the actual dividends for the period. Dividend calculations are based on a 365 day year. The daily dividend amount is not added to the share balance until actual dividends are posted for the specified dividend period.

Note: This dividend calculation method is TISA (Truth-In-Savings Act) compliant.

- e) Non-qualifying checking accounts will not receive a dividend for the dividend period. Non-qualifying checking accounts will not receive reimbursement of ATM fees (including both foreign and on-us fees paid throughout the month).
- f) the Protection Plus and Rewards checking accounts are subject to all other terms and conditions applicable to all checking accounts set forth in your Deposit Account Agreement, Truth-In-Savings Disclosure, Electronic Fund Transfer Disclosure, and Funds Availability Disclosure.
- g) One Protection Plus and Rewards checking account allowed per member.
- h) You reserve the right to:
 - i. change any and all terms of the account at any time (notification may or may not be provided depending on the change per guiding regulations),
 - ii. discontinue the account at any time,
 - iii. refuse to open an account to any member or any non-member.
- i) There is a monthly fee for the Protection Plus checking account. Please refer to the Schedule of Fees for current fee amount.
- j) There is a monthly fee for the Rewards checking account. Please refer to the Schedule of Fees for current fee amount. The fee on the Rewards checking account may be reduced for each qualifying event all the way down to no fee in any given month. The fee will be reduced by \$1 for each qualifying event all the way down to zero if all three is met. Refer to 23. a. ii, iii, and iv of this disclosure for the three qualifying events that will reduce the monthly fee.

SPECIAL TERMS APPLICABLE TO THE MONEY\$MART CHECKING ACCOUNTS

24. The Money\$Smart checking account is a parent authorized account. At least one parent or guardian must be a joint owner on the account at all times. A special teen debit card will be issued with the following daily limit defaults: \$100 ATM, \$100 POS and \$100 signature debit. The parent may request to change the daily limits at anytime. The teenager would not be able to amend the limits without parent authorization. The Money\$Smart checking account is excluded from Courtesy Pay.

SPECIAL TERMS APPLICABLE TO REBOUND CHECKING ACCOUNTS

- 25. The Rebound Checking account is subject to approval when the applicant has a record with Chexsystems. There are special terms for this account as follows:
 - a. There is a monthly service fee of \$6.
 - b. There is a minimum balance requirement of \$50. If at any time in a given month the account balance falls below the required minimum balance there will be a minimum balance fee of \$10 assessed at month end against the account.
 - c. Account requires direct deposit and E-statements to remain open
 - d. The account is subject to closure at anytime without advance notice, if there are overdrafts, return deposits, ATM deposit adjustments or similar types of events.
 - e. If there are no overdrafts, return deposits, ATM deposit adjustments or similar types of events in a twelve month period then the account will convert to the free MyChoice Checking account.

TERMS AND CONDITIONS APPLICABLE TO MONEY MARKET ACCOUNTS:

- 1. The minimum balance required to open this account is \$1,000.00.
- 2. I must maintain a minimum average daily balance of \$1,000.00 in my account to obtain the disclosed Annual Percentage Yield. If the account balance falls below \$1,000.00, then the account earns dividends at the same rate paid on regular share accounts.
- 3. The minimum amount I may withdraw or transfer is \$250.00. Withdrawal(s) or transfer(s) or less than \$250.00 will not be honored unless the account balance is less than \$1,000.00, in which case the account will be closed and funds will be transferred to my primary savings account.
- 4. Federal Reserve Board regulations require an early withdrawal penalty of seven (7) days' dividends on amounts withdrawn within the first (6) days after deposit.
- 5. Checks may be provided with this account upon request, but no more than three (3) checks may clear in any monthly dividend period. Terms and conditions applicable to checking accounts will apply to checks used on this account.

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

- 1. The terms and conditions set forth in my Term Share (Certificate) and Disclosure are incorporated by this reference.
- 2. IRA share certificate accounts may be opened with a minimum deposit of \$2,000.00.

TERMS AND CONDITIONS APPLICABLE TO LIVING TRUST ACCOUNTS:

- 1. The terms and conditions set forth in my "Application for Joint Membership and Agreement for Credit Union in the Name of Trustee(s)" are incorporated by this reference.

TERMS AND CONDITIONS APPLICABLE TO INDIVIDUAL RETIREMENT ACCOUNTS:

- 1. The minimum balance required to open a regular share IRA account is \$50.00. Additional deposits are permitted to contributory IRAs only. Not to exceed maximum contribution limits for the year as defined by the IRS.
- 2. I may not pledge any of the funds on deposit in the account as security for any loan(s).
- 3. Certain federal and state penalties apply to amounts withdrawn from IRA accounts. These are set forth in applicable federal and state law and regulations which are incorporated by this reference.

PART III (A) DISCLOSURE OF FUNDS AVAILABILITY FOR ALL CREDIT UNION ACCOUNTS

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

For determining the availability of my deposits, everyday is a business day, except Saturdays, Sundays, and Federal holidays. If I make a deposit before close of business on a business day that you are open, you will consider that day to be the day of your deposit. However, if I make a deposit after close of business or on a day you are not open, I will consider that the deposit was made on the next business day you are open.

LONGER DELAYS MAY APPLY

In some cases, you will not make all of the funds that I deposit by check available to me on the first business day after my deposit. Depending on the type of check that I deposit, funds may not be available until the second business day after the day of my deposit. The first \$200 of my deposit, however, will be made available no later than the next business day.

If you are not going to make all the funds from your deposit available on the first business day after your deposit, you will notify me at the time I make the deposit. You will also tell me when the funds will be available. If my deposit is not made directly to one of your employees (for example, at an ATM, or Night Drop), or if you decide to take this action after I have left the premises, you will send me notification by the day after you receive my deposit. I can avoid holds by using direct deposit or wire transfer.

Deposits Made at FFCU Owned and Operated Automated Teller Machines (ATMs): Funds from any deposits (cash or checks) made at ATMs you do own and operate may not be available until the second business day after the day of my deposit.

Deposits at Nonproprietary Automated Teller Machines (ATMs): Funds from any deposits (cash or checks) made at nonproprietary ATMs you do not own or operate may not be available until the fifth business day after the day of my deposit.

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

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

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

In many cases, you make funds from my deposited checks available to me sooner than you are able to collect good funds on the checks. This means that, from time to time, a deposited check may be returned unpaid after you made the funds available to me. Please keep in mind that even though you make funds from a deposited check available to me and I withdraw the funds, I am still responsible for problems with the deposit. If a check I deposited is returned to you as unpaid for any reason, I will have to repay you and you may charge my account for the amount of the check, even if doing so overdraws my account.

SPECIAL RULES FOR NEW ACCOUNTS

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

Funds from electronic direct deposits to my 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 checks, teller's checks, travelers cheques and federal, state and local government checks will be available on the first business day of my deposit if the deposit meets certain conditions. For example, the checks must be payable to me and deposited directly to one of your employee's. The excess over \$5,000 will be available no later than the ninth business day after the day of my deposit.

If my deposit of these checks (other than U.S. Treasury check) is not made in person to one of your employees, the first \$5,000 will not be available until the second business day after the day of my deposit. Funds from all other check deposits will be available no later than the ninth business day after the day of my deposit.

OTHER METHODS OF HOLDS ON FUNDS

HOLDS ON OTHER FUNDS (CHECK CASHING): If you cash a check for me that is drawn on another bank, you may withhold the availability of a corresponding amount of funds that are already in my account. Those funds will be available at the time funds from the check you cashed would have been available if I had deposited it.

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

IV. (B) SPECIAL NOTICE REGARDING ENDORSEMENT STANDARDS.

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

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

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

- SECTION 2 - SPECIAL DISCLOSURES AND NOTICES

CUSTOMER IDENTIFICATION PROGRAM

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 me: When I open an account, you will ask for my name, address, date of birth, and other information that will allow you to identify me. You may also ask to see my driver's license or other identifying documents.

INSTRUCTION TO PAYER'S REQUEST FOR TAXPAYER IDENTIFICATION NUMBER AND CERTIFICATION (IRS FORM W-9)

If you have any questions as to which number to use contact the Internal Revenue Service at www.irs.gov.

COURTESY PAY DISCLOSURE

General Terms

An insufficient balance could result in several ways, such as (1) the payment of checks, electronic funds transfers or other withdrawal requests; (2) payments authorized by you; (3) the return of unpaid items deposited by you; (4) the assessment of service charges; or (5) the deposit of items which, according to your credit union's Funds Availability Policy, are treated as not yet available or finally paid. We are not obligated to pay any item presented for payment if your account does not contain sufficient funds. However, if you maintain your account in good standing (defined as making regular deposits and bringing your account to a positive balance at least once every 30 days) and there are no legal orders outstanding and no delinquent FFCU loans, we may approve your reasonable overdrafts as a non-contractual courtesy.

Normally, we will not approve an overdraft for you in excess of the predetermined overdraft limit assigned to your account type. So as not to exceed your limit, you should note that the amount of the overdraft plus the credit union's standard non-sufficient fund fee (per item) will be deducted from the overdraft limit. We may refuse to pay an overdraft for you at any time, even though we may have previously paid overdrafts for you. We have no obligation to notify you before we pay or return any item. The amount of any overdraft plus our non-sufficient funds handling fee(s) that you owe us shall be due and payable upon demand. If there is an overdraft paid by us on an account with more than (1) owner on the signature card, each owner and agent, if applicable, drawing/presenting the item creating the overdraft, shall be jointly and severally liable for such overdraft plus our non-sufficient funds handling fee(s).

Courtesy Pay Standard Option

This non-contractual courtesy of paying overdrafts requires no account holder action for

the Courtesy Pay Standard Option and no additional agreements need to be signed. If in good standing, after 30 days from opening, the Courtesy Pay Standard Option will be automatically available on your checking account. The standard option will cover the following items:

- Checks and other transactions made using your checking account number, including checks cashed at a teller window
- Automatic bill payments
- Recurring debit card transactions
- ACH withdrawals

Courtesy Pay Opt-In Option for ATM/One Time Debit Card Transactions

The Courtesy Pay Opt-In Option allows Foothill Federal Credit Union to also authorize ATM and one-time debit card transactions when enough funds are not available. To include this option with the Standard Option, you must sign an opt-in form and return it to Foothill Federal Credit Union.

Courtesy Pay Limits

The Courtesy Pay limit is determined by your current account relationship with Foothill Federal Credit Union. Whether you have a Performance, Prestige or MyChoice checking account, your account is protected by our Standard Courtesy Pay program. Accounts with deposit or loan balances ranging from \$0.00 - \$9,999.00 have an automatic \$500.00 courtesy pay limit and accounts with balances over \$9,999.00 have a \$1,000.00 courtesy pay limit. If your account relationship level changes then your courtesy pay limit is subject to change at anytime, without prior notification.

Courtesy Pay Opt Out

Courtesy Pay should not be viewed as an encouragement to overdraw your account. As always, we encourage you to manage your finances responsibly. In the event you would like to have this service removed from your account, you can do so at anytime by simply calling (626) 445-0950 or toll free at (866) 995-FFCU. You may also complete a Courtesy Pay waiver/Opt-out form located within our forms sections at our website, www.foothillcu.org. The Courtesy Pay waiver/opt-out form will remove Courtesy pay for both options. Please keep in mind that the NSF fee will be assessed to our account whether or not the item is paid on all of the Standard Options.

You should note that your Courtesy Pay limit will not be reflected in your balance provided at the ATM or through Foothill@Home or FASTTELLER.

LIMITATIONS: Courtesy Pay is a non-contractual courtesy which is available to individually/jointly owned accounts in good standing for personal or household use. Foothill Federal Credit Union reserves the right to limit participation to one account per household and to discontinue this service without prior notice.

OVERDRAFTS

"Overdraft" means there is not enough available balance in my account to pay for a transaction. If you pay for an overdraft, my account will be charged a fee of \$28. The \$28 fee is described in your Schedule of Fees, which is updated periodically.

Please note that for ATM and one-time debit card transactions, I must affirmatively consent to this coverage. Without my consent, Foothill may not authorize and pay an ATM or one-time debit card transaction that will result in insufficient available funds in my account.

The following is important information regarding my account balance, how transactions are posted to my account, and when an overdraft fee will be charged. I should read these disclosures carefully. If I have questions, please see a branch representative or call (866) 995-FFCU.

MY CHECKING ACCOUNT BALANCE. My checking account has two kinds of balances: the "actual" balance and the "available" balance. Both can be checked when I review my account online, at an ATM, by phone, or at a branch. It is important to understand how the two balances work so that I know how much money is in my account at any given time. This section explains actual and available balances and how they work.

My actual balance is the amount of money that is actually in my account at any given time. It reflects transactions that have "posted" to my account, but not transactions that have been authorized and are pending. While the term "actual" may sound as though the number I see is an up-to-date display of what is in my account that I can spend, that is not always the case. Any purchases, holds, fees, other charges, or deposits made on my account that have not yet posted will not appear in my actual balance. For example, if I have a \$50.00 actual balance, but I just wrote a check for \$40.00, then my actual balance is \$50.00 but it does not reflect the pending check transaction. So at that point, I actually have \$50, but I have already spent \$40.

My available balance is the amount of money in my account that is available to me to use without incurring an overdraft fee. The available balance takes into account things like holds placed on deposits and pending transactions (such as pending debit card purchases) that the Credit Union has authorized but that have not yet posted to my account. For example, assume I have an actual balance of \$50 and an available balance of \$50. If I were to use my debit card at a restaurant to buy lunch for \$20, then that merchant could ask Foothill to pre-authorize the payment. In that case, you will put

a "hold" on my account for \$20. My actual balance would still be \$50.00 because this transaction has not yet posted, but my available balance would be \$30 because I have committed to pay the restaurant \$20. When the restaurant submits its bill for payment (which could be a few days later), you will post the transaction to my account and my actual balance will be reduced by \$20.

Available balance is used to determine when my account is overdrawn. The following example illustrates how this works:

Again, assume my actual and available balance are both \$50, and I swipe my debit card at a restaurant for \$20. A hold is placed on my account, so my available balance is only \$30. My actual balance is still \$50. Before the restaurant charge is sent to you for processing, a check that you wrote for \$40 clears. Because I have only \$30 available (I have committed to pay the restaurant \$20), my account will be overdrawn by \$10, even though my actual balance is \$50. In this case, you may pay the \$40 check, but I will be charged an overdraft fee of \$28. That fee will be deducted from my account, further reducing the balance.

It is very important to understand that I may still overdraw my account even though the available balance appears to show there are sufficient funds to cover a transaction that I want to make. This is because my available balance may not reflect all of my outstanding checks and automatic bill payments that I have authorized, or other outstanding transactions that have not been paid from my account. In the example above, the outstanding check will not be reflected in my available balance until it is presented to you and paid from my account.

In addition, my available balance may not reflect all of my debit card transactions. For example, if a merchant obtains my prior authorization but does not submit a one-time debit card transaction for payment within three (3) business days of authorization (or for up to thirty (30) business days for certain types of debit card transactions), you must release the authorization hold on the transaction. The available balance will not reflect this transaction once the hold has been released until the transaction has been received by you and paid from my account.

HOW TRANSACTIONS ARE POSTED TO YOUR ACCOUNT. There are basically two types of transactions in my account: credits or deposits of money into my account, and debits or payments out of my account. It is important to understand how each is applied to my account so that I know how much money I have and how much is available to me at any given time. This section explains generally how and when you post transactions to my account.

Credits. Most deposits are added to my account when you receive them. For some checks I deposit, only \$200 will be made available at the time of deposit; the balance will be available two (2) business days later. There may be extended holds on checks over \$5,000. Thus, my available balance may not reflect the most recent deposits to my account. For details on the availability for withdrawal of my deposits, see the section of my Account Agreement entitled "Funds Availability Policy."

Debits. There are several types of debit transactions. Each type of debit transaction is described generally below. Keep in mind that there are many ways transactions are presented for payment by merchants, and the Credit Union is not necessarily in control of when transactions are received.

- **Checks.** When I write a check, it is processed through the Federal Reserve system. You receive data files of cashed checks from the Federal Reserve each day. The checks drawn on my account are compiled from these data files and paid each day. You process the payments from low to high check number.
- **ACH Payments.** You receive data files every day from the Federal Reserve with Automated Clearing House or ACH transactions. These include, for example, automatic bill pays I have signed up for. Each day, ACH transactions for my account are grouped together and paid in low to high dollar value order.
- **Point of Sale (POS) Debit Card Transactions.** These are transactions where I use my debit card and I enter my PIN number at the time of the sale. They are similar to ATM withdrawals because money is usually deducted from my account immediately at the time of the transaction. However, some POS transactions are not presented for payment immediately; it depends on the merchant.
- **Signature Debit Card Transactions.** These are transactions where I make a purchase with my debit card and I do not enter my PIN but I am instead asked to sign for the purchase. As described above, in these situations, the merchant may seek prior authorization for the transaction. When that happens, you generally place a temporary hold against the available funds in my account. You refer to this temporary hold as an "authorization hold," and the amount of the authorization hold will be subtracted from my available balance. Authorizations are deducted from my available balance but not my actual balance as they are received by you throughout each day. At some point after I sign for the transaction, it is processed by the merchant and submitted to you for payment. This can happen hours or sometimes days after I signed for it, depending on the merchant and its processing company. These payment requests are received in real time throughout the day and are posted to my account as they are received. Please note: the amount of an authorization hold may differ from the actual payment because the final transaction amount may not yet be known to the merchant when the authorization request is submitted. For example, if I use my card at a restaurant, a hold will be placed in the amount of the bill presented to me, but when the transaction

posts it will include any tip that I may have added to the bill. This may also be the case where I swipe my debit card at gas stations and hotels and other retail establishments. You cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for payment.

This is a general description of how certain types of transactions are posted. These practices may change and you reserve the right to pay items in any order you chose as permitted by law.

I may receive multiple deposit and withdrawal transactions on my account in many different forms throughout each business day. This means that I may be charged more than one \$28 fee if we pay multiple transactions when my account is overdrawn.

The best way to know how much money I have and avoid paying overdraft fees is to record and track all of my transactions closely.

ADDITIONAL TERMS

The Overdraft Service is not a credit product and requires no credit application. The service will only be applied to my Checking Account if:

- I have no negative account history with any financial institution;
- I maintain my Membership in good standing;
- My loans with you and credit cards are not past due;
- There are no legal or administrative orders or levies against my Checking Account.

You are not obligated to pay any overdraft, even if I execute this agreement. You will decide to pay overdrafts on a case-by-case basis, in your sole and absolute discretion. However, you shall not pay any check or other item/transaction if my negative Checking Account balance is, or if I were to make payment pursuant to the terms and conditions of this Agreement would become, greater than my assigned Overdraft limit, less any applicable fees. (Please refer to the Courtesy Pay section of this disclosure for more information regarding assigned Overdraft limits.) This means that the fees are applied towards my total overdraft limit. You may change or remove my limit at any time without prior notice. I can be notified electronically by enrolling in e-notices of any nonsufficient funds checks, items, or other transactions that have been paid or returned; however, I understand that you have no obligation to notify me before you pay or return any check, item, or other transaction. You may refuse to pay any overdrafts without first notifying me even though my account is in good standing and even if you have paid previous overdrafts.

For my overdrafts cleared, I promise to immediately pay you all sums, including the fees and charges for this service advanced to me or any other person I permit to use my Checking Account and/or who causes an overdraft on my Checking Account.

I also agree that you have the right to transfer available funds from my other accounts I may have with you to cover the overdrawn check and pay the related fees. I understand and agree that you may transfer funds to my Checking Account from any of my other account(s) with you (excluding IRA accounts), including account(s) upon which I am a joint owner, in an amount equal to the overdrawn check, item, or other transaction which you may pay according to the terms and conditions of this Agreement and to pay the related fees. In addition to any other rights that I may have, I agree that any deposits or future deposits or other credits to any account in which I may now or in the future may have an interest are subject to your right of off-set for any liabilities, obligations, or other amounts owed to you by us (e.g., overdrafts and any related fees and charges) and such is applicable irrespective of any contribution to the account or source of funds in the account. Moreover, unless I "opt-out" of the Overdraft service by calling the telephone number below, I 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 my account. Each person who causes an overdraft, which is paid by you, is a maker and agrees to be individually and jointly obligated to repay the unpaid negative balance in accordance with the terms and conditions of this Agreement. You reserve the right to limit Overdraft Service to one (1) account per household or Member without notice of reason or cause.

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

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

You also offer overdraft protection plans, such as a link to a share/savings* account or a PAL (Pre-Approved Line of Credit) **, which may be less expensive than your standard overdraft practices. To learn more, I may contact a Foothill representative about these plans.

You reserve the right to change the terms of this Agreement, including the amount of the overdraft fee, subject to written notice to me.

IF I DO NOT UNDERSTAND THIS AGREEMENT OR HAVE ANY QUESTIONS, I MAY CONTACT YOU AT (866) 995-FFCU, MONDAY THROUGH THURSDAY, 8 AM TO 5 PM, FRIDAY, 8 AM TO 6PM AND SATURDAY, 9:30 AM TO 1:30 PM PACIFIC TIME.

If I prefer not to have Overdraft Service, I may contact you at (866) 995-FFCU, during the same business hours mentioned above.

*Transaction limitations apply.

**An approved PAL is required.

ARBITRATION; CLASS ACTION WAIVER; JURY TRIAL WAIVER

All disputes or claims arising out of or relating to this Agreement, or your use of FFCU's products and services, or the relationships that arise from this Agreement or your use of FFCU's products and services, whether based in contract, tort or otherwise, shall be resolved by binding individual arbitration pursuant to the rules applicable to consumer arbitrations adopted by Judicial Arbitration and Mediation Services (JAMS) in effect at the time the claim is made, or such similar rules as may be adopted by JAMS. Neither I nor FFCU shall invoke the right to arbitration for any claim filed by me or FFCU in small claims court so long as the claim is pending only in that court.

This arbitration provision shall be interpreted and enforced in accordance with the Federal Arbitration Act in Title 9 of the US Code. The filing fees and costs of the arbitrator shall be paid by FFCU. However, the parties shall each be responsible for and pay their respective costs, including attorneys' fees, incurred by them in preparing and presenting their cases during the arbitration proceedings. Arbitration hearings will be held in the United States in the county or comparable government district nearest your residence at the time the arbitration is commenced, or at another location if mutually agreed. A single arbitrator shall be appointed by JAMS in accordance with applicable JAMS rules and shall be a retired judge. The arbitrator shall have experience and knowledge regarding financial institutions and transactions. Any issue concerning whether or the extent to which a dispute or claim is subject to arbitration, including by not limited to issues relating to the validity or enforceability of these arbitration provisions, shall be determined by the arbitrator. The arbitrator, however, shall not be entitled to determine whether any claims are subject to class or collective arbitration; all such issues shall be determined exclusively by the Court. All statutes of limitations or other defenses relating to the timeliness of the assertion of a dispute or claim that otherwise would be applicable to an action brought in a court of law shall be applicable in any such arbitration, and the commencement of an arbitration under this Agreement shall be deemed the commencement of an action for such purposes. Judgment upon the award rendered in arbitration shall be final and may be entered in any court, state or federal, having jurisdiction. Any relief available in a court of law can be awarded by the arbitrator.

Any arbitration or action shall be solely between the parties to this Agreement and no class arbitration, class action, or other representative action shall be permitted, nor shall the arbitration or action be joined or consolidated with any other arbitration or action. I AND FFCU HEREBY MUTUALLY WAIVE THE RIGHT TO TRIAL BY JURY OF ALL DISPUTES, CONTROVERSIES AND CLAIMS BY, BETWEEN OR AGAINST EITHER ME OR FFCU WHETHER THE DISPUTE, CONTROVERSY OR CLAIM IS SUBMITTED TO ARBITRATION OR IS DECIDED BY A COURT.

This Agreement does not preclude me from informing any federal, state or local agency or entity of my dispute. Such agency or entity may be able to seek relief on my behalf.

If I do not consent to arbitration, I can opt out by sending a written request to FFCU within sixty (60) days of my receipt of this Agreement. The opt-out shall be signed by me and mailed to FFCU at: **Foothill Federal Credit Union Attn: Arbitration Opt-Out, c/o Operation Services, P.O. Box 660130, Arcadia, CA 91066-0130. Please provide full name, address, telephone number, and account number. Make sure to include my**

choice to opt-out of this arbitration agreement. Opting out of this arbitration clause will not terminate this Agreement or affect any other rights and obligations I or FFCU have under the terms of this Agreement.

If any term or provision of this Notice of Arbitration Agreement is held to be invalid or unenforceable, the remaining provisions shall be enforced. It is the intent of the parties that unconscionable or unenforceable terms shall be severed to carry out the parties' intention to arbitrate any and all disputes that are subject to this Notice of Arbitration Agreement.

VENUE

Where mandatory arbitration is prohibited by law, the exclusive forum for any litigation or other action arising out of or relating to this Agreement, my use of FFCU's products or services, or the relationships that arise from this Agreement shall be a court of law in the United States in the applicable United States District Court or state court where I reside at the time the action is commenced. If I do not reside in the United States at the time the action is commenced, then the exclusive forum for any such litigation or other action shall be the United States District Court for the Southern District of California or the Superior Court of the State of California for the County of Los Angeles.

SANCTIONS

If I engage in any type of abusive conduct towards a FFCU employee, you may impose sanctions against me, including: denial of access to FFCU premises; denial of services which involve direct contact with FFCU employees, either in person, via telephone, or through electronic media; and/or denial of all services and expulsion from FFCU consistent with the FFCU bylaws.

FORCE MAJEURE

You shall not be liable for failure of performance due to causes beyond your reasonable control, including without limitation acts of God, fire, explosion, vandalism, storm or other similar catastrophes; any law, order, regulation, direction, action or request of the United States government, or of any other government, including foreign, state and local governments having jurisdiction over the parties to this Agreement and Disclosure, or of any department, agency, commission, court, bureau, corporation or other instrumentality of any one or more of said governments, or of any civil or military authority, national emergencies, insurrections, riots, wars, or strikes, lock-outs, work stoppages or other labor difficulties.

Severability

If any provision of this Agreement and Disclosure is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. FFCU may permit some variations from the standard agreement, but it must agree to any variation in writing either on the account agreement or in some other credit union document. No oral statement by any credit union employee will alter any agreement between FFCU and me.

