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## Important Account Information for Our Business Members

### INTRODUCTION

Welcome to California Coast Credit Union. We value our relationship with you. California Coast Credit Union's account related products and services are governed by this *Important Account Information for Our Business Members*, the *Business Account Application and Account Agreement*, the *Rate Sheet* and the *Service Charge Schedule for Business Accounts*. These documents constitute the credit union's account related "agreement" with you. Other products and services, such as certificate accounts, may be subject to additional agreements, the terms of which are incorporated into this agreement by reference to the extent that such agreements do not conflict with the terms of this agreement. Please read these documents carefully and keep them for future reference.

If any provision of this agreement is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect.

**TERMINOLOGY:** The words "you" and "your" mean account owners and anyone else with authority to deposit, withdraw or exercise control over the funds in the account. The words "we," "us," "our," and "credit union" mean CALIFORNIA COAST CREDIT UNION. The word "account" refers to sub-share accounts within the membership.

**ACCOUNT OWNERSHIP:** Any owner may withdraw or transfer all or any part of the account balance at any time. Each of you authorizes each other to endorse any item payable to you for deposit to your account or conduct any other transaction on the account. Account owners are distinct from authorized signers. Owners are accountholders who may be individuals or, if an entity, may be those that have signed the most recent Business Account Application.

Business accounts are not held or maintained primarily for personal, family or household purposes. Business accounts are available for both profit and nonprofit businesses and associations. Common forms of business accounts are:

- **Sole Proprietorship:** A sole proprietorship is a business entity owned and managed by one individual or a husband and wife.
- **General Partnership:** A partnership is an association of two or more persons acting as co-owners of a business. All partners specified in the Partnership Agreement must be account owners.
- **Limited Partnership:** A limited partnership is an association of two or more persons having one or more general partners and one or more limited partners as members. All partners specified in the Limited Partnership Agreement must be account owners.
- **Limited Liability Partnership:** A limited liability partnership is a modified general partnership (available only to firms practicing law or public accounting). All partners specified in the Operating Agreement must be account owners.
- **Limited Liability Company:** Members of the LLC with ownership interests have the same limited liability as a corporation's shareholder, yet can still participate in management and control, like partners of a general partnership. All managers specified on the LLC-12 or Operating Agreement must be account owners.
- **Association and Non-Profit Organization:** An association is a formal group of individuals such as a lodge, club or society following many of the procedures of a corporation. All those indicated on the Board of Directors' minutes as authorized signers must be account owners.
- **Corporation:** A corporation may act only through its stockholders, directors, or officers. All names specified on the Corporate Resolution as authorized signers must be account owners.

**AUTHORIZED SIGNERS:** An authorized signer is a person who has authority to transact business on your account. We may communicate information about your account to an authorized signer and may treat communications regarding your account received from an authorized signer as communications from you. An authorized signer, acting alone, may sign checks, withdraw or transfer funds, give us instruction regarding the account, and close the account without notice to owner(s) or other authorized signer(s). You are responsible for the actions of authorized signers and you are responsible for informing authorized signers of the terms of this agreement.

Owner(s) must provide the credit union with an authorization that designates who is authorized to act on your behalf. We will honor the authorization until we receive written notice from an owner of a change to the authorized signer(s). We have no obligation to inquire as to the use of any funds or the purpose of any transaction made on your account by an authorized signer and are not responsible for any unauthorized transaction by an authorized signer.

You agree to notify us immediately when an authorized signer's authority ends. You are responsible for ensuring the authorized signer's electronic access to the account is removed. You are responsible for removing the authorized signer's access to CoastLine, Cal Coast Online, debit cards, and credit cards. You must notify the credit union immediately when an authorized signer's authority ends so his or her name can be removed from our records.

We may, without incurring liability to you, continue to honor checks issued, and instructions given to us, by any individual who was authorized to sign on your account at the time checks or instructions were issued, even if the checks are presented to us for payment, or instructions are to be acted on after you notify us that an individual is no longer an authorized signer.

**CHANGE IN TERMS:** We may change any provision of this agreement at any time or upon written notice when required by law. By using these services after changes become effective, you are agreeing to the changes. You are responsible for notifying all owners and authorized signers of changes.

**CHOICE OF LAW:** Your account relationships are governed by the laws of the state of California and by applicable federal law. Disputes will be heard by courts or other dispute resolution authorities in the state of California.

**CONTROLLING LANGUAGE:** You agree that English is the controlling language of this agreement and of all the accounts and services described or referred to herein. For any disagreement between English and another language we may use in communicating with you, the English language version is controlling. You agree that all written instructions you give us, for example, traditional paper checks, will be in English. You further agree that we may decline to process any check, draft or other instrument for the payment of money written in a language other than English, whether issued by you or another person, without liability on our part.

**MEMBER IDENTIFICATION PROGRAM:** 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. We use third party services to check account and credit history, verify identity, and determine eligibility for accounts and services.

**MEMBERSHIP REQUIREMENT:** Businesses and organizations established in San Diego or Riverside Counties are eligible for membership. Upon approval for membership, we require a one-time non-refundable \$5 membership fee.

**NCUA INSURANCE:** Business accounts are insured by the National Credit Union Association. For details, see *Your Insured Funds*, available on the NCUA website or contact California Coast Credit Union at 877.495.1600.

**NO FIDUCIARY RELATIONSHIP:** No fiduciary, quasi-fiduciary or other special relationship exists between you and the credit union. Any internal policies or procedures we maintain are solely for our own purposes and do not impose a higher standard of care than otherwise would apply by law.

**NOTICE OF BINDING ARBITRATION:** You and the credit union agree to attempt to informally settle any dispute affecting your accounts which might arise under this agreement. If that cannot be done, you and the credit union agree that any dispute affecting your account and arising out of or relating to this agreement will be resolved by BINDING ARBITRATION administered using the Commercial Arbitration Rules of the American Arbitration Association as modified by AAA's Supplementary Procedures for the Resolution of Consumer-Related Disputes. You thus GIVE UP YOUR RIGHT TO GO TO COURT to assert or defend your rights under this *Important Account Information for Our Business Members* (EXCEPT for matters that may be taken to small claims court.) Your rights will be determined by a NEUTRAL ARBITRATOR and NOT a judge or jury. You are entitled to a **FAIR HEARING**, BUT the arbitration procedures are **SIMPLER AND MORE LIMITED** THAN RULES APPLICABLE IN COURT. Arbitrator decisions are as enforceable as any court order and are subject to VERY LIMITED REVIEW BY A COURT. The place of arbitration shall be San Diego County, California. FOR MORE DETAILS, check the American Arbitration Association's website, [www.adr.org](http://www.adr.org), OR call the American Arbitration Association's Customer Service telephone number at 800.778.7879. Please note that any debt or loan obligation you may have with us is not subject to this arbitration agreement.

**WAIVERS:** We may delay enforcing our rights under this agreement without losing them. Any waiver by us will not be deemed a waiver of other rights or of the same right at another time.

## BUSINESS CHECKING ACCOUNTS

### SMALL BUSINESS CHECKING:

- The minimum balance required to open and maintain a Small Business Checking account is \$100. If the minimum balance requirement is not met, a monthly fee may be assessed and/or the account may be closed.
- The account is non-dividend earning.
- A monthly maintenance fee will be assessed if the average daily balance in the account falls below \$2,500 in any month.
- Other service fees may apply to the account. All fees are disclosed in the *Service Charge Schedule for Business Accounts*.

### CHOICE BUSINESS CHECKING:

- The minimum balance required to open and maintain a Choice Business Checking account is \$100. If the minimum balance requirement is not met, a monthly fee may be assessed and/or the account may be closed.
- The account is non-dividend earning.
- A monthly maintenance fee will be assessed if the average daily balance in the account falls below \$5,000 in any month.
- Other service fees may apply to the account. All fees are disclosed in the *Service Charge Schedule for Business Accounts*.

### PREMIER BUSINESS CHECKING:

- The minimum balance required to open and maintain a Premier Business Checking account is \$100. If the minimum balance requirement is not met, a monthly fee may be assessed and/or the account may be closed.
- The minimum balance to earn dividends is \$100. Rates are tiered according to the balance in the account, as shown on the *Rate Sheet*.
- A monthly maintenance fee will be assessed if the average daily balance in the account falls below \$7,500 in any month.
- Other service fees may apply to the account. All fees are disclosed in the *Service Charge Schedule for Business Accounts*.

### NON-PROFIT CHECKING:

- The minimum balance required to open and maintain a Non-Profit Checking account is \$100. If the minimum balance requirement is not met, a monthly fee may be assessed and/or the account may be closed.
- The account is non-dividend earning.
- There is no monthly fee.
- Other service fees may apply to the account. All fees are disclosed in the *Service Charge Schedule for Business Accounts*.

## BUSINESS SAVINGS AND MONEY MARKET ACCOUNTS

### BUSINESS SAVINGS:

- The minimum balance required to open and maintain a Business Savings account is \$50.
- The minimum balance to earn dividends is \$50. Rates are tiered according to the balance in the account, as shown on the *Rate Sheet*.
- A monthly maintenance fee will be assessed if the minimum combined daily balance in non-checking accounts falls below \$50.
- Other service fees may apply to the account. All fees are disclosed in the *Service Charge Schedule for Business Accounts*.

### BUSINESS MONEY MARKET:

- The minimum balance required to open and maintain a Business Money Market account is \$100. If the minimum balance requirement is not met, a monthly fee may be assessed and/or the account may be closed.
- The minimum balance to earn dividends is \$2,500. Rates are tiered according to the balance in the account, as shown on the *Rate Sheet*.
- There is no monthly maintenance fee.
- Other service fees may apply to the account. All fees are disclosed in the *Service Charge Schedule for Business Accounts*.

### BUSINESS MONEY MAX INDEX:

- The minimum balance required to open and maintain a Business Money Max Index account is \$100. If the minimum balance requirement is not met, a monthly fee may be assessed and/or the account may be closed.
- The minimum balance to earn dividends is \$2,500. Rates are tiered according to the balance in the account, as shown on the *Rate Sheet*.
- A monthly maintenance fee will be assessed if the daily balance falls below \$2,500 at any time during the month.
- Other service fees may apply to the account. All fees are disclosed in the *Service Charge Schedule for Business Accounts*.

### TRANSACTION LIMITATIONS ON SAVINGS AND MONEY MARKET ACCOUNTS:

No more than six preauthorized or automatic transfers, telephone transfers, or transfers made by check, draft, debit card, or similar order payable to a third party may be made from any of your Business Savings or Business Money Market

accounts to another account at the Credit Union or to a third party in any calendar month. If you exceed, or attempt to exceed, these transfer limits, the excess transfer requests may be refused or reversed, a fee may be imposed on the excess transfer requests, and the Credit Union may reclassify or close your account. However, there are no limits on the number of withdrawals paid directly to you when initiated in person, and no limit on the number of withdrawals paid directly to you when initiated by mail, telephone or messenger.

## BUSINESS CERTIFICATE ACCOUNTS

- The minimum balance required to open a certificate account is \$1,000.
- Terms range from three months to five years.
- The dividend rate, Annual Percentage Yield, term, maturity date and other specific information that applies to your certificate are disclosed on the *Certificate Account Agreement*, which you receive when you open your certificate.
- Unless otherwise specified, after the account is opened you may not make additional deposits into or withdrawals from the account until the maturity date without a penalty.

**EARLY WITHDRAWAL PENALTY:** We may impose a penalty if you make a withdrawal of principal from your certificate account before the maturity date. The penalty imposed shall be as follows:

- If the certificate term is 6 months or less, the penalty is equal to all dividends for 90 days on the amount withdrawn.
- If the certificate term is greater than 6 months to 24 months, the penalty is equal to all dividends for 180 days on the amount withdrawn.
- If the certificate term is greater than 24 months, the penalty is equal to all dividends for 365 days on the amount withdrawn.
- If a withdrawal is made that reduces the balance below the required minimum, the account will be closed and a penalty as stated above will be assessed on the entire amount in the account.
- The penalty will not apply if the withdrawal is made subsequent to the death of any certificate account owner.

**DIVIDENDS:** All certificate accounts pay fixed dividend rates unless otherwise specified. You will be paid the dividend rate shown on your *Business Certificate Account Agreement* until maturity. The annual percentage yield is based on the assumption that the original principal and dividends will remain on deposit until maturity.

**AUTOMATIC RENEWAL:** Certificate accounts automatically renew for the same term at the dividend rate in effect on the account's maturity date unless otherwise specified.

**MATURITY NOTICES:** We will notify you in writing before the original and all subsequent maturity dates. You will be sent written notice at least 15 days before the maturity date.

**GRACE PERIOD:** If your certificate account automatically renews, there is a 7 calendar day grace period. During this period, you will not incur an early withdrawal penalty if you close your account, withdraw funds, or transfer funds to a new certificate account.

## GENERAL INFORMATION ABOUT ALL ACCOUNTS AND SERVICES

**ADJUSTMENTS AND CORRECTIONS:** You agree that we may make adjustments and/or corrections to your account from time to time resulting in changes to your account balance. Adjustments might occur, for example, when transactions are recorded in the wrong amount. Corrections might occur, for example, if deposited items do not balance to the total listed on the deposit slip included with your deposit.

**ATTORNEYS' FEES:** You agree to pay reasonable attorneys' fees (even if litigation has not commenced) and dispute resolution costs in the event that we must take legal action to enforce any of the terms and conditions of this agreement.

**BUSINESS ANALYSIS:** If your account is analyzed, your Business Analysis Statement will itemize the services you used during the month as well as the charges to your account.

**BYLAWS:** Account owners must give up to 60 days written notice of the owner's intention to withdraw from any account except checking and money market checking accounts.

No owner may withdraw any shareholdings that are pledged as security on loans without written approval of the loan officer, except to the extent that the shares exceed the owner's total primary and contingent liability to the credit union. No owner may withdraw any share below the amount of his or her primary or contingent liability to the credit union if he/she is delinquent as a borrower, or if borrowers for whom he/she is co-maker, endorser, or guarantor are delinquent, without the written approval of the loan officer.

**CASHIER'S CHECK DECLARATION OF LOSS:** Under some circumstances you may be able to assert a claim for the amount of a lost, stolen, or destroyed cashier's check. To assert the claim, (a) your business must be the remitter or payee on the check (b) we must receive notice from you describing the check with reasonable certainty and requesting payment of the amount of the check, (c) we must receive the notice in time to have a reasonable opportunity to act on it, and (d) you must give us a declaration of your loss in a form acceptable to us. Even if all of these conditions are met, your claim may not be immediately enforceable. We may not issue a replacement until a date 90 days or more after the issue date of the original cashier's check. At our option, we may pay the amount of the check before your claim becomes enforceable. However, we will require you to agree to indemnify us for any losses we might incur.

**CHANGE OF PERSONAL INFORMATION:** You are required to keep us informed of your current address and other personal information, such as your name, address, or phone number. You agree to notify us promptly of any change of personal or business information. You may notify us in person at one of our branch offices or by sending a written and signed notice to: California Coast Credit Union, P.O. Box 502080, San Diego, CA 92150-2080.

**CHECK ORDERS:** As a convenience to you, we will submit your initial order and reorders for personalized checks. If the printer accepts the initial order and reorders, the printer will mail the checks either directly to you or to us. You authorize us to charge your checking account for the cost of delivered checks ordered, plus sales tax and shipping costs. You are responsible for verifying the accuracy of all information shown on your checks whether you order the checks through us or elsewhere.

**CHECK PROCESSING ORDER:** Generally, we will, without liability, collect items when presented on a daily basis, then accept, reject, pay, guarantee, and/or charge checks to your account, once a day. We may accept, pay or charge items in any order. Checks will be cleared at the time received in the mail or drawn off your account and presented at a branch, if not forwarded on for centralized processing

**CHECKING ACCOUNT REPORTING:** We will report your checking account balance as part of an aggregate total to the Federal Reserve Bank (FRB). This will not affect your available balance, dividend earnings on dividend bearing accounts, NCUA insurance, statement or any other feature of your checking account. This will allow us to substantially lower our reserve requirement balance at the FRB and increase the amount of funds available for loans and investments, thereby increasing our ability to serve our members. Our checking accounts will be structured into checking and savings sub-accounts for regulatory accounting purposes. We may periodically transfer funds between these two sub-accounts. Your dividend calculation on dividend bearing accounts will stay the same on both sub-accounts. If your account does not earn dividends, the savings sub-account will not earn dividends. For further assistance, please contact California Coast Credit Union at 877.495.1600.

**CLOSING YOUR ACCOUNT:** Your account may be closed at any time with or without notice by any owner, or authorized signer on the account or by the credit union. We may close your account without notice due to lack of financial responsibility (i.e., excessive NSF's, failure to pay an NSF within a reasonable time frame, misuse), to restore the security of your account, or if we receive information that you have abused financial services in the past. We may also report the account to a consumer reporting agency. If we close your account, the balance of the account will be mailed to the current mailing address contained in our records. After the account is closed we will not be responsible for dishonoring any item presented for payment. If you close your account and you have electronic deposits into or withdrawals from your account, you must notify the company or government agency so that the deposit or withdrawal can be stopped.

**DEATH OR INCOMPETENCE:** You must notify us promptly if any owner or authorized signer on your account dies or is declared incompetent by a court. Until we are given written notice of such death or incompetence by you or a court, we may continue to honor checks and instructions by owners or authorized signers on the account. We may also freeze, refuse and/or reverse deposits and transactions if we become aware of the death or incompetence of an owner or authorized signer. Even with knowledge of death or incompetence, the credit union may, for 10 days after the date of death or incompetence, 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. No transfer of the voting rights or other ownership privileges is permitted by virtue of the transfer of shares.

**DEPOSITS:** We may, without inquiry, accept a deposit to your account at any time, from any person or entity, made in any manner. We may also refuse to accept any deposit.

**Collection Items:** At our option, we may take an item for collection rather than for deposit. You agree to pay a fee for this service as disclosed in the *Service Charge Schedule for Business Accounts*.

**Daily Cut-off Time:** Deposits, payments, and instructions received by us on a day we are closed or after the close of business on a business day may be treated as if received on the following business day.

**Endorsements:** We may endorse and/or collect items deposited to your account without your endorsement, but may require your personal endorsement prior to accepting an item for deposit. If you deposit items which bear the endorsement of more than one person or persons that are not known to us or that require endorsement of more than one payee, we may refuse the item or require all

endorsements to be present or to have their endorsements guaranteed before we accept the item.

**Large Cash Deposits:** You must provide adequate security when you deposit large amounts of cash or exercise other options to mitigate possible risks.

**Late Returned Items:** Marks that obscure a depository financial institution's endorsement can lead to returned check processing delays. You agree to hold us harmless from any loss, liability, or damage you incur due to endorsements or other marks located in the area on the back of the check reserved for depository institution endorsements between 1.5 inches from the trailing edge and 3.0 inches from the leading edge of the check. When looking at the front of a check, the leading edge is to the right and trailing edge is to the left.

**Mailed Deposits:** Use the pre-encoded deposit slips found behind your checks in your checkbook. If you do not use your deposit slip or provide us with instructions indicating how or where the check should be credited, we may apply it to your savings account. Receipts for mailed deposits will be mailed to you only if a self-addressed stamped envelope is provided. You agree to pay a fee for this service as disclosed in the *Service Charge Schedule for Business Accounts*. Do not send cash through the mail for deposit.

**Non-U.S. Negotiable Items:** We may refuse to accept a check, draft or other negotiable item for deposit or collection that is payable in currency other than U.S. Dollars or an item not drawn on a financial institution chartered in the U.S. ("non-U.S. item"). If we accept a non-U.S. negotiable item for deposit or collection, you accept all risk associated with foreign currency fluctuation (exchange rate risk) and any late return of the non-U.S. negotiable item. You agree to pay a fee for this service as disclosed in the *Service Charge Schedule for Business Accounts*. We reserve the right to place longer holds on non-U.S. negotiable items than the time frames specified in *Your Ability to Withdraw Funds*.

**Quick Drop and Night Drop:** We are not responsible for Quick Drop and Night Drop deposits received until we actually process them. We will treat and record all transactions received after branch closing on a business day we are open, or received on a day we are not open for business, as if received on the next business day we are open.

**Restrictive Language:** Although we are not obligated to, we may pay or accept checks and other items bearing restrictions or notations (e.g., "Void after 6 months," "Void over \$50.00," "Paid in Full"), whether on the front or back, in any form or format. You agree that such restrictions or notations apply only between you and the payee or maker and will have no effect on us. You agree to accept responsibility for payment of the item and 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.

**Returned Deposit Items:** We may redeposit items taken for deposit, cash or other value, or we may return the item to you and charge your account. If your account does not contain sufficient funds to reimburse us for the amount of the item, you must repay us for the amount we are unable to collect from your account. If we choose to redeposit an item, we are not required to notify you that the item was returned unpaid. We may charge your account and/or seek recovery directly from you for any item that is returned due to your breach of warranty under the Uniform Commercial Code as adopted in the state where our main office is located. (See *Service Charge Schedule for Business Accounts*.)

**Stale Dated Checks:** We may, without incurring liability to you, pay or accept for deposit or refuse to pay any checks presented more than six months after the date written on the check.

**Substitute Checks:** A substitute check may be accepted for deposit only if the item has been returned unpaid and is being redeposited. You agree not to otherwise deposit a substitute check unless you have a prior written agreement with us.

**Third Party Checks:** If we accept a third party check for deposit, we may require third party endorsers to verify or guarantee their endorsements or indorse in our presence.

**Verification:** We will give only provisional credit until a deposit is verified and collection is final. Before settlement of any item becomes final, we act only as your agent, regardless of the form of the endorsement or lack of endorsement on the item and even though we may provide you provisional credit for the item.

**DIVIDENDS:** The frequency and conditions upon which dividends are paid on all accounts are in accordance with the bylaws of this credit union, and California law. Dividends are paid from current income and available earnings, after required transfers to reserves at the end of a dividend period. Dividends are compounded and paid monthly on the last calendar day of each month.

Dividends are calculated by the Daily Balance method, which applies a periodic rate to the daily balance in the account each day. Our accounts (except most certificate accounts) pay variable dividend rates that may change at any time without prior notice to you based on the determination of the California Coast Credit Union Board of Directors. There is no limitation on the amount the rate may change. The rates in effect during the statement cycle (along with applicable dates) will appear on your statement.

**DORMANT AND UNCLAIMED ACCOUNTS:** Your account is considered dormant if your account is inactive for one year or more. Our standard service charges and fees will continue to be assessed except where prohibited.

If your account remains dormant and is unclaimed by you for the period required by the state unclaimed property law governing your account, we are required to "escheat" the funds or deliver the funds to that state. We may charge a fee to your account for mailing the escheat notice. When the funds in your account are delivered to the state,

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

The state unclaimed property law that governs your account is determined by your last physical address on our records. For example: If your last physical address is in California, your funds will be escheated to the state of California if the account remains dormant and is unclaimed for three years. If the balance is \$25 or more, a notice will be sent to the address on file for your account before the funds are escheated to the state.

**DUE DILIGENCE:** To aid the credit union in complying with the Bank Secrecy Act and related laws and regulations, we may require specific information regarding the nature of anticipated account activity, the sources of your funds, the purpose of transactions, the relationship you have with persons to whom you send funds and the persons who send funds to you, the anticipated frequency of such transactions, the ultimate beneficiaries of funds you send and receive, and other questions that may help to clarify the nature and purpose of transactions.

We may, at our sole discretion, elect not to open an account, or to close any existing account, with or without cause. This will typically be done if we are not able to understand the purpose of the account, the structure of an organization, the authority of authorized signers, the documentation provided, or the general risk associated with the establishment of the account. We may elect not to disclose the specific reason.

**ENFORCEMENT:** You are liable to us for any loss, cost or expense we incur resulting from your failure to abide by the terms of this agreement. You authorize us to deduct any such loss, cost or expense from your account without prior notice to you. If we bring a legal action to collect any amount to enforce this agreement, we shall be entitled, subject to applicable law, to payment of reasonable attorneys' fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions.

**FACSIMILE SIGNATURES:** We reserve the right to refuse payment of items bearing a facsimile or mechanical signature. You are responsible for all withdrawals or account changes that bear a facsimile or mechanical signature. By using a facsimile or mechanical signature, you agree that we are not and will not be responsible for any misuse of the facsimile or mechanical signature, and you also agree to indemnify and hold us harmless from all losses, claims, damages, or expenses, including attorneys' fees, that are incurred as a result of our payment of a withdrawal bearing a facsimile or mechanical signature, or a facsimile or mechanical signature that we believe you authorized.

**FINANCIAL ABUSE:** If we suspect financial abuse of elders or dependent care adults, or other high risk or suspicious circumstances concerning your account, you understand and agree that, in addition to reporting abuse as required under law, we have the right to freeze the account, refuse to complete transactions on the account, or to take any other actions we deem appropriate under the circumstances. You agree to indemnify and hold us harmless from and against all claims, actions, damages, liabilities, costs, and expenses, including reasonable attorneys' fees and expenses, arising out of or related to any action or inaction by the credit union.

If you give anyone access to your account (for example, providing any person with your debit card, ATM card, or Cal Coast ONLINE or CoastLine password, or granting any person power to act as your agent under a Power of Attorney) any transaction completed by these persons will be considered authorized by you.

**ILLEGAL TRANSACTIONS:** You agree that you will not use California Coast Credit Union accounts, services, or loans to make or facilitate any restricted or illegal transactions as determined by applicable law. You agree that the credit union will not have any liability, responsibility or culpability for any such use. You further agree to indemnify and hold the credit union harmless from any suits, liability, damages or adverse action of any kind that results directly or indirectly from illegal use of your account. Any illegal use of your California Coast loan, line of credit or credit card, including authorized use, will constitute an event of default. We reserve the right to decline internet gambling, lottery or other transactions we believe are unlawful.

**INDEMNITY AGREEMENT:** Each owner agrees to indemnify, defend and hold the credit union, its officers, agents and employees harmless from all costs (including without limitation attorneys' fees), losses, claims, actions, and proceedings that arise directly or indirectly from: (a) our actions and omissions in accordance with this agreement or your instructions, or (b) actions or omissions by any of you or your agents.

This means, generally speaking, you agree not to assert claims against the credit union if we do what we promise to do in managing your account and processing your transactions. You also promise to defend us if we get sued for following your instructions. For example, if you ask us to stop the payment of one of your checks, you agree to defend us if the payee asserts a claim against us for refusing to pay the check. Another example: If you write a check for more than is in your account, we may refuse to pay the check without any liability to you.

Each owner agrees to be responsible for the actions that you or your agent takes. For example, if you or another owner or authorized signer on your account writes a check for more than is in the account, you are jointly and individually liable for the overdraft. If you appoint someone as your attorney-in-fact and they overdraw your account, you are liable for their actions and must repay the overdraft.

This indemnity provision does not protect us if we take an action or fail to take an action that would constitute a violation of our agreement with you. It doesn't protect us, for example, if we pay a check over a valid and timely stop payment order.

**INFORMATION AUTHORIZATION:** You authorize the credit union to gather whatever credit, checking account and employment information we consider appropriate from time to time. 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.

Pursuant to state law you are hereby notified that a negative credit report reflecting on your credit record may be submitted to a credit reporting agency if you fail to fulfill the terms of your obligations with us.

**LEGAL PROCESS:** We must comply with a notice of attachment, execution, garnishment, tax levy, injunction, restraining order, subpoena, warrant or other legal process which we believe to be valid and which we believe applies to your account. In the event of any legal process, we may consider all funds in a joint account subject to enforcement of such process. Any attorneys' fees we incur responding legal processes may be charged against your account without notice, unless prohibited by law. You agree to pay a fee for legal processes as disclosed in the *Service Charge Schedule for Business Accounts*.

**OFFSET:** In the event that a negative balance is created in your account (whether due to ATM, non-sufficient funds activity, credit union imposed fees and charges, or otherwise) or you have other outstanding financial obligations of any kind owed to us, which are in default, you understand and agree that we may transfer funds to such account from any other account including account(s) upon which you are a joint owner, in an amount equal to the negative account balance or the outstanding financial obligation in default.

In addition to any other rights that we may have, you agree that any deposits, future deposits or other credits to any account in which you may now or in the future have an interest are subject to our right of offset for any liabilities, obligations, or other amounts owed to us by you (e.g., overdrafts and any related fees and charges) and such is applicable irrespective of any contribution to the account or source of funds in the account. Moreover, you 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. Offset against funds in a certificate account may also result in an early withdrawal penalty.

**OVERDRAFTS:** If on any day the available funds in your account are not sufficient to pay checks, drafts, fees, returned items and other items posted to your account, those amounts will be subject to our overdraft procedures or an overdraft protection plan you have established for your account. We are not required to pay any item that will exceed the available balance for your account or that will cause the approved credit limit on an overdraft protection plan to be exceeded. The available balance for your account is determined according to our funds availability policy. Whether the balance in your account is sufficient to pay an item may be determined at any time between presentation of the item and our deadline with only one review of the account required. Items drawn on your account may be paid in any order we choose. We may return any item and are not required to notify you if your account or overdraft credit limit does not contain sufficient funds to pay the item. However, we may, at our discretion pay items that overdraw your account. By paying an item drawn on insufficient funds we do not agree to pay such items in the future. We may charge fees to your account, as set forth in our *Service Charge Schedule for Business accounts for items drawn on insufficient funds regardless of whether we pay the item or return it. If we pay an item, impose a fee or post an item that overdraws your account, you must repay the amount according to requirements of our overdraft policy.* There is a fee for each overdraft item based on the number of times your account has been overdrawn during the previous 12 months. (See *Service Charge Schedule for Business Accounts*.)

**OVERDRAFT PROTECTION TRANSFERS:** You may authorize all checks from your checking account(s) to be cleared pursuant to a written "Overdraft Protection Transfer Authorization" which you must execute. If overdrafts are to be covered by a transfer of funds from your savings or money market account, the transfer will generally be made only if there are sufficient clear funds on deposit at the time of transfer. You agree that overdrafts, if paid by funds in any savings or money market account or available from any loan account, are payable on demand. Any items returned unpaid because of insufficient clear funds or paid without sufficient clear funds in your checking account and overdraft source(s) will be subject to nonsufficient fund (NSF) fees.

**POST-DATED CHECKS:** A post-dated check is one which bears a date later than the date on which the check is written. We may properly pay and charge your account for a post-dated check even though payment was made before the date of the check.

**POWER OF ATTORNEY:** You may need to appoint a person to act for you by use of a Power of Attorney. We may, unless prohibited by law, refuse to honor a Power of Attorney which you grant to others, with or without cause. We reserve the right to restrict the type and size of transactions an attorney-in-fact may do on a case by case basis. You agree to hold the credit union harmless for any loss or damage you may incur as a result of our decision to follow the instructions given by the Power of Attorney, as long as the credit union's decision is made in good faith.

**PRE-AUTHORIZED DRAFTS:** You may arrange with a third party to have your bills paid automatically. As part of these arrangements, a third party may issue checks drawn against your account without your signature on it. If you voluntarily give a third party your account number and authorization to issue checks or drafts against your account, this action authorizes the third party to initiate debits to your account, even though you may not have specifically authorized a particular transaction. In these situations, we have no obligation to reimburse you for our payment of any check or draft issued by this third party.

**RIGHT OF REFUSAL:** We reserve the right to refuse to open any account or to service or to accept additional deposits to an existing account.

**SERVICE CHARGES AND FEES:** You authorize us to deduct service charges and fees directly from your account balance. You will pay any additional reasonable service charges and fees for services you request which are not covered by this agreement. Each of you also agrees to be jointly and severally liable for any account shortage resulting from fees or overdrafts, whether caused by you or another with access to your account. This is due immediately and may be deducted directly from the account balance whenever sufficient funds are available. You have no right to defer payment of this liability and you are liable regardless of whether you signed the item or benefited from the charge or overdraft. This includes liability for our costs to collect a deficit including, to the extent permitted by law, our reasonable attorneys' fees.

**STATEMENTS:** We will mail, deliver or otherwise make available to you an account statement at least quarterly showing all transactions since the last statement. Account statements list activity for your account for the period of time shown on the statement. Your statement also shows the total dividends earned on your account during the statement period, along with any dividend rate in effect, if applicable. If your statements are returned because of an incorrect address, future statements will not be mailed until we are informed of your current address. A Returned Mail fee will be assessed as disclosed in the *Service Charge Schedule for Business Accounts*.

**STOP PAYMENTS:** You agree to pay a fee for all stop payments as disclosed in the *Service Charge Schedule for Business Accounts*.

**Check Stop Payments:** We may accept a stop payment request on any check (share draft) from any owner or authorized signer on your account. A stop payment request must be in writing and may be via branch, Member Service Center, or online banking. A stop payment order must contain the following information: your account number, the check number, the exact amount of the check and to whom the check was written. If you do not give us the exact information we require, we cannot be responsible or liable to you for failing to stop payment on your check.

All stop payment orders will remain in effect for six months. Stop payment requests may be renewed when the six month period has elapsed by placing a new stop payment order on the check(s). We must receive the stop payment request in sufficient time to act upon it. If we have already cashed the check, your stop payment request cannot be honored. If we are able to stop payment on your check, you may still be liable to the payee or to a third party for the check amount. If we pay your check over a valid stop payment order, we will reverse any service charges which result, including the stop payment fee.

**ACH Stop Payments:** If you have made arrangements with a third party to have automatic ACH payments withdrawn from your account, you may cancel the next payment by placing a one-time stop payment on the withdrawal. The stop payment will be effective for a period of six months or until one payment is stopped. The stop payment must be in writing and received by us at least three days before the payment date.

**TAXPAYER IDENTIFICATION NUMBER:** Federal law requires that we obtain and have certified by you a Taxpayer Identification Number (TIN) on all accounts. We will not open and may close an account without this identification number. For additional information on this requirement, you must read "REQUEST FOR TAXPAYER IDENTIFICATION NUMBER AND CERTIFICATION (IRS FORM W-9)," which is available upon request.

**TELEPHONE INSTRUCTIONS:** At our discretion, we may accept or refuse telephonic instructions from you in connection with your account. We are not required to accept instructions or permit withdrawals or transfers by telephone, and this does not constitute an agreement by us to do so.

**TERMINATION OF MEMBERSHIP, AND LIMITATION OF SERVICES:** We may terminate your membership if you are convicted of a criminal offense, fail to carry out your agreements and contracts with us, or if you refuse to comply with the provisions of California Credit Union Law or our Bylaws.

We may limit your services if you are not in "good standing," which includes: 1) failure to comply with the terms and conditions of any lawful obligation with us; 2) manipulation or other abuse of credit union products or services to the detriment of the credit union's membership; or 3) engaging in threatening, abusive, disruptive, obscene, harassing or illegal behavior or other behavior while conducting business with the credit union that results in injury to any person or property on credit union premises or at any credit union function.

**TRANSFERS AND ASSIGNMENTS:** Your account may not be pledged, assigned, or in any other manner transferred, whether in whole or in part, without the credit union's written agreement.

**TRUNCATED CHECKING ACCOUNTS:** Checking account checks are not returned

with statements, are imaged on both sides, and are stored for seven years from date of posting. You may request and we will provide you with a photocopy of a check within a reasonable time. The first two copies in any statement period are free. Additional copies will be assessed a fee as disclosed in the *Service Charge Schedule for Business Accounts*. If you have not ordered checks through our approved check vendor, you understand and agree that we are not responsible for the quality of any check copy.

**TWO OR MORE SIGNATURES:** It is not our policy to offer accounts on which two or more signatures are required. If you indicate on your membership application or other document that more than one signature is required for a check or other order for withdrawal, this indication is for your own internal procedures and controls but it is not an obligation of the credit union.

**UNAUTHORIZED TRANSACTIONS:**

**Standard of Care:** Your role is extremely important in the prevention of any wrongful use of your checks. You must exercise reasonable care and promptness in examining all statements and must notify us promptly in writing of any error. You should not assume that missing checks are safe, even if you don't think they are stolen. We reserve the right to deny a claim for monetary loss due to forged, altered or unauthorized checks if you do not guard against improper access to your account. It is your obligation to report missing or misplaced checks to California Coast Credit Union immediately. You agree to notify us immediately if any items may be lost, stolen or used without your authorization, or if you believe there is an error in your statement or that an unauthorized transaction has occurred or may occur on your account.

**Safeguarding Account Access:** We are not responsible for any loss or damage which results from your negligence, including, without limitation, your failure to adequately safeguard your blank checks, personal information or means of access to your account. We may refuse to follow any of your instructions that, in our sole judgment, are illegal or would expose us to potential liability. Alternatively, we may require adequate security or invoke other security measures to protect us from all losses and expenses incurred if we follow your instructions. You agree to reimburse us for any damages, losses, liabilities, expenses and fees (including, but not limited to, reasonable attorneys' fees) that we incur in connection with your account if we take an action in accordance with your or what purports to be your oral, written or electronic instructions. You will notify us immediately if your checks are lost or stolen. You agree that you will be responsible for losses caused by a delay in your notification to us.

**Limit on Time to Assert Claims:** You agree to review your statements and other records sent to you with reasonable promptness, which you agree is within 30 calendar days from date the statement is mailed or the date the information is otherwise made available to you. If you do not receive your statement by the date you usually receive it, you must call us at once. You assume full responsibility for monitoring and reviewing the activity of your account, whether or not you actually receive the statements.

If you fail to report checks bearing an unauthorized signature, alterations or other suspected fraud with reasonable promptness we may not be responsible for subsequent forgeries, altered checks or other fraudulent uses of your account by the same person(s) that occur after 30 calendar days from date the statement was mailed containing the first forgery, alteration or fraudulent transaction(s). In addition, if you do not notify us in writing within one year of the suspected forgery, alteration or fraudulent transaction, we will assume you agree that the statement activity and account balance are correct for all purposes. Finally, if you do not, within one year of the statement on which the unauthorized transaction first appeared, report unauthorized transactions to us, you shall be precluded from doing so.

**Your Agreement to Cooperate with Credit Union Investigation:** In the event that you assert a claim against the credit union regarding any suspected forgery, alteration or fraudulent transaction you must cooperate with us and assist us in seeking criminal or civil penalties against the person responsible. You must file reports and complaints with appropriate law enforcement or authorities. You must submit a written statement to us under oath, containing the facts and circumstances relating to your claim and provide other proof we may request. If you do as requested, we may, at our option, replace any item in question. If you fail or refuse our requests, we will consider your failure or refusal to be your ratification of the suspected forgery, alteration or fraudulent transaction.

**Your Insurance Coverage:** If you carry special insurance for employee fraud or embezzlement, we reserve the right to require that you file your claim with your insurance company before making any claim against us. In the event of a claim, we will consider your claim only after we have reviewed your insurance company's decision, and the credit union's liability to you, if any, will be reduced by the amount your insurance company pays to you.

**Adverse and Conflicting Claims or Disputes:** If we believe a conflict exists over the ownership or control of an account or its funds, we become aware of a conflict among the authorized signers on your account or we are unable to determine any person's continuing authority to give instructions, we may, at our sole discretion and without liability to you: (1) freeze the account and withhold payment from all of you until we receive written proof of proper right and authority over the account and its funds; (2) require the signatures of all of you for the withdrawal of funds, closing of the account, or any change in the account regardless of the number of owners or authorized signers on the account; (3) request instructions from a court of competent jurisdiction regarding the ownership or control of the account; (4) close the account and send the funds to the owner or owners of the account, according to our records,

at the current mailing address contained in our records; and/or (5) continue to honor checks and other instructions given to us by the individuals who appear authorized according to our records. In no event will we be liable for any delay or refusal to follow instructions that occurs as a result of a dispute over the ownership or control of your account. We may return checks and other items, marked "Refer to Maker" (or similar language), in the event there is a dispute or uncertainty over an account's ownership or control. All documents we receive must be in a form and substance satisfactory to us.

**WITHDRAWALS FROM YOUR ACCOUNT:** We may process items mechanically by relying on the information encoded along the bottom of the items. We do not individually examine all your items to determine if the item is properly completed, signed and endorsed.

**Large Cash Withdrawals:** If you want to cash a check or make a cash withdrawal from your account for a very large amount, we may require advance notice. You must provide adequate security when you pick up cash for a very large amount or exercise other options to mitigate possible risks.

**Items Presented at Branches by Non-members:** If you write a check to someone who does not have an account relationship with us, and he or she wishes to cash or negotiate the check at one of our branches, we may require satisfactory identification including a fingerprint, before cashing the check. If the non-member does not provide identification satisfactory to us or we cannot confirm the authenticity of the transaction, we may refuse to cash the check. We have no liability to you for refusing to cash the check for any reason. We may impose a charge for non-members who cash a check at one of our branches.

**Order of Processing:** We may accept, pay or charge items in any order.

## YOUR ABILITY TO WITHDRAW FUNDS

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. Funds from any deposits (cash or checks) made at automated teller machines (ATMs) will not be available until the second (2nd) business day after the day of your deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written.

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

**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 second (2nd) business day after the day of your deposit. The first \$300 of your deposits, however, may be available on the first (1st) business day.

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 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 by the business day after we receive your deposit.

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

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$6,725 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six (6) months.
- There is an emergency, such as failure of communications or computer equipment.

The credit union 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 be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$6,725 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available on the first (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 \$6,725 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 \$6,725 will not be available until the second business day after the day of your deposit.

Funds from all other check deposits will be available on the fifteenth (15th) business day after the day of your deposit.

## ELECTRONIC SERVICES

This portion of the agreement contains additional terms and conditions applicable to account-related electronic services. Electronic services include preauthorized ACH deposits and withdrawals, Cal Coast Online home banking, CoastLine telephone banking, electronic check conversions and Debit MasterCard ("card") transactions. By applying for or using any of these electronic services you agree to the terms and conditions of this agreement. We may limit the availability of these services at any time.

**SECURITY PROCEDURES:** Electronic services allow direct access to your account. We may issue access codes, cards and/or PINs at your request. You agree to ensure the integrity of internal security procedures with regard to all electronic services:

- You agree to immediately notify us when you terminate any rights to an electronic service.
- You agree to provide written instructions to all employees about the importance of protecting access codes, cards and/or PINs.
- You agree to examine your receipts and periodic statements in a timely manner.
- Once an access code, card, or PIN has been issued, it cannot be transferred to another person.
- Each card issued will identify the cardholder. Each cardholder must sign their card before it may be used. You agree that the dollar/frequency limits assigned to each cardholder will also act as a security procedure.

**YOUR UNLIMITED LIABILITY FOR UNAUTHORIZED TRANSACTIONS:** The error resolution and liability provisions of Federal Reserve Board Regulation E and MasterCard's zero liability provision for unauthorized use of your MasterCard do not apply to business accounts. You will be liable for all losses, claims, damages, costs or expenses arising from or in connection with unauthorized or erroneous electronic banking transactions unless the laws governing the account require a lesser liability. Under no circumstances will the credit union be liable for any special or consequential damages involving such account or service. The owners of a business account assume sole responsibility for any unauthorized use and shall indemnify, defend and hold the credit union harmless from all claims, actions, proceedings, losses and damages related to or arising out of any unauthorized transaction.

**NOTIFICATION OF UNAUTHORIZED OR ERRONEOUS TRANSACTIONS:** The error resolution and liability notices located on the back of your periodic statement or with other documents you may receive from us including disclosures or agreements, if any, do not apply to business accounts unless specifically indicated.

Business account owners must notify the credit union immediately if they discover any unauthorized transaction or errors. We must receive written notice of and, at our request, an affidavit regarding the error in a form satisfactory to us within a reasonable time (not to exceed 30 calendar days from the date of discovery or receipt of the first statement, report or notice reflecting the problem, whichever occurs first). If you do not notify us within these timeframes, you will be deemed to have authorized the transactions. California Coast will tell you the results of the investigation of your claim, the basis for our decision and will advise you of the action, if any, we will take.

For ACH transactions, we must receive written or oral notice by the established cut-off time on the Business Day following the posting date of the transaction.

**TELEPHONE NUMBER AND ADDRESS TO BE NOTIFIED IN EVENT OF AN UNAUTHORIZED TRANSACTION:** Telephone the credit union immediately at 877.495.1600. You may write to us at California Coast Credit Union, P.O. Box 502080, San Diego, California, 92150-2080.

**CHARGES FOR ELECTRONIC FUNDS TRANSACTION SERVICES:** All charges associated with electronic funds transactions are disclosed in the *Service Charge Schedule for Business Accounts*. Fees will be deducted from your checking account or savings account.

**SIGNATURES:** All transactions affected by use of electronic check transactions, CoastLine, Cal Coast Online, or other electronic transactions which would otherwise require your "original" signature or other authorized signature shall be valid as if signed by you when the transaction is done by such methods.

**TERMINATION OF ELECTRONIC SERVICES:** All of your electronic services will be terminated if your account is closed. The credit union, you or an authorized signer may terminate specific electronic services without closing your account. Any service may be terminated by writing the credit union at the address located on the last page of this disclosure. The credit union may cancel any card, PIN, or access to any electronic banking service at any time without notice to you.

**PREAUTHORIZED ACH SERVICES:** ACH is a method of processing electronic transactions (for example, direct deposits and pre-authorized transfers) to and from your account.

**Choice of Law:** We may accept on your behalf payments to your account which have been transmitted through one or more automated clearinghouses (ACH) and which are not subject to the Electronic Funds Transfer Act. Your rights and obligations with respect to such payments shall be construed in accordance with and governed by the laws of the state of California as provided by the Operating Rules of the National Automated Clearing House Association, which are applicable to ACH transactions involving your account.

**Notice of Receipt of Funds:** If you have arranged with a third party to have preauthorized deposits made 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 the credit union at 858.495.1600 or 877.495.1600 and we will advise you whether or not the preauthorized deposit has been made.

**Notice of Receipt of ACH Wholesale Credit Entries:** ACH wholesale credit entries are subject to the provisions of the operating rules of the National Automated Clearing House Association. In accordance with these rules, no next day notice of receipt of ACH credit transfers to your account will be given. You will receive notice of receipt of ACH items in your periodic account statements.

**Inconsistent Name and Account Number:** ACH transactions may be posted by account number, even if the name and account number are not consistent and identify different parties.

**Provisional Payments:** Credit given with respect to ACH payments is provisional until we receive final settlement. If we do not receive final settlement, you agree that we are entitled to a refund of the amount credited to your account in connection with that payment, and the party making payments to you (i.e., the Originator of the entry) will not be deemed to have paid you that payment.

**CAL COAST ONLINE BANKING AND COASTLINE TELEPHONE BANKING:** Cal Coast Online (online banking) and CoastLine (telephone banking) are generally accessible, 24 hours a day, 7 days a week. Although we make reasonable efforts to ensure availability, we will not be liable for any damages that may result from the unavailability of Cal Coast Online or CoastLine.

**Cal Coast Online Transactions:** Cal Coast Online is a web based banking service available through our website. With your username and password you may access Cal Coast Online to:

- Sign up for e-Statements and retrieve statements electronically;
- Make transfers between accounts;
- Make account balance and loan payment inquiries;
- Make transfers to make loan payments;
- Make year-end dividend inquiries;
- Request a copy of a check or verify a check clearing;
- Request a stop payment on a check;
- Reorder checks;
- Make withdrawals from your account(s) (except from a certificate account) or advances on your line of credit by cashier's check issued in the name of the business appearing on the *Business Membership Application and Account Agreement*, and mailed to your address of record.
- We may offer additional services in the future and, if so, you will be notified of them.

**CoastLine Transactions:** CoastLine is a telephone banking service which allows you to perform transactions and request account balance information without assistance from our staff. You will "talk" directly with our computer. Using your account number and access code you may use CoastLine to:

- Make transfers between your accounts;
- Make inquiries regarding account balances and loan payment data;
- Make transfers to make loan payments;
- Make withdrawals from your account(s) (except from a certificate account) or advances on your line of credit by cashier's check issued in the name of the member appearing first on the *Business Membership Application and Account Agreement*, and mailed to your address of record.
- We may offer additional services in the future and, if so, you will be notified of them.

**Other Agreements:** Cal Coast Online is subject to the additional terms and conditions contained in the *California Coast Credit Union Website Terms of Use and Agreement* which may be accessed by clicking on the Terms of Use link at the bottom of each web page and the *Cal Coast Online Terms and Conditions* which you read and accept to access the Cal Coast Online system.

**ESTATEMENTS:** After you have indicated your consent to receive your statements online, all statements and regulatory notices, will be made available to you in electronic form. None of the information will be distributed in paper after the end of the current statement cycle. You may request a paper copy of a statement be sent to you by contacting us at 877.495.1600. There may be a fee for this service as disclosed in the *Service Charge Schedule for Business Accounts*.

**Availability of eStatements:** You must have a valid email address to sign up for and maintain eStatements. When you sign up to have your statements delivered online, we will discontinue mailing your statement through the U.S. postal service and you will receive an email with a link to our website each time your statement is ready.

**Termination of eStatements:** If you would like to cancel your consent to receive estatements, simply log into Cal Coast Online and click on the eServices menu. Under eStatement Options change the Statement Type to "Paper Statements Only."

**ELECTRONIC CHECK CONVERSIONS:** The paper check you give to a merchant or other payee may be used to initiate a one-time electronic transfer from your account. The merchant or other payee is required to notify you and obtain your consent before converting your check to an electronic funds transfer. When your check is converted to an electronic funds transfer, the funds may be withdrawn from your account on the same day that the merchant or payee received your check.

**ATM AND PLATINUM DEBIT MASTERCARD TRANSACTIONS:** Additional information is disclosed in the *Platinum Debit MasterCard and Business Platinum*

*Debit MasterCard Electronic Services Disclosure Agreement* which you receive with your Platinum Debit MasterCard.

## PRIVACY NOTICE IMPORTANT INFORMATION ABOUT YOUR FINANCIAL PRIVACY

California Coast Credit Union understands the importance of protecting the privacy of members. As such, we are committed to maintaining the confidentiality of each member's financial records consistent with state and federal laws. This notice explains how California Coast Credit Union collects and shares your nonpublic personal information (information that is not available publicly) and further describes your rights to limit what information we may share about you.

This privacy notice replaces any previous privacy notices from us. We reserve the right to revise our privacy notice as our business needs and practices change or as the law requires. If we revise our notice we will provide active members with copies of our new notice at that time.

**INFORMATION WE COLLECT AND SHARE TO CONDUCT OUR BUSINESS:** During the course of business, we collect nonpublic personal information ("information") about you from the following sources:

- Information that you provide to us on applications or other forms, such as name, address, or social security number.
- Information obtained through your transactions and experiences with us, such as your balance, payment history, parties to transactions, and credit card usage.
- Information provided by credit reporting agencies and similar companies, such as my creditworthiness and credit history.

We collect this information about you to complete your transactions and to maintain your accounts and related records. In the course of conducting our business, we may share any of the information we collect about you with third parties if: 1) you request or authorize it; 2) the information is provided to help complete a transaction initiated by you; 3) the information is provided to a third party providing services to us, such as data processing, printing services, mailing services, and marketing services; 4) the information is provided to a consumer reporting agency in accordance with the Fair Credit Reporting Act; or 5) the disclosure is otherwise lawfully required or permitted. Furthermore, we may also disclose information about you to other nonaffiliated and affiliated third parties not described in this notice as permitted by law.

**INFORMATION SHARED WITHIN THE CREDIT UNION:** We restrict access to your information to those employees who need to know that information to provide products or services to you. Our employees may also access your information to exercise our rights under the law or pursuant to any agreement with you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your information.

**INFORMATION SHARED WITH NONFINANCIAL SERVICE PROVIDERS:** We may disclose all the information we collect, as described in the section above, titled *Information We Collect and Share to Conduct Our Business*, with outside companies that perform services for us. For example, to maintain and service your accounts or to fulfill your transaction requests, we share information with nonfinancial companies that provide services to us, such as data-processing companies, printing companies, mailing companies, and marketing companies. Prior to sharing any information with such entities, we require them to agree to safeguard our members' information and to comply with all applicable privacy laws.

**INFORMATION SHARED WITH FINANCIAL SERVICE PROVIDERS:** We may disclose all the information we collect, as described in the section above, titled *Information We Collect and Share to Conduct Our Business*, to companies that perform marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements. These companies must agree to strictly safeguard the confidentiality of your information.

**INFORMATION SHARING IN THE EVENT OF TERMINATION OF MEMBERSHIP:** If you terminate your membership or become an inactive member, we will adhere to the privacy policies and practices as described in this notice.

**California Coast Credit Union does not disclose personal financial information about you to third parties unless it is done to conduct the business of the credit union, as permitted or required by law, or pursuant to a joint marketing agreement with another financial institution.**