



CREDIT UNION

Bringing Your Dreams To Realitysm

**MEMBER ACCOUNT
AGREEMENT
&
DISCLOSURE**

Effective: January 1, 2017

**PLEASE RETAIN THIS IMPORTANT
DOCUMENT FOR YOUR RECORDS**

MEMBER ACCOUNT AGREEMENT AND DISCLOSURE

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In this Member Account Agreement and Disclosure (hereinafter referred to as "Agreement"), the words YOU, YOUR and YOURS mean each and all of those (whether one or more persons) who are subject to this Agreement as a result of signing an Account Signature Card for one or more deposit accounts with us. The words WE, US, OUR and CREDIT UNION mean SOUTHLAND CREDIT UNION. The terms, conditions and information contained in the Account Signature Card, and all amendments thereto, are by this reference hereby incorporated in their entirety into this Agreement and become an integral part of this Agreement. This Agreement governs your accounts with us and related services, and replaces all prior agreements with the Credit Union regarding them. By signing the Credit Union's Account Signature Card for your account or using your account or any service we provide, you will be considered to have received and agreed to this Agreement.

You should retain a copy of this Agreement (and any information that the Credit Union provides you regarding changes to this Agreement) for as long as you maintain your account with us.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT. To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.
WHAT THIS MEANS FOR YOU: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

PART I: BINDING ARBITRATION CONSENT AND AGREEMENT

BINDING ARBITRATION CONSENT AND AGREEMENT:

You and we agree to attempt to informally settle any disputes arising out of, affecting, or relating to your accounts or your relationship with us. If that cannot be done, you and we agree that any claim or dispute between us ("Claim") that is filed or initiated after the Effective Date (as defined below) of this Binding Arbitration Consent and Agreement, even if the Claim arose prior to the Effective Date of this Binding Arbitration Consent and Agreement, that arises out of or relates to this Agreement, your accounts or your use of our products or services shall, at the election of either you or us, be resolved by BINDING ARBITRATION administered by the American Arbitration Association ("AAA") in accordance with its applicable rules and procedures for consumer disputes ("Rules"), whether such Claim is in contract, tort, statute, or otherwise. The Rules can be obtained on the AAA website free of charge at www.adr.org; or, a copy of the Rules can be obtained at any Credit Union branch upon request. AS A RESULT, IF EITHER YOU OR WE ELECT TO RESOLVE A PARTICULAR CLAIM THROUGH ARBITRATION, YOU WILL GIVE UP YOUR RIGHT TO GO TO COURT TO ASSERT OR DEFEND YOUR RIGHTS UNDER THIS AGREEMENT (EXCEPT FOR CLAIMS BROUGHT INDIVIDUALLY WITHIN SMALL CLAIMS COURT JURISDICTION, SO LONG AS THE CLAIM REMAINS IN SMALL CLAIMS COURT). This Binding Arbitration Consent and Agreement will be interpreted and enforced in accordance with the Federal Arbitration Act in Title 9 of the U.S. Code to the fullest extent possible, notwithstanding any state law to the contrary, regardless of the origin or nature of the Claim. You acknowledge that this Binding Arbitration Consent and Agreement does not prevent you from submitting any issue relating to your accounts for review or consideration by a federal, state, or local governmental agency or entity, nor does it prevent such agency or entity seeking relief on your behalf.

By consenting to BINDING ARBITRATION, you understand and agree with the following terms:

- **SELECTION OF ARBITRATOR:** If either you or we elect to resolve a Claim through binding arbitration, your rights will be determined by a neutral arbitrator and NOT a judge or jury, in accordance with all applicable laws and Rules. The neutral arbitrator will be selected in accordance with the Rules, and must have experience and knowledge in financial transactions. In the event of a conflict between the Rules and this Binding Arbitration Consent and Agreement, this Binding Arbitration Consent and Agreement will supersede the conflicting Rules only to the extent of the inconsistency. If AAA is unavailable to resolve the Claim, and if you and we do not agree on a substitute, then you can select the appropriate forum for the Claim.
- **EFFECTIVE DATE:** This Binding Arbitration Consent and Agreement is effective upon the 61st day after we provide this Binding Arbitration

Consent and Agreement to you ("Effective Date"), unless you opt-out in accordance with the requirements of the RIGHT TO OPT-OUT provision below.

- **CLAIMS ARISING PRIOR TO EFFECTIVE DATE:** THIS BINDING ARBITRATION CONSENT AND AGREEMENT APPLIES TO ALL CLAIMS THAT ARE FILED OR INITIATED AFTER THE EFFECTIVE DATE, EVEN IF THE CLAIM ARISES OUT OF, AFFECTS, OR RELATES TO CONDUCT THAT OCCURRED PRIOR TO THE EFFECTIVE DATE. If a Claim is filed or initiated prior to the Effective Date, this Binding Arbitration Consent and Agreement will not apply to such Claim.
- **ARBITRATION PROCEEDINGS:** Arbitration proceedings provide you a fair hearing, but the arbitration procedures are simpler and more limited than rules applicable in court. Discovery will be available for non-privileged information to the fullest extent permitted under the Rules. Any defenses that would apply to a Claim if it was brought in a court of law will apply in any arbitration proceeding between us, including defenses based on the expiration of the applicable statute of limitations or otherwise relating to the timeliness of the initiation of the Claim, and the commencement of an arbitration proceeding under this Binding Arbitration Consent and Agreement will be deemed the commencement of an action for such purposes. Arbitration decisions are as enforceable as any court order and are subject to very limited review by a court and cannot be appealed. Arbitrators can award the same remedies including damages, injunctive relief on an individual basis, and other remedies that a court can award. Any determination as to whether this Binding Arbitration Consent and Agreement is valid or enforceable in part or in its entirety will be made solely by the arbitrator, including without limitation any issues relating to whether a Claim is subject to arbitration.
- **CLASS ACTION WAIVER:** ANY ARBITRATION OF A CLAIM WILL BE ON AN INDIVIDUAL BASIS. YOU UNDERSTAND AND AGREE THAT YOU ARE WAIVING THE RIGHT TO PARTICIPATE AS A CLASS REPRESENTATIVE OR CLASS MEMBER IN A CLASS ACTION LAWSUIT.
- **LOCATION:** The place of arbitration shall be within 50 miles of your residence at the time the arbitration is commenced.
- **COSTS:** You understand we will pay for any filing, administration, and arbitrator fees as imposed on you by AAA. However, you will be responsible for your attorneys' fees, unless you prevail on the merits of your Claim in arbitration.
- **ATTORNEYS' FEES:** If you prevail on the merits of your Claim in arbitration, we will pay your attorneys' fees. You will not be required to pay our attorneys' fees if we prevail.
- **SEVERABILITY:** In the event that the CLASS ACTION WAIVER in this Binding Arbitration Consent and Agreement is found to be unenforceable for any reason in relation to a Claim involving class action allegations, the remainder of this Binding Arbitration Consent and Agreement will be unenforceable. If any provision in this Binding Arbitration Consent and Agreement, other than the CLASS ACTION WAIVER, is found to be unenforceable, the remaining provisions will remain enforceable.
- **SURVIVAL:** This Binding Arbitration Consent and Agreement will survive termination of the Agreement.
- **RIGHT OF OPT-OUT:** You have the right to opt-out of this Binding Arbitration Consent and Agreement, provided that you notify us of your intent to opt-out within 60 days after we provide you this Binding Arbitration Consent and Agreement. Your opt-out is only effective if you notify us in writing at P.O. Box 3003, Los Alamitos, CA 90720-1303, within such 60 day time period. If you fail to opt-out within this 60 day time period, you will be deemed to have provided your consent to the resolution of your Claims through binding arbitration. In the event you opt-out of this Binding Arbitration Consent and Agreement, such opt-out will not affect other terms and conditions of your Agreement.

FOR MORE DETAILS or if you have questions, you may call us or visit a branch. If you have questions about AAA procedures, you should check AAA's website, www.adr.org, OR call AAA at 800-778-7879. You understand that any debt or loan obligation you may have with us that is subject to the Federal Truth in Lending Act, 15 USC 1601 et seq., is not subject to this Binding Arbitration Consent and Agreement.

PART II: TRUTH-IN-SAVINGS AGREEMENT AND DISCLOSURE

SECTION 1. PAYMENT OF DIVIDENDS

The frequency and conditions upon which dividends are paid on all accounts are in accordance with the Bylaws of this Credit Union, the California Credit Union Law, and the Truth-in-Savings Act and Regulations.

Dividends are paid from current income and available earnings after required transfers to reserves at the end of a dividend period.

The dividend rate and Annual Percentage Yield (APY) may change at the discretion of the Credit Union. Current rate information and minimum balance requirements to open and to earn the APY for these accounts are set forth in the Dividend Rate Sheet accompanying this Agreement. You may also obtain current rate information by calling the Credit Union at 800-426-1917 or visiting our website at www.southlandcu.org.

Compounding and Crediting for all Accounts. For all dividend bearing accounts except Term Share (Certificate) and IRA Certificate accounts, dividends will be compounded monthly and will be credited monthly. For these 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 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 this example is January 31. Dividends on Term Share (Certificate) and IRA Certificate Accounts are compounded monthly and are credited monthly and at maturity.

Balance Computation Method: Dividends are calculated by the daily balance method which applies a periodic rate to the balance in the account each day.

Dividends will begin to accrue on the business day you deposit non-cash items (e.g., checks) to your account if deposited before the close of business.

If you close any of your dividend earning accounts before dividends are credited you will not receive the accrued dividends.

SECTION 2. TERMS AND CONDITIONS

TERMS AND CONDITIONS APPLICABLE TO ALL ACCOUNTS:

1. You must be and remain a member in good standing to maintain any account. In order to become a member, you must either purchase one (1) share or pay a one-time Membership Entrance Fee as disclosed on our *Schedule of Fees and Charges*. The par value of a share in this Credit Union is currently \$25. If your membership is based on the purchase of a share, you must deposit this amount into your Primary Savings Account. If you fail to complete the purchase of one (1) share within 30 days of your admission to membership, or within 60 days from the increase in the par value in shares, or if you reduce your Primary Savings Account balance below the par value of one (1) share and do not increase the balance to at least the par value of one (1) share within six (6) months of the reduction, you may be terminated from membership at the end of a dividend period.
2. Our delay in enforcing any of the terms and conditions of this Agreement will not prohibit us from enforcing such terms and conditions at a later date.
3. We reserve the right to change any provision of or establish new provisions to this Agreement upon thirty (30) days written notice.
4. We may refuse to follow any of your instructions, accept any deposit, or process any transaction, that in our sole judgment are illegal, fraudulent, inconsistent with our policies (or those of any of our third party processors) or would expose us to potential liability. Alternatively, we may require adequate security or invoke other security measures to protect us from all losses and expenses incurred if we follow your instructions. You agree to reimburse us for any damages, losses, liabilities, expenses, and fees (including, but not limited to, reasonable attorneys' fees) that we incur in connection with your account if we take an action in accordance with your, or what purports to be your, oral, written, or electronic instructions.
5. We reserve the right to refuse to open any account, to provide any service in connection with an account, or to accept additional deposits to an existing account.
6. All payees listed on a check must sign the check that is deposited or cashed, and must be a joint owner on the account, present a valid government-issued identification or have their endorsements guaranteed by another financial institution. All multiple party checks without proper identification are subject to being returned. Notwithstanding the foregoing, you authorize us, in our discretion,

to accept checks, drafts and other items for deposit into any of your accounts if they are made payable to, or to the order of, any one or more joint owners on the account, whether or not they are endorsed by all payees. You authorize us to supply missing endorsements of any owners on any item that we take for collection, payment, or deposit to your account. You also authorize us to collect any unendorsed item that is made payable to you without first supplying your endorsement, provided the item was deposited to your account. If you deposit items which bear the endorsement of more than one person or persons that are not known to us or that require endorsement of more than one payee, we may refuse the item or require all endorser(s) to be present, have valid identification, or to have their endorsements guaranteed before we accept the item.

7. You authorize us to accept deposits to your account at any time, from any party, made in any manner, without questioning the authority of the person making the deposit, and to give cash back to any authorized signer(s) or designated agent on any check payable to any one or more of the account owners, whether or not it is endorsed by you. The Credit Union may also refuse to accept all or any part of any deposit.
8. You understand and agree that we use automated means to process checks and other items written on or deposited to your account. This means that we do not individually examine all of your items to determine if the item is properly completed, signed and endorsed or to determine if it contains any information other than what is encoded in the Magnetic Ink Character Recognition (MICR) line at the bottom of the check, draft or item which contains your account number, amount of check and check number. Although we may manually review checks or other items drawn on your account, you understand and agree reasonable commercial standards do not require us to do so. Our use of automated means to process checks and other items prevents us from inspecting or looking for special instructions or "restrictive legends" on checks (e.g., "Void after 6 months," "Void over \$50," "Payment in Full," and the like), whether on the front or back, in any form or format. For this reason, we are not required to honor any restrictive legend placed on checks you write unless we have agreed in writing to the restrictions. If you cash or deposit an item or write a check with such notation, you agree that it applies only between you and the payee or maker. The notation will have no effect on us, and you agree to accept responsibility for payment of the item. You agree to indemnify and hold us harmless from any claim or alleged loss of any maker or payee involving such notations, whether you are the maker or payee or the funds are otherwise deposited into an account in which you have an interest.
9. We may refuse to accept for deposit or collection an item that is payable in currency other than U.S. dollars or an item that is not drawn on a financial institution chartered in the U.S. (each, a "non-U.S. item"). If we accept a non-U.S. item for deposit or collection, you accept all risks associated with foreign currency fluctuation (exchange rate risk) and with any late return of the item. You agree that we may use our current buying and selling rate, as applicable when processing a non-U.S. item and we may recover from any account you maintain with us any loss incurred by us as a result of our processing such an item for you. We reserve the right to place longer holds on non-U.S. items than the time frames specified in our Funds Availability Policy.
10. We have the right to charge back to or otherwise debit any account you maintain with us for any deposited item that is returned (and assess any associated fees and to reverse or recover any associated interest that may have accrued), even if you have made withdrawals against it. This right of charge back or debit is not affected by the expiration of any applicable midnight deadline, provided we do not have actual knowledge that such deadline has expired or, having such knowledge, we conclude that: (1) the deposited item is returned in accordance with the laws governing your account or rule (including a clearing house rule); and/or (2) we have received a breach of warranty claim in connection with the deposited item.

We have the right to pursue collection of such deposited item, even to the extent of allowing the payor bank to hold the deposited item beyond the midnight deadline in an attempt to recover payment. We may, without notice to you, redeposit a returned deposited item and represent it for payment by any means (including electronic means), unless we have received instructions from you not to redeposit such deposited item. We will have no liability for taking or failing to take any action to recover payment of a returned deposited item.

If one of your deposited items is returned with a claim that there is a breach of warranty (for example, a claim that it bears a forged endorsement or is altered in any way), we may debit your account for the amount of the item (plus any associated fees) and pay the amount to the claiming party. We are under no duty to question the truth of the facts that are being asserted, to assess the timeliness of the claim, or to assert any defense.

We need not give you any prior notification of our actions with respect to the claim. You agree to immediately repay any overdrafts. We may create substitute checks from your deposited items to facilitate the forward collection of such items. You agree to indemnify and hold us harmless from and against any and all claims, damages, losses, liabilities, expenses, and fees (including reasonable attorneys' fees) arising out of or in any way connected with such substitute check, including without limitation, any claim based on the image quality of such substitute check.

11. You acknowledge and agree that we may, at our option, create and retain electronic copies of original account records and any other records, and thereafter dispose of the originals. You further agree that electronically scanned and stored images of records will have the same effect as the original records.
12. We act only as a collecting agent for any items deposited to your account, and we do not assume any responsibility beyond the exercise of ordinary care. Any deposit that we accept and credit to your account is provisional and subject to our receipt of final payment. If final payment is not received, we reserve the right to charge your account for the amount of the deposit and impose a Return Check fee as set forth in the *Schedule of Fees and Charges*. We are not responsible for any deposit sent by mail or made at an unstaffed facility (for example, an automated teller machine that is not at a branch) until we actually receive the deposited item or money. We are not liable for the negligence or default of any correspondent or for loss in transit, and each correspondent will only be liable for its own negligence. You agree to indemnify and hold us harmless from and against any and all claims, damages, losses, liabilities, expenses, and fees (including reasonable attorneys' fees) arising out of or relating to an item placed for collection.
13. If a deposit or other credit is made in error to your account that you are not entitled to (whether by check, cash, automated clearing house transfer, wire transfer or otherwise), you understand that we may debit your account for the amount of the erroneous deposit, and may do so without notice to you, regardless of when the original deposit took place. If you withdraw any or all of the funds erroneously deposited to your account, you agree that you are obligated to reimburse us for the amount of the erroneous deposit or credit, and any costs and fees as stated in this Agreement and the *Schedule of Fees and Charges*.
14. We will mail, send electronically, or otherwise make available to you, your periodic statements, notices and other information regarding your account (collectively "account-related information") to the postal or electronic address of the owner as reflected in our records for your account. If there is more than one owner on your account, we may send account-related information to any one of them. If your account is in a combined statement, your statement will be sent to the address associated with the savings account in the combined statement.

Mailed account-related information will be deemed to have been delivered the second business day following the day it was mailed. Account-related information made available electronically will be deemed to have been delivered when we make it available to you.

You will exercise reasonable care and promptness in examining your statements. You must promptly notify us of, and reimburse us for, any erroneous credit to your account. Within thirty (30) days after we mail or otherwise make statements available to you, you must notify us of any claim for credit or refund due to an unauthorized transaction. For purposes of this Agreement, an unauthorized transaction is a transaction that was not authorized by you, including but not limited to an erroneous or unauthorized debit. It might include a missing signature, an unauthorized signature, or an alteration, or otherwise a transaction that was not authorized by you. If you fail to uphold these duties, you understand and agree that you are precluded from asserting the error or unauthorized payment against us if: (1) we suffer a loss on the item because of your failure; or (2) we pay on another item presented by the same wrongdoer if the payment was

made before you properly notified us.

If you have failed to examine your statement and report any unauthorized transaction within one (1) year after your statement or the item(s) has/have been made available to you, you cannot recover from us, even if we failed to exercise ordinary care in paying the item(s).

15. Unless otherwise prohibited by the laws governing your account, if two or more account-related information documents are returned, or, in the case of online statement email notifications the email notice is returned undeliverable, we may classify your account as "inactive." This means we may discontinue sending and may destroy account-related information sent to you until you provide a valid postal or electronic address to us.
16. Any written notice you give to us is effective when it is actually received by us. Any written notice we give to you is effective on the date we deposit such notice in the U.S. Mail, postage prepaid, and addressed to you at your statement mailing address, or, if you have agreed to receive notices from us in an electronic format, any notice we give to you is effective on the date we make the notice available to you in electronic format. Notice to any one account owner is considered notice to all owners of the account.
17. We agree to investigate any transaction you have reported to us as unauthorized (a "claim of unauthorized transaction"). You agree to: (1) submit your claim of unauthorized transaction in writing to us by completing a declaration under penalty of perjury describing your claim of unauthorized transaction (in an affidavit form approved by us, if so requested); (2) file a police report; (3) complete and return to us any documents requested of you; and (4) in all respects, cooperate fully with us in our investigation of your claim of unauthorized transaction.

We reserve the right to reverse any credit made to your account if you fail to sign such documents, cooperate fully with our investigation of your claim of unauthorized transaction or if we determine that the transaction that gave rise to your claim of unauthorized transaction was proper.

18. We or you may close any of your account(s) at any time. You understand and agree, however, that our authority may not be changed or terminated except by written notice to us, which will not affect prior transactions. If an account is closed, we may send the collected balance on deposit in your account by regular mail to your most recent address shown in our records. Items presented for payment after the account is closed may be dishonored. We may require you to close your account and apply for a new account if: (1) there is a change in owners or authorized signers; (2) there has been a forgery or fraud reported or committed involving your account; (3) there is a dispute as to the ownership of the funds in your account; (4) any checks are lost or stolen; or (5) we deem it necessary in order to prevent a loss to us.
19. If there is a dispute between any person and/or private or government organization over your account or the funds in any of your accounts, or we are uncertain who is entitled to access an account or the funds in any of your accounts, including, but not limited to, disputes between joint owners, a payee, a beneficiary of a trust account or a payable on death account, or any other person claiming an interest to funds in your account, you agree that we may, without liability to you and in our sole and absolute discretion, take one or more of the following actions: (1) restrict the account and deny access to all until such time as the conflicting claims are resolved to our satisfaction; (2) close the account and send the funds to the owner or owners of the account, according to our records, at the statement mailing address; (3) interplead all or any portion of the funds from an account into an appropriate court for resolution; or (4) restrict access to the account until our receipt of either written instructions as to the distribution of funds signed by all affected parties or an order from a court of proper jurisdiction authorizing or directing us to distribute the funds. We may charge your account for expenses (including attorneys' fees and expenses) and fees we incur. In addition, if we receive written notice from any account owner that withdrawals, in accordance with the terms of the account, should not be permitted, we may refuse, without liability, to pay any sums on deposit pending determination of the rights of the owners. Such written notice(s) will become effective only upon receipt and after we have had a reasonable opportunity to act thereon.

20. We reserve the right to close any account(s) and terminate your membership should we discover that any of your accounts with us have been deliberately manipulated by you to our detriment, or to the detriment of any other accountholder. "Manipulation" includes, but is not limited to, making unauthorized withdrawals or other transactions, kiting and repeated patterns of transactions which have no apparent business reason other than to take advantage of Regulation CC hold periods and/or "interest float" to our detriment.
21. In order for us to service your account or to collect any amounts you owe, you agree that we may from time to time make calls and/or send text messages to you at any telephone number(s) associated with your account, including wireless telephone numbers that could result in charges to you. The manner in which these calls or text messages are made to you may include, but is not limited to, the use of prerecorded/artificial voice messages and/or an automatic telephone dialing system. You further agree that, in order for us to service your account or to collect any amounts you owe, we may send e-mails to you at any e-mail address you provide to us. You may revoke this consent at any time by notifying us in writing at Southland Credit Union, P.O. Box 3003, Los Alamitos, CA 90720-1303.
22. You acknowledge that we may be obligated to report cases of actual or suspected financial abuse of elders or dependent care adults. If we suspect such financial abuse, you understand and agree that, in addition to reporting such abuse as may be required under applicable law, we have the right to restrict access to the account, refuse to complete transactions on the account, or to take any other action(s) that we deem appropriate under the circumstances. You agree to indemnify and hold us harmless from and against any and all claims, damages, losses, liabilities, expenses, and fees (including reasonable attorneys' fees), arising out of or related to any action or inaction related to the matters described in this paragraph.
23. We may recognize the signature of anyone who signed an Account Signature Card as authorized to transact business on that account. Any payment made on your account by us in good faith and in reliance on the terms and conditions of this Agreement and/or the Account Signature Card will be valid and discharge us from liability. Without limitation to the foregoing, we may honor checks drawn against your account by authorized signers, even if the checks are made payable to them, to cash or for deposit to their personal accounts. We have no duty to investigate or question withdrawals or the application of funds.
24. We reserve the right to require you to give not less than seven (7) and up to sixty (60) days written notice of your intention to withdraw funds from any account except checking accounts.
25. We may rely solely on our records to determine the form of ownership of your account. We may presume that any person named in addition to you in our records for your account owns the funds in your account with you as a joint owner, unless our records indicate that the person has some other relationship to the account. Ownership for all accounts will be established and determined by the most recent Account Signature Card or other document(s) evidencing such account(s). A different form of ownership may be established by executing a new Account Signature Card and a new account number will be assigned.
26. You are required to keep us informed of your current address. You agree to notify us promptly of any change of address or a legal name change. You may notify us in person at our office or by sending a written and signed notice to Southland Credit Union, P.O. Box 3003, Los Alamitos, CA 90720-1303. In the event that you fail to do this, a charge may be made to your account for the actual cost of a necessary locator service paid to a person or business normally engaged in providing such service and incurred in determining your address. This charge will be set forth in the *Schedule of Fees and Charges*.
27. You agree to notify us immediately of the death or court declared incompetence of any owner of your account. You agree to inform each owner of your account of the obligation to notify us of such an event as well. If you die or are declared legally incompetent, we can continue to accept and collect items deposited to your account until we know of your death or adjudication of incompetency and have a reasonable opportunity to act.
28. All non-cash deposits will be credited subject to final payment on the day of deposit. Your right to withdraw the funds represented by certain checks or other items you deposit may be delayed for several days. You will be notified if your right to withdraw funds will be delayed. Please refer to the Funds Availability Policy in this Agreement for further details.
29. You agree that we will not be responsible for any damages you incur in the event you deposit an item with us which is subsequently returned unpaid by the paying bank and that return is "late" due to markings on the back of the item caused by you or a prior endorser.
30. You authorize us to accept and pay any check without regard to the date of the check. We are under no obligation to pay a check which is presented more than six (6) months after its date, but we may do so at our discretion and charge your account without liability, even if the presentation occurs after the expiration of a stop payment order or notice of postdated change. You agree that we are not required to identify stale dated checks or seek your permission to pay them. We may assess a special handling charge upon receipt of any such item in accordance with our *Schedule of Fees and Charges*.
31. All accounts are subject to our *Schedule of Fees and Charges*, which accompanies this Agreement and is incorporated by this reference. We will debit such charges against any account you own (including accounts on which you are a joint owner) except your IRA without prior notice to you. Only fees related to an IRA will be deducted from an IRA. If sufficient funds are not available, the charges are payable on demand and, for checking accounts, will be treated as an overdraft.
32. If you do not conduct a transaction on your account (i.e., a withdrawal, deposit, or transfer to or from your account, other than an automated transaction) for 365 consecutive days, we may classify it as an "inactive" account. We will notify you in writing at your last known address if your account is classified as "inactive." We may charge a monthly Inactive Account Fee as set forth in the *Schedule of Fees and Charges* until you initiate a transaction. Once you initiate a transaction, either in person or in writing, we will reactivate your account.
33. State law establishes procedures under which unclaimed property must be surrendered to the state. In the State of California, funds in your account are considered unclaimed if a period of three (3) years has elapsed since the last time you:
- Increased or decreased the amount of funds on deposit with us or presented an appropriate record for crediting of dividends or cashed a dividend check from any of your accounts with us; or
 - Corresponded in writing or electronically with us concerning the funds on deposit; or
 - Otherwise indicated an interest in the funds on deposit as evidenced by a memorandum on file with us.
- The funds in your deposit account will not be surrendered to the state, however, if, during the previous three (3) years, you have owned another deposit account (or individual retirement or similar account) with us and, with respect to that deposit account, you have done any of the acts described in statements (a), (b), or (c) above (or, with respect to an individual retirement or similar account, you have increased or decreased the principal, accepted payment of principal or income, or corresponded electronically or in writing concerning the property or otherwise indicated an interest), and, with regard to the funds in the deposit account that would otherwise be surrendered to the state, we have "communicated" (i.e., sent account statements or statements of interest paid for federal and state income tax purposes) electronically or in writing with you at the address to which communications regarding the other deposit account are regularly sent.
- We may charge a fee for mailing you a notice regarding your unclaimed property as set forth in our *Schedule of Fees and Charges*. To recover funds turned over to the state, you must file a claim with the state. Once funds are surrendered to the state, we no longer have any liability or responsibility with respect to the funds.
34. Our relationship with you concerning your account is that of debtor and creditor; no fiduciary, quasi-fiduciary, or special relationship exists between us and you.
35. For the safety of both staff and members, the Credit Union does not keep large amounts of cash at branch locations. Arrangements for large cash withdrawals may be made with the Branch Manager at the branch location of our choice. Large cash withdrawal requests may require up to seven (7) business days advance notice to process. You understand and agree that you will be responsible for all fees that may be assessed by a third party on the Credit Union in connection with your request (e.g. cash delivery charges). In addition, you may be asked to sign a form releasing us from any liability.
36. We agree to retain and furnish to you, if requested, photocopies of

- certain records pertaining to your account and that these records will be available to you for the time period required by law. You agree to pay applicable fees as listed in our *Schedule of Fees and Charges*.
37. You understand and agree that we must comply if we are served with any notice of garnishment or of attachment, tax levy, withholding order, injunction, restraining order, search warrant, government agency request for information, forfeiture, seizure, subpoena, or other legal process relating to your account that we know or otherwise believe in good faith is valid, whether served in person, by mail, or by electronic notification, at any Credit Union branch. You direct us not to contest any such notice of legal process and understand that we are under no obligation to notify you of the legal process and will not notify you if prohibited by law. We may charge a Legal Process fee, as set forth in our *Schedule of Fees and Charges*, and we may assess this fee against any account you maintain with us, including the account that is the subject of the legal process. You understand and agree that if a subpoena or legal process requires us to release information about an owner on an account, we must comply with such request and the information released pursuant to such subpoena or legal process may include information about other owners on the account, even if their information was not expressly requested by the subpoena or legal process.
38. You understand and agree that you are not permitted to place a stop payment on a cashier's and/or a Credit Union official check unless the cashier's check or Credit Union official check is lost, stolen or destroyed. In the event that a cashier's check or Credit Union official check is lost, stolen or destroyed, in order to effectuate a stop payment, you must execute and deliver to us a written Declaration of Loss and Claim for Reimbursement ("Declaration of Loss") and/or affidavit in a form acceptable to us and in time for us to have a reasonable time to act on it. You further understand and agree that the Declaration of Loss is not immediately enforceable upon your submission. Specifically, you understand and agree that, pursuant to the California Uniform Commercial Code, we will not process your stop payment request until the later of (1) the time the Declaration of Loss form is properly delivered to us by you, or (2) the 90th day following the date of the cashier's check or official check. We may, however, in our sole and absolute discretion, process your stop payment request sooner. You agree to indemnify and hold us harmless from and against any and all claims, damages, losses, liabilities, expenses, and fees (including reasonable attorneys' fees) arising out of or relating to our attempt to, or stopping payment on, such cashier's check or official check.
39. You authorize us to gather whatever credit, checking account and employment information we consider appropriate from time to time. You understand that this will assist us, for example, in determining your initial and ongoing eligibility for your account and/or in connection with making future credit opportunities available to you. You authorize us to give information concerning our experiences with you to others.
40. It is your responsibility to protect the account numbers and electronic access devices (e.g., a debit card) we provide you for your account(s). You agree not to discuss, compare or share information about your account number(s) with anyone unless you are willing to give them full use of your money. If you provide your access device to another person (a family member or friend, for example) in connection with granting authority to that person to conduct funds transfers, and that person then exceeds that authority, you are liable for the transfers unless we have been notified that transfers by that person are no longer authorized.

Your account number can also be used to electronically withdraw money from your account. For example, if you provide your account number to an online merchant to purchase a service or merchandise, funds can be electronically withdrawn from your account.

You must also take precaution in safeguarding your blank checks. Notify us at once if you believe your checks have been lost or stolen.

You agree that if we offer you services appropriate for your account to help identify and limit fraud or other unauthorized transactions against your account, and you decline those services, you will be responsible for any fraudulent or unauthorized transactions which could have been prevented by the services we offered.

41. To join our Credit Union, in addition to providing us with your

name, residential address, phone number and date of birth, we will require you to provide us with current government issued picture identification and a Social Security Number (SSN) or Employer Identification Number (EIN) (generically referred to as a Taxpayer Identification Number or TIN). We will further require you to certify (confirm) for IRS reporting purposes that the SSN or EIN matches the name and address, and indicate whether you are currently subject to backup withholding and whether you are a U.S. citizen or U.S. person. If the IRS indicates that there is a problem with the name and number provided by you for the account or otherwise notifies us, your account may become subject to backup withholding, which will require us to withhold and pay a portion of the dividends, interest or other payment to the IRS.

Upon the death of the primary owner, we must be provided with the estate's or successor's TIN or we may either refuse to pay interest earned on the account since the date of the death or withhold a portion of the interest that has been earned on the account since the date of the death.

42. We may, without prior notice and when permitted by law, exercise our right of setoff against any of the funds in any of your accounts against any debt (whether or not matured, due, payable, in default or accelerated) or obligation that you owe us, now or in the future, by any of you having the right of withdrawal.

This right of setoff does not apply if prohibited by law. For example, we will not exercise our right of setoff: (1) against an Individual Retirement Account (IRA) or similar tax-deferred account, or (2) if the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest). We will not be liable for the dishonor of any check when the dishonor occurs because we set off a debt against your account. You agree to indemnify and hold us harmless from and against any and all claims, damages, losses, liabilities, expenses, and fees (including reasonable attorneys' fees) arising out of or relating to the exercise of our right of setoff.

We will also have the right to place an administrative hold on such funds pending setoff. We may apply all funds in a joint account to satisfy a debt owed to us by any one or more of the joint owners. In addition, we may, after the death of any account owner, setoff against a joint account or an account with payable-on-death beneficiaries the debts and obligations of the deceased account owner, up to the full amount in the account at the time of the account owner's death.

Moreover, you knowingly consent and expressly agree that the application of an offset of funds in any account includes the offset of government benefits (such as Social Security and other public benefit funds) deposited in your account to the maximum extent permitted by applicable state and federal law.

43. You may conduct transactions on your Credit Union account(s) at CO-OP Shared Branching locations. All transactions conducted at a CO-OP Shared Branching location are subject to CO-OP's operating procedures, policies, and fees. Funds deposited at CO-OP Shared Branching locations may not be available for immediate withdrawal. Check holds are the same as for similar checks deposited at a Credit Union proprietary branch; please refer to our Funds Availability Policy. Check holds cannot be removed by CO-OP Shared Branching personnel. Transactions at CO-OP Shared Branching locations are subject to this Agreement and are subject to host credit union verification. Certain transactions at CO-OP Shared Branching locations may be subject to our fee(s) as stated on the current *Schedule of Fees and Charges*.
44. Member accounts in this Credit Union are federally insured by the National Credit Union Share Insurance Fund.
45. An action or proceeding by you to enforce an obligation, duty, or right arising under this Agreement or by law with respect to your account must be commenced within one (1) year after the cause of action accrues.
46. You agree to indemnify, defend, and hold us harmless from and against any and all claims, demands, actions, costs, losses, liability, expenses and fees (including, without limitation reasonable attorneys' fees, collection costs, skip-tracing fees, and outside services fees) which we incur by acting in accordance with this Agreement or as a result of your failure to abide by its terms.

47. Your account will be governed by California law to the extent that California law is not inconsistent with controlling federal law. However, California's choice of law rules will not be applied if that would result in the application of non-California law.
48. If you choose to appoint an agent to act on your behalf pursuant to a power of attorney ("POA"), we may rely on instructions provided by the agent and will have no liability or responsibility to verify the transactions. The POA must be properly executed, facially valid under California law and the form of appointment must be acceptable to us. In accordance with the terms of the POA, the agent you designate to act on your behalf will be authorized to transact business on your account(s) pursuant to the terms of such POA.

Notwithstanding the foregoing, we reserve the right to contact you as the principal under the POA, to verify your intent, prior to acting under the authority of the POA. You further agree that unless prohibited by law, we may refuse, with or without cause, to accept or otherwise act under a POA, which you grant to others.

If we choose to accept the POA, you understand and agree that we may act under the terms of such POA and to the extent permitted by law, revocation of the POA will not become effective until we have received written notification thereof. You agree to indemnify and hold us harmless for any claims that may arise against us because of our reliance on a POA.

We are not liable for any transactions by an agent for a deceased or incompetent account owner, unless we have written notice provided in accordance with applicable law that you, as the principal under the POA are deceased, have revoked the powers of the agent, or you are adjudicated totally or partially incapacitated by a court of competent jurisdiction, and we have had time to act on that notice.

49. You agree to pay our costs of collection, including reasonable attorneys' fees and court costs, with regard to any check drawn on us by you or any item you deposit with us that causes us to incur a loss.
50. You agree that your telephone communications with us may be monitored and recorded to improve member service and security.
51. You understand that you may elect from time to time to use Credit Union or other parties' social media tools and sources; that there is no claim of privacy or privilege regarding information you share or information discernible from such use or sharing; and the use of such information by us does not violate your privacy or other rights.
52. **YOU UNDERSTAND AND AGREE THAT WE WILL NOT BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, INDIRECT OR PUNITIVE DAMAGES IN ANY CLAIM OR ACTION ARISING FROM THIS AGREEMENT, REGARDLESS OF WHETHER YOU HAVE ADVISED US OF THE POSSIBILITY THAT YOU MAY INCUR SUCH DAMAGES.**

ACCOUNT OWNERSHIP AND BENEFICIARY DESIGNATION:

These rules apply to this account depending on the form of ownership and beneficiary designation, if any, specified on the account records. We reserve the right to refuse some forms of ownership on any or all of our accounts. We may also refuse to open an account for any reason. We make no representations as to the appropriateness or effect of the ownership and beneficiary designation, except as they determine to whom we pay the account funds. You may open an account either by yourself, referred to as an "individual account," or with another person or persons, referred to as a "multiple-party account" or a "joint account." For purposes of this Agreement, we will use the term "joint account."

1. **Individual Account.** An individual account is an account owned by you alone, which you as the account owner use during your lifetime.
2. **Joint Account.** A joint account is an account owned by two or more persons. All joint owners agree with each other and with us 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 will be owned by all account owner(s) jointly and equally regardless of their net contributions with a right of survivorship and will be subject to withdrawal or receipt by any of the account owner(s) or the survivor(s) of any of the account owner(s). We are not obligated to inquire as to the source of funds received for deposit to a joint account or to inquire as to the proposed use of any sums withdrawn from the account for the purpose of establishing net contributions.

Being a joint owner of a member's account does not constitute

Credit Union membership for the joint owner. Joint owners may be non-members. However, any non-member joint owner who uses an account, requests or uses a service and signs an Account Signature Card, agrees to the terms, responsibilities and accompanying liabilities of this Agreement. A right of survivorship arising from the express terms of a joint account cannot be changed by a will.

Unless otherwise agreed in writing between you and us, each joint owner, without the consent of any other joint owner, may, and hereby is authorized by every other joint owner, to conduct any transaction permitted under this Agreement, including without limitation: (1) to withdraw all or any part of the account funds; (2) to pledge the account funds as collateral to us for any obligation, whether that of one or more joint owners; (3) to endorse and deposit checks and other items payable to any joint owner; (4) to give stop payment orders on any check or item, whether drawn by that joint owner, or not; (5) to consent to or revoke consent to payment of service charges on overdrafts that result from ATM transactions or one-time debit card transactions under the Courtesy Pay Program; and (6) to close the account, with the disbursement of account proceeds as instructed by the joint owner. While any owner may initiate, change, add or close a joint account and/or a service acting alone, we may require all joint owners to consent in writing to the addition or removal of any owner to or from the account. All owners agree that we have no duty to notify the owners of the account of any transaction, initiation, change, addition or closure of an account or service by any owner acting alone.

All account owners, jointly and severally, are liable for all transactions, initiations, changes, additions or closure of an account or service, and for any charges, fees, losses or liabilities incurred for any transaction, initiation, change, addition or closure of an account or service regardless of which owner conducted or benefited from the transaction, initiation, change, addition or closure. If any owner owes us money for any reason, we may enforce our rights against all funds in any account on which that person is an owner, regardless of which owner deposited the funds in the account.

3. **Payable-on-Death Designation.** A payable-on-death (POD) account designation is an instruction to the Credit Union that an account so designated is payable to the owner or owners during their lifetime, and upon the death of the last account owner, payable first to us to the extent of any outstanding matured or unmatured debts owed to us by you, and second, to your designated POD payee(s). If the account is a joint account, all sums are payable to one or more account owner(s) during their lives and on the death of all of them, first to us to the extent of any outstanding matured or unmatured debts owed to us by any of you, and second, to one or more POD payees then surviving in equal and undivided shares. Accounts payable to more than one surviving beneficiary are owned jointly by such beneficiaries without rights of survivorship and disbursement will be made in equal shares to each of the beneficiaries. Any POD designation will not apply to Individual Retirement Accounts (IRAs) which will be governed by a separate beneficiary designation. The Credit Union does not have any obligation whatsoever to notify any beneficiary of the existence of any account or the vesting of the beneficiary's interest in any account. You understand that it is your responsibility (and not ours) to inform any person or organization that he, she or it is a POD beneficiary on your account(s). If a POD beneficiary on the account dies before you, it is your responsibility to notify us and change the account accordingly.

4. Rights at Death.

- **Individual Account Without Payable-on-Death Designation.** Upon your death, the funds in the account will go to your estate and can be claimed by your legal representative or claimant subject to the terms of this Agreement. You understand that it is your responsibility (and not ours) to inform your legal representative(s) about your account(s) with us.
- **Individual Account With Payable-on-Death Designation.** Upon your death, the POD beneficiary will be entitled to the funds in the account (subject to the terms of this Agreement) upon proof of your death and the POD beneficiary's identification. If you designate more than one POD beneficiary on the account, each will be entitled to his or her (or its) equal share of the funds in the account, which will be determined by dividing the amount of the funds in the account by the number of POD beneficiaries designated on the account, and will own those funds without right of survivorship.

- **Joint Account Without Payable-on-Death Designation.** When one owner dies, his or her interest in the account and the funds in the account are owned by the surviving owner or owners of the account, subject to the terms of this Agreement. Upon the death of the final owner the funds in the account belong to that owner's estate and can be claimed by that owner's legal representative or claimant subject to the terms of this Agreement. You understand that it is your responsibility (and not ours) to inform your legal representative(s) about your account(s) with us.
- **Joint Account With Payable-on-Death Designation.** Upon the final owner's death, the POD beneficiary will be entitled to the funds in the account (subject to the terms of this Agreement) upon proof of death and the POD beneficiary's identification. If you designate more than one POD beneficiary on the account, each will be entitled to his or her (or its) equal share of the funds in the account, which will be determined by dividing the amount of the funds in the account by the number of POD beneficiaries designated on the account, and will own those funds without right of survivorship.

For joint accounts, a surviving owner's ownership interest is subject to the Credit Union's right of setoff for the deceased owner's obligations, and to any security interest or pledge granted by a deceased owner, even if a surviving owner did not consent to it.

TERMS AND CONDITIONS APPLICABLE TO CALIFORNIA UNIFORM TRANSFERS TO MINORS' ACT ACCOUNTS:

1. The transferor/custodian is opening an account as custodian for the minor named on the Transfers to Minors signature card ("UTMA Account Application") under the California Uniform Transfers to Minors Act. The transfer of money to the minor named on the UTMA Account Application, which transfer will 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 California Uniform Transfers to Minors Act now in effect or hereinafter amended.
2. You acknowledge that by signing the UTMA Account Application, you have received the funds deposited to the account as custodian for the minor named therein under the California Uniform Transfers to Minors Act and you agree to the applicable terms and conditions set forth in this Agreement. You acknowledge and agree that neither the donor of the funds nor the custodian is entitled to the use or benefit of the funds, except for the benefit of the minor as allowed by the California Uniform Transfers to Minors Act. You also acknowledge and agree that we have no duty whatsoever to monitor or insure that the acts of the custodian (or successor custodian) are for the minor's benefit.
3. For this type of account, the minor's Social Security Number/ Tax Identification Number is used for the Backup Withholding Certification.
4. Funds in an UTMA may not be pledged as security for any loan(s).
5. The successor custodian named on the UTMA Account Application will serve if you should be unable to act as custodian because you resign, die, or become legally incapacitated.
6. Custodial accounts are not subject to the Multiple Party Accounts law.
7. You, as custodian, agree to indemnify and hold us harmless from and against any and all claims, damages, losses, liabilities, expenses, and fees (including reasonable attorneys' fees) we may suffer or incur arising out of any action or claim by any beneficiary with respect to the authority or actions taken by you in handling or dealing with the account.
8. You acknowledge and agree that upon the minor reaching the age of majority, or other age stipulated in any applicable court order, that the account must be closed by the custodian. When the minor reaches the age that transfer by the custodian to the minor is mandated, or anytime thereafter, we may pay the funds on deposit in the account to the minor in accordance with the custodian's duty without waiting for instructions from the custodian. The custodian agrees to keep the Credit Union informed of the minor's residence.

TERMS AND CONDITIONS APPLICABLE TO TRUST ACCOUNTS:

1. You may open an account to hold the funds of your trust and be named as trustee on our Trustee's Account Agreement and the Certification of Trust. A person named as a trustee on the Trustee's Account Agreement and Certification of Trust has the same rights,

responsibilities and liabilities as an owner of an account under this Agreement to open, initiate, change, add or close an account or service. Each trustee understands that any trustee acting alone may initiate, change, add or close the account and/or a service, and that his or her signature on the Trustee's Account Agreement and Certification of Trust or continued use of an account or service confirms his or her agreement to any later initiation, change, addition or closure of an account and/or service by any other trustee on the account. While any trustee may initiate, change, add or close the account and/or a service acting alone, we may require all trustees to consent in writing to the addition or removal of any trustee to or from the account. All trustees agree that we have no duty to notify the trustees of the account of any transaction, initiation, change, addition or closure of an account or service by any trustee acting alone.

2. We may require you to provide us with a notarized trust certification confirming your power as a trustee prior to opening the account.
3. We are not required to know, understand, interpret, or enforce the terms of your written trust instrument.
4. You acknowledge that the account is governed by the applicable terms and conditions set forth in this Agreement and by the terms and conditions set forth in the Application for Membership and Agreement for Credit Union Account in the Name of Trustee that you will be asked to sign when the account is opened.
5. Trust accounts are not subject to the Multiple Party Accounts law.

TERMS AND CONDITIONS APPLICABLE TO FIDUCIARY ACCOUNTS:

1. Accounts may be opened by a person acting in a fiduciary capacity. A fiduciary is someone who is appointed to act on behalf of and for the benefit of another. This account may be opened and maintained by a person or persons named as a trustee under a written trust agreement or as executors, administrators, conservators, or guardians under court orders. By the authority vested in you as a fiduciary, you, acting individually or jointly, are authorized and empowered to transact business of any character in connection with this account. Your authority will continue in force until written notice to the contrary is received by us.
2. If the account is opened as a court-ordered blocked account, you understand and agree that you will file with the court a written receipt including an agreement with us that the funds in the account, including any dividends, may not be withdrawn or pledged except upon court order.
3. Funds in a fiduciary account may not be pledged as security for any loan(s).
4. Fiduciary accounts are not subject to the Multiple Party Accounts law.

ABOUT OUR SAVINGS ACCOUNTS

Southland Credit Union's savings accounts let you deposit your money in a savings account and withdraw your money at any time (with the exception of Individual Retirement Accounts, Holiday Club Accounts, and Term Share Certificate Accounts). Our share accounts include our: Regular Savings, Sub-Savings, Health Savings and Money Marketing Accounts.

1. **Rate Information.** Dividends rates and annual percentage yields may change monthly as determined by the Credit Union Board of Directors.
2. **Account Transfer Limitations.** On all savings accounts, we will allow you to make up to six (6) preauthorized, automatic, telephonic, audio response or online banking transfers to another of your accounts or to the account of any other person or organization during each statement period. Your limit of six (6) preauthorized transfers includes those transactions where you order us to pay a person or organization from your account including Automated Clearing House (ACH) transactions. The date we use to determine the number of transactions is the date a transaction is posted to your account, rather than the date you initiate the transaction. If you exceed these limitations in any calendar month, we can refuse or reverse the transfer, close your account, and charge a fee as stated in the *Schedule of Fees and Charges*. Transactions that are not covered by these limitations include (1) transfers from your account to pay a loan with us, and (2) transfers to your other accounts with us or withdrawals by check mailed directly to you, if the transfer or withdrawal is conducted in person, by mail or at an ATM.

TERMS AND CONDITIONS APPLICABLE TO PRIMARY SAVINGS

ACCOUNTS:

1. A Primary Savings Account is our primary savings account which is required to be established by every member. The minimum deposit required to open a Primary Savings Account is the purchase of one (1) share at \$25.00, unless you have paid the Membership Entrance Fee as disclosed in our *Schedule of Fees and Charges*.
2. You must maintain the minimum daily balance set forth on the Dividend Rate Sheet in your Regular Share Account to obtain the disclosed Annual Percentage Yield (APY) and to avoid closure.
3. A monthly service fee applies to this account. Please refer to our *Schedule of Fees and Charges*.

TERMS AND CONDITIONS APPLICABLE TO HOLIDAY CLUB ACCOUNTS:

1. A Holiday Club Account may be opened at any time. Holiday Club Account deposits may be made in any manner, including payroll deduction.
2. There is no minimum deposit required to open a Holiday Club Account.
3. There are no monthly service fees for this account.
4. If the balance in a Holiday Club Account exceeds \$100.00 on November 1 of any year, the funds in the Holiday Club Account will be transferred to your checking account with us, or to a Primary Savings Account if you do not have a checking account with us. Balances of \$100.00 or less on November 1 of any year will remain in the Holiday Club Account, but may be withdrawn at any time.
5. Funds in a Holiday Club Account may not be pledged as security for any loan(s).
6. Funds in a Holiday Club Account may not be used as an overdraft source for any checking account.

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

1. Our Term Share Certificate Accounts are fixed-rate accounts and are non-negotiable and non-transferable. A Term Share Certificate Account is subject to the applicable terms and conditions set forth in this Agreement as well as the terms and conditions set forth in the Certificate and IRA Certificate Account Agreement and Disclosure, which will be provided to you in accordance with applicable law.
2. The minimum deposit required to open a Certificate Account is set forth in the Dividend Rate Sheet.
3. The minimum balance requirements to avoid the imposition of a monthly service fee are set forth in the Dividend Rate Sheet.
4. You must maintain a minimum daily balance as set forth in the Dividend Rate Sheet in your account to obtain the disclosed APY.
5. Your account will mature after the applicable period of time set forth in the Dividend Rate Sheet.
6. We will assess an early withdrawal penalty if you withdraw any of the principal in the account before the maturity date. The amount of the penalty is set forth in the Certificate and IRA Certificate Account Agreement and Disclosure.
7. You may withdraw credited dividends; however, the disclosed APY is based upon an assumption that dividends will remain in the account until maturity. A withdrawal will reduce earnings.

TERMS AND CONDITIONS APPLICABLE TO MONEY MARKET ACCOUNTS:

1. The minimum deposit required to open a Money Market Account is set forth on the Dividend Rate Sheet.
2. Funds in a Money Market Account may not be pledged as security for any loan(s).
3. There is no monthly service fee applicable to this account.
4. During any month, you are limited to no more than six (6) withdrawals or transfers to another account of yours at the Credit Union or to a third party using any combination of preauthorized or automatic transfers or telephonic orders or instructions. If you exceed the transfer limitations set forth above in any statement period, your account will be subject to closure by us.

TERMS AND CONDITIONS APPLICABLE TO INDIVIDUAL RETIREMENT ACCOUNTS (INCLUDING ROTH INDIVIDUAL RETIREMENT ACCOUNTS):

1. An IRA is subject to the applicable terms and conditions set forth in

- this Agreement as well as the terms and conditions set forth in the Individual Retirement Account Application which by this reference is incorporated into this Agreement in its entirety and the Certificate and IRA Certificate Account Agreement and Disclosure. When you open your IRA, the Individual Retirement Account Application and related disclosures will be provided to you in accordance with applicable law.
2. The minimum deposit required to open and maintain an IRA is set forth on the Dividend Rate Sheet. Additional deposits are permitted to contributory IRAs only.
 3. You may not pledge any of the funds on deposit in the account as security for any loan(s).
 4. Certain federal and state penalties may apply to amounts withdrawn from IRAs. These are set forth in applicable federal and state laws and regulations, which are incorporated herein by this reference.
 5. Funds in an IRA will be considered abandoned and will be turned over to the state if you have not done any of the following for a period of more than three (3) years after the funds become payable or distributable:
 - a. Increased or decreased principal;
 - b. Accepted payment of principal or income (dividends);
 - c. Communicated with us concerning the funds or otherwise indicated an interest therein.
 6. IRA accounts are subject to an Annual Account Maintenance Fee and if transferred to another custodian, a Transfer Fee.
 7. You may not pledge any of the funds on deposit in an IRA as security for any loan.

TERMS AND CONDITIONS APPLICABLE TO CHECKING ACCOUNTS:

A Southland Credit Union checking account lets you withdraw your money and write checks against your account at any time.

1. The minimum deposit required to open a checking account is set forth on the Dividend Rate Sheet.
2. You must maintain the applicable minimum daily balance set forth in on the Dividend Rate Sheet in your account each day to obtain the disclosed APY.
3. The monthly service fee for Opportunity Checking Accounts is set forth on the Dividend Rate Sheet.
4. We may, at our discretion, but are not obligated to, nor will we be liable for, refusal to pay funds from this account:
 - a. When such payment would draw the account below the minimum balance for the account as established from time to time by us.
 - b. If drawn by means not authorized in advance by us.
 - c. Against checks presented over six (6) months past their issue dates.
 - d. Against uncollected non-cash items.
5. We may pay and charge to your applicable account checks or other debit items ("items") drawn by and payable to any person, organization, association or corporation whom you have authorized by providing sample MICR encoded information identifying your account, provided there are sufficient funds in your account to pay such items. You agree that our rights in respect to such items will be the same as if it were an item drawn and signed by you personally. This authority will remain in effect until revoked by you in writing (to us and to the agency to which the sample MICR writing was provided) and we have had a reasonable opportunity to act on it. You agree that we will be fully protected in honoring such items. You further agree that if any such item is dishonored, whether with or without cause, and whether intentional or inadvertent, we will have no liability whatsoever, even though such dishonor results in the forfeiture of insurance, or other loss or damage to you of any kind.
6. You, or any other person authorized to draw on the account, may request a stop payment of any check payable against your account, provided your request is timely and affords us a reasonable opportunity to act upon it under our rules. You may request a stop payment by telephone, mail or in person. Your stop payment request must include the account number, check number, exact amount, check date, and name of payee. This information must be exact because stop payment orders are processed using automated means. We will not be liable for paying a check over a stop payment request if the request is incomplete or incorrect. A stop payment fee will be assessed for each stop payment as set forth in our *Schedule of Fees and Charges*. If you make a stop payment request orally, the request will be valid for only fourteen (14) days thereafter unless confirmed in writing. Written requests will 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 is in effect. We are not obligated to notify you when a stop payment order will or has expired. You have the burden of establishing the fact and amount of loss resulting from payment contrary to a binding stop payment request. You may not stop payment on completed electronic point-of-sale transactions, and, except under certain limited circumstances, cashier's checks, certified checks, or checks issued or guaranteed by us. You assign to us all rights against the payee or any other holder of the item. You agree to cooperate with us in any legal actions that we may take against such persons. You should be aware that anyone holding the item may be entitled to enforce payment against you despite the stop-payment order. You agree to indemnify, defend, and hold us harmless from and against any and all claims, damages, losses, liabilities, expenses, and fees (including reasonable attorneys' fees) arising out of or relating to our action in stopping payment of any check pursuant to your request.
7. Your death or incompetence will not revoke our authority to accept, pay or collect a check or to account for proceeds of its collection until we know of the fact of death or adjudication of incompetence and have a reasonable opportunity to act on it. Even with knowledge, we may for ten (10) days after the date of death or incapacity, pay or guarantee checks drawn on or prior to that date unless ordered in writing to stop payment by a person claiming an interest in the account under rules established by us. We must be notified if any of you die or become incapacitated.
 8. If we have paid a check under circumstances giving a basis for objection by you, we will 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.
 9. In the event of wrongful dishonor which occurs by mistake, our liability will be limited to actual damages you prove.
 10. We are neither given notice, or otherwise affected by, a restrictive endorsement of any person or entity except our immediate transferor.
 11. You agree that in the event you draw a check on your account with us, that you will hold us harmless and indemnify us from any liability you incur due to a delay or misrouting of the check where the delay or misrouting is caused by markings placed on the check by you or a prior endorser that obscure any depository endorsement placed by us or our agent.
 12. We may recognize the signature of anyone who signed the Account Signature Card as authorized to transact any business on this account including, but not limited to, the causing or making of overdrafts and endorsement of checks payable to any owner of this account.
 13. You may not pledge any or all of the funds on deposit in your checking accounts as security for any loan(s).
 14. You will notify us immediately at 800-426-1917 if your checks are lost or stolen. You agree that you will be responsible for losses caused by a delay in your notification to us.
 15. You acknowledge that we do not sell checks. As a convenience to you, we will submit your initial check order and any reorders for personalized checks ordered through us to the printer named on the face of the order. If the printer accepts the initial order and any reorders, the printer will mail the checks either directly to you or to you in care of us. You authorize us to charge your checking account for the cost of checks ordered through us, plus applicable sales tax and shipping costs at the fee set forth in the *Schedule of Fees and Charges*. You are responsible for verifying the accuracy of all information shown on your checks, whether you order them through us or elsewhere. You agree to imprint only those names of authorized owners on your checks.
 16. We may provide you with temporary checks that include the exact Magnetic Ink Character Recognition (MICR) line, including routing number and account number, necessary for the proper processing of your checks. You are responsible for ensuring that any checks you use to draw on your account include this same MICR encoding. You understand that it is your responsibility to ensure that checks you order from any third party printer are printed in accordance with applicable standards set by the American National Standards Institute (ANSI) for font, paper, toner, and positioning. You understand that if checks you write do not have the correct routing number, they may not be properly posted, and that if any other part of the encoding is incorrect, posting of the checks may be delayed.
 17. Paid checks remain the property of the Credit Union upon payment and are not returned to you with periodic statements. Checks are imaged on both sides and stored for seven (7) years from date of posting. You may request and we will provide you with a copy of a requested item within a reasonable time. Imaged checks are also available on the online banking system. We will not charge you for the first two (2) copies of items you request appearing on any statement. Additional copies will be subject to an assessment of a fee as set forth in our *Schedule of Fees and Charges*. If you have not ordered your Southland Credit Union checks through our approved check vendors, you understand and agree that we are not responsible for the quality of any check copy that you request from us. If at any time you should use checks printed by a check vendor that was not approved by us, we reserve the right to reject any check of poor quality.
 18. When you write a check, you agree that we may pay the check regardless of the date or language restricting payment to certain periods of time. However, you agree that we are under no obligation to pay a check presented for payment before its date (a post-dated check) or more than six (6) months after its date. We may refuse to accept post-dated checks or we may treat post-dated checks as though the checks were written on the date presented. In the event that we accept a post-dated check, we may charge against your account a post-dated check even though payment is made before the date of the check. If we accept a post-dated check and you notify us within a reasonable time to permit us to act and identify the check with reasonable certainty, we cannot pay the check until the due date. Notice may be written or oral and it must include the exact amount, account number, check number, date of check, and name of payee. If oral, the notice will be valid for fourteen (14) days. If written, the notice will be valid for up to six (6) months, and can be renewed within six (6) months for another successive six (6) month period. A fee may be assessed for this service as set forth in our *Schedule of Fees and Charges*.
 19. All checks written on your account must be drawn in U.S. dollars.
 20. If a transaction involves a remotely-created check, we reserve the right to accept or reject the item for deposit into any of your accounts. For purposes of this Agreement, the term "remotely-created check" means a check that is not created by the paying bank and that does not bear a signature applied, or purported to be applied, by the person on whose account the check is drawn. If you deposit a remotely-created check into any of your accounts, you represent and warrant to us that you have instituted procedures to ensure that these drafts are authorized by the person on whose account the remotely-created check is drawn, in the amount stated on the check, and to the payee stated on the check. If a remotely-created check which you have deposited into your account is returned by the drawee-payor bank for any reason, you agree that we may debit your account for the amount of the item, plus any applicable fees. If the debit causes your account to be overdrawn, you agree to pay the overdrawn amount on our demand.
 21. Our measure of damages for failure to exercise ordinary care in handling a check will not exceed the amount of the item.
- TERMS AND CONDITIONS APPLICABLE TO TEEN CHECKING ACCOUNTS:**
1. Teen Checking Accounts are available for members between the ages of thirteen (13) to nineteen (19). Minors under the age of eighteen (18) require a parent or legal guardian to be a joint signer on the account. Teen Checking Accounts will convert to a Cash Rewards Checking Account at age twenty (20).
- TERMS AND CONDITIONS APPLICABLE TO CASH REWARDS CHECKING ACCOUNTS:**
1. Qualifications must be met every month to qualify for rewards and reimbursement of ATM Fees.
 2. Qualifications include direct deposit or use of ePay/eTransfer every month and a minimum of 10 debit card purchase transactions posted and cleared per month.
 3. Must be enrolled in eStatements for 12 full months to earn cash eStatement rewards.
 4. If these qualifications are not met, rewards and reimbursed fees will not be paid for that month.

5. Reimbursed ATM fees include Southland out-of-network fees and third-party surcharges.
6. Cash rewards begin on the month following account opening.
7. There is no minimum balance requirement to earn rewards.
8. Cash rewards earned are considered interest and will be reported on a 1099 to the IRS.

PART III: FUNDS AVAILABILITY POLICY

Our policy is to make funds from your cash and check deposits available to you on the first (1st) business day after the day we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit.

Once deposited funds are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written. Funds from any deposits (cash or checks) made at automated teller machines (ATMs) we do not own or operate will not be available until the fifth (5th) business day after the day of your deposit. This rule does not apply at ATMs that we own or operate (proprietary ATMs). All ATMs that we own or operate are identified as our machines. Funds from any deposits (cash or checks) made at proprietary ATMs may not be available until the second (2nd) business day after the day of your deposit.

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 6:00 p.m. Pacific Standard Time 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 6:00 p.m. Pacific Standard Time, or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

Longer Delays May Apply

In some cases, we will not make all of the funds that you deposit by check available to you on the first (1st) business day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the fifth (5th) business day after the day of your deposit. However, the first \$200 of your deposits will be available on the first (1st) business day after the day of your deposit.

If we are not going to make all of the funds from your deposit available on the first (1st) business day after the day of your deposit, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice or electronically deliver the notice, if you have agreed to receive notices from us in an electronic format, by the business day after we receive your deposit.

If you will need the funds from a deposit immediately, 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:

1. We believe a check you deposit will not be paid.
2. You deposit checks totaling more than \$5,000 on any one day.
3. You redeposit a check that has been returned unpaid.
4. You have overdrawn your account repeatedly in the last six (6) months.
5. There is an emergency, such as failure of communications or computer equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh (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 thirty (30) days your account is open.

- Funds from electronic direct deposits to your account will generally be available on the same business 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 generally be available on the first (1st) business day after the day of your deposit if the deposit

meets certain conditions. For example, the checks must be payable to you. The excess over \$5,000 will be available on the ninth (9th) 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 (2nd) business day after the day of your deposit.

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

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 your 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 you) can be used by you for endorsements or any other markings.

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

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

PART IV: ELECTRONIC SERVICES AGREEMENT AND DISCLOSURE

This Part IV of the Agreement sets forth the terms and conditions governing electronic fund transfers. Electronic fund transfers ("EFTs") are electronically initiated transfers of money involving a deposit account at the Credit Union and multiple access options, such as online account access, direct deposits, automated teller machines (ATMs) and Visa Debit Card. Your acceptance, retention, or use of an ATM Card, Visa Debit Card, Personal Identification Number (PIN) or other EFT hereunder constitutes an agreement between us and you as described below.

These disclosures are given by us in compliance with the Electronic Fund Transfer Act (15 U.S.C. Section 1693 et seq.) and Regulation E (12 CFR 1005 et seq.) to inform you of certain terms and conditions for use of the electronic services described in this Agreement.

At the present time, we offer the following electronic services:

- Preauthorized deposits of net paycheck;
- Payroll deductions;
- Preauthorized deposits of pension checks and federal recurring payments (for example, Social Security payments);
- Preauthorized withdrawals for bill payments and other recurring payments;
- Automated Teller Machine (ATM) EFT services at Credit Union-owned (proprietary) ATMs and on Shared Network ATMs such as the CO-OP Network, STAR, and Cirrus, and such other systems as may be added from time to time;
- Visa Credit Card cash advances at ATMs on the Visa network;
- Online Banking (eBranch) and Mobile Banking;
- Visa Debit Card (including PIN and signature based transactions);
- Audio Response Electronic Telephone Banking ("Quickline");
- Electronic Check Transactions; and
- Transactions at a Point-of-Sale (POS) terminal whether or not an access device is used.

General disclosures applicable to all electronic services offered by us is given below, with certain specific disclosure information for each service following in separate sections. Your use of the electronic services is subject to our approval.

GENERAL DISCLOSURES APPLICABLE TO ALL ELECTRONIC SERVICES

Business Day Disclosure:

Our business days are Monday through Friday, except federal holidays. Our business hours are 9:00 a.m. to 6:00 p.m. Pacific Standard Time on each business day. Branch hours and holiday schedules may be obtained

through our website (www.southlandcu.org) or by contacting us at 800-426-1917. Our proprietary ATMs are generally available 24 hours a day, 7 days a week, with minor interruptions for system maintenance or technical difficulties. eBranch, Mobile Banking, and the Bill Payer Service (ePay) are generally available for your convenience 24 hours a day, 7 days a week, with minor interruptions for system maintenance or technical difficulties, including those of the Internet service provider and Internet software.

Disclosure of Account Information to Third Parties:

We will maintain the confidentiality and privacy of your account information in accordance with our privacy policy. We will disclose information to third parties about your account or transfers you make in the following circumstances:

1. When it is necessary to complete an electronic transaction; or
2. In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or
3. In order to comply with a government agency, court order, or any legal process; or
4. If you give us permission in writing.

Right to Receive Documentation of Transactions:

1. **Terminal Transfers.** In most cases, you will receive a receipt at the time you make any transfer to or from your account using an ATM or when you make a purchase using a POS terminal. You should retain this receipt to compare with your statement from us. Federal law provides that a receipt need not be made available to you if the amount of the transfer initiated at an electronic terminal is \$15 or less.
2. **Periodic Statements.** You will receive a monthly account statement for each month in which an EFT is made (but at least a quarterly statement if no transfers are made). You agree to immediately review each periodic statement mailed or otherwise made available to you to ensure that each and every transaction has been authorized by you. Your failure to promptly report any allegedly unauthorized transaction may result in future allegedly unauthorized transactions to be considered authorized.
3. **Online Banking Transactions.** You may view a record of transaction history through eBranch at any time.

Your Liability for Unauthorized Transactions and Advisability of Prompt Reporting:

You are responsible for all transfers you authorize using the electronic services described in this Agreement. If you permit other persons to use your Visa Debit Card, or PIN, you are responsible for any transactions that person authorizes or conducts on any of your accounts, even if that person exceeds your authority. However, you must tell us AT ONCE if you believe your Visa Debit Card, or your Visa Debit Card PIN or eBranch PIN (collectively "Card(s) and/or PIN(s)") have been lost or stolen or if you believe that an EFT has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. A written notification to us should follow your telephone call. You could lose all the money in your account (plus your maximum overdraft line of credit, if you have one). However, if you believe your Card(s) and/or PIN(s) have been lost or stolen, and you tell us within two (2) business days after you learn of the loss or theft, you can lose no more than \$50 if someone used your Card(s) and/or PIN(s) to access your account without your permission.

If you do NOT tell us within two (2) business days after you learn of the loss or theft of your Card(s) and/or PIN(s) and we can prove we could have stopped someone from using your Card(s) and/or PIN(s) without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, including those made by Card, PIN or other means, you must tell us at once. If you do NOT tell us within sixty (60) days after the statement was mailed or delivered to you, you may not get back any money you lost after the sixty (60) days if we can prove that we could have stopped someone from taking the money if you had told us in time.

If you can document that a good reason (such as a long trip or hospital stay) kept you from telling us, we will extend the time period.

Special Notice to Visa Debit Card Cardholders:

If you are using a Visa Debit Card for transactions that take place on the Visa network system, you understand that Visa Operating Regulations provide for \$0 liability ("Zero Liability") for losses from unauthorized (fraudulent) activity, unless you were grossly negligent or engaged in fraud in handling your account or Visa Debit Card. Zero Liability does NOT apply to ATM transactions using your PIN. Zero Liability also will not apply to Visa Debit Cards issued outside the U.S. or to Visa commercial cards. You must provide us with a written statement regarding any claim of unauthorized Visa Debit Card transactions.

If you notify us of unauthorized transactions which were processed through Visa (this does not include cash withdrawals at an ATM using your Visa Debit Card), we will provide provisional credit to your account within five (5) business days of the notification. If you tell us orally, we will require that you send us your complaint in writing within ten (10) business days. We will not credit your account until your written complaint is received. "Unauthorized" means the use of your Visa Debit Card by a person, other than you, who does not have actual, implied or apparent authority for such use and from which you receive no benefit.

How to Notify the Credit Union in the Event of an Unauthorized Transaction:

If you believe your Card(s) and/or PIN(s) have been lost or stolen or that someone will or may use it to transfer money from your account(s) without your permission, you must telephone us at: 800-426-1917, or after business hours for a Visa Debit Card at 800-682-6075, or write us at:

Southland Credit Union
P.O. Box 3003
Los Alamitos, CA 90720-1303

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

In case of errors or questions about your electronic services transactions:

In case of errors or questions about your electronic services transactions, telephone us at 800-426-1917, or write to us at Southland Credit Union, P.O. Box 3003, Los Alamitos, CA 90720-1303, as soon as you can, if you think your periodic statement or receipt is wrong or if you need more information about a transaction listed on your periodic statement or receipt. We must hear from you no later than sixty (60) days after we send you the FIRST periodic statement on which the problem or error appeared. You must:

1. Tell us your name and account number;
2. Describe the error or the transaction you are unsure about and explain, as clearly as you can, why you believe it is an error or why you need more information; and
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 ten (10) business days.

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

In accordance with Visa Operating Regulations, you will receive provisional credit for Visa Debit Card losses for unauthorized use within five (5) business days after you have notified us of the loss. However, please refer to the "Additional Disclosures Applicable to PIN-Less Visa Debit Card Transactions" section for further details regarding Visa Debit Card transactions initiated through a non-Visa debit network.

You also understand and agree that it is your responsibility to carefully review each receipt or sales slip you receive when you conduct a Visa Debit Card transaction. In addition, you agree that, to the extent a Visa Debit Card transaction is initiated using your PIN or when you sign a sales slip, it is presumed that you authorized the transaction, and the amount thereof,

because the authorization was initiated through your PIN or by your signature on the sales slip. In such event, you understand and agree that the burden is on you to conclusively prove that the use of your Visa Debit Card and/or the amount of the transaction was unauthorized.

For errors involving new accounts, point-of-sale, or foreign-initiated transactions, we may take up to ninety (90) days to investigate your complaint or question. For new accounts, we may take up to twenty (20) business days to credit your account for the amount you think is in error. Your account is considered a "new account" for the first 30 days after the first deposit is made, unless you already have an established account with us before this account is opened.

We will tell you the results within three (3) business days after completing our investigation. If we decide that there was no error, we will send you a written explanation. If we provisionally credited your account, we will reverse the provisional credit and notify you of the date we reversed the credit and the amount of the debit. You may ask for copies of the documents that we used in our investigation.

Our Liability for Failure to Make or Complete Electronic Fund Transfers:

If we do not properly complete an EFT to or from your account on time or in the correct amount according to our agreement with you, we may be liable for your losses and damages. However, there are some exceptions. We will not be liable, for instance, if:

1. Circumstances beyond our control (such as fire, flood, earthquake, electrical failure, malfunction of central data processing facility, etc.) prevent the transaction, despite reasonable precautions that we have taken;
2. Through no fault of ours, you do not have enough money in your account (or sufficient collected funds) to complete the transaction(s);
3. The funds in your account are subject to an uncollected funds hold, legal process, or other circumstances restricting such transaction or payment;
4. We receive incorrect or incomplete information from you or from third parties (e.g., the U.S. Treasury, an automated clearing house, or a terminal owner);
5. The ATM or network system was not working properly and you knew about this breakdown when you started the transaction;
6. The ATM where you were conducting the transaction did not have enough cash or cash in the denominations you requested;
7. Your Visa Debit Card, Visa Credit Card, Visa Debit Card PIN, Visa Credit Card PIN, or eBranch PIN you provide is incorrect or incomplete, has been reported lost or stolen, has expired, is damaged so that the mechanical device cannot read the encoding strip, is inactive due to non-use, is retained by us due to your misuse or suspected fraudulent activities, is retained by us at your request, or your Visa Debit Card PIN, Visa Credit Card PIN, or eBranch PIN has been repeatedly entered incorrectly;
8. The transaction would exceed an unused line of credit (e.g., Visa Credit Card limit);
9. Our failure to complete the transaction or the placement of a block on your account is done to protect the security of your account and/or the electronic terminal system;
10. You make an error in keying your deposit at an ATM or through the Online Banking system (and if you make such error, we are not responsible for bounced checks, forfeited dividends, and other consequences which may result);
11. The payee mishandles or delays a payment sent by the Bill Payer Service;
12. Any transaction is prohibited by law, regulation, court order, or would be considered illegal activity; or
13. You have not provided our Bill Payer Service provider with the correct names, phone numbers, or account information for those persons or entities to whom you wish to direct payment.

There may be other exceptions not specifically mentioned above.

Provided that none of the foregoing exceptions to the service performance obligations are applicable, if we cause an incorrect amount of funds to be debited from your account, or caused funds from your account to be transferred to a person or entity which does not comply with your bill payment instructions, we will be responsible for returning the improperly transferred funds to your account and for directing to the proper recipient

any previously misdirected bill payments or transfers.

THE FORGOING CONSTITUTES OUR ENTIRE LIABILITY AND YOUR EXCLUSIVE REMEDY. IN NO EVENT WILL WE BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR EXEMPLARY DAMAGES, INCLUDING LOSS OF PROFITS (EVEN IF ADVISED OF THE POSSIBILITY THEREOF) ARISING IN ANY WAY OUT OF THE INSTALLATION, USE, OR MAINTENANCE OF ANY EQUIPMENT, SOFTWARE, AND/OR SERVICE.

Personal Identification Numbers (PIN):

You understand that you cannot use your Visa Debit Card at a Visa terminal, nor may you use eBranch without the applicable identification number which we refer to as a PIN. You are responsible for the safekeeping of your PIN(s) provided by us or selected by you and for all transactions by use of a PIN. Your PIN(s) is confidential and should not be disclosed to third parties or recorded. You will notify us immediately and send written confirmation if your PINs are disclosed to anyone other than the joint owner of your account. You understand and agree that you must change the PIN immediately to prevent transactions on your account(s) if anyone not authorized by you has access to the PIN. If you disclose your PIN(s) to anyone, however, you understand that you have given them access to your account(s) and you are responsible for any such transaction. If you authorize anyone to use your PIN in any manner that authority will be considered unlimited in amount and manner until you specifically revoke such authority by notifying the Credit Union and changing your PIN immediately. You are responsible for any transactions made by such persons until you notify us that transactions and access by that person are no longer authorized and your PIN is changed.

Fees for Electronic Fund Transfers:

All fees associated with your EFTs are disclosed in our *Schedule of Fees and Charges*, which accompanies this Agreement and is incorporated herein by reference. Any fees charged will be deducted from your checking or regular share account. The Credit Union reserves the right to impose fees at a future date after we give you notice of such charges as required by law.

If you have been issued an additional card (whether a Visa Debit Card or Visa Credit Card) for a joint owner or authorized user on your account, any applicable transaction fees outlined in our *Schedule of Fees and Charges* will be based on combined transactions. Withdrawals from more than one account or additional withdrawals from the same account during a single access will be counted as multiple withdrawals. Generally, transaction fees will be charged to your account within two (2) business days from the day they are incurred. The fee may not be recorded on the transaction receipt produced by the ATM, but it will be itemized on your monthly statement.

If you use an ATM that is not operated by us, you may be subject to additional fee(s) imposed by another financial institution, merchant and/or by an automated transfer network. You may be charged a fee for a balance inquiry even if you do not complete a funds transfer. This practice is known as "surcharging" and is in addition to any ATM fees charged by us.

Electronic Fund Transfer Limitations:

On all savings accounts, we will allow you to make up to six (6) preauthorized, automatic, telephonic, audio response or internet transfers to another of your accounts or to the account of any other person or organization during each statement period. Your limit of six (6) preauthorized transfers includes those transactions where you order us to pay a person or organization from your account including Automated Clearing House (ACH) transactions. The date we use to determine the number of transactions is the date a transaction is posted to your account, rather than the date you initiate the transaction. If you exceed these limitations in any calendar month, we can refuse or reverse the transfer, close your account, and charge a fee as stated in the *Schedule of Fees and Charges*. Transactions that are not covered by these limitations include (1) transfers from your account to pay a loan with us, and (2) transfers to your other accounts with us or withdrawals by check mailed directly to you, if the transfer or withdrawal is conducted in person, by mail or at an ATM.

Each transfer or payment through eBranch from your savings account is counted as one of the six (6) limited transfers you are permitted each statement period. We recommend that you not use a savings account as your bill payment account because of these limits on transfers.

Verification:

All transactions affected by use of ATMs, POS terminals, Electronic Check Transactions, eBranch, or other electronic transaction contemplated hereunder which would otherwise require your actual signature, or other authorization, will be valid and effective as if actually signed by you when accomplished by use of an Electronic Check Transaction, the Card(s) and/or PIN(s), or as otherwise authorized under this Agreement.

Change in Terms:

We may change the terms and charges for the services described in this Agreement and may amend, modify, add to, or delete from this Agreement from time to time. If you have an account with us through which EFTs are being processed, you will receive written notice of the change in terms at least twenty-one (21) days prior to the effective date of the change(s), or as otherwise provided by law. Further, the Credit Union may, from time to time, revise or update the programs, electronic services, and/or related material(s) rendering such prior versions obsolete. Consequently, the Credit Union reserves the right to terminate this Agreement as to all such prior versions of the programs, electronic services, and/or related material(s) and limit access to the Credit Union's more recent versions and updates.

Termination of Electronic Services:

You may, by written request, terminate any of the electronic services provided for in this Agreement. Termination by any one account owner will be binding on all account owners and we are not required to notify other account owners of the termination. We reserve the right to terminate this Agreement and your access to the electronic services, in whole or in part, at any time and for any reason. In addition, electronic services may be suspended, without advance notice, if there are insufficient funds in any one of your accounts or if any of your accounts are not in good standing as defined in our Member Conduct and Limitation of Services Policy. After suspension, electronic services may be reinstated, at our discretion, once there are sufficient funds in your account(s) to cover any fees and other transfers and debits. If you ask us to terminate your account or your access to any of the electronic services, you will remain liable for subsequent transactions performed on your account. Termination of electronic services does not terminate your accounts or agreements with us and will not affect your authorization for transfers and payments made prior to termination. Upon termination of this Agreement or the electronic services, the Credit Union will use commercially reasonable efforts to cancel any applicable account transactions you have previously authorized, but we make no guarantee that we will be able to do so. You will be solely responsible for any fees that apply to any such cancellation.

Notice and Communications:

Except as otherwise provided in this Agreement, all notices required to be sent to you will be effective when we mail or deliver them to the last known address that we have for you in our records or when we make such notices available to you through eBranch if you have agreed to receive notices from us in an electronic format. You are required to keep us informed of your current address. You agree to notify us promptly of any change of address. You may notify us in person at any of our offices, via eBranch or by sending a written and signed notice to:

Southland Credit Union
Attention: Member Services Department.
P.O. Box 3003
Los Alamitos, CA 90720-1303

Collections:

You agree that we will be entitled to recover any money owed by you as a result of your use of, or the use of anyone you have provided with access to, any of our electronic services and you agree to repay any amounts which create an overdrawn balance on any of your accounts immediately upon demand. We have a security interest in your present and future deposits and have the right to apply such deposits to any money you owe. If any legal action is required to enforce any provision of this Agreement or to collect money you owe, you agree to pay all costs of collections, including reasonable attorneys' fees, court costs, and other charges incurred for enforcing our rights under this Agreement.

Severability:

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

Governing Law:

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

No Waiver:

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

Relationship to Other Disclosures:

The information in this Part IV applies only to the electronic service transactions described herein. Provisions in other disclosure documents, as may be revised by us from time to time, continue to apply, except to the extent expressly modified by this Agreement.

Account Access:

Your accounts, Visa Debit Card, and any other access device or method (including ACH and electronic check transactions) may not be used for any illegal activity or transaction. Display of a payment card logo by, for example, an online merchant does not necessarily mean that transactions are lawful in all jurisdictions in which the cardholder may be located. You understand that you may not utilize your accounts, Visa Debit Card, or any other access device or method for the purchase of any goods or services on the Internet that involve online gambling of any sort. Prohibited activity and transactions include, but are not limited to, any quasi-cash or online gambling transaction, electronic commerce gambling transaction conducted over an open network, and any betting transaction including the purchase of lottery tickets or casino gaming chips or off-track betting or wagering. We may deny authorization of any transactions identified as gambling. However, in the event that a transaction described in this paragraph is approved and processed, you will still be responsible for such charges.

Unlawful Internet Gambling Enforcement Act of 2006 (UIGEA):

In accordance with the requirements of the Unlawful Internet Gambling Enforcement Act of 2006, and Regulation GG, this notification is to inform you that restricted transactions are prohibited from being processed through your account or banking relationship with us. "Restricted transactions" are transactions involving the knowing transmittal or receipt of credit, funds, checks, instruments or other proceeds to or from another person engaged in the business of wagering or betting in connection with unlawful Internet gambling. If you do engage in an Internet gambling business and open a new account with us, we will ask that you provide evidence of your legal capacity to do so.

Recording of Phone Calls:

You authorize us and our agents to record any phone call between you and us concerning the electronic services.

Assignment:

You may not assign this Agreement to any other party. The Credit Union may assign this Agreement at any time in its sole discretion. The Credit Union may also assign or delegate any of its rights and responsibilities under this Agreement to independent contractors or other third parties.

Headings:

Headings are for convenience only and will not control or affect the meaning or construction of any of the provisions of this Agreement.

DISCLAIMER OF WARRANTIES AND LIMITATION OF LIABILITY:

YOU UNDERSTAND AND AGREE THAT THE ELECTRONIC SERVICES ARE PROVIDED "AS-IS." EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT OR AS REQUIRED BY LAW, THE CREDIT UNION ASSUMES NO RESPONSIBILITY FOR THE TIMELINESS, DELETION, MIS-DELIVERY OR FAILURE TO STORE ANY USER COMMUNICATIONS OR PERSONALIZATION SETTINGS. YOU UNDERSTAND AND EXPRESSLY AGREE THAT USE OF THE ELECTRONIC SERVICES IS AT YOUR SOLE RISK, THAT ANY MATERIAL AND/OR DATA DOWNLOADED OR OTHERWISE OBTAINED THROUGH THE USE OF THE ELECTRONIC SERVICES IS DOWNLOADED OR OBTAINED AT YOUR OWN DISCRETION AND RISK AND THAT YOU WILL BE SOLELY RESPONSIBLE FOR ANY DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGE TO YOUR COMPUTER SYSTEM OR MOBILE DEVICE OR LOSS OF DATA THAT RESULTS

FROM THE DOWNLOAD OR THE OBTAINING OF SUCH MATERIAL AND/OR DATA.

EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE CREDIT UNION DISCLAIMS ALL WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT OF INTELLECTUAL PROPERTY OR THIRD PARTY RIGHTS, AND THE CREDIT UNION MAKES NO WARRANTY OR REPRESENTATION REGARDING THE RESULTS THAT MAY BE OBTAINED FROM THE USE OF THE ELECTRONIC SERVICES, THE ACCURACY OR RELIABILITY OF ANY INFORMATION OBTAINED THROUGH THE ELECTRONIC SERVICES, THE ACCURACY OF ANY INFORMATION RETRIEVED BY YOU FROM THE ACCOUNTS OR THAT THE ELECTRONIC SERVICES WILL MEET ANY USER'S REQUIREMENTS, BE UNINTERRUPTED, TIMELY, SECURE OR ERROR FREE.

EXCEPT AS DESCRIBED IN THIS AGREEMENT, THE CREDIT UNION WILL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES OF ANY KIND RESULTING FROM YOUR USE OF OR YOUR INABILITY TO USE THE ELECTRONIC SERVICES, ANY INACCURACY OF ANY INFORMATION OR AMOUNT RETRIEVED BY YOU FROM THE ACCOUNTS, ANY BREACH OF SECURITY CAUSED BY A THIRD PARTY, ANY TRANSACTIONS ENTERED INTO BASED ON THE ELECTRONIC SERVICES, ANY LOSS OF, UNAUTHORIZED ACCESS TO OR ALTERATION OF A USER'S TRANSMISSION OR DATA OR FOR THE COST OF PROCUREMENT OF SUBSTITUTE GOODS AND SERVICES, INCLUDING BUT NOT LIMITED TO DAMAGES FOR LOSS OF PROFITS, USE, DATA OR OTHER INTANGIBLES, EVEN IF THE CREDIT UNION HAD BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

Your Agreement to Indemnify us:

Except to the extent that the Credit Union is liable under the terms of this Agreement or another agreement governing the applicable account, you agree to indemnify, defend, and hold the Credit Union, its affiliates, officers, directors, employees, consultants, agents, service providers, and licensors, harmless from any and all third-party claims, liability, damages, and/or costs (including but not limited to reasonable attorney's fees) arising from:

- a third-party claim, action, or allegation of infringement, misuse, or misappropriation based on information, data, files, or other materials submitted by you to us;
- any fraud, manipulation, or other breach of this Agreement by you;
- your violation of any law or rights of a third party; or
- the provision of the electronic services or use of the electronic services by you or any third party.

We reserve the right, at our own expense, to assume the exclusive defense and control of any matter otherwise subject to indemnification by you, in which event you will cooperate with us in asserting any available defenses. You will not settle any action or claims on our behalf without our prior written consent. This indemnification is provided without regard to whether the Credit Union's claim for indemnification is due to the use of the electronic services by you or a joint account owner or other authorized person.

Copy Received:

You acknowledge receipt of a copy of this Agreement.

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

If you have arranged to have preauthorized electronic deposits of your net paycheck (if available from your employer), payroll deductions, pension checks, or federal recurring payments (for example, Social Security payments), the following information applies to you:

Account Access:

Preauthorized deposits may be made only to your checking or savings accounts.

Notification of Preauthorized Deposits:

If you have arranged with a third party (for example, the Social Security Administration) to make preauthorized deposits to your account at least once every sixty (60) days, that third party making preauthorized deposits may have agreed to notify you every time the party sends us money to deposit to your account. If you have not made such an arrangement, you

may telephone us at 800-426-1917 and we will advise you whether or not the preauthorized deposit has been made. You may also use eBranch to confirm whether or not the deposit has been made.

Documentation of Preauthorized Deposits:

You will receive a monthly account statement for each month in which a preauthorized deposit is made, but at least quarterly if no preauthorized deposits are made. However, if the only electronic funds service you have with us is preauthorized deposits, then we reserve the right to send you a quarterly statement only.

Direct Deposits:

If, in connection with a direct deposit plan, we deposit any amount in an account which we are later required to return to the Federal Government for any reason, you authorize us to deduct the amount of our liability to the Federal Government from the account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of our liability.

ADDITIONAL DISCLOSURES APPLICABLE TO PREAUTHORIZED PAYMENT SERVICES

If you have requested a preauthorized payment to a third party from any Credit Union account, the following applies to you:

Account Access:

Preauthorized payments may be made from your checking account(s) only. If your preauthorized payment due date is scheduled to occur on a non-business day it will be debited the following business day.

Right to Receive Documentation of Preauthorized Payment:

1. **Initial Authorization:** You can get copies of the preauthorized payment documentation from the party receiving the payment at the time you give them the initial authorization.
2. **Notice of Varying Amount:** If your preauthorized payment may vary in amount, the party who will receive the payment is required to tell you ten (10) days before each such payment when it will be made and how much it will be. You may agree with the party being paid to receive this notice only when the payment will differ by more than a certain amount from the previous payment or when the amount would fall outside certain limits that you set.
3. **Periodic Statement:** You will receive a monthly statement for each month in which a transfer is made, but at least quarterly if no transfers are made.

Right to Stop Preauthorized Payment:

If you want to stop a preauthorized payment or revoke a preauthorized payment authorization, you must call us at 800-426-1917, or write to us at Southland Credit Union, P.O. Box 3003, Los Alamitos, CA 90720-1303, in time for us to receive your stop payment request no less than three (3) business days or more before the next payment from your account is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within fourteen (14) days after you call. An oral request to stop payment ceases to be binding after fourteen (14) days if you have not provided us with any required written confirmation of your request. We will charge you for each stop payment order you give pursuant to our current *Schedule of Fees and Charges*. Such stop payment request will apply only to that particular payment. If you have given us a request to cancel the entire preauthorized payment authorization, you understand and agree that you must also contact the third party to cancel (revoke) the entire preauthorized payment authorization and provide us with a copy of your written revocation notice to the third party.

Our Liability for Failure to Stop Payment:

If you order us to stop one of your preauthorized payments no less than three (3) business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages, to the extent provided by law.

ADDITIONAL DISCLOSURES APPLICABLE TO "QUICKLINE" AUDIO RESPONSE SERVICES

Quickline Audio Response Service is a telephone banking service that allows you to perform monetary transactions and account balance inquiries without assistance from our staff. You will actually "talk" directly with our computer through the use of a touch-tone phone. Quickline is available for

your convenience 24 hours a day, 7 days a week, with minor interruptions for system maintenance or technical difficulties.

Quickline Personal Identification Number (PIN):

Before you can use Quickline, we will provide you with a PIN so that you may access Quickline. Before conducting your first transaction, you must select a new PIN. You are responsible for the safekeeping of your Quickline PIN provided by us, or as changed by you, and for all transactions made by use of the Audio Response Service. This PIN will be different from your Southland Credit Union Visa Debit Card PIN.

You must notify us immediately by phone and send written confirmation if your Quickline PIN is disclosed to anyone other than any joint owner of your account. You understand and agree that you must change your Quickline PIN immediately to prevent transactions on your account if anyone not authorized by you has access to your Quickline PIN. If you disclose your Quickline PIN to anyone, however, you understand that you have given them access to your account(s) via the Audio Response Service and that you are responsible for any such transactions. You further understand that your Quickline PIN is not transferable and you will not disclose your Quickline PIN or permit any unauthorized use thereof. If the wrong PIN is entered three (3) times consecutively, your access to Quickline will be restricted and you will need to contact us to restore access. We are authorized to act on any instructions received under your Quickline PIN.

Types of Available Transactions:

You may use Quickline to:

1. Make transfers between your savings and checking;
2. Make inquiries regarding account and loan balances;
3. Obtain loan payment due date and pay off information;
4. Make loan payments by transferring the amount of the payment due from your savings or checking account;
5. Request a withdrawal from your savings and checking accounts (except from IRAs or from the principal of a Term Share Certificate Account) by Credit Union check;
6. Access your Line of Credit account to request loan advances;
7. Verify cleared checks;
8. Obtain dividend information; and

We may offer additional services in the future and, if so, you will be notified of them.

Limitations on Frequency and Dollar Amount of Transactions:

Account withdrawals to you through Quickline are unlimited to the extent you have funds available in your account(s), or available credit from your Line of Credit, and there are no dollar limitations on transfers. However, the frequency of telephone transfers is limited pursuant to Regulation D restrictions as disclosed in this Agreement.

For security reasons, in the event your Quickline PIN is lost or stolen there may be restrictions on transactions you can conduct using the Audio Response Service.

Withdrawal Checks:

Credit Union checks are prepared for withdrawals requested using Quickline. We will mail these checks to you at your last address of record. Checks requested before 6:00 p.m. Pacific Standard Time on any business days will be mailed on the following business day.

ADDITIONAL DISCLOSURES APPLICABLE TO ONLINE BANKING (E-BRANCH) AND THE BILL PAYER SERVICE (ePay)

Online Banking is our electronic banking service that allows access to your accounts without assistance from our staff by using our Internet website and your Online Banking PIN. We refer to our Online Banking system as eBranch. The eBranch system is available for your convenience 24 hours a day, 7 days a week, with minor interruptions for system maintenance or technical difficulties. Mobile Banking is a mobile version of eBranch Online Banking. Most smart phones and web-enabled devices can log into Mobile Banking at m.SouthlandCU.org. Apps are also available for download through the Android Marketplace® and Apple App Store®. EBranch registration is required to access Mobile Banking. The Bill Payer Service is an electronic method of paying bills. We refer to the Bill Payer Service as ePay. You must have a checking account with us to use this service. If you would like to take advantage of these online services, visit our website and

enroll with your eligible Credit Union accounts. Additional disclosures and specific terms and conditions for using eBranch and ePay will be provided when you enroll.

ADDITIONAL DISCLOSURES APPLICABLE TO VISA DEBIT CARDS

The disclosures in this section apply to the use of your Visa Debit Card to conduct EFTs, including, but not limited to, use of the Visa Debit Card at ATMs and POS terminals. By use of your Visa Debit Card at a participating POS terminal, you authorize us to make withdrawals from your checking account for cash advances and/or purchases. Access to ATMs is through the use of a Visa Debit Card and a PIN.

Account Access:

You may use your Visa Debit Card to withdraw cash from your checking account by way of a cash advance from merchants, financial institutions, or others who honor the Visa Debit Card and/or to pay for purchases. However, we are not responsible for the refusal or inability of any ATM or POS terminal, merchant, or financial institution to honor the Visa Debit Card, to complete a transaction, or for their retention of the Visa Debit Card. You understand that your Visa Debit Card is not a credit card and does not provide "credit" which means that you may not defer payment of Visa Debit Card transactions.

Types of Available ATM Transactions:

Transaction types and services may be limited on certain ATMs on the systems which we do not own (non-proprietary ATMs), such as, for example, withdrawal limits. If a transaction or service type is not available, the attempted transaction will generally be refused as an invalid transaction.

You can use your Visa Debit Card to perform the following ATM transactions:

1. Make deposits to your savings or checking account at our proprietary ATMs (and some designated CO-OP Network ATMs).
2. Withdraw cash from your savings, money market, checking and loan accounts.
3. Transfer funds between your savings, checking, and loan accounts.
4. Make balance inquiries at our proprietary ATMs (and some shared network ATMs).
5. Make loan payments by transfer of funds from your savings or checking account at our proprietary ATMs (and some shared network ATMs).

We may offer additional ATM services in the future and, if so, you will be notified of them.

Unless otherwise noted, the above services are generally available at ATMs on the CO-OP Network and shared network systems. Services, however, may be restricted on certain ATMs on the systems which we do not own. In such case, the Shared Network ATMs may refuse an attempted transaction.

Deposits:

You understand and agree that we accept deposits at an ATM subject to verification and collection by us and such deposits may only be credited or withdrawn in accordance with our Funds Availability Policy. Transactions accomplished after the close of business each day will be deemed to have occurred on our next business day.

ATM Transaction Fees:

You understand that withdrawals from network ATMs may be subject to Credit Union fees as disclosed in the *Schedule of Fees and Charges*. When you use an ATM not owned by us, you may be charged a fee by the ATM operator and/or any network used (and you may be charged a fee for a balance inquiry even if you do not complete a funds transfer). Any fees charged will be deducted from your checking or savings account.

ATM Transaction Limitations:

1. You understand and agree that you may use your Card at ATMs, using your PIN, to conduct up to a maximum withdrawal of \$500, or to withdraw up to a maximum of \$500, as long as your available balance will cover the transaction. Notwithstanding the foregoing, you understand that withdrawal limitations may vary between shared networks and individual ATMs. In addition, we reserve the right to adjust your maximum per day cash disbursement levels, from time to time, at our sole discretion.

2. Minimum withdrawal amounts and increment amounts may vary depending on the shared network or ATM you access. For example, the minimum withdrawal and increment amount on some shared network machines is generally \$20.
3. For security reasons, in the event your Visa Debit Card or PIN is lost or stolen, there may be restrictions on transactions you can make at the ATMs.

Authorization Holds for Visa Debit Card Transactions:

When you use your Visa Debit Card to pay for goods or services, the merchant may seek our prior authorization for the transaction, at which time we will generally place a hold on some or all of the funds in your account for up to three (3) business days or until the transaction is paid from your account. For more information regarding how debit card authorization holds impact your available balance, refer to our Checking Account Overdraft Agreement.

Optional Overdraft Protection Plans:

You understand that you can authorize us to link your Visa Debit Card to an overdraft protection source, including, but not limited to, a savings account, to fund any overdrafts on your checking account. Refer to our Checking Account Overdraft Agreement for additional information regarding Optional Overdraft Protection Plans.

Authorized Use – Visa Debit Card and PIN:

Both the Visa Debit Card and a PIN will be required each time you use an ATM, engage in a POS or other EFT. You agree to memorize your PIN and you will not write it on the Visa Debit Card(s). If you forget the PIN, you may contact us and we will issue a Replacement PIN. You must observe the following conditions for both the privacy and protection of your account and the system:

1. YOU MUST KEEP YOUR VISA DEBIT CARD IN A SAFE PLACE AND PERMIT NO UNAUTHORIZED PERSON TO USE IT;
2. YOU MUST NOT TELL ANY UNAUTHORIZED PERSON YOUR PIN OR WRITE YOUR PIN ON YOUR VISA DEBIT CARD (OR ANY PLACE) OR OTHERWISE MAKE IT AVAILABLE TO ANYONE ELSE;
3. YOU MUST TELL US IMMEDIATELY OF ANY LOSS OR THEFT OF YOUR VISA DEBIT CARD AND/OR PIN.
4. IF YOU AUTHORIZE US TO ISSUE A VISA DEBIT CARD (OR ANY OTHER ACCESS DEVICE) TO ANYONE ELSE, YOU AUTHORIZE THAT INDIVIDUAL TO WITHDRAW FUNDS FROM ANY ACCOUNT WHICH CAN BE ACCESSED BY THE VISA DEBIT CARD, REGARDLESS OF WHETHER THAT INDIVIDUAL IS AUTHORIZED TO WITHDRAW MONEY FROM THE ACCOUNT BY ANY MEANS OTHER THAN BY USE OF THE VISA DEBIT CARD.
5. IF YOU GIVE YOUR VISA DEBIT CARD OR PIN TO ANYONE, ANY WITHDRAWAL OR TRANSFER BY THAT PERSON WILL BE CONSIDERED TO BE AUTHORIZED BY YOU, EVEN IF THEY EXCEED YOUR AUTHORITY.

Safety at the ATM:

You understand that you should use caution at all times when using an ATM. Some precautions you can take are: (1) avoid ATMs that are obstructed from view or unlit at night; (2) observe the area for anything unusual or suspicious; (3) when possible, bring a companion along, especially at night; (4) lock your vehicle when you leave it; (5) have your Visa Debit Card in your hand as you approach the ATM and avoid reaching in your wallet or purse in front of the ATM; (6) avoid counting your cash at the ATM; (7) lock the doors, roll up all but the driver's window, and keep the engine running when using a drive-up ATM; (8) prevent others from seeing you enter your PIN by using your body to shield their view; and (9) do not accept assistance from anyone you do not know when using an ATM. We want ATMs to be safe and convenient for you. Tell us if you know of any problem with the facility. For example, let us know if a light is not working or there is any damage to the facility. If you feel unsafe for any reason, you should leave the area immediately. If someone follows you after using the ATM, you should quickly go to a safe area that is well populated and well lit. You should report any incident to the police as soon as possible.

Ownership of the Visa Debit Card:

If your Visa Debit Card is lost or stolen, you may also be charged a Replacement Card Fee. These fees are set forth in the *Schedule of Fees and Charges*. The Visa Debit Card remains our property and you agree to surrender it to us upon demand. We may cancel, modify, or restrict the use of any Visa Debit Card upon proper notice or without notice if: (1) any of

your accounts are overdrawn; (2) you use your Visa Debit Card in a manner which may cause a loss to us; (3) your account is inactive, which is defined by us as a card that has never been activated; (4) any mail sent to your address is returned to us as undeliverable; (5) we are aware that you have violated any term of this Agreement, whether or not we suffer a loss; or (6) where necessary to maintain or restore the security of your account(s) or the POS system. We also reserve the right to recall the Visa Debit Card through retrieval by any of the ATMs.

Making Electronic Funds Transactions:

You agree to follow the instructions posted or otherwise given by us or any ATM network or POS terminal concerning use of the machine/terminal.

Point-of-Sale (POS) Transactions – Dollar Limitations:

The following daily limits apply to POS transactions you conduct using your Visa Debit Card to the extent you have available funds in your checking account.

You may use your Visa Debit Card for POS transactions to conduct up to the available balance in your account, as long as your available balance will cover the transaction.

ATM and POS terminal owners, merchants and retailers may restrict cash withdrawals and purchases to lower limits and charge proprietary fees.

Returns and Adjustments (Visa Debit Card):

Merchants and others who honor Visa Debit Cards may give credit for returns or adjustments, and they will do so by sending us a credit slip that we will post to your checking account.

Foreign Transactions (Visa Debit Card):

Purchases and cash advances processed outside of the United States or in a foreign currency will be billed to your account in U.S. dollars. The conversion to U.S. dollars will be made in accordance with the Visa operating regulations for international transactions. In the event that an international transaction is converted to U.S. dollars the exchange rate between the transaction currency and the billing currency used for processing international transactions will be: (1) a rate selected by Visa from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Visa itself receives; or (2) the government-mandated rate in effect for the applicable central processing date. The rate in effect on the applicable processing date may differ from the rate on the date you used your Visa Debit Card. When a credit to the account does not fully offset a charge to the account due to changes in the rate, you are responsible for the difference.

Card Claims and Transaction Questions:

When you authorize other parties to debit your checking account, you are responsible for these transactions. Thus, you will have to contact these parties directly if you have questions or complaints about your transactions. Any claims concerning property or services purchased with your Visa Debit Card must be resolved by you directly with the merchant or seller who accepted the Visa Debit Card. You understand that we will not be able to help you because we only have the information received from the third party. Any claim or defense that you assert will not relieve you of your obligation to pay us the total amount of the transaction, unless otherwise permitted by law. You are not permitted to stop payment on any purchase through the use of your Visa Debit Card.

ADDITIONAL DISCLOSURES APPLICABLE TO PIN-LESS VISA DEBIT CARD TRANSACTIONS

PIN-less Visa Debit Card Transactions:

We allow non- Visa debit transaction processing. This means you may use your Visa Debit Card on a non- Visa network (also known as a PIN-Debit Network) without using a PIN to authenticate your transactions. Visa Operating Regulations generally define a PIN-Debit Network as a non- Visa debit network that typically authenticates transactions by use of a PIN, but that is not generally known for having a card program.

There are two types of authenticated transactions when using a debit card: PIN and signature. In a PIN-based debit card transaction, a cardholder enters a PIN to authorize the transaction. In a signature-based debit card transaction, a cardholder signs a receipt. You may choose to purchase goods and services with your Visa Debit Card through a PIN-Debit Network

without the requirement of entering your PIN.

Examples of PIN-less debit transactions include initiating a payment directly with the biller (possibly via telephone, Internet, or kiosk locations), responding to a logo displayed at a payment site and choosing to direct payment through that network, and having your identity verified using known information derived from an existing relationship with you instead of through the use of your PIN.

You understand that the terms and conditions of your agreement with us relating to Visa Debit Card transactions do not apply to non-Visa Debit Card transactions. For example, the additional limits on liability (sometimes referred to as Visa's Zero Liability program), \$50 loss cap, Visa's provisional credit policies, Visa's chargeback and dispute resolution rules, and the streamlined error resolution procedures offered on Visa Debit Card transactions are not applicable to transactions processed on a PIN-Debit Network.

ADDITIONAL DISCLOSURES APPLICABLE TO ELECTRONIC CHECK TRANSACTIONS

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

Types of Available Transactions:

You may authorize a merchant or other payee to make a one-time Electronic Check Transaction from your checking account using information from your check to (1) pay for purchases or (2) pay bills. You may also authorize a merchant or other payee to debit your checking account for returned check fees or returned debit entry fees.

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

Account Access:

Electronic Check Transactions may be made from your checking account only.

Limitations on Dollar Amounts of Transactions:

You may make Electronic Check Transactions only to the extent that you have available funds in your checking account.

PART V: MEMBER CONDUCT AND LIMITATION OF SERVICES POLICY

The privilege of Southland Credit Union services available to members must be reserved for members who are in "good standing." You acknowledge and agree that the purpose of this policy is to protect the employees, volunteers and members of the Credit Union from abusive members. To this end, this policy addresses standards of member conduct in order to assure the rights and protection of the Credit Union's employees, volunteers and members. You further acknowledge and agree that this policy also defines what constitutes a "monetary loss" which may also serve as a basis for limiting member services.

You acknowledge and agree that the Credit Union's good reputation is due in large part to the loyalty, commitment and continued efforts of its employees, volunteers and members. The Credit Union is committed to treating its employees, volunteers and members with respect and is committed to maintaining a work place free from unacceptable conduct from any source.

In the event that you engage in any type of "abusive behavior" (defined below) towards a Credit Union member, employee or volunteer engaged in Credit Union business, the Credit Union is authorized to apply appropriate remedial measures against you.

This policy extends to any member "not in good standing" who seeks member services whether directly or indirectly through a Credit Union account. This policy also applies to any person, including but not limited to any joint account owner, who has access to Credit Union services directly or indirectly through you.

You will not be considered to be in "good standing" with this Credit Union if:

1. You fail to comply with the terms and conditions of any lawful obligation with this Credit Union and as a result, the Credit Union suffers a "monetary loss" (defined below);
2. You manipulate or otherwise abuse Credit Union services or products to the detriment of the Credit Union's membership; or
3. You engage in "abusive behavior," or otherwise injure any person or damage any property while on Credit Union premises, at any Credit Union function, or while on the premises of any Credit Union Service Centers Network.

The determination of whether you are in "good standing" with this Credit Union will be made at the sole discretion of the Senior Management of this Credit Union.

This policy also extends to member conduct at any Credit Union Service Centers Network or any other shared-branching network.

DEFINITIONS

1. "Member services" are hereby defined as any products or services now or hereafter provided or sponsored by the Credit Union or otherwise made available to Credit Union members, which services include, but are not limited to: loans, deposit accounts, ATM services, online banking services, and other electronic fund transfer services.
2. A "monetary loss" to the Credit Union occurs when the Credit Union writes off as uncollectible any monies which you owe, for whatever reason, to the Credit Union.
 - (a) For loans: the monetary loss is defined as the principal amount of any monies owed and written off as uncollectible. The amount of the pecuniary loss does not include interest and expenses.
 - (b) For shares: monetary loss is defined as the negative balance in the share account written off as uncollectible.
3. "Abusive behavior" includes, but is not limited to, any of the following conduct:
 - (a) Any threats of or actual bodily harm or illegal activity against another member or an employee or volunteer engaged in Credit Union business.
 - (b) Any form of action which may constitute harassment under the Credit Union's harassment policy. For example:
 - Any type of harassment, including age, sexual, ethnic, or racial harassment; making racial or ethnic slurs, engaging in sexual conduct; making sexual overtures.
 - Inappropriate touching.
 - Making sexual flirtations, advances or propositions; engaging in verbal abuse of a sexual, racial or ethnic nature; making graphic or degrading comments about an individual or his or her appearance.
 - Displaying sexually suggestive objects or pictures.
 - (c) Fighting, kicking or other physical harm or attempted harm towards a Credit Union member, employee or volunteer engaged in Credit Union business. For example:
 - Engaging in offensive or abusive physical contact.
 - Making false, vicious or malicious statements about any Credit Union employee or volunteer or the Credit Union and its services, operations, policies, practices, or management.
 - (d) Using profane, abusive, vulgar, intimidating or threatening language directed towards a Credit Union member, employee or volunteer engaged in Credit Union business.
 - (e) Bringing or possessing firearms or weapons or any hazardous or dangerous device on Credit Union premises or at a Credit Union function or on the premises of any Credit Union Service Centers Network.
 - (f) Possession, sale, use or being under the influence of an unlawful or unauthorized substance (e.g., drugs or alcohol) on Credit Union premises or at a Credit Union function or on the premises of any Credit Union Service Centers Network.
 - (g) Attempting to coerce or interfere with a Credit Union employee or volunteer in the performance of their duties at any time.

- (h) Uncivil conduct or failure to maintain satisfactory or harmonious working relationships with other members, employees and volunteers at the Credit Union.
- (i) Conducting or attempting to conduct or engage in any fraudulent, dishonest or deceptive activity of any kind involving Credit Union employees or Credit Union services.
- (j) Any posting, defacing, or removing notices or signs on Credit Union premises, or writing on Credit Union bulletin boards without management authorization.
- (k) Appropriation or misappropriation of Credit Union funds, property or other material proprietary to the Credit Union.
- (l) Deliberate or repeated violations of security procedures or safety rules.
- (m) Any other act which endangers the safety, health or well being of another person or which is of sufficient magnitude that it causes disruption of business at the Credit Union.

This list is non-exhaustive and is used only as an example of types of behavior that may be viewed as “abusive” by the Credit Union.

POLICY

You acknowledge and agree that the availability of member services for members who are not in good standing with this Credit Union will be restricted. Any or all of the following actions may be imposed against a member who is deemed to be “not in good standing”:

1. Denial of all services other than the right to maintain a non-dividend bearing share account and the right to vote at annual and special meetings.
2. Preclusion from personal contact with Credit Union employees or volunteers such that Credit Union services may be available only through written communication through the U.S. mail, ATM, online banking, telephone banking, or other remote access device designated by Credit Union Senior Management.
3. Preclusion from access to the Credit Union premises.
4. Preclusion from access to any Credit Union Service Centers Network or any other shared-branching network and revoking any shared branching privileges.
5. Taking any other action deemed appropriate under the circumstances that is not precluded by the Federal Credit Union Act, NCUA Rules and Regulations, the Credit Union’s Bylaws or other applicable federal or state law.

You acknowledge and agree that any threats of bodily harm or any other illegal activity against any Credit Union employee, volunteer or other member will be reported to appropriate federal, state and/or local authorities.

In the case of continued abusive behavior or an extremely abusive incident, you acknowledge and agree that you may be subject to expulsion from the Credit Union at a special meeting of the members or at the next annual meeting of the membership.

These limitations will not prohibit you from exercising your rights under federal or state law or regulation.

Checking Account Overdraft Agreement

This Overdraft Agreement (“Agreement”) describes the circumstances when we (the Credit Union) will pay overdrafts in your checking account and charge you a fee. “Overdraft” means that the available balance in your Checking Account is insufficient to pay for a transaction. Some transactions that can result in an overdraft in your checking account include, but are not limited to: (1) the payment of checks, electronic fund transfers, telephone-initiated transfers, preauthorized payments under our Bill Payment Service, or other withdrawal requests authorized by you; (2) the return (unpaid) of items deposited by you; (3) the assessment of service charges by us; or (4) the deposit of items that are treated as not yet “available” according to our Funds Availability Policy. We can cover your overdrafts in two different ways such as: (1) a transfer of funds from another Southland deposit account (such as a share/savings*) or transfer from an Overdraft Line of Credit**; and (2) Southland’s Courtesy Pay Program. If you have an overdraft, you will be charged a Non-sufficient Funds (“NSF”) Fee, Overdraft Transfer Fee, or Courtesy Pay Fee, as described in our *Schedule of Fees and Charges*,

which ever applies. Our *Schedule of Fees and Charges* have been provided to you, and is subject to periodic updates. We will notify you of changes to your *Schedule of Fees and Charges* as required under applicable legal requirements.

Please note that for ATM and everyday debit card transactions, you must affirmatively consent to this coverage. Without your consent, we may not authorize and pay an ATM or everyday debit card transaction that will result in insufficient available funds in your account. A separate consent form, entitled “Courtesy Pay Protection Opt-In Form” will be provided to you for ATM and everyday debit card transactions. The following is important information regarding your account balance, how transactions are posted to your account, and when a Courtesy Pay Fee will be charged. You should read these disclosures carefully. If you have questions, please see a branch representative or call 800.426.1917.

PAYMENT OF OVERDRAFTS. We are not obligated to pay any item presented for payment against your account if your account does not have sufficient funds available. If we pay a transaction that overdraws your account, we are not obligated to continue paying such transactions in the future. We may pay all, some, or none of your overdrafts, without notice to you. You are liable to us to repay any overdrafts on your account whether you created them or not. If you do not pay us, and we take collection action against you, you agree to pay for any costs of collection. We may terminate, without notice, any account with excessive insufficient funds activity, and report the account to a consumer reporting agency.

We assess a fee for each item that we either pay, which results in an overdraft, or do not pay, which would have resulted in an overdraft had we paid it. If we pay an item in accordance with our Courtesy Pay Program (described in more detail below), we will charge a Courtesy Pay Fee. If we return an item, we will charge a NSF Fee. Refer to the *Schedule of Fees and Charges* for a listing of fees.

We recommend that you enroll in one of the optional overdraft protection plans described below. These plans can help you avoid overdrafts and returned items. While fees apply when you use an optional overdraft protection plan, the fees under the plan are less expensive than NSF and Courtesy Pay Fees. Refer to the “Optional Overdraft Protection Plans” section below for more information.

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

Your **actual** balance is the amount of money that is actually in your account at any given time, but not all funds included in the actual balance are considered available for transactions on your account. The actual balance is also referred to as: (1) your “AVAIL BAL” on Credit Union ATM screens; and (2) your “balance” in Mobile Banking or eBranch Online Banking. Your actual balance reflects transactions that have “posted” to your account, but not transactions that have been authorized and are pending or pending deposits that are subject to holds under our Funds Availability Policy. While the term “actual” may sound as though the number you see is an up-to-date display of what is in your account that you can spend, that is not always the case. Your actual balance will not reflect any purchases, holds, fees, other charges, or deposits made on your account that have not yet posted. For example, if you have a \$50 actual balance, but you just wrote a check for \$40, then your actual balance is \$50 but it does not reflect the pending check transaction. So at that point, you actually have \$50, but you have already spent \$40.

Your **available** balance is the amount of money in your account that is available to you to use without incurring a Courtesy Pay Fee. The available balance takes into account factors such as holds placed on deposits and pending transactions (such as pending debit card purchases) that the Credit Union has authorized but that have not yet posted to your account. For example, assume you have an actual balance of \$50 and an available balance of \$50. If you were to use your debit card at a restaurant to buy lunch for \$20, then that merchant could ask us to pre-authorize the payment in that amount or even a different amount. Under this example, if the merchant requested preauthorization in the amount of \$20, we will

put a “hold” on your account for \$20 (this is called an “authorization hold”). Your actual balance would still be \$50 because this transaction has not yet posted, but your available balance would be \$30 because of the restaurant’s preauthorization request that resulted in an authorization hold on \$20 in your account. When the restaurant submits its bill for payment (which could be a few days later and for a different amount from the amount of the authorization hold), we will post the transaction to your account and your actual balance will be reduced by the amount of the posted transaction.

The available balance is shown as: (1) “available” in Mobile Banking or eBranch Online Banking; and (2) as “Available” on Credit Union ATM screens.

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

Again, assume your actual and available balance are both \$50, and you swipe your debit card at a restaurant for \$20. If the restaurant requests preauthorization in the amount of \$20, an authorization hold is placed on \$20 in your account, so your available balance is only \$30. Your actual balance is still \$50. Before the restaurant charge is sent to us for payment, a check that you wrote for \$40 clears. Because your balance is \$30 (due to the authorization hold of \$20), your account will be overdrawn by \$10, even though your actual balance is \$50. In this case, we may pay the \$40 check, but you will be charged an Overdraft or Courtesy Pay Fee. That Fee will be deducted from your account, further reducing the balance.

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

In addition, your available balance may not reflect all of your debit card transactions. For example, if a merchant obtains our prior authorization but does not submit a one-time debit card transaction for payment within three (3) business days of authorization (or for up to thirty (30) business days for certain types of debit card transactions), we 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 us and paid from your account. Refer to the section entitled “Authorization Holds for Debit Card Transactions” below for information about how authorization holds affect your available balance.

Finally, your available balance may not reflect the most recent deposits to your account. Refer to our Funds Availability Policy for information regarding the availability for withdrawal of your deposits.

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

Credits. Most deposits are added to your account when we receive them. For some checks you 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, your available balance may not reflect the most recent deposits to your account. For details on the availability for withdrawal of your deposits, see the section of your Member 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 you write a check, it is processed through the Federal Reserve system. We receive data files of cashed checks from the Federal Reserve each day. The checks drawn on your account are

compiled from these data files and paid each day. We process the payments in check number order, from low check number to high.

- **ACH Payments.** We receive data files every day from the Federal Reserve with Automated Clearing House or ACH transactions. These include, for example, automatic bill pays you have authorized. Each day, ACH transactions for your account are grouped together and paid in the order they are presented to us in each data file.
- **Point of Sale (POS) Debit Card Transactions.** These are transactions where you use your debit card and you enter your PIN number at the time of the sale. They are similar to ATM withdrawals because money is usually deducted from your account immediately “real-time” 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 you make a purchase with your debit card and you do not enter your PIN but you are 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, we generally place a temporary hold against the available funds in your account. We refer to this temporary hold as an “authorization hold,” and the amount of the authorization hold will be subtracted from your available balance. Authorizations are deducted from your available balance but not your actual balance as they are received by us throughout each day. At some point after you sign for the transaction, it is processed by the merchant and submitted to us for payment. This can happen hours or sometimes days after you signed for it, depending on the merchant and its processing company. These payment requests are received in real time throughout the day and are posted to your account as they are received.

This is a general description of how certain types of transactions are posted. For example, in connection with our item posting process, we reserve the right to: (i) establish different categories of items, (ii) establish a posting order for each category of item(s), (iii) establish different posting orders for items within each category, and (iv) change the timing of when items are posted during the day and whether they are posted individually or in batches. Except to the extent limited by applicable law, we have the right to change any of the factors described in (i), (ii), (iii) and (iv) listed above at any time without notice to you.

On any given business day, if we receive more than one item for payment and if we determine there are sufficient funds to pay one or more but not all of the items, then the number of items paid and the overdraft and returned item fees assessed could be affected by the order that we choose to post those items. We may choose our processing and posting orders regardless of whether additional fees may result. You can avoid overdraft fees by making sure that your account always has sufficient available funds to cover all of your withdrawals and debits. You should also consider enrolling in one of our optional overdraft protection plans, described in detail below, as a possible way to avoid certain overdraft fees.

AUTHORIZATION HOLDS FOR DEBIT CARD TRANSACTIONS. When you use your debit card to pay for goods or services, the merchant may seek preauthorization from us for the transaction. When we pre-authorize the transaction, we commit to make the requested funds available when the transaction finally posts and as such, we generally place a temporary hold against some or all of the funds in the account linked to your debit card, based on the amount of the preauthorization request from the merchant. Until the transaction finally settles or we otherwise remove the hold (for example, we may remove the hold because it exceeds the time permitted, as discussed below, or we determine that it is unlikely to be processed), the funds subject to the hold will not be available to you for other purposes. We refer to this temporary hold as an “authorization hold,” and the amount of the authorization hold will be subtracted from your available balance as they are received by us throughout each day. At some point after you sign for the transaction, it is processed by the merchant and submitted to us for payment. This can happen hours or sometimes days after you signed for it, depending on the merchant and its processing company. These payment requests are received in real time throughout the day and are posted to your account as they are received.

The amount of an authorization hold may differ from the actual transaction amount because the actual transaction amount may not yet be known to the merchant when the authorization request is submitted. For example, this can happen at a restaurant or a gas station, where your debit card is

swiped before your actual transaction amount is known, because you may choose to add a tip to a restaurant transaction or because the amount of gas you pump is unknown when your card is swiped. For these types of transactions, there may be no authorization hold, or the amount of the authorization hold may be different from the transaction amount. In some other cases we may not receive an authorization request from the merchant, and there will be no authorization hold reflected in your available balance. We cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for payment.

We are permitted to place an authorization hold on your account for up to three (3) business days (or for up to thirty (30) business days for certain types of debit card transactions, including but not limited to, car rental transactions, cash transactions and international transactions) from the time of the authorization or until the transaction is paid from your account. However, if the transaction is not submitted for payment, we will release the authorization hold, which will increase your available balance until the transaction is submitted for payment by the merchant and finally posted to your account. If this happens, we must honor the prior authorization and will pay the transaction from your account.

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

OPTIONAL OVERDRAFT PROTECTION PLANS. We offer optional overdraft protection plans that you may apply for, such as a personal Line of Credit loan account where your line of credit is used for overdraft protection, and an Overdraft Transfer Service where funds from a linked account are used for overdraft protection. If you apply and qualify for these optional services, we will look first to these services for overdraft protection before applying our discretionary Courtesy Pay Program when your account is overdrawn. A Line of Credit and the Overdraft Protection plan may save you money on the total fees you pay us for overdraft protection, when compared to the costs of the Courtesy Pay Program.

- **Line of Credit.** This is a revolving line of credit, which is available to members meeting certain credit requirements. With this plan, you authorize us to automatically advance the exact amount of your overdraft from your Line of Credit (linked to your checking account) to cover your overdraft, up to your credit limit. You must repay what you have borrowed in full or in minimum monthly payments (in addition to any late charges, finance charges and annual fees). You authorize us to deduct the minimum monthly payment from the linked checking account. If you apply for the Line of Credit, you will be provided with our Line of Credit Agreement, which contains the terms and conditions applicable to the Line of Credit.
- **Overdraft Transfer Service.** With this service, you authorize us to make transfers of available funds automatically from your designated "linked" account to cover overdrafts in your checking account. You can designate your choice of "linked" account(s) below. Transfers from your designated linked account are made in the exact amount of the overdraft. You must request to enroll in this service. Each transfer is subject to an Overdraft Transfer Fee, as set forth in your *Schedule of Fees and Charges*.

If you decline to utilize any of the optional overdraft protection plans and you are not eligible for our Courtesy Pay Program, and there are insufficient funds in your checking account to pay an item, your items will not be paid, they will be returned, and an NSF Fee will be charged for each item returned.

Transfers will appear on your periodic statements for each applicable account.

LIMITS ON OVERDRAFT PROTECTION. We will not transfer more than the available account balance in a linked account or the available credit on a Line of Credit account, even if the amount of the overdraft is more than the available amount. If the available credit on a Line of Credit account is not enough to pay the overdraft or the available balance in a linked account is not enough to pay the transactions you have initiated on any day plus the Overdraft Transfer Fee, we will transfer enough funds to pay one or

more transactions plus the fee(s). Any transactions that are not paid by the transfer will either be paid or returned, and Overdraft Transfer Fees or NSF Fees will be charged as if you did not have overdraft protection.

TERMINATION OF OPTIONAL OVERDRAFT PROTECTION PLANS. We may terminate optional overdraft protection services at any time with or without notice to you. Any owner of the checking account, any owner of a linked account used for overdraft protection, or any borrower on a Line of Credit account used for overdraft protection may cancel overdraft protection in person or in writing. Cancellation will be effective after we have received notice and have had a reasonable time to act on it.

The best way to know how much money you have and avoid paying Overdraft and Courtesy Pay Fees is to record and track all of your transactions closely.

ADDITIONAL TERMS – COURTESY PAY PROGRAM

In accordance with our commitment to provide valued service and benefits, we may, at our discretion, pay your overdrafts that would cause your eligible checking account to have a negative balance up to the amount of your Courtesy Pay limit, which is determined by us in our sole and absolute discretion. We refer to this service as our Courtesy Pay Program. The Courtesy Pay Program is different from the Line of Credit and the Overdraft Protection plans. These "Additional Terms – Courtesy Pay Program" set forth the terms and conditions applicable to the Courtesy Pay Program.

COVERED OVERDRAFT TRANSACTIONS. In general, the Courtesy Pay Program is available only for the payment of checks, preauthorized payments under our Bill Payment Service, and ACH drafts and debits.

The following types of transactions require you to "opt in" (in other words, you must provide us with your affirmative consent) if you would like to include them in the Courtesy Pay Program. Choosing not to opt in may result in these transactions being declined:

- ATM transactions
- One-time Visa Debit Card transactions

You understand and agree that we do not require you to authorize the Courtesy Pay Program for your ATM transactions and one-time debit card transactions as a condition of us providing the Courtesy Pay Program to you for your checks, ACH transactions or other transactions. If you want the Credit Union to authorize and pay overdrafts for the above transactions, you must provide us with your consent by: (1) calling us at (800) 426-1917; (2) visiting any branch and speaking with a Member Service Representative; or (3) mailing an opt-in consent form to Southland Credit Union, P.O. Box 3033, Los Alamitos, CA 90720.

ELIGIBILITY FOR COURTESY PAY PROGRAM. The Courtesy Pay Program is not a credit product and requires no credit application. Courtesy will only be applied to your Checking Account if:

- You have a Checking Account (excluding Opportunity Checking) with the Credit Union that is more than ninety (90) days old;
- You have a current address on file with the Credit Union;
- You have no negative account history with any financial institution;
- You maintain your Membership in good standing;
- Your loans with us and credit cards are not past due; and
- There are no legal or administrative orders or levies against your Checking Account.

We are not obligated to pay any overdraft, even if you request such coverage under the Courtesy Pay Program. Eligibility for the Courtesy Pay Program is at our discretion. We will decide to pay overdrafts on a case-by-case basis, in our sole and absolute discretion. However, we shall not pay any check or other item/transaction if your negative Checking Account balance is greater than \$1,000 Dollars. Fees are excluded, which means that the fees are applied towards your total overdraft/Courtesy Pay limit. We may change or remove your limit at any time without prior notice. You understand that we have no obligation to notify you before we pay or return any check, item, or other transaction. We may refuse to pay any overdrafts without first notifying you even though your account is in good standing and even if we have paid previous overdrafts. You will be notified by mail, or, if you have agreed to receive notices from us in an electronic

format, you will be notified electronically, of any nonsufficient funds checks, items or other transactions that have been paid or returned.

The Courtesy Pay Program is a benefit. Any payment made by us under the Program will be made on a case-by-case basis, in our sole and absolute discretion. The Program does not constitute an actual or implied agreement between you and the Credit Union, nor does it constitute an actual or implied obligation of the Credit Union. The Program is a privilege that the Credit Union provides from time to time and which may be withdrawn or withheld by the Credit Union at any time, without prior notice, reason or cause.

A Courtesy Pay Fee will be charged to your checking account, in accordance with our *Schedule of Fees and Charges*, for each overdraft that is authorized and paid through the Courtesy Pay Program. This means that more than one Courtesy Fee may be assessed against your checking account per day depending upon the number of overdrafts authorized and paid through the Courtesy Pay Program. You understand that your Courtesy Pay Limit will be reduced by the amount of each overdraft paid by us through the Courtesy Pay Program and the amount of the related Courtesy Pay Fee imposed until such amounts are repaid by you as set forth herein at which time we may replenish your Courtesy Pay Limit by the amount of the repayment. If we choose not to pay the item/transaction under the Courtesy Pay Program, you are subject to a Nonsufficient Funds (NSF) Fee for each such item in accordance with our *Schedule of Fees and Charges*. Your periodic statement will itemize Courtesy Pay Fees and NSF Fees for each cycle, as well as the year-to-date total of fees.

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

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

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

We may terminate or suspend the Courtesy Pay Program at any time without prior notice. In no event shall any termination relieve you of your obligation to repay such sums already overdrafted, Courtesy Pay Fees, collection costs, and attorneys' fees, if any. We can delay enforcing any of our rights under this Agreement without losing them.

IF YOU DO NOT UNDERSTAND THIS AGREEMENT OR HAVE ANY QUESTIONS, PLEASE CONTACT US AT 800.426.1917, MONDAY

THROUGH FRIDAY, 8 AM TO 6 PM AND SATURDAY, 9 AM TO 1 PM PACIFIC TIME.

If you prefer not to have Overdraft Protection or Courtesy Pay, please contact us at 800.426.1917, Monday through Friday, 8 am to 6 pm and Saturday, 9 am to 1 pm Pacific Time.

To submit your request in writing, please complete Overdraft Protection Election Form on page 25.

When you notify us, please state what your Overdraft Preferences are (in this order):

First Choice: _____

Second Choice: _____

Third Choice: _____

- | |
|---|
| <p>Overdraft Options Include:</p> <ul style="list-style-type: none"> • Savings Account • Sub-Savings Account • Another Southland Checking Account • Money Market Account • Overdraft Line of Credit • Personal Line of Credit • Another account at Southland under a different Membership number that you have ownership. Please include the account number and account ID. |
|---|

If no preference is listed, Courtesy Pay Program will be the default. Courtesy Pay will also take effect if funds are unavailable for transfer from preferences listed above.

*Transaction limitations apply.

**An approved Overdraft Line of Credit is required.

Please refer to your *Schedule of Fees and Charges* for fees regarding Overdraft Transfer from Other Account, Courtesy Pay, and Non-Sufficient Funds whether items are paid or returned as unpaid.

Overdraft Protection Election Form

Name	
Address	
City, State, Zip	
Account #	

Your Overdraft Preferences are (in this order):

First Choice: _____

Second Choice: _____

Third Choice: _____

Overdraft Options Include:

- Savings Account
- Sub-Savings Account
- Another Southland Checking Account
- Money Market Account
- Overdraft Line of Credit
- Personal Line of Credit
- Another account at Southland under a different Membership number that you have ownership. Please include the account number and account ID.

If no preference is listed, Courtesy Pay Program will be the default. Courtesy Pay will also take effect if funds are unavailable for transfer from preferences listed above.

If you DO NOT want Southland Credit Union to authorize and pay overdrafts on your account.

Initial Here _____

Signature Date

Signature Date

Mail to:
Southland Credit Union
Attn: Service Center
P.O. Box 3003
Los Alamitos, CA 90720-1303

Privacy Choices

Facts	WHAT DOES SOUTHLAND CREDIT UNION DO WITH YOUR PERSONAL INFORMATION?
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Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
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What?	<p>The types of personal information we collect and share depend on the products or service you have with us. This information can include:</p> <ul style="list-style-type: none"> • Social Security number and income • Account balances and payment history • Account transactions and checking account information
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How?	All financial companies need to share members' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their members' personal information; the reasons Southland Credit Union chooses to share; and whether you can limit this sharing.
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Reasons we can share your personal information	Does Southland share?	Can you limit this sharing?
For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes— to offer products and services to you	Yes	No
For joint marketing with other financial companies	Yes	No
For our affiliates' everyday business purposes— information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes— information about your creditworthiness	Yes	Yes
For affiliates to market to you	Yes	Yes
For non-affiliates to market to you	No	No

To limit our sharing	<ul style="list-style-type: none"> • Call 800-426-1917 — our menu will prompt you through your choice(s) • Visit us online: www.SouthlandCU.org • Mail form <p>Please note: If you are a new member, we can begin sharing your information 30 days from the date we sent this notice. When you are no longer a member, we continue to share your information as described in this notice.</p> <p>However, you can contact us at any time to limit our sharing.</p>
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Questions?	Call 800-426-1917 or visit www.SouthlandCU.org
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Mark any/all you want to limit:

- For our affiliates to market to you
- For our affiliates' everyday business purposes information about your creditworthiness

Name		Mail to: Southland Credit Union Attn: Service Center P.O. Box 3003 Los Alamitos, CA 90720-1303
Address		
City, State, Zip		
Account #		

Who we are

Who is providing this notice?

Southland Credit Union

What we do

How does Southland Credit Union protect my personal information?

To protect your personal information from unauthorized access and use, we use security measures to comply with federal law. These measures include computer safeguards and secured files and buildings.

How does Southland collect my personal information?

We collect your personal information, for example, when you

- Open an Account or apply for a loan
- Pay your bills or deposit money
- Use your credit or debit card

We also collect your personal information from others, such as credit bureaus or other companies.

Why can't I limit all sharing?

Federal law gives you the right to limit only

- sharing for affiliates' everyday business purposes-information about your creditworthiness
- affiliates from using your information to market to you
- sharing for non-affiliates to market to you

State laws and individual companies may give you additional rights to limit sharing. See Other Important Information below.

What happens when I limit sharing for an account I hold jointly with someone else?

All information in the account will be limited.

Definitions

Affiliates

Companies related by common ownership or control. They can be financial or non-financial companies.

- LPL Financial Services

Non-affiliates

Companies not related by common ownership or control. They can be financial or non-financial companies.

- Southland does not share with non-affiliated third parties so they can market to you.

Joint marketing

A formal agreement between non-affiliated financial companies that together market financial products or services to you.

- Our joint marketing partners include credit card companies, ID theft insurance companies, insurance companies, auto buying services.

Other important information

Southland is required to send this notice to our members annually. Once you opt-out, you will remain opted out and do not need to do so again. If at any time you wish to change your opt-out status, please contact us. If you are a California resident, California state law gives you additional rights to limit information sharing, even if such sharing is otherwise permitted under federal law. With respect to California residents, Southland Credit Union allows you to limit our sharing of your personal information with affiliates and non-affiliates. If you would like to limit sharing of your personal information, please complete the opt-out form.

Southland

CREDIT UNION

P. O. BOX 3003
LOS ALAMITOS, CA 90720-1303
800.426.1917
www.SouthlandCU.org



Federally insured by NCUA
NMLS #685526